

Sheena Byrne
Commission for Regulation of Utilities (CRU)
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16th October 2020

RE: SEM-20-065 - Consultation on SEM Operational Parameters Credit Cover and Imbalance Settlement 2021 (the “Consultation”)

Dear Sheena,

Bord Gáis Energy (**BGE**) welcomes this opportunity to respond to the Consultation on the SEM Operational Parameters for 2021 relating to (1) the calculation of Required Credit Cover, (2) Imbalance Settlement, and (3) Price Materiality Threshold. We welcome this annual review. Overall, we support the proposed “no change” across the three areas. Additional rationale for our view is outlined respectively for each parameter area below.

1. The calculation of Required Credit Cover

BGE supports the proposed parameters for the calculation of the Required Credit Cover on the premise that operational experience to date demonstrates that these values are sufficient to cover typical payment requirements arising without being overly burdensome on market participants.

2. Uninstructed Imbalance Settlement Parameters

BGE also supports the continuation of the current Imbalance Settlement Parameters into 2021. Continuation of these parameters will help provide certainty around the potential exposure to uninstructed imbalances during 2021.

3. Price Materiality Threshold

Finally, BGE agrees to maintain the Price Materiality Threshold parameter at least at its existing value of 5% for 2021 to reduce any unnecessary complexity with the repricing process as it is implemented towards the end of this year.

I hope you find the above comments and suggestions helpful. If you have any queries thereon please do not hesitate to contact me.

Yours sincerely,

Ian Mullins
Regulatory Affairs – Commercial
Bord Gáis Energy
{By email}