Response to:

Consultation on Installed Capacity Cap

Reference: CER/13/201

October 11th 2013
ESB Generation and Wholesale Markets Response

ESB Generation and Wholesale Markets (GWM) welcome the CER’s decision to review the Installed Capacity Cap policy for wind generators. Our response is outlined below.

- While ESB GWM welcome the proposal to increase the cap to the higher of 120% of the MEC, or to the nearest whole generator unit above the MEC, as being a significant improvement on the current limit, we consider that further flexibility should be afforded to developers on a case by case basis.

- ESB GWM agree with the SO view that the effect of the proposed rule change would not be material in terms of impact on constraint level. Even with an uncapped limit, it is our view that the amount of over installation will be limited, given the associated increase in capital costs. Any resulting increase in overall wind capacity factors is likely to be indecipherable from changes in wind capacity factors caused by other factors, which have already been considered in constraint/curtailment analysis. Similarly then, the impact on curtailment levels should not be material.

It is therefore unlikely that there would be any material adverse effect on other generators in terms of reductions in their allowed export. Nor would the TUoS or DUoS customer be negatively impacted in terms of increased constraint / curtailment bills.

- The “nearest value turbine” clause should be retained in order to ensure smaller wind projects are not disadvantaged.

- ESB GWM consider that it would not be appropriate to apply this proposed rule to all generator types. For example it would not make sense to limit the Installed Capacity of a Hybrid Plant, with two complementary technologies at the same site, in the same way as for a wind generator. Further analysis and consultation would be required before a rule set could be expanded to other generator types.