

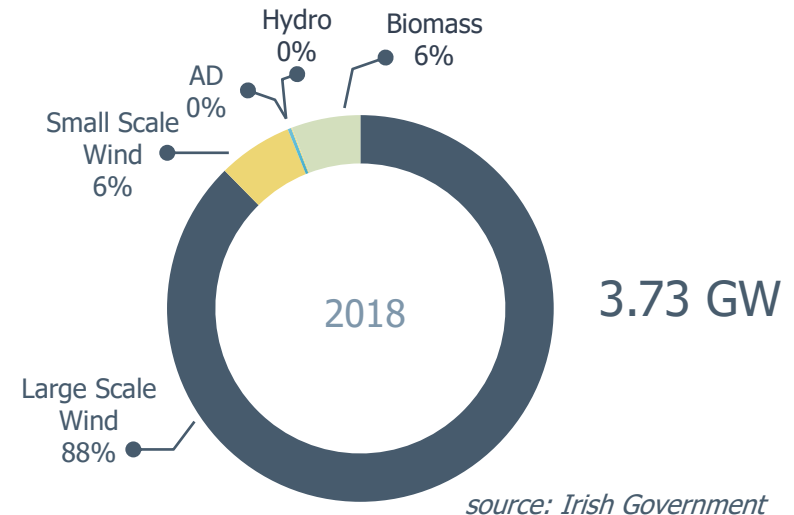
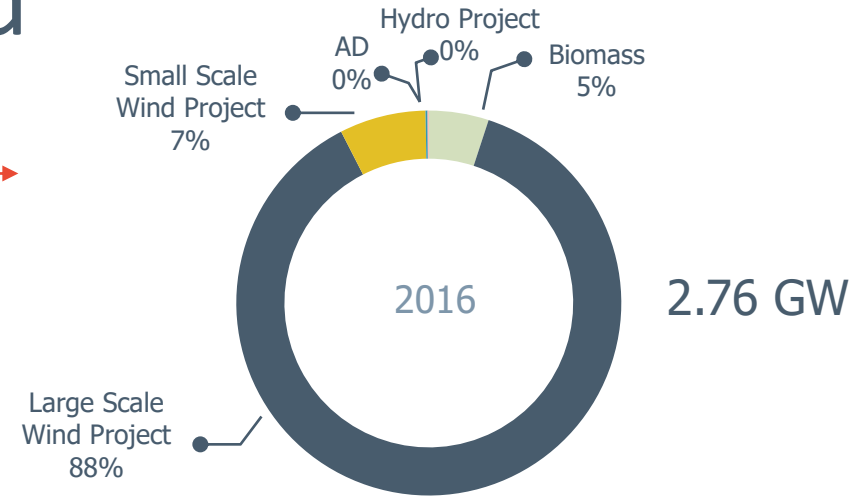
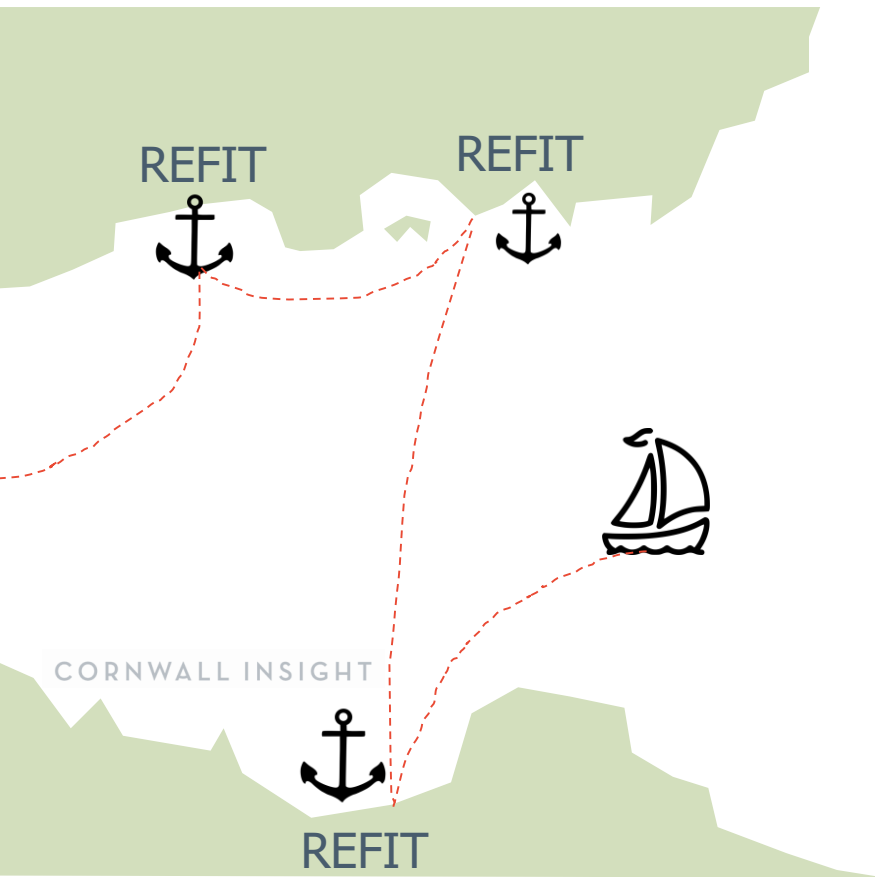
# Setting the Sails of SEM – REFIT and subsidies post I-SEM

