



ESB Customer Supply

Response to CER 08/088

Issue date: 6th June 2008

1. INTRODUCTION

In its decision paper published on 22nd May 2008¹ the Commission for Energy Regulation (“the Commission”) has requested that ESBCS provide further information concerning six of the seven changes proposed by ESBCS in respect of the tariff structure changes it proposes to implement in the tariff year commencing 1st October 2008.

Information on four of these changes has been requested by 6th June, and the other two by 15th July. This paper deals with the first four, three of which have been approved in principle. The changes concern:

1. Removal of the kWh blocking arrangement in the GP tariffs.
2. The proposed review of the Domestic “night-saver” tariff.
3. Introduction of a PES “Green” tariff.
4. Cessation of the Group PPPT tariff.

The information requested is set out in the following sections.

2. General Purpose Tariffs (24hr & nightsaver)

The GP24 (GP 24 hour) and GPNS (GP NightSaver) variants of the GP tariff both currently have a “2 block” kWh structure whereby the kWh rate for consumptions in excess of 47,815 kWh per annum (131 kWh per day) are charged at a lower rate.

For the 2007/08 tariff year the differential between the first and second blocks is c. 10% for the GP24 and 6% for the GPNS.

The Commission has agreed that under the SEM there is no logical reason why the cost of electricity should decline with increasing volume consumed by an individual customer since all kWh purchased from the Pool in any settlement period are charged at the same price. Furthermore a kWh rate that is regressive with consumption is not conducive to encouraging the efficient use of energy.

In its decision CER07/191 (27th October 2007) CER supported in principle the removal of the two block structure, but deferred its introduction on an interim basis until 1st October 2008 to provide a window in which independent suppliers could adjust their commercial arrangements in response to this new ESBCS tariff structure.

¹ CER/08/088, PES tariff structures for 2008/09 – Decision, 22nd May 2008

Following further consultation by the Commission on 27th March 2008 (CER/08/046), ESBCS presentation to market participants and the Commission's subsequent decision (CER/08/088 of 22nd May 2008) the Commission has now directed ESBCS to phase out the removal of the two block structure over a three year period and to submit a transition proposal.

In this regard ESBCS has considered how best to meet the objective of phasing out the two block structure over a 3 year period.

We propose to progressively reduce the price differential between each block across the interim period, with no amendment to the threshold of 47815kWh. This mechanism will comply with the direction, whilst producing an obvious glide path, in the absence of being able to immediately remove the 2 block structure.

Accordingly the following transitional arrangement is proposed:

GP24 tariff

	2007/08	2008/09	2009/10	2010/2011
Threshold	47,185			
Differential	10.0%	6.0%	3%	0%

GPNS tariff

	2007/08	2008/09	2009/10	2010/11
Threshold	47,185			
Differential	6.1%	4%	2%	0%

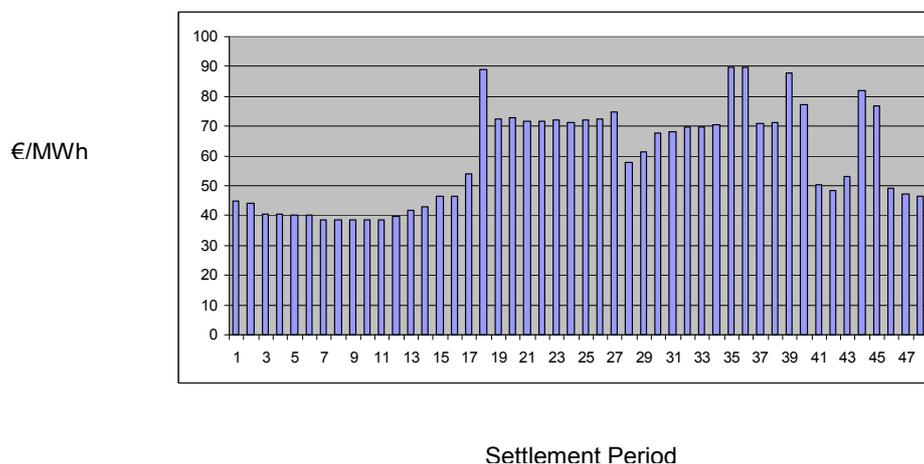
To the extent that CER are minded to front load or accelerate the convergence of the 2 blocks, such action would be distinctly preferable.

3. Domestic NightSaver tariff.

The implementation of the SEM on 1st November 2007 created a fundamental shift in the electricity market paradigm and emphasised the temporal nature of the costs of electricity supply. Put simply, there is greater clarity as regards the differential between the cost of day time electricity and night time electricity.

These cost differentials emerge predominantly as the Pool SMP and capacity charge for wholesale electricity costs and can be expressed for domestic customers in the form of separate day and night rates in the nightsaver tariff. The SMP differential between the day and night is illustrated by this typical example of Pool prices for a day in May 2008.

