



**Response by Energia to EirGrid East West
Interconnector and Moyle Interconnector**

Report on Curtailment Approach

11 December 2012

1. Introduction

Energia welcomes this opportunity to respond to above report on how auction capacity and curtailment are handled on the EWIC and Moyle (SEM interconnectors).

2. Discussion

In accordance with EU law and like other interconnectors in GB and the FUI region, the SEM interconnectors only auction forecast available capacity, and this is appropriately reflected in the current Access Rules. Auctioning capacity over and above forecast availability is clearly not in accordance with the requirements of EU Regulation 714/2009 and therefore the existing Access Rules of EWIC and Moyle cannot and should not be modified in this respect. The current approach not to auction capacity that would exceed forecast availability is also the economically correct one that is consistent with the Access Rules objectives and with the approach taken for all other FUI and GB interconnectors. Energia would be extremely concerned by any proposal to change this, and would indeed question the benefit of doing so given the legal certainty provided by EU Regulation 714/2009.

The same legal certainty does not apply to situations where curtailment of sold capacity is required (for example following an outage or trip of an interconnector). The current approach for dealing with this on the SEM interconnectors is to apply curtailment on a pro rata basis, making no distinction between longer term and shorter term capacity holders. This particular approach certainly merits further consideration and we would encourage this. We note for example that the IFA interconnector favours long term capacity holders with capacity products curtailed in order from the shortest product duration to the longest. This is a rational approach reflecting the long term commercial commitment made by interconnector users who hold long term capacity products. And importantly, it can be looked at and changed because EU law is non-prescriptive in this respect as reflected in the differential approaches taken by the IFA and Britned interconnectors. Were SEM interconnectors to align with IFA, BritNed would be the only interconnector in the FUI region to apply a pro rata approach.