



SEM Committee
C/O James McSherry
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

Friday, 12 November 2010

RE: NOW Ireland response to SEM-10-060 "Principals of Dispatch and the Market Schedule in the Trading and Settlement Code"

Dear Committee,

NOW Ireland, the National Offshore Wind Association of Ireland, is the representative body for enterprises developing offshore wind energy projects in Irish coastal waters. The founding member companies of NOW Ireland are poised to make an investment in excess of €5 billion to develop over 2000 MW of offshore wind energy capacity in Ireland.

As indicated in a letter NOW Ireland sent to the SEM Committee on 25th August 2009 we are concerned that the contents of the SEMO discussion paper "Principles of Dispatch and the Design of the Market Schedule in the Trading & Settlement Code" are in conflict with policy as laid out in relevant EU and National Regulations and in the recently published EU Directive on Renewable Energy, which is due to be transposed into Irish law by the 5th December this year. In particular, the section dealing with priority dispatch for renewables seeks to weaken the necessary operational commitment to this principle.

While the members of NOW Ireland recognise that amendments to the Trading and Settlement Code will be required to facilitate an increasing penetration of renewable energy into the SEM, we are firmly of the opinion that proposals contained in the consultation should be consistent with meeting our renewable energy targets and our obligations under EU legislation.

It is firstly essential that the management of the SEM does not create unnecessary market uncertainty. Any market uncertainty that acts as an investment barrier will then need to be

mitigated by the terms of REFIT. There is a possibility that poor management of the SEM could merely transfer costs away from the SEM itself and onto final customers' PSO levies. We recommend that particular attention be directed at preventing this.

Secondly, it is imperative that the SEM Committee not just have regard to the EU Renewables Directive but that it wholeheartedly embrace its aims and methods. It would be folly to attempt to circumvent the provisions of the Directive, as appeared to be the approach in the SEM Committee's initial consultation on Wind in the SEM. It is inevitable that the SEM Committee will eventually be forced to adhere to the spirit and letter of the Directive in any case.

With regard to the other issues considered in the consultation, the members of NOW Ireland fully support the comments and proposals submitted by our colleagues in the IWEA.

Yours Sincerely,

NOW Ireland

A handwritten signature in black ink, appearing to read 'A. Forde', written in a cursive style.

Aidan Forde
Council Member