

TYNAGH ENERGY
L I M I T E D

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Ref: TEL/DV/11/135

21st July 2011

Dear Celine & Nick,

RE: Basic Transporter Virtual Reverse Flow Arrangements

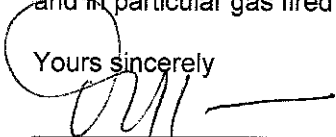
Tynagh welcomes the opportunity to respond to this consultation. The proposal to offer capacity only at the day ahead stage does not match with the requirements of gas fired generators in the Single Electricity Market (SEM).

The SEM is a centrally dispatched market and the Single Electricity Market Operator issues indicative running to gas fired generators in SEM at 16:00 on D-1. The National Grid booking window for day ahead capacity closes at 13:00 on D-1.

If generators were to avail of this product they would have to rely on their own forecasts. The paper highlights the fact that large variations between day ahead nomination, based on generators' own forecasts, and actual within day consumption are becoming increasingly common. This situation will be exacerbated by increased wind generation and the commissioning of the East West Interconnector in 2012.

Gas fired generation account for 64% of electricity generation in SEM. In developing a virtual reverse flow product that satisfies the issues raise by the European Commission with regard to the 2nd Energy package, it is important develop a product that will useful to system users and in particular gas fired generators.

Yours sincerely


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