

EirGrid Customer Conference 2008

The Market Context

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SEM Committee*

Electricity Markets – The European Vision

- A single market in energy
- Action to include:
 - a European grid
 - a European regulator
 - improved interconnections
 - stimulation of new investment
 - more effective unbundling
 - boosting competitiveness

Single Electricity Market (SEM)

- First integrated cross-border electricity market
- Competitive market now in place
- Internally interconnected grids with planned strengthening
- Common regulatory arrangements
- External interconnection to the BETTA market, further interconnections planned
- Further investment in prospect
- Unbundling ongoing

SEM Market Summary

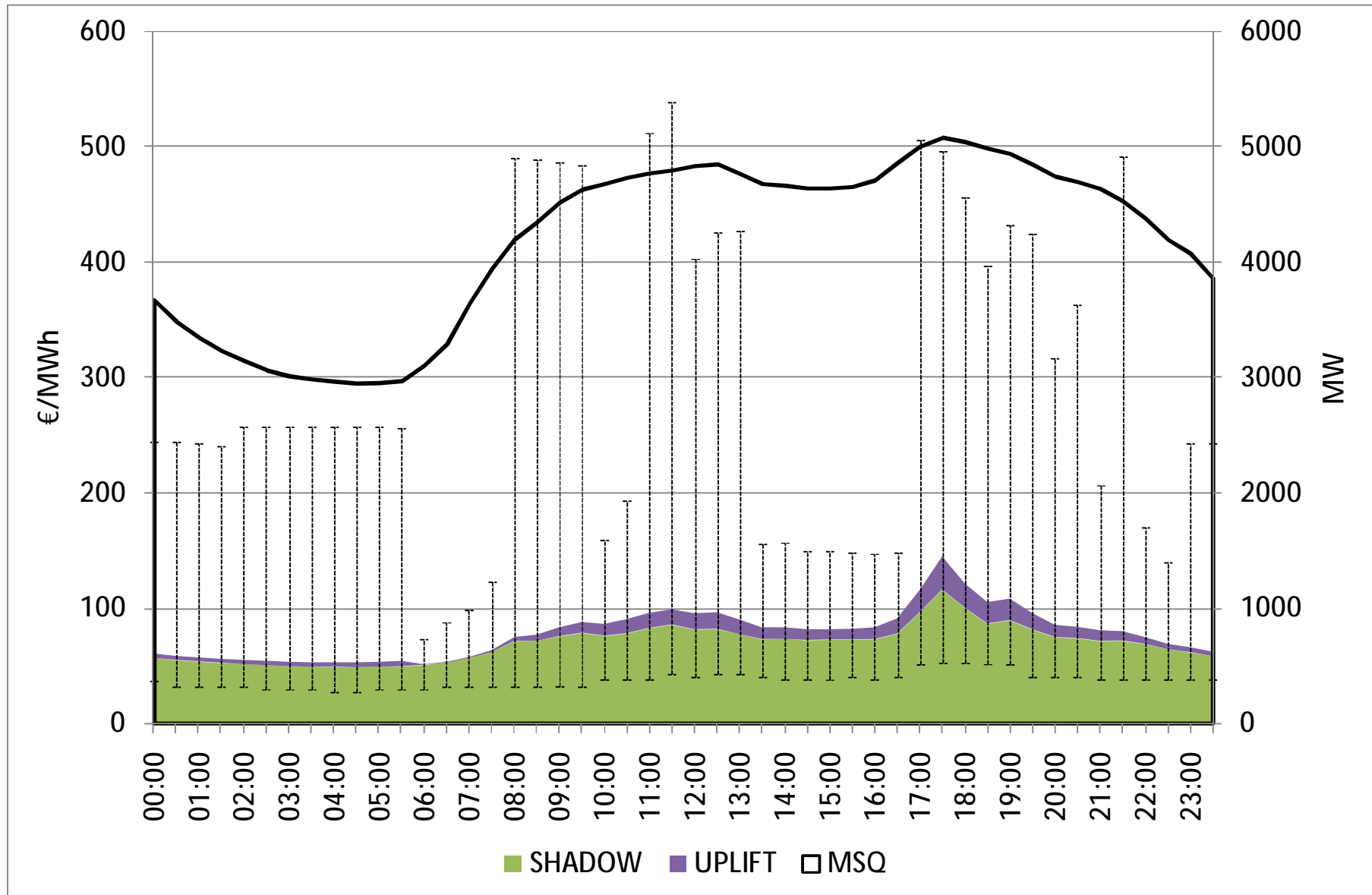
November 2007 – August 2008

Market Overview

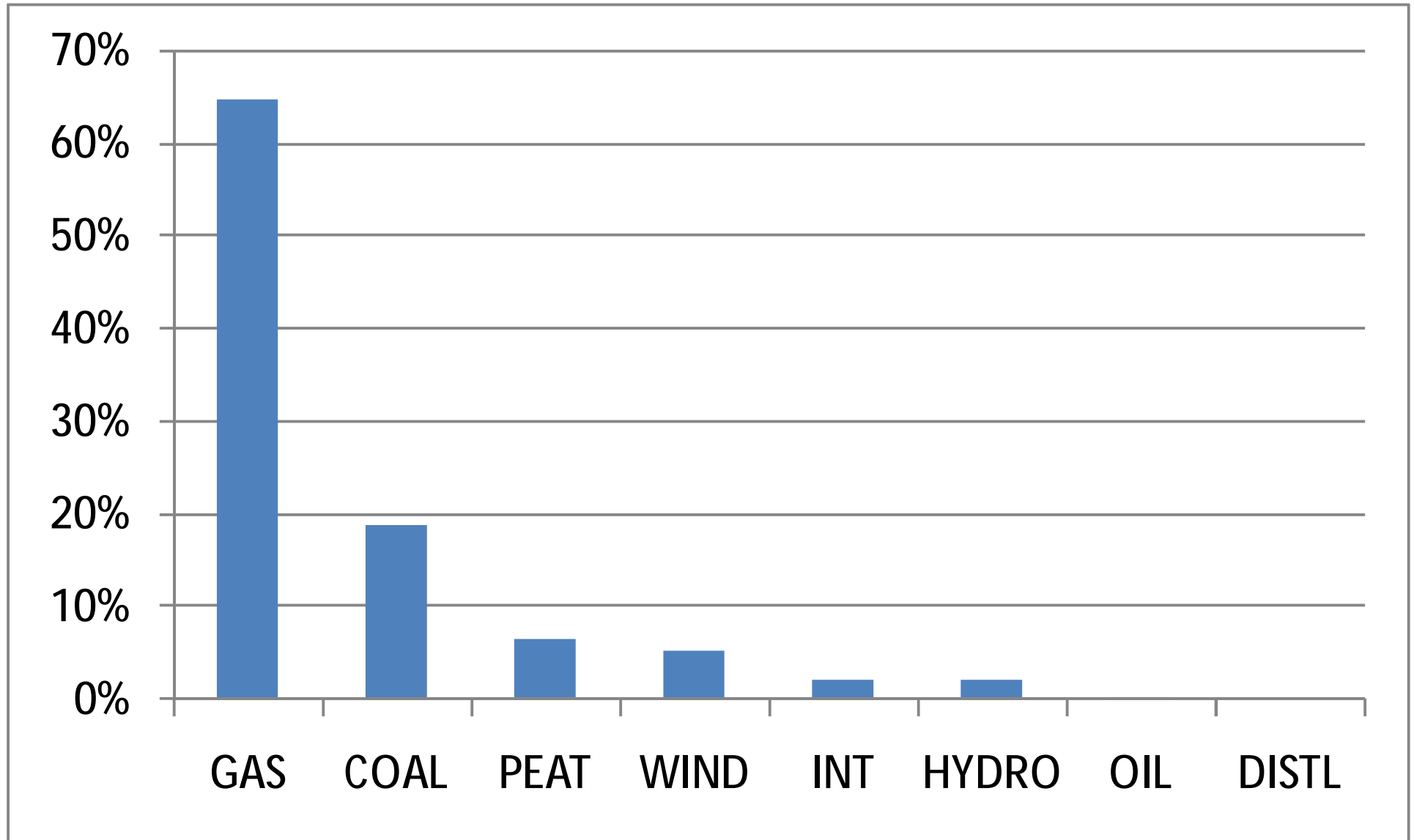
	System Demand (MW)	Wind Generation (MW)	Intercon Flow (MW)	SMP* (€/MWh)
Average	4,189	231	90	81.77
Maximum	6,553	646	407	551.46
Minimum	2,275	5	-80	27.45

