

Dear Madam/Sir

Thank you for reaching out to industry and stakeholders in relation to proposed changes to reduce collateral requirements in the balancing market

Ørsted Ireland have an operational base of 360MW of onshore wind with 44MW in construction, 190MW of consented projects, over 100MW entering planning shortly and a pipeline of several hundred MW of onshore wind and storage in pre-planning development. Ørsted is also one of the largest suppliers of electricity to the Irish Industrial & Commercial (I&C) sector as a result of the extensive range of corporate PPAs we have signed to bring innovative solutions to help our customers decarbonise their businesses further.

Our Ireland headquarters are based in Cork, and we have regional offices close to our assets across Ireland. We plan to grow our highly skilled team to over 100 and have ambitious plans to grow the business further in the onshore, offshore, solar and storage spaces.

Earlier this year Ørsted increased its global ambition for deploying renewable energy production, setting a target of 50 GW of operational assets by 2030 including 30GW of offshore wind and 17.5 GW of onshore as well as establishing a leading market position in green Hydrogen.

In relation to the specifics of the consultation, I offer the below input on behalf of the team:

- Do you agree with the SEM Committee's proposals to amend the Single Suspension Delay Period to 5 days and thereby reduce the Undefined Exposure Period to 7 days?

We agree in principle to changes that make collateral costs and the collateral process more efficient and that 5 days should be sufficiently long to determine the reasons for a default.

- Do you agree that an increased risk of bad debt in the balancing market is an acceptable trade-off when weighed against the reduced collateral burden on all Participants in the market on an ongoing basis?

Reducing the Single Suspension Delay Period should not materially increase the risk of bad debt, as the 5 day period should be sufficient. In principle, the market risks of disorderly exits should be considered alongside collateral costs and collateral process efficiencies noted above.

Please let me know if you would like any further information or if you would like to discuss the points in further detail with one of our subject matter experts.

Best regards,
Thomas Mc Hugh
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Onshore

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The logo for Ørsted, featuring a stylized blue 'Ø' symbol followed by the word 'rsted' in a bold, blue, sans-serif font.