

**NIE Energy Limited
Power Procurement Business (PPB)**

**Trading & Settlement Code
Operational Parameters 2012**

Consultation Paper

Response by NIE Energy (PPB)

03 February 2012.



Introduction

NIE Energy – Power Procurement Business (“PPB”) welcomes the opportunity to respond to the consultation paper on the Trading & Settlement Code Operational Parameters 2012.

Comments

The Discount for Over Generation (DOG) and the Premium for Under Generation (PUG) incentivises generators to follow their dispatch Instruction. To set both the DOG and PUG to zero whilst the Interconnector is under test removes the incentive for the Interconnector owner to keep to the test profile. This is further exacerbated as the Interconnector owner is the Transmission System Operator and therefore has responsibility for giving itself approval for the test profiles.

It is important that if the DOG and PUG are set to zero for the period of testing that controls are put in place to ensure that test profiles are logged in advance and that deviations from these profiles incur some penalty given the impact these deviations have on constraint costs for the system.