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Dear All,

Proposed Decision on Treatment of New Renewable Units in the SEM & Consultation on Dispatch, Redispatch and Compensation Pursuant to Regulation (EU) 2019/943.

ScottishPower is a major UK energy company with renewable generation, retail, supply and network interests. We are a leading UK developer and operator of wind power, and part of the Iberdrola group, the world's leading renewables generation developer. Iberdrola is a global leader in tackling climate change, with a commitment to reaching carbon neutrality by 2050.

We are the UK's first 100% green vertically integrated energy utility, generating 100% renewable electricity from 40 operational windfarm sites with over 2.8 GW installed capacity. Building on our 714 MW East Anglia ONE offshore wind project (which we completed last year), we have ambitious offshore wind development plans with work underway on a 3.1 GW offshore wind East Anglia Hub and a majority stake in a 3 GW offshore wind pipeline in Ireland.

We are also developing an onshore renewables pipeline in Ireland with Barnesmore Windfarm Repowering, located in County Donegal, as a flagship project, along with windfarm repowering projects in Northern Ireland, such as Corkey and Rigged Hill Windfarms. In addition, these sites also have potential for Battery Energy Storage Systems (BESS) to complement our flexibility portfolio under construction, which includes BESS at Gormans in County Meath and Barnsemore in County Donegal.

We therefore welcome the opportunity to respond to SEM Committee's (SEMC) consultation papers SEM-21-026 and SEM-21-027, on Proposed Decision on Treatment of New Renewable Units in the SEM, and Consultation on Dispatch, Redispatch and Compensation Pursuant to Regulation (EU) 2019/943.

ScottishPower Renewables (SPR) has engaged closely with Wind Energy Ireland (WEI) and RenewableNI (RNI) on their response to the two SEMC consultation papers, and therefore, fully support their submissions. However, we would like to emphasise the points set out below.

The SEMC have proposed in the SEM-21-027 consultation that constraints fall under the category of market-based dispatch for non-Priority Dispatch generators. Should this become a final decision it will result in the 'grandfathering' of constraints, where non-Priority Dispatch generation will be allocated constraints before Priority Dispatch generators. This would result in non-Priority Dispatch generation being exposed to significantly higher constraints compared to Priority Dispatch generators. SPR has appointed MullanGrid Consulting to provide an assessment of the new level of constraints that relevant projects in the pipeline may be exposed to if the proposal goes forward.

Figure 1 below shows a number of scenarios for the level of generation in County Donegal, where SPR's Barnesmore Repowering Project is located, with 'old' referring to wind with Priority Dispatch, and 'new' referring to non-Priority Dispatch. The assessment shows an unaffordable increase of constraints for the

windfarm for almost all scenarios based on the connected generation, and subject to the proportion of windfarms with Priority Dispatch vs non-Priority Dispatch.

Scenario	Generation (MW)	Pro Rata Wind Farm Constraints	Generation (MW)		Wind Farm Constraints	
			Old	New	Old	New
Connected Generation	480	0.00%	480	0	0.00%	0.00%
Connected & Contracted Generation with known connection timeline	605	0.40%	587	17	0.23%	4.34%
Connected & All Contracted Generation	734	4.57%	588	146	0.24%	16.58%
Connected & All Contracted Generation + Future Non-GPA & ECP-1 Generation	800	8.10%	588	212	0.24%	23.08%
Connected & All Contracted Generation + Future Non-GPA & ECP-1 Generation + 100MW Extra Wind Generation	900	13.61%	588	312	0.24%	30.89%
Connected & All Contracted Generation + Future Non-GPA & ECP-1 Generation + 200MW Extra Wind Generation	1000	18.82%	588	412	0.24%	37.02%

Figure 1. Scenario Assessment for County Donegal

These levels of unremunerated constraints (up to 37.02% in worst case scenario) will make it very challenging for SPR to keep progressing with the development of the project as the economics become unviable. Furthermore, the uncertainty and volatility of these constraints which are subject to drivers outwith our control, creates an unstable regulatory framework, not only for our projects but to other renewable developers that are aiming to develop a healthy pipeline of renewable projects.

Figures 2 below shows the case for SPR's repowering projects in Northern Ireland which is even more concerning (up to 46%) given the consistent lack of appropriate network reinforcements across a significant number of years.

Wind Farm Capacity (MW)	Pro-Rata Wind Farm Constraints (%)	Old Wind Farm Capacity (MW)	New Wind Farm Capacity (MW)	Old Wind Farm Constraints (%)	New Wind Farm Constraints (%)
1264	6.38%	1264	0	6.38%	0.00%
1335	7.72%	1264	72	6.40%	26.28%
1407	9.17%	1264	144	6.40%	28.57%
1479	10.72%	1264	216	6.41%	30.86%
1551	12.39%	1264	288	6.42%	33.34%
1623	14.14%	1264	360	6.43%	35.79%
1695	15.93%	1264	431	6.43%	38.17%
1767	17.73%	1264	503	6.44%	40.38%
1839	19.50%	1264	575	6.45%	42.42%
1911	21.23%	1264	647	6.45%	44.30%
1983	22.91%	1264	719	6.45%	46.03%

Figure 2. Scenario Assessment Northern Ireland

We believe that the proposals in these consultation papers, if implemented, will significantly adversely impact the industry's ability to deliver the required investment to enable the achievement of 2030 renewable targets. It is also not clear if the outcome of these proposals is aligned with the Government's decarbonisation targets.

As indicated in WEI and RNI's response to these consultations, we consider that the proposals set out by the SEMC allocate risk to generators that is impossible to manage. The cost to consumers of developing further renewable capacity will be significantly greater than is necessary, should developers decide to continue progressing with them given the significant regulatory uncertainty when comparing with other jurisdictions across Europe. To ensure fair and even burden sharing we support the WEI & RNI position that constraints should continue to be applied on a pro-rata basis.

For further comments on SEM-21-026/27 papers, please refer to joint WEI and RNI's consultation responses.

We would welcome discussion on any of the points raised above and if you have any questions in relation to this response, please do not hesitate to contact me directly.

Yours sincerely,

Ricardo Da Silva

Grid & Regulation Manager