

**TYNAGH ENERGY
L I M I T E D**

Barry Hussey
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

Ref: TEL/CJD/16/180

28th November 2016

RE: Exposure to CRM due to Operational Constraints Escalation

Dear Barry,

Tynagh Energy Limited (TEL) welcomes the opportunity to respond to Exposure to CRM due to Operational Constraints Escalation.

TEL believe that the arguments in the escalation are fundamentally sound and that plant should not be exposed under the circumstances described.

TEL feel that this escalation highlights a wider point, should plant who have a) done everything in their reasonable control and b) are supplying DS3 services; be penalised for incorrect forecasts on the part of the TSO?

TEL sees that there are four likely events that will trigger an ASP,:

- 1) High Demand Low wind
- 2) A sympathy trip
- 3) Wind providing less power than forecast due to the forecast downturn being out by a number of hours
- 4) Wind providing less power due to a High Speed Shutdown

TEL believe that event 1 is the fundamental point of CRM, to ensure that generation is available when required. RoCoF should ensure that the likelihood of sympathy trips (event 2) are very remote.

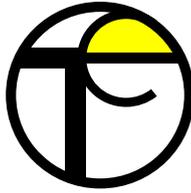
For events 3 and 4 a plant may have bid into the Intra Day Market at their SRMC in their own expectation of an ASP event. However, the plant may not be able to trade due to mistaken forecasts from other participants (who do not foresee the ASP), and therefore still be exposed.

TEL believe that a plant should not be exposed to an ASP where it has bid in SRMC and is providing a DS3 service for system security. They have done everything within their reasonable control to be generating, but if the event has not been foreseen by the TSO or other market participants the plant would be exposed under the current rules.

TEL do not believe that all plant who are simply available should be removed from an obligation. This could remove the incentive to provide greater flexibility into the market, nonetheless any plant that provides a DS3 service is providing flexibility and should not be exposed.

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I trust that these comments will prove helpful and should you have any queries, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, reading 'Cormac Daly', written over a horizontal line.

Cormac Daly
Risk and Regulatory Manager