



IWEA response to the European Consultation on Market Design

08 October 2015

The Irish Wind Energy Association (IWEA) welcomes the opportunity to comment on the European Commission consultation on a new Energy Market Design.

IWEA is Ireland's leading renewable energy representative body representing more than 200 members involved in wind and renewable energy development in Ireland and Northern Ireland (through the Northern Ireland Renewables Industry Group (NIRIG), set up in collaboration with Renewable UK). IWEA represents members with projects across the spectrum, in operation, under construction and awaiting connection. In Ireland IWEA members are involved in the majority of connected projects but also involved in more than 85% of the MW of currently grid contracted projects.

Through NIRIG we represent more than 25 company members that have developed over 85% of renewable generation operational in Northern Ireland today and who will contribute a significant majority of renewable energy required to deliver the 2020 targets.

The IWEA membership base includes all large, medium and many small developers as well as financial, legal advisory, consultancy, contractors and other service providers involved in the renewables sector in Ireland and Northern Ireland.

IWEA fully supports the overall ambition of delivering a new electricity market for the European Union that is adapted to renewables and that promotes renewables fit for the market. As we are moving to an electricity system with increasing levels of renewable generation it is essential that the market design takes the intrinsic nature of renewable generation into account.

Increased focus on Intra-Day Trading

Wind energy is the main source of renewable generation in many countries across Europe, and in particular in Ireland. While the European Market is currently focussed around the Day Ahead Market, due to the nature of wind generation, it is essential that there is increased focus on the development of the Intraday Market so that, as forecasts are updated, there is ample opportunity for variable renewable generators to trade and better manage their market positions based on updated information. It is important that there is sufficient liquidity in these markets which will also provide signals

We are concerned at the progress of the XBID programme presently, particularly given that there is now a risk that the platform will not be ready for implementation in the I-SEM design (Q3 2017). We believe there needs to be a renewed focus on the implementation programme here to support a fully harmonised market throughout Europe.

Increased Interconnection and Infrastructure

Ireland is a small island system with limited interconnection. In order for Ireland to efficiently integrate with the European Market place, there will need to be increased levels of interconnection than is the case currently. There also needs to be increased focus in delivering infrastructure *within* markets to reduce constraints within systems which can interfere with efficient operation of the market.

Current Market Changes

Ireland is currently implementing significant change to our market design in order to become compliant with the current European Target Model design. While we strongly welcome the changes to adapt the market for renewables, it is important that sufficient information is provided in a timely manner to ensure that the current market redesign on the island of Ireland can also take any future requirements into account.

Grid Support Services

The changing dynamic of the electricity generation portfolio raises challenges for the operation of the grid based on traditional operational procedures. To deal with this challenge, a proper market for ancillary or grid support services also needs to be fostered to provide additional non-discriminatory revenue streams to wind power producers, as well as overall operating cost savings for the power system. As of today, a lot of services and solutions from wind power plants are technically feasible but current market conditions don't adequately value their commercial provision.

Priority Dispatch

Priority Dispatch has played an important role in ensuring all available renewable generation can be effectively utilised and to ensure that action is taken at a system operator level to ensure that the most can be made of our renewable energy resource. We believe that priority dispatch will continue to play an important role, in particular until the market design considers the intrinsic nature of renewable energy into account and other market distortions are removed.

Conclusion

In summary, the Irish Wind Energy Association welcomes the opportunity to respond to this consultation. We believe that it is imperative that any new market design aspects being introduced should be suitable for markets with increasing levels of renewable generation.