* Demand Weighted Average

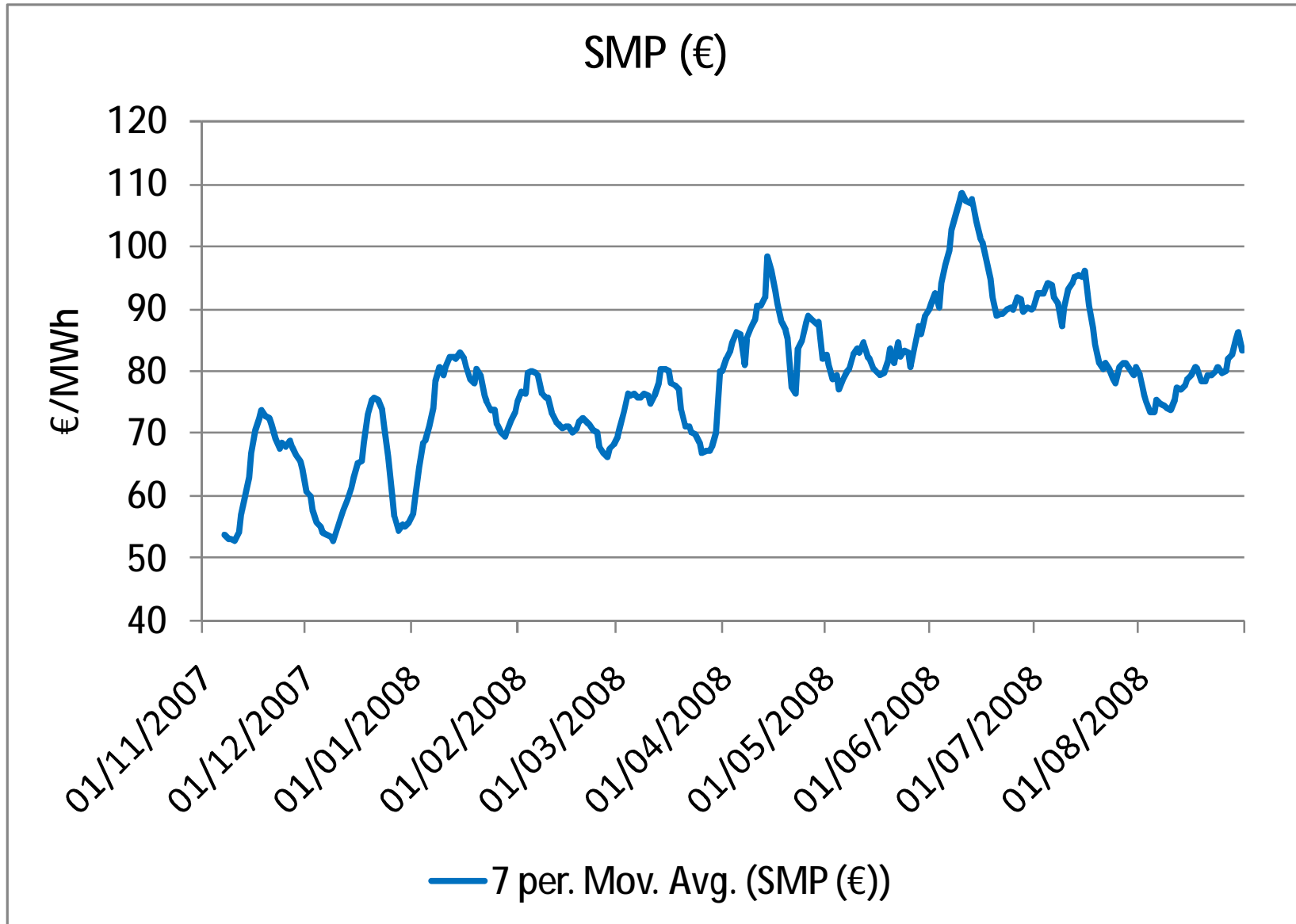
Intraday Demand and Price



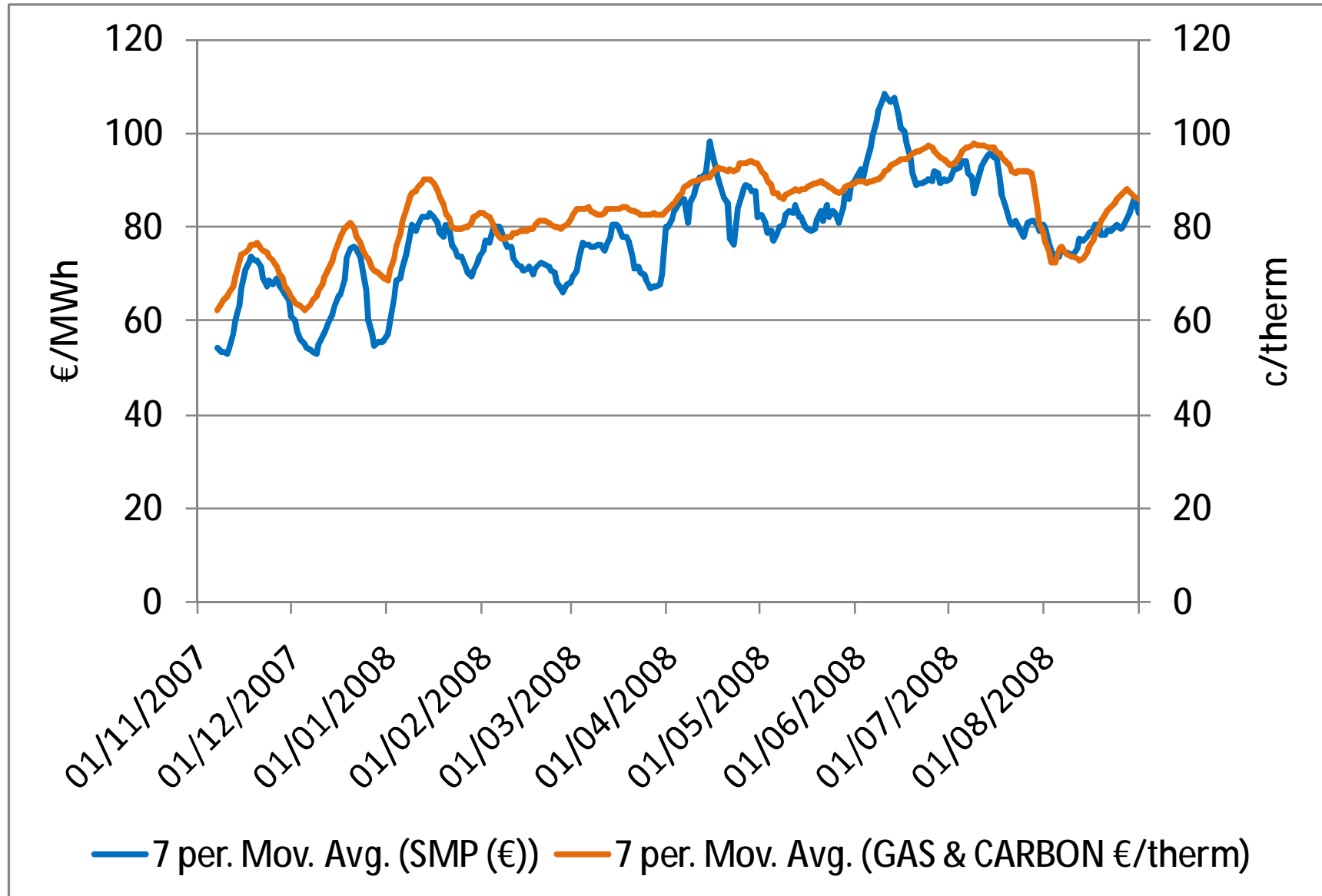
• % of Demand Served by Fuel



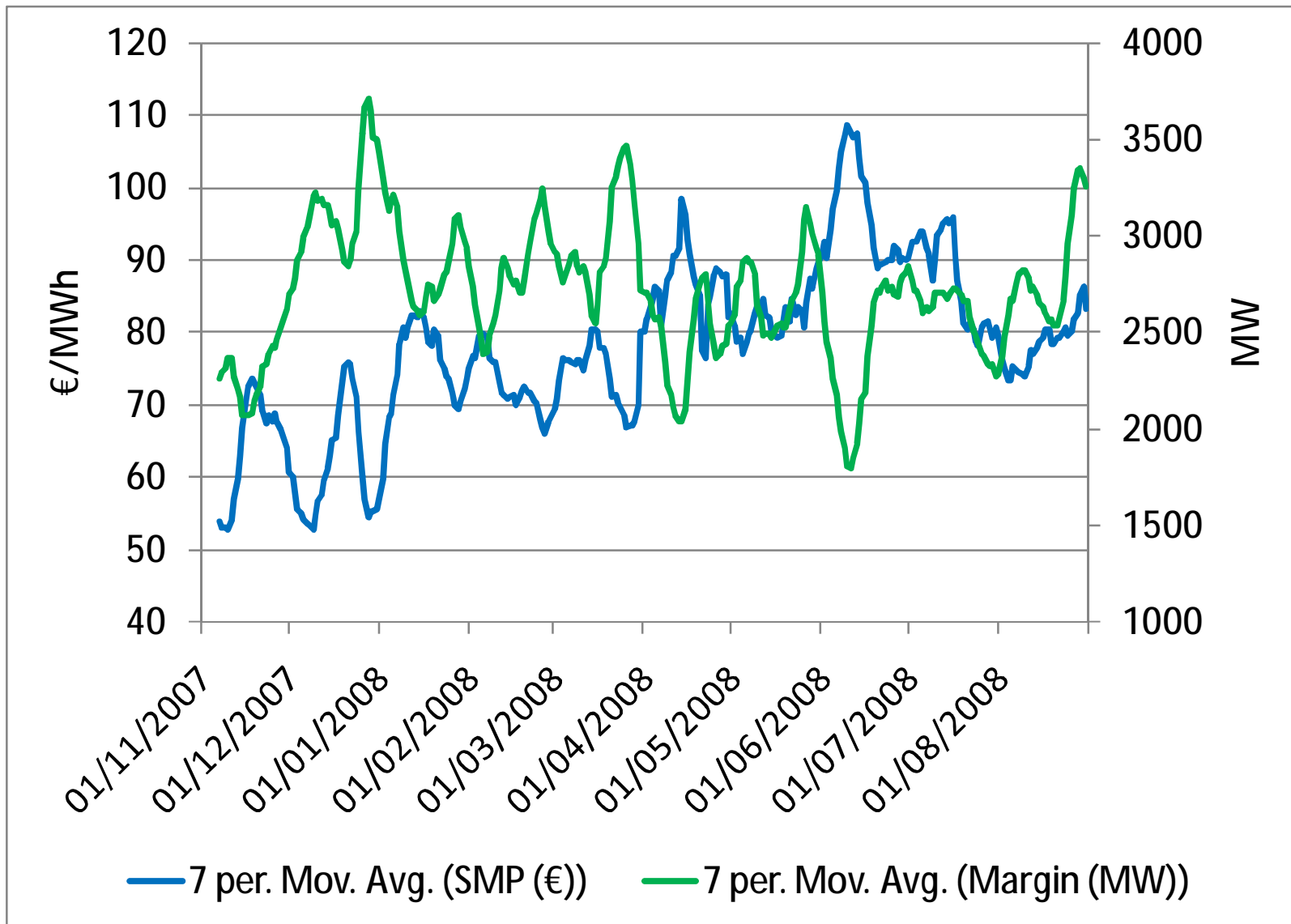
First 10 months SMP



SMP & Gas Index

