



The Consumer Council

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10 September 2010

Ref: PD20010630

Jody O'Boyle  
Utility Regulator  
Queens House  
14 Queen Street  
Belfast  
BT1 6ED

Dear Jody,

**Re: CPM Medium Term Review Work Packages 1 to 5 Historical Analysis of CPM and Proposed Decisions**

The Consumer Council is a Non-Departmental Public Body set up in legislation to safeguard the interests of all consumers, and particularly the vulnerable and disadvantaged. The Consumer Council is an independent organisation which operates to promote and protect the consumer interest.

We welcome the opportunity to respond to this discussion paper on the Capacity Payment Mechanism (CPM) Medium Term Review.

It is the position of the Consumer Council that any decision about the regulatory structure of the Northern Ireland Energy Market should only be undertaken in the interest of the consumer. With fuel poverty levels in Northern Ireland reaching crisis levels, with one in two households struggling to adequately heat their home, it is important that the regulatory structures look to minimise the cost of energy to consumers.

The Consumer Council would like to ensure that the benefits to consumers will be seen equally in Northern Ireland and the Republic of Ireland with neither receiving greater benefits than the other.

Work Package 1 includes details on the historical analysis of CPM. Given the data now available to the Regulatory Authorities (RAs) following the collation of the historical analysis is expected that any decision made will be well informed and ultimately in the best interests of the consumer.

The Consumer Council is in agreement with the objective in Work Package 2 which states that the CPM should provide generators with incentives to improve performance rather than provide compensation for poor performance.

Work Package 5 refers to the use of the exchange rate with the CPM. Given the potential volatility of exchange rates it may be useful to consider charges that take account of the more frequent exchange rates and therefore track current market conditions more accurately.

The Consumer Council would like the Regulator Authorities and the Transmission System Operators to keep in mind that the primary objective of any decision is to protect the consumer.

I hope that these comments are helpful and are given due consideration. Please contact me if you require any clarification.

Yours Sincerely,

Andrew Murray  
Senior Consumer Affairs Officer