



**Viridian Energy Ltd**

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8<sup>th</sup> Dec 2006

Danny O'Brien  
Bord Gais Networks  
Gasworks Road  
Cork

**cc: Jill Murray (CER), Keelin O'Brien (CER)**

**Ref: Comments on the email issued by BGN entitled "Publication of Entry/Exit Point Information – Regulation (EC) 1775/2005" as circulated on 21<sup>st</sup> November 2006.**

Dear Danny,

Please find below Viridians comments in relation to the above referenced consultation.

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Further to the email sent out on 21<sup>st</sup> November 2006 by Danny O'Brien of Bord Gais Networks in relation to Directive (EC) 1775/2005 and specifically the obligation of Transporters (in this case Bord Gais Networks) to publish capacity market data at "relevant" Entry and Exit Points Viridian would like to take this opportunity to comment on this issue.

It is understandable, in the interests of openness and transparency, why it would be desirable for certain information, related to the use of a gas system, and related to relevant points therein, would be published in a competitive gas market, such information being deemed to be useful and of value to facilitate decisions of players or potential players at such relevant points (this being the essential reason for this EC 1775 ruling on transparency as detailed in sub-section (13) of the section titled "Whereas" of the regulation) . However it is argued that where there is only one or only two players at a relevant exit point, release of such information could be very damaging competitively to parties given the ease with which other parties could deduce exact information relating the exact parties at a relevant exit point from the system. This is particularly true in Ireland given the strong link between gas usage and the electricity generation market given the fact that such a high percentage of Irelands gas demand is used to generate electricity. For this reason, in relation to exit points with one player, Viridian would argue that there should be no obligation to release information to the wider public given (i) that it is highly unlikely another user will want to book, or use, capacity at such exit

Point, and thus many of the arguments raised for obtaining the information are not valid and (ii) that the information is highly commercially sensitive in both the gas and electricity markets.

Following on from the above Viridian would like to draw Bord Gais Networks attention to the following;

- (a) Article 6 Section 5 paragraph 2 of the Regulation (EC) 1775/2005 where “the competent authority shall .... respect legitimate commercial confidentiality”.
- (b) Section 7 Sub-Clause (38) of the “Draft Explanatory note of DG Energy & Transport on Article 6 and Annex 3 of Regulation (EC) No 1775/2005 of the European Parliament and of the Council of 28<sup>th</sup> September 2005 on conditions for access to the natural gas transmission networks” where it states “information on capacity can be considered confidential if it reveals sensitive information on the commercial position of market participants”.

Considering (a) and (b) above, and given the fact that Viridians power plant at Huntstown is currently the only truly independent power producer in the Republic of Ireland, Viridian would contend that the proposed information is highly commercially confidential and sensitive, and would therefore formally request Bord Gais Networks as the transmission system operator to take the necessary steps to ensure achievement of keeping this information confidential.

In addition to the aforementioned referring to Article 6 Section 5 paragraph 3 it is implied that where there are less than three network users at a relevant point on the network it may not be necessary (or appropriate) for information in relation to such point to be published. Section 7 Sub-Clause (39) of the “Draft Explanatory note of DG Energy & Transport on Article 6 and Annex 3 of Regulation (EC) No 1775/2005 of the European Parliament and of the Council of 28<sup>th</sup> September 2005 on conditions for access to the natural gas transmission networks” suggests that to get authorisation not to publish information in relation to a relevant point the TSO must make an application to the relevant competent authority. Thus in line with this Section 7 Sub-Clause (39) Viridian hereby formally requests Bord Gais Networks as the TSO in Ireland to make an application to the competent authority to grant it authorisation not to publish the proposed data in relation to the Huntstown Power exit point from the BGN system since there is only one network user operating at this point.

Viridian does not share the same opinion as outlined above in relation to Entry Points to the system, given the fact that there are so few Entry Points and so many users who are totally dependent on these Entry Points for their gas supplies (having no alternative source for gas supply). Therefore in the case of Entry Points in the interest of fairness to all, all relevant information which may be pertinent should be published to ensure complete transparency.

Further it is noted that failing to release such proposed data relating to incumbent monopoly players, even if there is less than 3 network users at the relevant Entry/Exit point, is likely to have a serious detrimental effect on bringing about real market opening in both the gas and electricity markets, and a serious detrimental effect on the concerted efforts by many parties including the regulator to try to minimise the negative effects on competition of market dominance in these markets. Viridian would ask BGN and the competent authority to consider this point very carefully when making any

decision in relation to the release of information at relevant points as prescribed under EC 1775.

Yours sincerely,

*Derek Russell*

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