



Information Note on Directed Contracts and RoI PSO Reserve Prices for the period 1st November 2007 to 30th September 2008

2nd October 2007

This information note from the Regulatory Authorities (RAs) sets out the Directed Contracts (DCs) strike prices and the Republic of Ireland (RoI) Public Service Obligation (PSO) auction reserve prices for the period 1st November 2007 to 30th September 2008.

DCs were made available to eligible suppliers during the subscription windows in June and July 2007, and RoI PSO-backed Contracts for Differences (CFDs) were auctioned by ESB Power Generation in August 2007.

1. Directed Contracts

Directed Contracts form part of the RAs' market power mitigation strategy in the Single Electricity Market (SEM). The RAs decision paper on Directed Contracts can be viewed at the following link:

<http://www.allislandproject.org/en/market-power-consultation.aspx?article=927c0bd5-33ef-474b-9eb5-7dca885f1042>

The DC strike prices were calculated daily using fuel prices from specified fuel indices with the established formulae during the subscription periods. The prices for each product during the primary and supplemental subscription windows are outlined in **Table 1** below.

2. RoI PSO-backed Contracts

The RAs' paper on the *Regulation of ESB and NIE in SEM* (AIP/SEM/304/07), published on 20th June 2007, set out a decision that PSO energy would be made available to the market via CFDs.

The Commission for Energy Regulation (CER) determined the ROI PSO Contract reserve prices. The contracts covered Baseload products only and are set out in **Table 2** below.

Table 1: Directed Contracts Strike Prices

	Directed Contracts - Strike Prices											
	Nov-Dec 2007			Q1 2008			Q2 2008			Q3 2008		
	Baseload	Mid-Merit	Peak	Baseload	Mid-Merit	Peak	Baseload	Mid-Merit	Peak	Baseload	Mid-Merit	Peak
Primary Subscription Window												
1st June	63.14	75.46	105.25	77.90	91.10	111.80	61.56	70.85	N/A	N/A	73.13	N/A
5th June	63.86	76.31	106.27	78.79	92.17	113.05	62.18	71.49	N/A	N/A	73.56	N/A
6th June	63.11	75.60	105.60	77.44	90.69	111.54	61.52	70.80	N/A	N/A	72.82	N/A
7th June	63.32	75.95	106.21	77.74	91.17	112.26	61.76	71.15	N/A	N/A	73.09	N/A
8th June	62.80	75.40	105.61	77.18	90.48	111.43	61.31	70.63	N/A	N/A	72.58	N/A
11th June	62.57	75.12	105.31	76.89	90.17	111.08	61.18	70.47	N/A	N/A	72.46	N/A
12th June	62.84	75.43	105.68	77.22	90.55	111.51	61.24	70.55	N/A	N/A	72.43	N/A
13th June	62.39	75.11	105.55	77.27	90.68	111.85	61.62	71.04	N/A	N/A	73.09	N/A
14th June	62.33	75.13	105.66	77.67	91.18	112.54	62.15	71.65	N/A	N/A	73.86	N/A
15th June	62.30	75.13	105.67	77.16	90.61	111.89	61.65	71.11	N/A	N/A	73.18	N/A
18th June	62.44	75.29	105.90	76.82	90.25	111.45	61.12	70.51	N/A	N/A	72.29	N/A
19th June	62.76	75.56	106.10	76.51	89.88	110.89	60.61	69.88	N/A	N/A	71.35	N/A
20th June	62.34	75.00	105.31	76.31	89.58	110.41	60.75	70.00	N/A	N/A	71.48	N/A
21st June	62.53	75.36	105.88	76.78	90.18	111.33	61.27	70.62	N/A	N/A	72.27	N/A
22nd June	61.76	74.59	105.16	75.56	88.86	109.87	60.50	69.80	N/A	N/A	71.36	N/A
25th June	60.67	73.43	103.88	74.44	87.55	108.48	60.36	69.63	N/A	N/A	71.33	N/A
26th June	60.87	73.61	104.07	74.49	87.59	108.42	60.07	69.26	N/A	N/A	70.79	N/A
27th June	61.09	73.91	104.51	74.78	87.96	108.92	60.30	69.56	N/A	N/A	71.11	N/A
28th June	61.44	74.22	104.79	75.43	88.64	109.69	60.97	70.25	N/A	N/A	71.93	N/A
29th June	61.54	74.33	104.90	75.81	89.09	110.22	61.37	70.70	N/A	N/A	72.55	N/A
Supplemental Subscription Window												
3rd July	61.17	74.12	105.02	74.53	87.77	108.96	60.74	70.09	N/A	N/A	71.69	N/A
4th July	61.81	74.74	105.67	74.71	87.97	109.13	60.59	69.90	N/A	N/A	71.31	N/A
5th July	62.63	75.54	106.40	75.71	89.04	110.16	60.74	70.05	N/A	N/A	71.50	N/A
6th July	63.77	76.74	107.72	76.87	90.35	111.58	61.59	70.90	N/A	N/A	72.06	N/A

Table 2: RoI PSO Contract Reserve Prices

Period	PSO Reserve Price
Nov-Dec 2007	€65.08
Q1 2008	€76.38
Q2 2008	€62.37
Q3 2008	€61.15