12 March 2019

Evie Doherty, Senior Consultant

# In the old SEM world

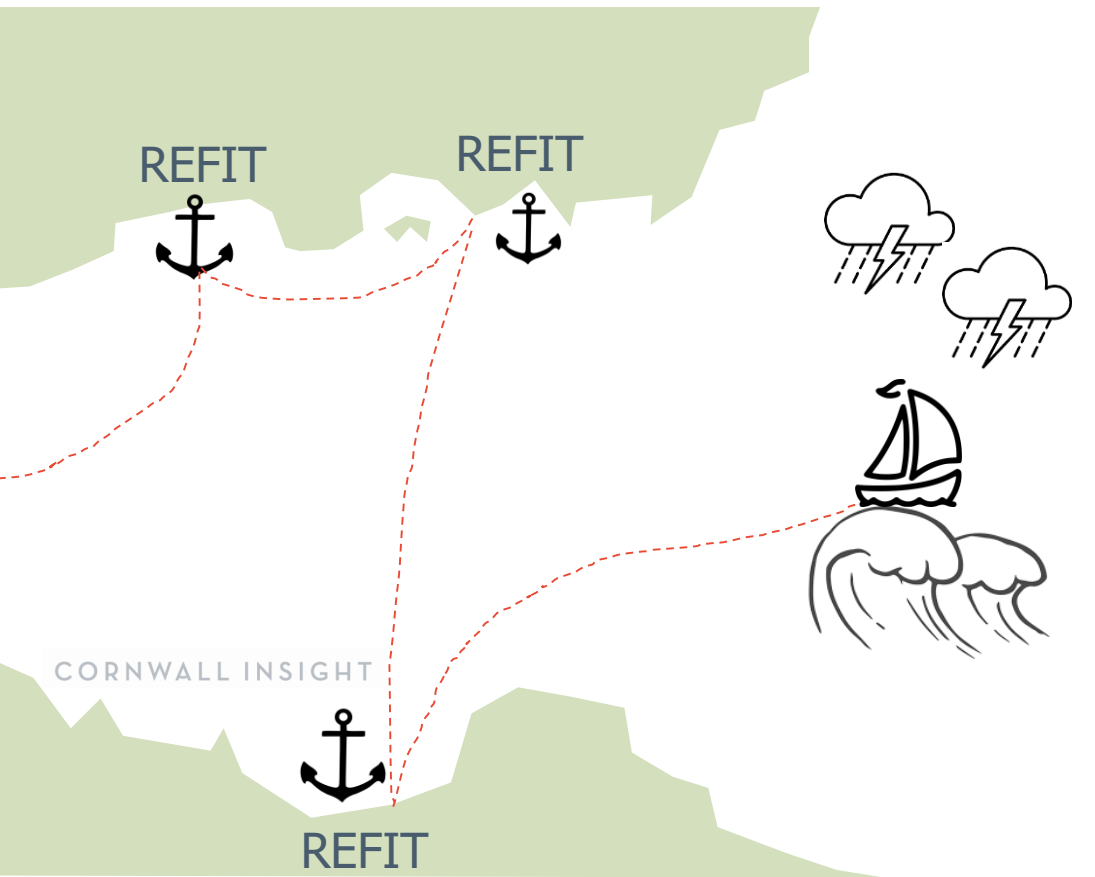
*Ye Olde World* 2018 2019



# The New SEM journey

*Ye Olde World*

