

24 May 2012

The Secretary  
SEM Committee  
C/O Commission for Energy Regulation  
The Exchange  
Belgard Square North  
Tallaght  
Dublin 24

**Re: Treatment of Curtailment in Tie Break Situations - Consultation Paper 26 April 2012.**

Dear SEM Committee


Enterprise Ireland is the Government Agency with responsibility for the development of Ireland's indigenous and natural resource based industries. It directly supports manufacturing and internationally traded services companies to establish a position in international markets, generate export revenue and increase employment.

The possibility of an export market in electricity emerging in the coming years based on our abundant on-shore and off-shore wind resources is of particular interest. We are aware of the discussions taking place between the UK and the Irish governments and the imminent prospect of an Inter-Governmental Agreement that will facilitate Irish electricity suppliers benefiting from the UK's renewable energy incentives. This agreement will be an important pre-requisite for the development of an energy export industry. It is our expectation that it will bring a high degree of certainty to the potential investors in the enterprises that will result. All of this offers the prospect of the creation of significant employment both in the construction phase and long term in the operations and maintenance of the utilities established here. Other manufacturing and related sub-supply jobs might also ensue particularly if the wind farms were of large scale.

With respect to the deliberations of the SEMC, we recognise that within its mandate it is required to prioritize the interests of the consumer in Northern Ireland and Ireland. It also has a need, where appropriate, to promote the use of energy from renewable energy resources. In considering the different options for "the treatment of curtailment in tie break situations" we are conscious that the consultation paper does not make specific reference to the export of electricity. We are aware that the issues involved may not have any relevance in instances where electricity is generated in Ireland or in Irish territorial waters and transmitted direct to the British grid. We would however urge the Committee to have regard for the impact its decision may have on projects that are developed for export but which propose to avail of the statistical transfer market mechanism.

We would be happy discuss these views with you further and should you have any queries please do not hesitate to contact us.

Yours sincerely



Julie Sinnamon  
Executive Director, Global Business Development