

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

## **Capacity Payments Mechanism**

**FCPPy and ECPPy for  
Trading Year 2014**

## **Consultation Paper**

**SEM-13-064**

**Response by Power NI Energy (PPB)**

23 October 2013.



## **Introduction**

Power NI Energy – Power Procurement Business (“PPB”) welcomes the opportunity to respond to the consultation paper which seeks views on the appropriate values to adopt for the parameters relating to the SEM Capacity Payments Mechanism (CPM) for application in 2014.

## **Comments**

PPB supports the retention of the existing settings for the parameters FCPPy, VCPPy, and ECPPy for use in the 2014 Trading Year.

PPB considers that a more detailed study with a minimum dataset of 1 year interconnector data flow (both EWIC and Moyle) would be required to determine if the current parameters are distorting cross border trade. This would need to include a comprehensive impact assessment as the CPM rewards generators as well as interconnectors. Given that the new market arrangements are currently being designed PPB considers that it is more important to concentrate on finalising the design of the new market arrangements rather than considering making changes to the CPM parameters for 2015. It is also worth noting that day-ahead market coupling would appear to require firm ex-ante prices which conflicts with having any ex-post element of the CPM parameters.