2018



CORNWALL INSIGHT

## Traded Markets

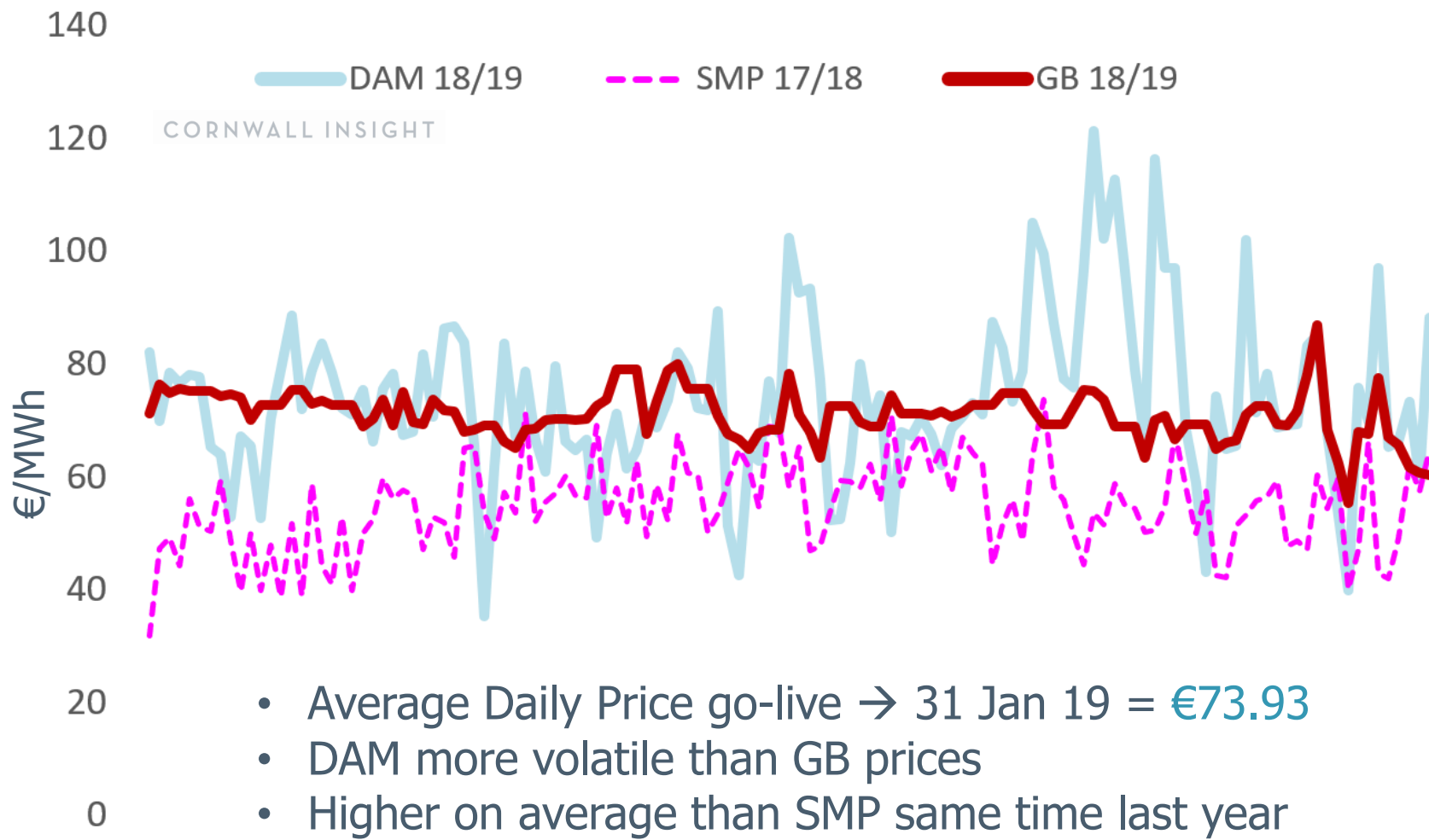


## Balancing Risk



[www.cornwall-insight.com](http://www.cornwall-insight.com)

