

13th May 2011

Electronic submission to:

Mr. Billy Walker (<u>billy.walker@uregni.gov.uk</u>) The Northern Ireland Authority for Utility Regulation,

&

Mr. Jamie Burke (<u>jburke@cer.ie</u>) The Commission for Energy Regulation (RoI)

Re: <u>DW Consultancy Ltd's response to the Joint Regulatory Authority 'All-Island Generator</u> <u>TUoS Consultation'</u>

Dear Sirs,

DW Consultancy Ltd. (DWC) welcomes the opportunity to respond to the RAs consultation on TUoS generator charges.

DWC has a portfolio of wind power projects in Northern Ireland and Ireland that are in operation, construction or in various stages of development.

DWC had expected that a proposed decision would be published with details on the proposed tariffs before the consultation process arrived at a final decision and that there would be an opportunity for industry to comment on the proposed decision. The lack of information provided in the decision makes it very difficult to determine exactly how this new methodology will work and the implications for industry are very unclear. DWC also noted that there is an action on EirGrid to provide indicative tariffs and we request that both the methodology and tariff data are open for consultation on publication of the draft tariffs.

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DW CONSULTANCY LTD

Calculation Method for All-island Generator TUoS Tariffs

DWC is concerned that the System Operators (SOs) preferred method to calculate all-island generator tariffs will substantially increase the charges for generators in Northern Ireland. The 2010 average TUoS in NI is €214/MW/Month and the weighted average TUoS in ROI in 2010 is €530/MW/Month. The SO's are proposing to create an all-island generator pot. This is likely to approximately double the generator TUoS charges for generators in Northern Ireland.

The capital expenditure programme of EirGrid and ESB Networks over the next 5 year as part of the Grird25 programme is likely to further increase TUoS for generators in Northern Ireland. Only if NIAUR and NIE are also committed to a similar level of capital expenditure will there be some level of fairness in harmonising tariffs on an-island basis.

It is noted that there are significant differences in the level of generators TUoS charges in the two jurisdictions. Further explanation of the difference in the levels of these charges should be provided.

DWC's strong preference is option 3; a jurisdictional generator adjustment. Until the major jurisdictional difference in the level of monies required for a transmission system are addressed it appears unfair to harmonise tariff on an all-island basis.

Yours Sincerely,

Barry O'Kane, B.Eng, C.Eng, MIEI, Chartered Engineer For: DW Consultancy Ltd.

cc Ms. Doreen Walker

DW Consultancy Ltd.