



The Consumer Council

Elizabeth House,
116 Hollywood Road,
Belfast BT4 1NY
Tel 028 9067 2488
Fax 028 9065 7701
e mail info@consumercouncil.org.uk

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Ref: PD20010851

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

Dear Jody,

Re: CPM Medium Term Review Work Packages 6, 8, 9 and 10

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 Work Packages 6, 8, 9 and 10.

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 at 44 per cent in Northern Ireland many households are 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.

There is concern that generators are being over rewarded for providing generation to the grid, particularly intermittent generation. It is important that the incentives for generators are fair and reflective of their actual costs and do not provide an additional burden for consumers in Northern Ireland or in the Republic of Ireland.

The market should aim to provide a least cost electricity system which is both transparent and provides genuine competition. The capacity pot must therefore aim to incentivise the optimum use of generation.

Consideration should be given as to whether it is fair that all generators, including those whose capital costs have been paid in full, have access to payments from the capacity pot.

Any decision taken on the CPM Work Packages should aim to provide benefits for all consumers. Consumer benefits will ultimately be realised through lower final prices.

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