

(Registered in Ireland No.59982)

Framework for NEMO Regulation from October 2019

Aughinish Alumina Ltd Response

Introduction

Aughinish Alumina Limited (Aughinish) since 1983 has operated a large alumina refinery based in West Limerick. The alumina plant is one of the most energy efficient in the world and produces 30% of EU alumina requirements. In 2003, Aughinish invested over US \$130M in a 160MW High Efficiency Combined Heat and Power (HE CHP) plant to meet the power and heat needs of the refinery, thus becoming an exporter of power and no longer only a consumer. Since commercial operation in 2006, the HE CHP plant has played a major role in Ireland reaching its energy efficiency targets and reducing emissions, accounting for an average saving of approximately 330,000 tonnes of CO2 per annum. Aughinish as a Large Energy User (LEUs) and the owner/operator of a High Efficient CHP (CHP) plant are strong supporters of reliable energy delivery and of the long term security of the Irish energy system. AAL recognise the importance to Ireland in retaining existing industry and attracting further foreign direct investment by having a world class energy supply system.

General comments

Aughinish welcomes this opportunity to contribute to the Framework for NEMO Regulation from October 2019. AAL understands the importance for transparent and reasonable NEMO regulation, as set out by the CACM Network Code.

At a high level, AAL welcomes any regulation that encourages transparent and fair competition for additional NEMOs entering the market. AAL believe it would be in the best interests of consumers in the SEM, by having multiple NEMOs. AAL believe it is the RAs responsibility to ensure that all barriers to additional NEMO entry are removed as swiftly as possible. AAL recognise that there is a fine balancing act to ensure that barriers to entry are removed, while also guaranteeing sufficient regulation remains in place to ensure NEMOs comply with CACM. AAL also welcomes the news that the technical elements allowing for multi-NEMO Arrangements across the EU will be in place by 2019.

Consultation Q1

AAL would prefer Option 2, as it offers certainty to market participants.

Consultation Q2

AAL would prefer Option 1.

Consultation Q3

AAL agrees with having a three-year time-limited price control.

Consultation Q4

No comment.

If you have any questions regarding this response, do not hesitate to contact the undersigned.

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