



Annual Customer Conference 2006

Croke Park Conference Centre, Dublin

18th & 19th October 2006





Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

EirGrid : The Vision

Michael G Tutty

Commissioner

Commission for Energy Regulation

18th October 2006

Congratulations

- ◆ Congratulations to EirGrid on its establishment
- ◆ Took a long time to achieve
- ◆ Look forward to a good working relationship, taking account of our different roles

- ◆ EirGrid now a fully independent company
- ◆ Structure of separate TSO and TAO meets EU requirements
- ◆ It is a novel structure not found in other countries

Structure

- ◆ Will undoubtedly be more difficult to manage than a combined body and will depend on good co-operation
- ◆ Some duplication inevitable with separate bodies but must be kept to a minimum
- ◆ Separate premises will be the next step

Role of Regulator

- ◆ Ensure that EirGrid acts in a non-discriminatory way and develops an adequate transmission system
- ◆ Approve 5 year development plan
- ◆ Develop network access policy

Role of Regulator

- ◆ Ensure that appropriate information is made available to market participants, with a customer focus
- ◆ Take advice from EirGrid on Security of supply

Role of Regulator

- ◆ Approve EirGrid's current and capital expenditure which determines TSO revenue requirement
- ◆ 5-year Revenue Review completed for 2006-2010
- ◆ Needs to be updated in the light of EirGrid establishment – 2007 Revenue recently approved

Financial Position

- ◆ EirGrid does not have a significant capital base or assets
- ◆ Can have big liabilities in short-term where forecasts on constraint payments, etc are exceeded
- ◆ CER working with EirGrid to ensure these can be financed at least cost

East – West Interconnector

- ◆ Government decision that a 500MW interconnector should be owned by EirGrid.
- ◆ Will transform the balance sheet
- ◆ CER to design a competition to build this interconnector
- ◆ Working with EirGrid and our consultants to expedite this

Single Electricity Market

- ◆ Will come into operation on 1 November 2007
- ◆ Will involve a Single Market Operator for the whole island – a joint venture between EirGrid and Soni
- ◆ Single TSO to be considered later

Single Electricity Market

- ✦ Harmonisation of transmission issues being considered – system planning, connection policy, tariffs, grid codes, outages, treatment of losses
- ✦ Not all issues will be settled by 1 November 2007, but the essential ones will
- ✦ Second North-South interconnector being developed by the TSO's will facilitate integration



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