

# Brookfield

Utility Regulator  
Queens House  
14 Queen Street  
Belfast  
BT1 6ED

Date: 15<sup>th</sup> June 2016

## **RE: Fixed Cost of a Best New Entrant Peaking Plant, Capacity Requirement and Annual Capacity Payment Sum For Trading Year 2017**

Dear Mr. Baron,

Thank you for the opportunity to provide feedback on Fixed Cost of a Best New Entrant Peaking Plant, Capacity Requirement and Annual Capacity Payment Sum For Trading Year 2017.

Brookfield Renewable Ireland is part of Brookfield Renewable Partners L.P., one of the largest publicly-traded pure-play renewable power platforms globally with over 7,300 MW of hydroelectric and wind capacity across 14 power markets and in excess of 460MW of operating wind capacity with a 200MW wind development pipeline in Ireland. Our power operating platform employs over 1,500 people globally, including full operating, development, construction oversight, and wholesale power marketing capabilities.

Brookfield believe that the BNE DS3 revenues forecast for Trading Year 2017 are too high.

- The Ancillary Services revenue stream increases from €4.73 last year to €7.67/kW/year which has a €20m impact on the Annual Capacity Payment Sum for 2017. This year the Ancillary Services revenue stream is subject to a new payment mechanism with the introduction of DS3 Interim Ancillary Services. The interim Ancillary Service tariffs include product and performance scalars and consequently greater uncertainty around what the ultimate tariff received by providers will be. Brookfield believe that the consultation does not have adequate transparency in the determination of the ancillary services deduction and request that greater transparency including providing industry with the opportunity to comment on the assumptions that lead to the Ancillary Services revenue forecast.
- We also note that the DS3 forecast revenues assumes that the peaking plant will receive interim tariff rates from the provision of Fast Frequency Response, Dynamic Reactive Response and Fast Post Fault Active Power Recovery. However, these services have not been included in the interim tariff arrangements and will only be available to market participants at these rates following

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successful completion of technology trials. It is therefore incorrect to include them in the DS3 revenues for 2017.

Brookfield request that the SEM committee provide detailed breakdown of the calculations and assumptions that lead to the forecasted DS3 revenues given the significant increase in ancillary services payments from trading year 2016 and 2017 and the subsequent impact on the annual capacity payment sum.

I would be pleased to discuss these points or any other in relation to the capacity requirement, payment or best new entrant in more detail.

Kind Regards,

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