

# Saorgus Energy Ltd

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**Re: Response to the "Integrated Single Electricity Market (I-SEM) High Level Design for Ireland and Northern Ireland from 2016 Draft Decision Paper", SEM-14-045**

Saorgus Energy Ltd is a privately-owned Irish company. It specialises in the development of large wind energy sites in Ireland and has interests in several large projects. Formed in 1993, Saorgus Energy commissioned its first wind farm at Tursillagh, Tralee in 2000. Since then Saorgus Energy has commissioned two further wind farms in 2005 (Tursillagh 2) and 2008 (Muingnaminnane). A further 120 MW (Cordal and Dromadda More) is ready to commence construction. It is currently in the advanced stages of development of a further 600 MW.

We welcome the opportunity to respond to the I-SEM High Level Design Draft Decision Paper.

We support the IWEA response to this consultation. We note that this is the most important consultation for the industry in recent times and will have a significant impact on the future of the electricity system in Ireland. As an industry 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 domestic market which will have 40% of electricity produced from renewables (primarily wind) in 2020.

In addition to the IWEA position, we note that **it is also essential that the I-SEM High Level Design allows a significant level of export of renewable energy into mainland Europe.**

**via the UK (at least initially), in support of EU energy security goals under the European Energy Security Strategy (EESS) and follow-on programmes.**

A long-term stable market which allows these forms of much-needed indigenous economic activity is essential.

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.