

Dear Kenny,

As part of the ongoing consultation on the treatment of gas capacity costs in the all-island electricity market, we want to express our clear view that we do not agree with any proposal that would result in these costs driving up wholesale electricity prices.

Our business is the manufacture of mushroom compost. We sell up to 25% of our output into N.I. so this will impact on the competitiveness of mushroom farms in N.I. also if we have to pass on those costs to our customers. Cost containment is a very important feature of our business and managing our energy costs is an integral part of this process. However, please appreciate that energy is not a core part of our business.

If this consultation resulted in an increase in electricity costs we would be extremely disappointed with the regulatory framework for allowing this to proceed. One of the key purposes of the single electricity market was that electricity prices are fair and reasonable. The impact on our business would be an estimated 4% increase in electricity costs. Our electricity bill can be anywhere from €500,000 to over €800,000 in the highest cost year. Hence an increase of 4% is easily over €20K. We would urge you to consider all possible options to alleviate the impact of the proposed change.

Yours sincerely,

Thanks & regards,

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