

FAO: Robert O'Rourke
CER

02 September 2014

RE: Response to DS3 System Services Procurement Design
SEM Committee Consultation

Dear Robert,

ESB Networks welcomes the opportunity to comment on this consultation. We wish to comment only on the reactive power products – both Steady-state Reactive Power [SRP] and Dynamic Reactive Response [DRR]. ESB Networks agrees totally with TSOs view that these services should be paid on a capability basis to reduce the investor uncertainty.

For the particular case of distribution connected generators, ESB Networks would go further and advocate that the payment be based upon the capability, as described in the definition paper, that the generator can deliver at the connection point¹. We believe that this approach would be totally consistent with the rationale above around investor certainty as the capability is a function of the investment made.

Yours faithfully,

Fiona O'Donnell

Manager, Transmission and Distribution Regulation

For ESB Networks Ltd.

¹ As defined in the Distribution Code