



**Response by Energia to Single Electricity  
Market Committee Consultation Paper  
SEM/13/038**

***Imperfections Charges for October 2013 – September  
2014***

**19 July 2013**

## **Introduction**

Energia welcomes the opportunity to respond to this Single Electricity Market (SEM) Committee consultation paper (SEM/13/038) on Imperfections Charges for October 2013 – September 2014.

## **Comment on SEM/13/038**

With regard to the introduction of the all-island Dispatch Balancing Cost (DBC) incentive mechanism in October 2012 (SEM/12/033), this move was generally welcomed by industry both in its development (SEM/11/048) and final introduction in 2012. At both stages, industry warned of the potential for unintended consequences arising from the incentivisation of DBC with the potential for penalties/rewards for Eirgrid.

In respect of the current 'live' issue before the SEM Committee on the Calculation of Generator Outturn Availability, it is difficult not to characterise the emerging approach of the Transmission System Operators (TSOs) to generator availability during periods of network outage, in particular, as anything other than such an unintended consequence.

## **Conclusion**

While Energia remains generally supportive of the move to incentivise DBC, there is a concern that it is incentivising a subtle change in business practice, as opposed to any change in performance of the TSOs. It is important to make the distinction between the two and that the SEM Committee are cognisant of this distinction and of the potential unintended consequence of the DBC incentivisation when considering this consultation, the TSOs Imperfections Costs Reports and the issue of generator outturn availability.