

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

29 July 2011 Ref: PD20010867

Billy Walker
Northern Ireland Authority for Utility Regulation
Queens House
14 Queen Street
BELFAST
BT1 6ER

Dear Billy,

## Re: Incentivisation of All-island Dispatch Balancing Costs

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 consultation on the incentivisation of all-island dispatch balancing costs.

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 authorities look to minimise the cost of energy to consumers.

Incentivisation of all-island dispatch balancing costs must only be undertaken if it is in the interests of all consumers across the island. Incentives should aim to promote efficiency, which in turn will lead to cost savings and should produce benefits for consumers, which will ultimately be realised through lower final bills.

It is important that proposed incentives do not disadvantage either jurisdiction more or less than the other and benefits should be equally shared across the all-island market. Administration of the incentives must be fair for both Eirgrid and SONI.

Caution must be taken when deciding on the design of the incentivisation model, particularly when comparing to other markets which may differ substantially from the all-island market.

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