



## **Re: SEM Trading and Settlement Code – Operational Parameters 2012**

Endesa Ireland welcomes the opportunity to respond to the RAs' consultation on Operational Parameters 2012.

As the Interconnector's test profile will not be included in the market schedule and would thus be treated as uninstructed imbalances, Endesa Ireland agrees with the TSOs' proposal that the Discount for Over Generation and the Premium for Under Generation would be set at zero for the Interconnector Error Unit while the Interconnector is under test, on the basis that the Interconnector will be subject to Testing Tariffs.

However, Endesa Ireland questions whether the Discount for Over Generation (DOG) and Premium for Under Generation (PUG) would be set to zero for all units while the Interconnector is under test as according to the wording of section 4.142 of the Trading and Settlement Code it is not anticipated that there would be a different DOG and PUG for different types of generators; this may need to be addressed if the proposal is to proceed.

Endesa Ireland regrets that the vendor is unable to make the Central Market Systems changes that would allow SEM systems to apply Testing Tariffs to Interconnectors but acknowledges SEMO's work in developing a manual workaround.

Endesa Ireland queries how capacity payments for an Interconnector Unit Under Test are to be dealt with. If the testing profile will not be included in the market schedule, we would expect that it is not eligible to receive capacity payments. If this is not the case, Endesa Ireland considers that any capacity payments collected by EirGrid/SONI should be returned to the customers paying for the Interconnector.

Endesa Ireland urges that consultation on Testing Tariffs for interconnectors should be forthcoming. Endesa Ireland feels that Testing Tariffs for Interconnectors should, as for other units, reflect the costs that testing imposes on the system, including in this case additional constraint and administrative costs imposed by the Interconnector under test not being included in the market schedule.