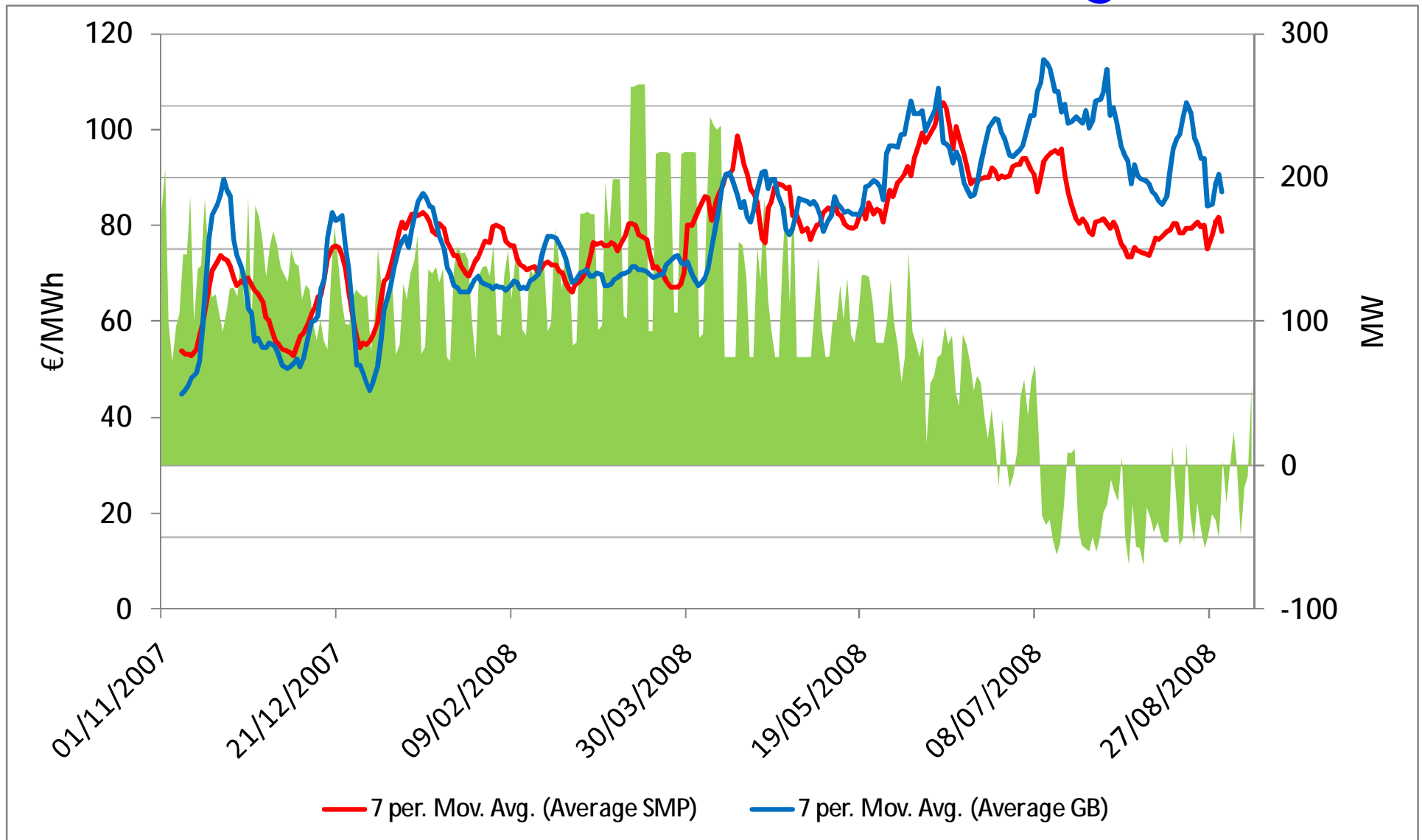


SMP & Margin

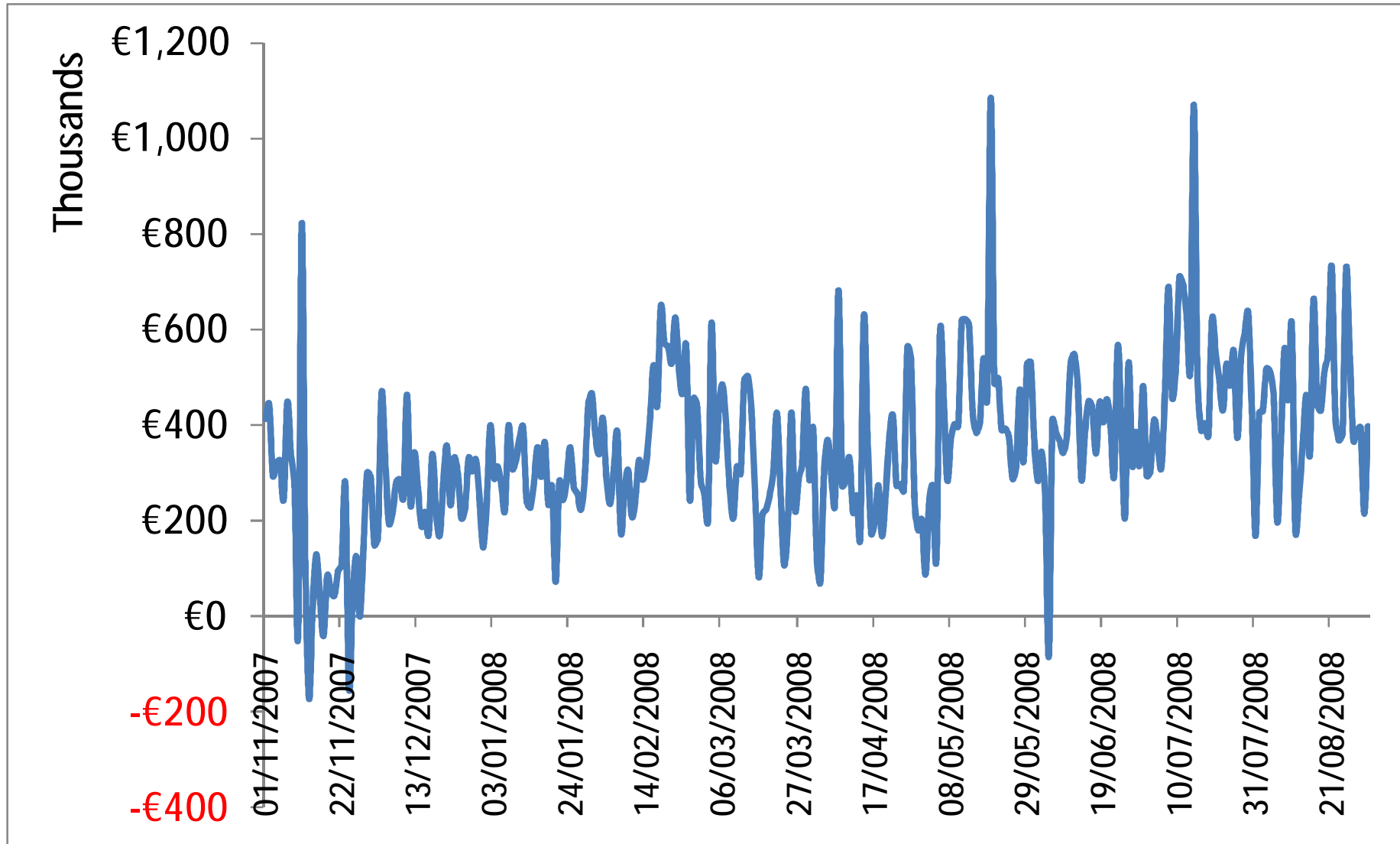


SEM & GB Prices

Interconnector Trading



Constraint Payments



Future Regional Market

- European Regulators' Group taking forward the EU single market vision
- Coupling of neighbouring markets into Regional Markets to facilitate cross-border trade
- Next step after SEM, some form of integration or coupling with BETTA;
- but differences in market design and stages of development.
- Particular issue with different Gate Closures:
 - BETTA: one hour
 - SEM: twenty hours

Some Conclusions

- After nearly a year, the SEM is operating satisfactorily as an effective competitive market.
- This is a significant step towards implementation of the European energy market in Ireland.
- This high level review has identified some of the issues as to the future direction of the market which will have to be carefully thought through as we move forward.
- I hope this quick tour will be helpful to the conference in keeping the market issues in mind in your discussions of the next two days.