

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

**SEM
Testing Tariffs 2014**

Consultation Paper

SEM-14-013

Response by Power NI Energy (PPB)

20 March 2014.



Introduction

Power NI Energy – Power Procurement Business (“PPB”) welcomes the opportunity to respond to the consultation paper on the SEM Testing Tariffs 2014.

Comments

PPB cannot comment on the derivation of the testing tariff rates for each capacity range and therefore can only comment on the process.

As acknowledged in the consultation paper the SEM Committee’s decision paper SEM-12-014 states that “*the TSOs shall review these tariffs annually and submit their recommendations to the SEM Committee not later than 31st August each year*”. Paragraph 5.175 of the T&SC also requires that a report on testing tariffs be submitted “*at least four months before the start of the Year to which they shall apply*”. It is therefore surprising to note from the website that the RAs did not receive the 2013 report “*Proposed values for testing tariffs for calendar year 2014*” until December 2013. It is unclear why the TSOs have disregarded the T&SC paragraph 5.175 and have ignored the SEM Committee’s decision by submitting this report so late given that we are now approaching the end of quarter 1 of 2014 before a decision is to be made regarding new testing tariffs for 2014. Presumably any generator who has under gone testing within this quarter will not be retrospectively charged with any increased testing rates.

The consultation paper identifies that there has been an error in the existing Tariff B band 150-200MW yet there is no mention of any error in the TSO’s report. This does not provide any comfort that no other errors are hidden within the figures.

Taking into consideration that we approach the end of quarter 1 2014 and that the TSOs significantly missed the deadline in paragraph 5.175 of the T&SC we would suggest that if the tariffs are to be updated within the year that this should be done under the terms of paragraph 5.178 of the T&SC and Regulatory Approval should be sought for such a change.