

Mr Peter Lantry
EirGrid Interconnector Limited
The Oval
160 Shelbourne Road
Ballsbridge
Dublin 4

25 July 2014

Re: Approval of the Access Rules and Charging Methodology Statement for the East West Interconnector

Dear Peter,

This letter gives notice of the approval by the Commission for Energy Regulation (the CER) of the Access Rules and Charging Methodology Statement submitted by EirGrid Interconnector Limited (EIL) on 12 May 2014¹. This approval follows consideration by the SEM Committee of the amended Access Rules and Charging Methodology Statement as submitted by EIL. The effective date of this approval is 29 August 2014.

The Access Rules have been submitted under Condition 20 of EWIC's Interconnector Operator licence granted to EIL on 7 October 2011. The CER has the power to approve Access Rules for cross border interconnector operators under Article 34A(1) of the Electricity Regulation Act (1999) (as amended), which states that:

Subject to subsection (3), the holder of a licence under section 14(1)(i) [in this section referred to as the interconnector operator] shall offer access to the interconnector concerned on the basis of published non-discriminatory terms which shall be subject to the approval of and directions given by the Commission.

A consultation was carried out jointly by EIL and Mutual Energy Limited (MIL) and ran from 31 March to 30 April 2014. EIL reviewed its Charging Methodology alongside its access rules and concluded that no modifications are currently necessary.

The Commission for Energy Regulation acknowledges that no responses from stakeholders were received to the proposed changes to either the Access Rules or the Charging Methodology Statement. The proposed changes to the EWIC Access Rules as outlined in the Consultation Paper are summarised below.

Consultation on Access Rules and Charging Methodology

The proposed changes to the Access Rules fall into three broad categories:

1. Capacity Usage Rules (Rule E5.2.4, E5.2.5 and E8.4);
2. Definitions (Schedule 1, Part I);
3. Letter of Credit (Schedule 7);

¹ A copy of the EIL Access Rules submission letter will be published on <http://www.allislandproject.org> alongside this letter.

Capacity Usage Rules

Minor changes were proposed to Rule E5.2.4 and E5.2.5. These changes provide that capacity curtailment compensation is not due for unused units which did not result in an MIUN. The clarification was necessitated due to a customer dispute, which is now closed, and which suggested that unused capacity should be compensated in curtailment events. This proposed change provides explicit guidance on this issue in the Access Rules and is in line with IFA and Brit Ned Access Rules which provide for compensation for curtailed nominations and not for non-nominated volumes². These changes were re-enforced in proposed legal drafting changes to Rule E8.4 emphasising that no compensation will be due for Unused Units that have not been nominated.

Definitions

One minor change was proposed to Schedule 1 with respect to the definition of "Unused Units" to align with changes discussed above.

Letter of Credit

A further change was proposed to the Letter of Credit in Schedule 7 which replaces the Beneficiary from "EirGrid" to "EirGrid Interconnector Limited." This proposed change corrects a typo in Access Rules which had been brought to the attention of the Regulatory Authorities and which the RAs requested would form part of this Consultation.

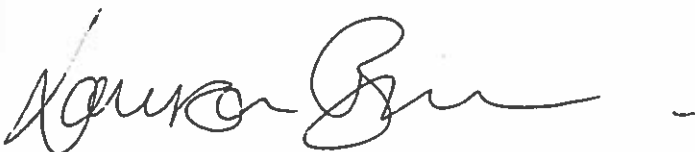
Charging Methodology

For the avoidance of doubt, it should be noted that as no changes have been proposed by EIL to the Charging Methodology, accordingly the Charging Methodology is approved as it stands in Issue 2.0 of the EWIC Charging Methodology Statement.

Further action in respect of Access Rules

Having provided our approval for both the revised Access Rules and Charging Methodology Statement we request EirGrid Interconnector Limited to publish the approved updated Access Rules and Charging Methodology Statement together with this letter on its website.

Yours sincerely,



Laura Brien
Director
Electricity Markets

² See: Rule E8.6 of IFA Access Rules v9: <http://www2.nationalgrid.com/WorkArea/DownloadAsset.aspx?id=28127>) and the BritNed Access Rule D9: <http://www.britned.com/BritNed/Trading/~/media/BritNed/Files/BritNed%20Access%20Rules%202012-06-13.pdf>.