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**By email to:** [jeanpierre.miura@uregni.gov.uk](mailto:jeanpierre.miura@uregni.gov.uk) and [pnewsome@cer.ie](mailto:pnewsome@cer.ie)

Dear Jean Pierre and Philip,

The Northern Ireland Renewables Industry Group (NIRIG) is a joint collaboration between the Irish Wind Energy Association and RenewableUK. NIRIG represents the views of the large and small scale renewable energy industry in Northern Ireland, providing a conduit for knowledge exchange, policy development support and consensus on best practice between all stakeholders in renewable energy.

NIRIG welcomes the opportunity to respond to the I-SEM High Level Design Draft Decision Paper. NIRIG supports the IWEA response to this consultation.

This is an extremely important consultation and will have a significant impact on the future of the electricity system in both Northern Ireland and ROI. We are in the process of an energy transition, which is set to continue into the future, to an energy system with increased levels of renewable generation. It is essential that the market design is fit for purpose for a market which will have 40% of electricity produced from renewables (primarily wind) in 2020, as outlined in the targets contained within the Executive-endorsed

Strategic Energy Framework, and that the suitability of the market for the trading of electricity from wind energy, both onshore and offshore (as well as other renewable sources) is given appropriate consideration from day one. A long-term stable market which encourages investment and appropriately reflects costs is needed.

The IWEA response to this proposed decision highlights the areas of the proposed decision of which the wind industry are supportive as well as highlighting where changes are required to ensure an appropriate market framework for wind energy into the future.

IWEA have restated their preference for a long term price based capacity remuneration mechanism, and highlighted concerns around the proposed reliability options, noting that any design principle of a CRM needs to ensure that wind generation receives fair payment for its capacity credit contribution to system security.

On the basis of legal advice, IWEA is of the view that if the Proposed CRM were to be adopted, there is a potential for it be challenged legally on grounds that participants in the wind sector have a legitimate expectation of receiving remuneration payments under the Current CRM. We would further argue that the Proposed CRM discriminates against participants in the wind sector in contravention of overarching European policy aims of preventing discrimination against renewables in the I-SEM, on the basis of a lack of cost-reflectiveness and that there could also be disproportionate interference with property rights contrary to Article 1.

IWEA has also presented a number of further considerations for the SEM Committee with reference to the renewable energy targets, the requirements under the RES Directive, and the need for a market that is accessible, transparent and fair for all generators.

It is essential that a detailed project plan is provided by the SEM Committee which gives information in relation to the different workstreams which need to be brought forward and the timeframes associated with them. This should be published without delay.

In conclusion we would like to thank the SEM Committee for the opportunity to engage on this issue and to highlight the particular importance of this consultation given the significant implications it has for the viability of the renewables sector.

Yours sincerely

*\*sent by email, requires no signature*

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Meabh Cormacain

**NIRIG**