



Electricity Supply Board

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**Consultation Paper – Interim Arrangements: Fuel-Mix Disclosure in the SEM
SEM-09-052**

Dear Robert/Frankie,

ESB Customer Supply (ESBCS) welcomes the opportunity to respond to this consultation paper on Interim Arrangements: Fuel-Mix Disclosure in the SEM. Although three options are presented in the paper our comments below are our observations on the Regulatory Authorities (RAs) preferred Option Three – Average Pool Fuel Mix and Bi-lateral Purchases.

Page 3 of the consultation clarifies a number of terms used in the paper. The clarification for 'Average fuel-mix for the island of Ireland' is:

'.. the fuel-mix associated with the total generation on the island of Ireland plus net imports'

We wish to request confirmation that in the context of Option 3 that the average fuel mix to be applied is net of quantities separately accounted for by suppliers.

Two terms used in the paper are not clarified on page 3 i.e. Power Purchase Agreements and Contracts for Difference. Without such clarification it is uncertain to us what a supplier can or cannot include as bi-lateral purchases under Option Three.

Section 4.1 of the paper on 'Provision of Required Evidence' gives some details on the evidence to be provided by market participants to facilitate calculation of suppliers' fuel-mix information. We request clarification on what specific evidence is required

regarding each element of data to be provided by suppliers and whether there will be an audit/checking process to ensure that the evidence provided is accurate.

Our view is that suppliers evidence of out of market purchases may not be readily available in the same format (e.g. loss adjusted) as data gather by the system operators or meter operators, and transposing the data could potentially be a significant imposition on our business unless simple pragmatic calculations are adopted. As this is an interim arrangement we would not support a situation that results in onerous obligations.

We wish to reiterate our concerns about the way differentiated fuel mix data (particularly the associated CO₂ emissions data) will be communicated and promoted to the final customer. The enduring 'High Level Methodology for the Calculation of Fuel Mix Disclosure in the SEM' decision paper SEM/09/033 states on page 13:

"The RAs agree that the CO2 table disclosed by a supplier does not constitute an indication of immediate or short term additional environmental benefits associated with that supplier/a specific offering. Therefore, the RAs recognise that there should be no suggestion nor claim made by suppliers on the relevant material that the overall carbon emissions have been directly reduced by a customer opting for a particular supplier/tariff."

We would welcome the RAs position on whether they intend to develop guidelines for suppliers in a manner similar to that undertaken by Ofgem to provide clarity to customers on whether the tariff they sign up to has some environmental benefit.

Overall our view is that 'Option Three – Average Pool Fuel Mix and Bi-lateral Purchases' lacks some clarity and would welcome a workshop or similar type forum to fully comprehend the mechanics of the proposal.

Yours sincerely,

Gerry McDonald,
ESB Customer Supply.