



Charging for interconnector capacity allocated intra-day
in SEM

Introduction

This response is submitted on behalf of ESB Energy International. ESBI appreciates the opportunity to comment on this consultation paper. ESBI has reviewed the consultation paper on charging for interconnector capacity allocated intra-day in SEM and has the following comments:

Consultation question 1:

For the implicit auctions, ESBI would be interested in the Use it or Sell it Option (b), whereby any charges for scheduled flows in EA2 and WD1 would be attributed to capacity holders at the EA1 gate closure. This is because if capacity is purchased and the interconnector unit is not scheduled, the capacity holder should get some form of rebate if this capacity is further sold. In other self-dispatched markets, the capacity holder always has the option of flowing electricity, whereas in Ireland if the interconnector unit is not in merit, it is not scheduled.

Consultation question 2:

ESBI are in agreement that the preferred option for determining whether congestion has occurred is to sum all of the interconnector offers at gate closure and if this total is greater than the available capacity in the relevant direction at that gate closure, then congestion has occurred.

Consultation question 3:

ESBI are of the opinion that the congestion charge should be a function of the clearing price in the explicit auction held the day before. This means that if the EA2 and WD1 windows are congested, participants know in advance what the congestion charges will be. It also allows the original capacity holders to recover their costs in line with what they paid for capacity.