Pool SMP for Thursday, 8th May 2008



Prior to 1st Nov. 2007, the day kWh rate of the nightsaver tariff was the same cost as the standard 24hr kWh rate. On the basis of the SEM wholesale cost differentials between day and night, the day kWh rate of the nightsaver tariff was “decoupled” from the single rate of the standard 24hr domestic tariff, with effect from 1st Nov. 2007. (Ref CER decision CER/07/191).

Removing the equating of the day rate in the nightsaver with the single kWh rate in the standard domestic tariff has resulted in some representations from customers.

In this light ESBCS has reviewed the structure of the nightsaver tariff. This review has considered two options, namely:

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- Reverting to the previous structure, whereby the day kWh rate of the nightsaver tariff is re-coupled to the single kWh rate of the standard 24hr tariff.
 - Retaining the current nightsaver structure, whereby the day kWh rate of the nightsaver is higher² than the single standard 24hr kWh rate.

In assessing the impact of the structural change introduced on 1st November 2007 the following aspects have been considered:

- Previous Structure:
 - The nightsaver has been in existence for almost 30 years and customers are now fully appraised of the lower costs of using electricity at night.
 - Existing nightsaver customers are used to the day kWh rate of the nightsaver tariff being the same price as the standard 24hr tariff kWh price.
 - An equated day rate is less reflective of the underlying wholesale costs, but nonetheless as a tariff captures the overall costs for that tariff category.
 - The previous nightsaver tariff structure included a higher standing charge to capture the actual higher costs of the day usage and the additional metering costs.
 - In the previous nightsaver tariff structure, customers could more readily calculate a precise annual consumption at which it would be more beneficial to be supplied under the nightsaver tariff. This simplified switching decisions and helped raise understanding and awareness of energy consumption patterns and the benefits of consuming electricity at night as opposed to day time.
- Current Structure:
 - SEM/wholesale pricing effects are more directly incorporated in the day kWh rate of the nightsaver tariff.
 - However, to make an informed decision as regards whether it is best to switch to nightsaver tariff, customers must now assess the

² Current day kWh rate of domestic nightsaver tariff is €0.0103 (1.03c) higher than standard domestic tariff.

proportion of their consumption that is at night to judge if the nightsaver is the more economic option.

- An impact of wider energy efficiency policy and the development of SMART metering etc. is the promotion and advancement of time of use costs to customers in order to change behaviour and reward efficient use of electricity.
 - Nonetheless, we are currently at an “in between stage”, whereby customers are used to the simplicity of domestic tariffs of the past, and the domestic market has not yet been exposed to the relative sophistication of the tariffs of the future that will be enabled by the advancement in technologies such as SMART metering and the SMART metering pilot project.
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- Consideration has been given to the effects of the change in structure to both new and existing customers.
 - In January 2007, it was required that ESBCS introduce discrete transaction charges to individual customers for both the installation and removal of nightsaver tariff meters (dual tariff metering). Prior to this point, such meter changes were not charged to customers on an individual basis.
 - In February 2008, following representation by ESBCS, CER directed that the fee for nightsaver meter (dual tariff) installation no longer be charged to individual customers; however an individual customer transaction charge fee remains for instances whereby a customer wants to revert from a nightsaver meter to a single tariff meter (i.e. for instances whereby a customer wants to revert to the standard 24hr tariff and requires a single tariff meter).
 - Against this backdrop of transaction charges, ESBCS has considered whether structural changes to the nightsaver tariff could in some circumstances impact on some existing customers whereby the nightsaver tariff is no longer a preferable/advantageous option notwithstanding that their consumption level and profile remains unchanged. Yet, were those circumstances to arise, customers are faced with a transaction charge to revert to the standard tariff.

To conclude its consideration of the impact of the structural change to nightsaver tariff of 1st November 2007, and provide further insight into the balance of argument as regards the continued support of the decoupling of the nightsaver day kWh rate or

alternatively whether other considerations as set out above favour the reintroduction of the previous structure, ESBCS intends to undertake a customer impact analysis as part of its development of 2008/2009 tariff rates and proposes to submit it to the Commission on 14th July in conjunction with the other customer impact analysis already required to be submitted on that date. This will enable the recommendations consequential to the customer impact analysis to be incorporated into the 'CER proposed direction to ESBCS on electricity charges to apply from 1st October 2008'.

4. Cessation of the Group PPPT.

In setting out the regulatory framework for the electricity market following the implementation of the SEM the Regulatory Authorities proposed³ that: *“for the largest customers (medium voltage or greater) the PES businesses would be expected to offer a pool price pass-through based tariff thus eliminating the need for the approval of tariffs in this sector of the market, and encouraging competition (and eliminating the need for a k-factor) in the supply of these customers”*.