# DAM Prices since I-SEM

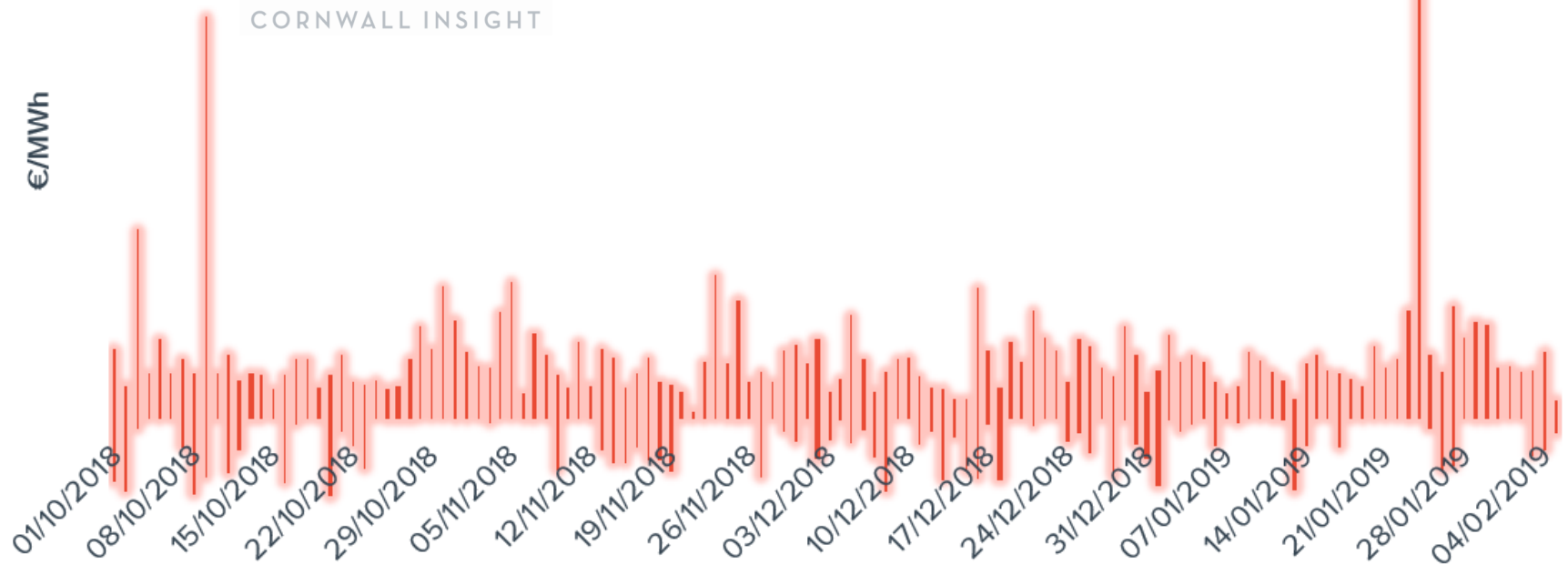


# Balancing Volatility

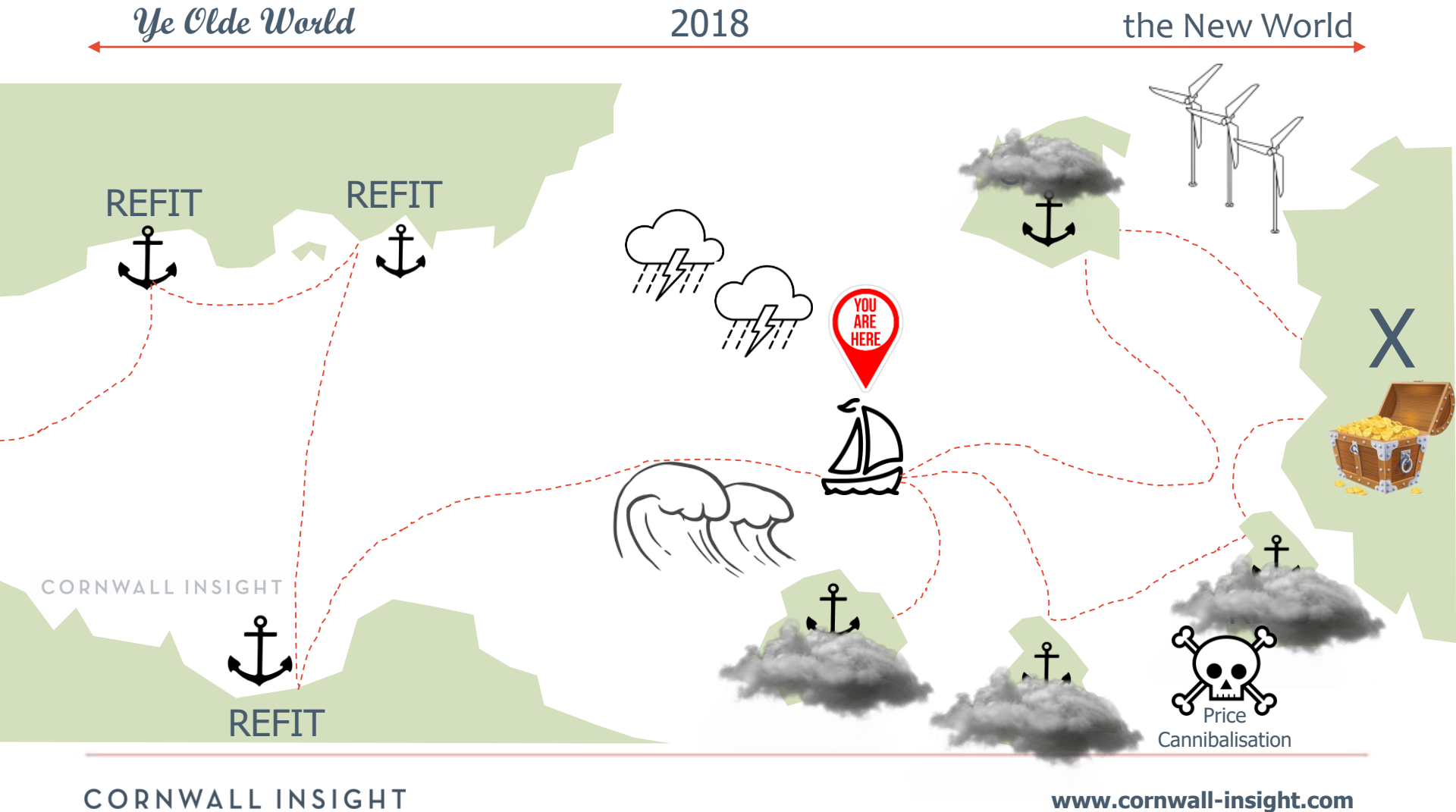
source: EirGrid

- Volatile Prices
- Highest €3.7k
- Questions around bidding controls → high bids setting high prices
- Average €66/MWh

