

Consultations on Generator Use of System Charging for 2011/12 and the All-Island TUoS methodology

Synergen's response to SEM-11-036 and SEM-11-037

1 Introduction

This paper is Synergen's response to the consultation papers SEM-11-036 and SEM-11-037 issued on 3rd June 2011. Synergen has no objection to this response being published.

This response comments primarily on SEM-11-036 and references in this response are to that paper unless otherwise stated.

2 Production of the Indicative Tariff

In SEM-11-018, the RAs consulted on a number of options for the implementation of the "dynamic plus postage stamping" TUoS charging option that the RAs adopted as the basis for generator TUoS charging in the decision paper SEM-10-081. Synergen responded to SEM-11-018 in May 2011, and notes from SEM-11-036 that a decision on the implementation options set out is scheduled for August this year. Whilst Synergen broadly supported the TSO's preferred approach to the detailed implementation of "dynamic plus postage stamping", it notes that the indicative tariffs set out in this consultation are based on one possible outcome of the options consulted on in SEM-11-018. This appears to be pre-emptive – and Synergen believes that it would have been more appropriate for the RAs decision on SEM-11-018 to be published before the indicative tariff proposals.

3 Implications for the BNE Peaker Cost Base

The BNE Peaker calculation takes into account of the most recently known information in assessing the cost base of various candidate plant, and locations. The indicative TUoS tariffs set out in SEM-11-036 represent, at this time, the most likely basis of TUoS charging to be in place at the start of 2012, when the BNE Peaker year starts. On this basis, Synergen considers that the BNE Peaker TUoS charges set out in SEM-11-025 need to be revised based on the indicative tariffs set out in SEM-11-036. This is urgently required, and should explicitly be included as part of the RAs decision on SEM-11-025.