

Robert O'Rourke
The Commission for Energy Regulation
The Exchange
Belgard Square North,
Dublin 24.

Billy Walker
The Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

Dear Robert, Billy

RE: Proposed Testing Tariffs for Calendar Year 2015

I am writing to you on behalf of Bord Gáis Energy (BGE) in response to the consultation on the proposed testing tariffs for the calendar year 2015. BGE has no specific comment on the proposed tariffs for 2015 specifically but rather on the application of testing tariffs over the coming years.

Given Ireland's ambition to facilitate considerable levels of renewable generation, a number of Grid Code changes are expected over the coming years, not least of these being changes to the Rate of Change of Frequency (RoCoF). RoCoF amongst other Grid Code changes may require testing of units to ensure/prove compliance. BGE is of the strong view that units that undergo testing as part of regulatory approved Grid Code changes should be exempt from testing tariffs. Although BGE recognises the objectives of testing tariffs and the principles underpinning the derivation of the tariffs, the costs of testing related to policy driven Grid Code changes should not be borne by individual generators and should instead be funded through the imperfections charges.

Generators are incurring considerable capital and resource costs to comply with the technical changes being mandated as part of the wider DS3 Programme. It would not be fair to impose further costs on generators to comply with what are essentially system driven changes. On that basis, BGE asks the Regulatory Authorities to direct the system operators to recognise a '4thPhase' or additional type of testing, where units are under test to demonstrate compliance with changes in the Grid Code. Any costs for such testing should be socialised through the imperfections charges.

To be clear, generators who have had to make technical changes to comply with Grid Code provisions in place when they were commissioned should not be eligible to fall into this '4th Phase' or new category. It is only applicable to units when there are changes to the Grid Code provisions and they are undergoing testing to prove compliance with those changes specifically.

I would welcome your feedback and would be happy to meet with you to discuss the proposal further.

Yours sincerely,

Jill Murray

Manager, Regulatory Affairs – Commercial
Bord Gáis Energy

{by email}