

EirGrid Annual Customer Conference

Presentation by

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Commissioner**

Commission for Energy Regulation

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Introduction

- CER has been working closely with EirGrid on some major issues in 2007 e.g.
 - Single Electricity Market
 - Renewable Connections
 - East/West Interconnector
- Good relationships but with the normal healthy tensions!

Single Electricity Market

- Major changes for all of us under SEM from 1 November 2007
- EirGrid fully involved in preparations with Regulators through SEM Executive Committee and Project Implementation Board
- Difficult issues dealt with over past year
- Changes to structures, systems and processes taking place



Single Market Operator

- SMO set up as joint venture between EirGrid and SONI
- Will take over market operation from the TSOs
- Generators to be scheduled on all-island basis
- Some extra costs will arise with SMO but these have been kept to a minimum

SEM Harmonisation

- Harmonisation taking place on:
 - Generation & Transmission outage planning
 - Grid Code: common sections
 - Connection Charging Policy
 - TUoS Generator Charges
 - Transmission Loss Adjustment Factors
 - Ancillary Services (under consultation)

Connection Charging Policy

- Agreement to harmonise based on “shallow” connection policy
- Further refinement of current policy required
- Need to work out detailed practical implementation guidelines for use North and South

TUoS Generator Charges

- Harmonisation based on EirGrid methodology – reverse megawatt mile
- Keeping locational TUoS charges

Investment Planning

- EirGrid and SONI already coordinating planned development of transmission systems North and South
- Should move on to joint planning
- Looking forward to EirGrid's Grid Development Strategy 2008-2025

Renewable Connections

- 1,300MW in Gate 2 should all have offers by year-end
- Discussing proposals for Gate 3
- Welcome EirGrid's commitment to be a world leader in facilitation of Renewables

East/West Interconnector

- Government decided that CER should organise the design of a competition for an interconnector to be owned by EirGrid.
- CER and EirGrid agreed on joint approach to this and set up governance structures
- Lead role being taken by EirGrid

East/West Interconnector

- Project Liaison Group chaired by CER and including DCENR
- Key decisions being approved by CER