

Via e-mail

Dear Kenny and Kevin,

Bord na Móna (BnM) appreciates the opportunity to offer feedback on the content of the three Building Blocks Workshops which took place recently. BnM is grateful for both the opportunity to attend and participate in the discussion at each of the workshops.

Please find below a brief commentary, as per the RA's suggestion, on some of our key evolving thoughts at this point in the process. Please note that these are some initial high level comments and should not be seen as an exhaustive list, i.e. the absence of comments in respect of a particular topic should not be construed as either an endorsement or censure at this stage. Bord na Móna fully intends to prepare a detailed submission on all aspects of the Building Blocks work stream following publication of the consultation paper on these topics in early 2015.

Firm Access

Existing policy should be respected, both in terms of firm access & the absolute definition/application of priority dispatch, and should carry forward into the i-SEM. The first scenario discussed in the paper, which excludes non-firm capacity from the Day Ahead market, would appear contrary to the key objective of the new i-SEM market design (i.e. encouraging liquidity in the Day Ahead market). We believe that a balance needs to be struck which encourages Day Ahead liquidity while not penalising non-firm generators if moved from their position and suggests that this could be achieved by linking the cost to generators (non-firm with priority dispatch) of adjusting their position to the timeframe in which the original trade was executed.

Priority Dispatch

Absolute Priority dispatch must be respected. As noted above non-firm wind should receive priority over firm conventional generation. Appropriate plants should be facilitated in switching between price maker and price taker status in a timely manner. The rationale for the 28 day notification to the TSO would appear to be moot in the new market design. Similarly, the additional 60 days notice period for Hybrid Plants wishing to switch status would appear excessive, unwarranted and somewhat inequitable, particularly when such participants are capable of providing the necessary verification in a fraction of this time.

Constraints

There would appear to be merit in the options discussed at the RLG and detailed in the paper as to the treatment of constraints. Notwithstanding, the applicability of such an approach, the need to have an objective methodology for ‘flagging and tagging’ of energy and non-energy events remains.

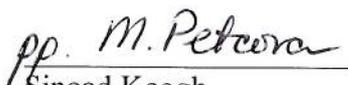
In addition

- Bord na Móna is aligned with other market participants in suggesting that both the general process of registration together with credit risk/collateral cover is made as streamlined as possible.
- With regards to EUPHEMIA testing BnM, as a member of the Electricity Association of Ireland (EAI), wishes to echo the sentiments of the EAI submission on this topic.
- BnM also sees the benefit in retaining a De Minimis level in the market.

Markets Workshops 2015

It is worth highlighting that BnM has reservations regarding the proposed agendas for the next three Markets Workshops due to take place in 2015. We would be concerned that adequate time will not be available at these workshops to cover the breadth and extent of topics proposed. Of particular concern is workshop 2.1 which endeavours to cover Day Ahead Markets and *EUPHEMIA*, *Units under test*, *Fallback procedures*, *Intraday market and Participant Nomination Process*. BnM believes that it would be worth considering extending the number of workshops to ensure that each topic can be discussed in full and all questions can be addressed. In line with this, BnM supports the proposals put forward by the EAI in this regard.

For and on behalf of Bord na Móna PowerGen



Sinead Keogh
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