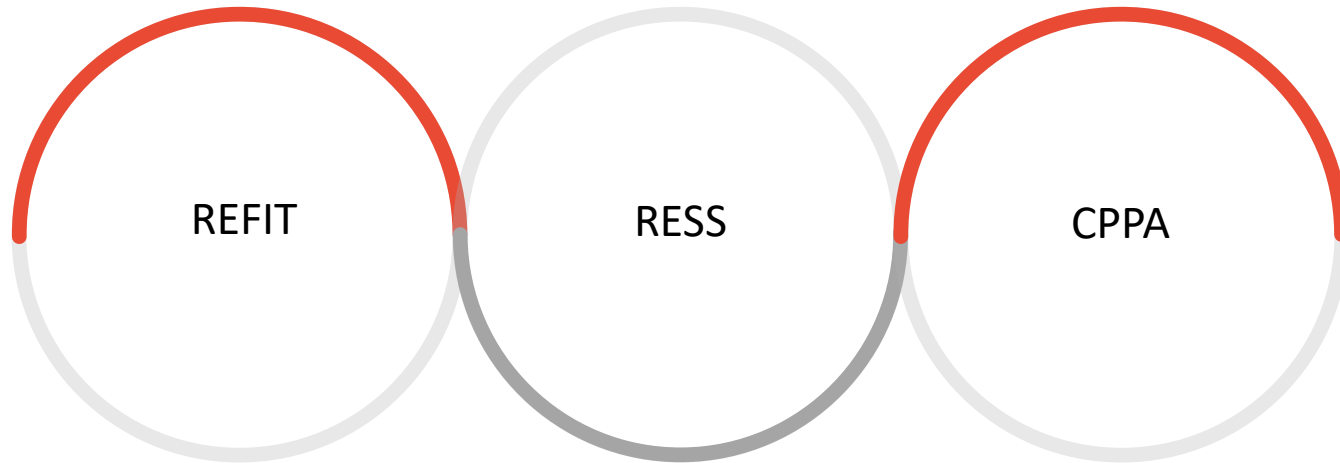
**€3733.69**



# The New SEM journey



# Future of financing



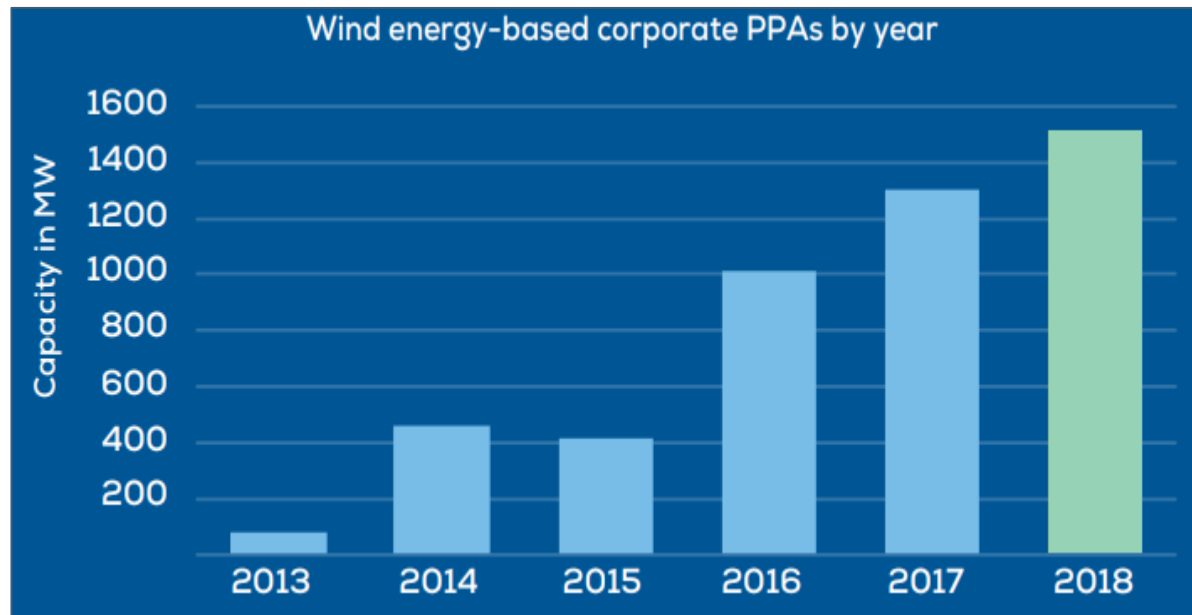
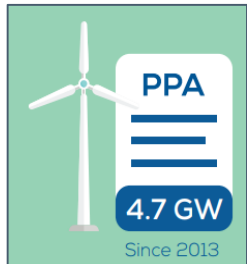
- Closed
- Projects ending
- Wind
- Repower
- Life extension

- Planning
- Permission
- Grid Connection
- Offer
- New technology
- Volumes/Prices

- Competitive prices
- Balancing risk
- Suitable Projects
- Complex
- Hybrid sites

# Corporate PPAs – time to shine?

Wind Europe report total of 4.7GW CPPAs signed since 2013



*source: Wind Europe*

Can CPPAs be competitive enough in terms of pricing?



