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12th June 2009

Frankie Dodds and Robert O'Rourke,
Northern Ireland Authority for Utility Regulation,
Queen House, Queens Street,
Belfast BT1 6ER

Ref: AIP/SEM/09/052 Interim Arrangements: Fuel-Mix Disclosure in the SEM

Dear Frankie and Robert,

I attach ESB International (ESBI) response to the above consultation

Kind regards

[Ramón Cidon](#)

Market Strategy Manager, Independent Generation, ESB International



**ESBI RESPONSE TO
INTERIM ARRANGEMENTS: FUEL-MIX
DISCLOSURE IN THE SEM
SEM/09/052**

1. Introduction

ESBI appreciates the opportunity to comment on this consultation paper. We have no objection to all or part of it being published by the Regulatory Authorities (RAs).

ESBI broadly welcomes the thrust of this interim proposal for fuel mix disclosure in advance of the imminent new enduring or permanent All-Island Renewable Energy Generation of Origin (REGO) certificate system which we certainly welcome for future fuel mix disclosure and look forward to its implementation as soon as possible. In the interim we welcome this proposal and agree with the RAs view that Option 3, Average Fuel Mix and Bi-lateral Purchases, represents the best methodology for determining this fuel mix for all the reasons outlined in the consultation paper and in advance of REGO certification.

However, we do have a number of specific concerns in relation to fuel mix disclosure in general which we articulate below.

2. Interim Arrangements for Fuel-mix Disclosure

ESBI is concerned that fuel mix and environmental impact labelling for electricity bills, as implemented in Directive 2003/54/EC, gives a false impression to Irish customers that changing their supplier could reduce the environmental impact of their electricity consumption. This is wrong – increased consumption causes additional fuel to be used by the marginal generator. The only way in which a supplier can reduce the environmental impact of its supply is by acquiring and cancelling carbon emissions allowances, as ESB Independent Energy¹ is doing for its customer, the GAA, as part of the Croke Park Cúl Green initiative.

ESBI suggests that the Regulatory Authorities should provide electricity customer guidance in relation the environmental impact of consumption, as Ofgem has done in Great Britain².

Given the requirements of the EU Directive, ESBI has no objections to the labelling proposed by the Regulatory Authorities. However ESBI is anxious that in presenting

¹ ESBI's Independent Supply business, which retails electricity to customers in RoI and NI.

fuel mix data, no claims are made that changing supplier will change the environmental impact of a customer's electricity consumption.

ESBI does not agree with the proposal in relation to imported electricity, that contractor assurances be sufficient to certify that Renewable Energy Guarantees of Origin (REGOs) have not been used elsewhere. There is a REGO register in the UK which provides information on REGOs for renewable electricity generated in the UK and imported into the UK. The information in this register should be used to validate that any REGO attached to electricity imports to Ireland has not been used elsewhere.

3. Summary

ESBI has no objection to the Regulatory Authorities proposals in relation to fuel-mix disclosure provided that:

- no claim is made that changing supplier will impact on environmental impact of a customer's electricity consumption
- the origin of renewable generation imported into Ireland is validated by reference to the UK REGO register

ESBI is of the view that marketing claims regarding the environmental impact of electricity supply require to be addressed by the RAs.

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www.ofgem.gov.uk/Sustainability/Environment/Policy/Documents1/Green%20supply%20guidelines%20final%20proposals%20open%20letter.pdf