



**Customer Supply**

**ESB Customer Supply Response  
CER Consultation Paper**

**Disclosure of Information to Final Customers by Suppliers**

**(CER/06/018)**

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## **1. Introduction:**

ESB Customer Supply (CS) welcomes the opportunity to respond to the consultation paper on the Disclosure of Information to Final Customers by Suppliers issued by Commission for Energy Regulation (the Commission) on the 1<sup>st</sup> March 2006.

## **2. Executive Summary**

### **2.1 Fuel Mix Information**

- Determination of the relevant information by the SSA appears sensible.
- The methodology suggested also appears reasonable given that the information is available.
- There is no compunction on external generators to provide relevant information in a timely manner with a consequential problem with providing data on imports.
- Further clarity is required on the mechanism for the ex-ante determination of imports fuel-mix.
- ESB CS has no control over balancing interconnector trades and is concerned regarding the implications if nuclear energy sources are imported via the interconnector.
- For energy that is not directly included in settlement (e.g. AER's) this information is already provided by ESB CS to the SSA on a monthly basis.
- It is not clear how green suppliers are treated.
- ESB CS would be interested in attending a workshop on the mathematical model included in appendix A of the consultation paper.

### **2.2 Environmental Impact Information**

- In the consultation paper it appears that suppliers are required to provide information on fuel mix on a kWh (generated) rather than a kWh (supplied) basis. It appears inconsistent to have figures calculated on two different bases included in the same disclosure label.
- Significant detail is provided in respect of the calculation of fuel mix, however, no detail is provided as to how the emissions of CO<sub>2</sub> associated with that mix are to be determined.

### **2.3 Applicable Period**

- We concur with the requirement to provide this information in the proposed tabular format on an annual basis.
- Our preferred option is to include the required information in, rather than, on the bill i.e. included as part of a bill insert, as previously agreed.
- There is inconsistency in section 2.3.2 regarding how quickly suppliers are required to notify customers once the required information becomes available. This needs to be clarified but we would request that a period of three months is the minimum required to prepare a bill insert and amend promotional material.

### **3. Fuel Mix Information**

The Commission proposes that the Settlement System Administrator (SSA) will calculate the fuel mix for each supplier in line with one methodology approved by them. This methodology will be incorporated into the Trading and Settlement Code and will be auditable as part of the annual market audit of the SSA. The fuel mix of generators in the Republic and of imports from Northern Ireland will be approved by the Commission.

Determination of the relevant information by the SSA appears sensible. The methodology suggested also appears reasonable given that the information is available.

There is no compunction on external generators to provide relevant information in a timely manner (it is doubtful whether any such compunction could be enforceable). Consequently a potential problem exists with providing data on imports given there will be an obligation on suppliers to provide information to customers by a specified date. In mitigation, the paper does state that N-S imports fuel mix can be determined ex-ante and approved by the Commission. ESB CS would like clarification on how and when is this to be done before we could provide a considered view on it.

ESB CS has a concern in relation to the implications of including Nuclear as a category of energy sources. The Commission includes the category as it is assumed that nuclear output may be included in the fuel mix for imported power. ESB CS has no control over balancing interconnector trades, entered into by the TSO in the discharge of its responsibilities. If nuclear energy sources are imported via the interconnector, ESB CS does not wish to be held responsible for the negative consequences of the importation of Nuclear power over which it has no control.

The Commission's consultation paper is not clear in how the fuel mix for interconnector imports will be determined. Appendix A states that 'for interconnector imports the fuel mix as approved by the Commissions will be used'. We request further elaboration on this.

The consultation paper states that for energy not directly included in settlement calculations suppliers are required to submit information to the SSA of such energy based on metered generation for review by SSA and inclusion in the overall fuel mix calculation.

Regarding energy that is not directly included in settlement (e.g. AER's) this information is already provided by ESB CS to the SSA on a monthly basis.

It is not clear how green suppliers are treated. There is a reference to using the fuel mix calculation to determine qualification for access to first tier top up. Reference is made in the consultation paper to document reference CER/06/004 'Revised Balancing Rules for Licensed Green and CHP Suppliers under the Trading and Settlement Code'. This document is not currently available on the CER website.

ESB CS would be interested in attending a workshop on the mathematical model included in appendix A of the consultation paper.

#### **4. Environmental Impact Information**

In terms of the requirement to make available information regarding the environmental impacts of electricity supplied the Commission proposes to adopt a similar approach as used in the UK i.e. adopt standardised emissions factors which are provided to suppliers.

In the consultation paper it appears that suppliers are required to provide information on fuel mix on a kWh (generated) rather than a kWh (supplied) basis. Yet the worked example on environmental impact calculations in Appendix 2 includes a losses factor. Is this to be applied and if so at what value? It appears inconsistent to have figures calculated on two different bases included in the same disclosure label.

Significant detail is provided in respect of the calculation of fuel mix, however, no detail is provided as to how the emissions of CO<sub>2</sub> associated with that mix are to be determined. The EPA could be in a position to provide such information but it is not clear that all generators are subject to relevant EPA licences.

#### **5. Applicable Period**

The consultation paper states that the information should be provided for the previous calendar year and the first relevant calendar year is from 1<sup>st</sup> Jan 2005 – 31<sup>st</sup> Dec 2005.

We concur with the requirement to provide this information in the proposed tabular format on an annual basis. We would also remind the Commission that our preferred option is to include the required information in, rather than, on the bill i.e. included as part of a bill insert, as previously agreed. In fact attempting to provide this information on the bill would compromise the process of billing and issuing bills in a timely manner with obvious negative impact on cash flow. Relevant promotional material such as welcome packs

as defined in the consultation paper can be amended annually to reflect the fuel mix/environmental impact information.

There seems to be some inconsistency in section 2.3.2 where it is stated that suppliers will be required to provide customers with information within one month of the relevant information being made available by the SSA. The sample dates quoted in the example states that suppliers are required to provide this information to customers within three months (i.e. by 1<sup>st</sup> September at the latest if the information is available on 1<sup>st</sup> June). This needs to be clarified but we would request that a period of three months is the minimum required to prepare a bill insert and amend promotional material. In addition, ESB CS has a heavy schedule of bill inserts for 2006 which currently includes proposals for the revised Customer Charter and Codes of Practice as required by the Commission. We would therefore request that this be taken into consideration by the Commission in its determination. We would also suggest that the annual disclosure date be fixed for 2007 onwards in order to allow suppliers to plan this event with certainty.