# Key findings – Market Entry

20+ Offtakers with at least 2 assets signed

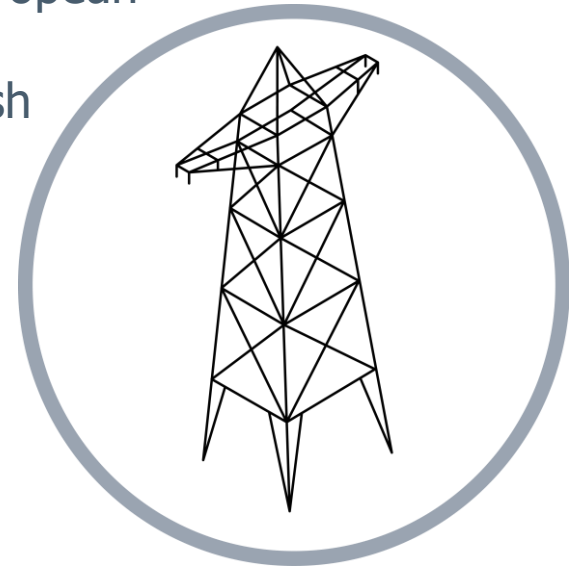
7 Large/international

- European
- UK
- Irish

3 New

- European
- UK
- Irish

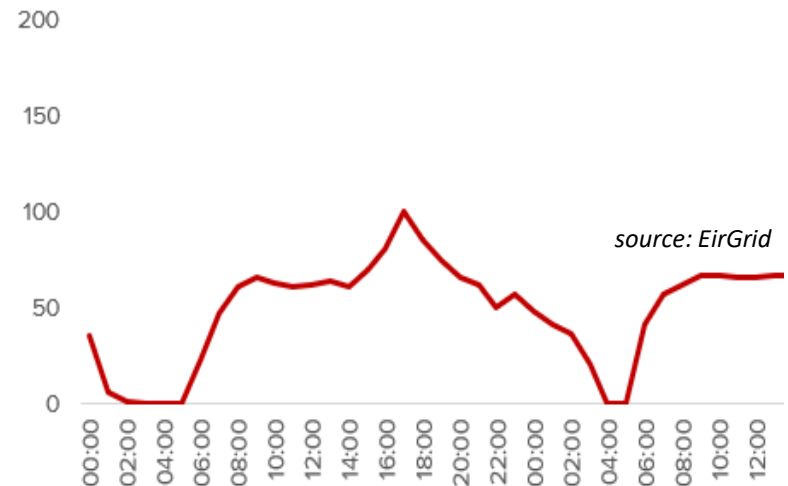
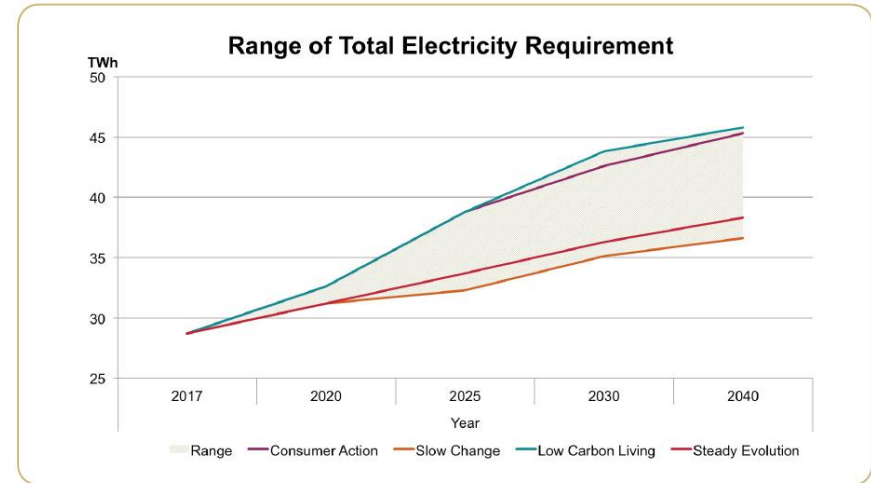
CORNWALL INSIGHT



# Price Cannibalisation

- Occurs when the supply of renewables depresses wholesale prices
- Exacerbated in markets with low increase in rate of demand
- Ireland is projected to have demand growth
- Subsidies can encourage price cannibalisation by incentivising wind to run when market is over-supplied
- So far periods of high wind and low demand have resulted low wholesale prices in SEM

source: EirGrid



source: EirGrid

# Future Trends

Increased Competition

Emerging Business Structures

Risks/Benefits

New/Diverse technology

New Subsidy Schemes

Facilitation of Renewables

**It is the set of the sails, not the  
direction of the wind that  
determines which way we will go.**

Jim Rohn