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23 November 2007

Dear Tom and Iain,

**RE: FORMAL COMPLAINT ON ADHERENCE TO BIDDING CODE OF PRACTICE**

Further to the informal communications we sent to the market monitor on the 14<sup>th</sup>, 16<sup>th</sup> and 20<sup>th</sup> of November, we would now like to make a formal complaint about the commercial offers from the following plant: Dublin Bay Power (GU\_400500), Coolkeeragh (GU\_500040) and Tynagh (GU\_400530).

VPE has reviewed the data released by the MMU on the 14<sup>th</sup> and 21<sup>st</sup> of November, covering the first two weeks of market operation, and it is our view that the commercial offers from Dublin Bay Power, Coolkeeragh and Tynagh are not consistent with our understanding of the bidding code of practice, particularly in relation to short run marginal cost.

VPE contends that the market is, and has been, materially adversely affected by this bidding behaviour in the following regards:

1. Other plant dispatch, such as Huntstown Power, has been impacted upon because they are no longer dispatched on an economically efficient basis. The commercial offers of the referenced plant provide those plant with preferential dispatch, ie they are dispatched at full load continuously.
2. The price shape across each day is distorted because of inefficient dispatch

3. The security of supply contribution of the balance of plants, such as Huntstown, is reduced because of excessive stop/start cycling. A more balanced economic dispatch would likely have resulted in a more even distribution of dispatch.

The bidding code of practice was designed by the Regulatory Authorities to reduce market power concerns and increase transparency. VPE request that the Regulatory Authorities take action on an urgent basis.

Best regards,

A handwritten signature in blue ink, appearing to read "G. Blaney". The signature is fluid and cursive, with a long horizontal stroke at the end.

Garrett Blaney  
Strategic Development Director