



4th March 2011

Mr Kevin Hagan,
Commission for Energy Regulation.
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

Mr Colin Broomfield,
Utility Regulator,
Queens House,
14 Queen Street,
Belfast,
BT1 6ER.

Via email

Re: SEM-11-007

Dear Kevin, Colin,

Endesa Ireland welcomes the opportunity to respond to the consultation paper on Contracts for Differences – Option for Directed Contracts 2011/12.

Endesa Ireland is in favour of the RA's proposal to offer a proportion of DCs throughout the year, as it enables DC volumes and supplier eligibility to reflect customer switching throughout the year and could facilitate new entrants to the retail market.

However, we consider the current process for allocating Directed Contract may be a barrier for new entrants, as it is unlikely they will have entered into binding contracts with customers for the next tariff year (October) prior to the start of the subscription window (late May). We would ask that a certain percentage of these contracts are set aside for new entrants to the retail market, based on their estimated demand for the 2011/2012 tariff year. Shortly before the start of the tariff year, the new entrants should provide revised estimates of their customer demand. If the volume of DCs allocated to the new entrant has reduced, these contracts could then be reoffered to the remaining suppliers. This would ensure a level playing field for both new and existing market participants.

Please don't hesitate to contact me should you wish to discuss any aspects of this response.

Regards,

A handwritten signature in blue ink that reads 'Deirdre Powers'.

Deirdre Powers
Director, Energy Management