

Saorgus Energy Ltd comment on SEM-12-105a

1. We acknowledge section 3.2, particularly the commitment to use an absolute "interpretation" of priority dispatch in the new model and also acknowledge the advances made by the SO's and regulators in achieving a high penetration of wind in Ireland. However we question the use of *"where appropriate"* in the decision relating to section 3.2; this is a get-out clause that needs to be clarified in the context of the Renewables Directive.
2. We question the SEMC approach of regarding the promotion of competition as the main way of protecting interests of consumers. We suggest that the new model is an opportunity to take a more fundamental approach to the concept of *"interests of customers"*. The SEMC should shift from a narrow short term economic perspective to a more long term national security approach.
3. We suggest that the paragraph beginning with the phrase *"the achievement of the ambitious targets as committed to by Departments in both Ireland and Northern Ireland for renewable generation will be a consideration in the development of any re-design of the SEM"* appears to lack an appreciation of the long term opportunities that renewable generation, both domestic and for export, has for the national good. The tone is that Irish regulators will as little as possible to comply with external environmental targets. The SEMC regulatory function should not be so self-limiting in its approach.
4. We suggest that the phrase *"while a market cannot be designed specifically around renewable generation, the selected wholesale market design should promote renewable energy sources and facilitate government targets for renewables"* is unrealistic in a country that imports in excess of 90% of its energy requirements in the form of fossil fuels and at the same time has very significant unrealised renewable energy resources. There is no national security perspective here.
5. Some consideration should be given to a timescale for merging the Irish and UK market designs. This possibility would seem to be anticipated by EU markets and energy policy and should be at least addressed.

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Director

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