

SEM-22-050

SSE Response



INTRODUCTION

SSE welcomes the opportunity to respond to this consultation seeking views on the approval of Mod 10_22: Introduction of New Remedial Action in the Event of Third-Party Delays.

For the avoidance of doubt, this is a non-confidential response.

WHO WE ARE

At SSE we are proud to make a difference. From small beginnings we've grown to become one of Ireland's largest energy providers, supplying green electricity and natural gas to over 700,000 homes and businesses on the island. We are driven by our purpose: to provide energy needed today while building a better world of energy for tomorrow.

Since entering the Irish energy market in 2008 we have invested significantly to grow our business here, with a total economic contribution of €3.8bn to Ireland's economy over the past five years. We own and operate 890MW of onshore wind capacity across the island (including Northern Ireland's largest, Slieve Kirk Wind Park), offsetting over 700,000 tonnes in carbon emissions annually. Our portfolio includes Ireland's largest onshore wind farm, the 174MW Galway Wind Park, which was jointly developed with Coillte. We also own and operate the Great Island Power Station, Ireland's newest gas station and a strategic asset for Ireland's security of electricity supply.

As a leading developer of offshore wind energy in Great Britain, we believe offshore wind has the potential to transform Ireland's response to climate change. SSE is currently progressing the development of a consented offshore windfarm off the coast of Co. Wicklow - Arklow Bank Wind Park Phase 2. We also have plans to progress projects at Braymore Point and in the Celtic Sea.

SSE are proud to have been a Principal Partner for COP26 – the 26th United Nations Climate Change Conference of the Parties – where world leaders will be seeking a more ambitious climate change agreement. We look forward to continuing to work with governments and agencies in the jurisdictions we operate, to realise the ambitions of the United Nations Climate Change Conferences.

SSE RESPONSE

SSE welcomes the opportunity to respond to this consultation and the proposed modification that was discussed at the last CMC workshop.

We note that the issue precipitating this modification relates to delays by System Operators, planning authorities and other statutory undertakers to undertake their functions in a timely manner. On 26 August 2022, the SEMC published the review of the CRM market. Many of the recommendations outlined in the review are related to allowing for more time and permissive processes to take account of the challenges in planning and short turnaround for delivery in the current CRM design. Given these recommendations to maximise the opportunity for delivery of projects and mitigate any risk of termination of capacity, we consider that Mod 10_22 makes sense.

We would consider this modification may go some way to addressing the need for greater monitoring and more permissive processes to ensure that we do not have a repeat of non-delivery of units when the system clearly requires significant capacity.

We would not share the view of the SEMC that introducing this modification would remove the incentive for a realistic Implementation Plan. The Implementation Plan is already limited by the amount of visibility or control that generators have related to third party delivery.

We are supportive of the principle of this modification but we would suggest additional measures to manage any perceived risk of abuse of this provision:

- There would be merit in limiting the number extensions could be applied for under such third-party circumstances per project, given the impact it could have on the Long Stop Date. This would also ensure that where penalties need to be applied, they cannot be avoided.
- This proposal should be balanced along with the potential for better pre-qualification screening to ensure the projects with the best potential for delivery, are those that compete for contracts. Therefore, any extensions required would be for projects with legitimate rationale for challenges faced during the CRM delivery process.
- Any extensions granted would be published to the market as it is significant information.

Lastly, this modification, like other workstreams being examined by the Regulators¹, all turn on the principle of assessing where risk should be attributed. A risk should be borne by those parties that are best placed to manage the risk. It is legitimate that generators can have limited control over the time taken for planning or grid connection. We consider this modification should be approved in some form to rightly attribute the risk on the correct parties.

¹ [Consultation on Applicability of Reliability Option Non-performance Difference Charges to Available In-Merit Units | SEM Committee](#)