

IWEA response to the Consultation on Imperfections Charges for October 2012 – September 2013

16 July 2012

IWEA welcomes the opportunity to respond to the consultation on the Consultation on Imperfections Charges for October 2012 – September 2013.

The Imperfections Charge is set to recover the net cost of Make Whole Payments, any Energy Imbalances and Dispatch Balancing Costs (Constraint Payments, Uninstructed Imbalance Payments and Generator Testing Charges). IWEA accepts that the Market Operator and the System Operators are best placed to estimate these costs and accepts the estimates that they have provided.

However, IWEA has concerns that no provision has been included for additional constraints due to the implementation of Intraday trading. While IWEA accepts that it is difficult to estimate what this impact will be, given that there is no historic data on which to build a forecast, it is not realistic to expect that there will be no additional costs and that the imperfections charges will decrease from the prior year. With the introduction of intraday trading it is highly likely that within day imports will result in constraints of scheduled generators on the island. Therefore, IWEA proposes that the Imperfections charges are set at the same level as actual imperfections costs for the prior year, plus the K-factor, which would bring the total charge to €155 million for 2013.