This policy was applied in the November 2007 tariff revision when CER directed that ESBCS LEU customers be given the choice of either joining a group charging arrangement that averaged the pool costs across all customers in the group (*Group PPPT or GPPPT*), or being charged the pool price on an individual basis so that they could best manage their affairs in response to the pool price signals (*Individual PPPT or IPPPT*). In both cases the day-ahead (D-1) forecast of pool price is used.

For the tariff year commencing 1st October 2008, ESBCS has proposed that all its LEU customers be supplied via the Individual PPPT. In its decision (CER/08/088) of 22nd May 2008 the Commission required ESBCS to provide further information on its proposal to transfer all LEU customers onto the Individual PPPT and the justification for the removal of the Group PPPT.

ESBCS welcome the opportunity to provide the above information to help assist the Commission reach a considered decision and offers the following additional information and justification:

- In its decision paper CER/08/088, The Commission comments that *“to date approximately 10% of PES LEU customers have chosen to be billed on the*

³ AIP/SEM/07/16, A strategy for regulation of ESB and NIE in the SEM, 26th February 2007

Individual [PPPT] tariff. The Commission takes the view that there is substantial demand for the Group tariff arrangement". In response to this view, it is necessary to highlight that the Group PPPT (as opposed to the Individual PPPT) was the default tariff for LEU customers upon the cessation of the previous STOD tariff in Feb. 2008. The marginal differential that exists for most customers between Individual and Group PPPT coupled with the Group PPPT being the default tariff from 1st March are more significant in explaining why the majority of customers are currently on the Group PPPT, given that Group PPPT customers did not actively elect to be supplied via that LEU tariff.

Notwithstanding the current numbers of LEUs on Group PPPT (c. 330), the experience gained from the operation of the group tariff has revealed a number of inherent and significant weaknesses in its application.

These are detailed as follows:

1. Pricing Principles of PPPT:

- At the time of the PPPT inception the principle was established that all customers should be aware of the price they would pay for electricity prior to consumption.
- Accordingly the day ahead (D-1) SMP was used in the calculation of the PPPT rather than the ex-post price in order that each customer could make an appropriate judgement concerning the volume of electricity it would plan to consume.
- Thus although the ex-ante price is used to derive the Group PPPT, because the price in the Group PPPT is weighted by the group demand in each settlement period (as opposed to the individual's demand) the customer is unable to determine in advance the price that will be paid.
- This undermines the principles on which the arrangement was originally founded.

2. Integrity of Billing Operations for all ESBCS Customers:

- The monthly calculation and application of the Group tariff is very complex, resource intensive and high risk.
- ESBCS committed resources on a short term basis and were willing to accept the risk in the expectation that this would be an 'interim' tariff and be in place only until October 2008.

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- The following points illustrate the some of the encumbrance associated with the GPPPT:
 - The Group PPPT tariffs are manually compiled each month and are then loaded into our SAP Billing System and tested.
 - While there are controls in place around the development of these prices there are risks associated with this approach which are not sustainable long-term.
 - The monthly calculation of the Group Pool tariff is also dependant on the Individual PPPT billing successfully.
 - Group PPPT Bills are therefore delayed for a couple of days each month following the billing of the IPPPT customers.
 - The design of the SAP billing system is such that when the new PPPT rates are added all other industrial, commercial and residential tariff prices must be reloaded and then the billing system rigorously tested for all tariff rates, not just the new PPPT.
 - This resource intensive testing – approximately 10+ person-days per month - reduces the risk of billing errors across our customer base but carries continuous risk to the integrity of all our billing activities.
 - It is neither logical nor prudent to place at risk the billing of nearly 2m customers for c. 330 LEUs on a Group PPPT, when there is an option of
 - placing the same LEU customers on an individual PPPT,
 - thereby removing stated operational risks,
 - whilst at the same time providing an LEU tariff that
 - is more true to the principles of a Pool Pass Through Tariff,
 - offers greater transparency to these customers,
 - presents no adverse material impact to the customer.
 - From an operational perspective, the implications of ESBCS being directed to maintain the Group PPPT tariff as an ongoing solution are as follows:
 - Control issues as identified above.
 - Group PPPT customers do not have individual control over their energy costs.

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- Group PPPT customers will have reduced transparency of their electricity supply (e.g. applicable day ahead SMP, Energy Extra information).
 - Delays of up to two days billing of these customers.
 - Cash flow impact around the delayed billing.
 - Enduring significant effort and resources required to test the tariff each month including risk to the integrity of the overall billing processes for all our customers.
 - The monthly calculation and application of the Group PPPT given the burdensome and complex nature of its administration unnecessarily incurs additional costs that must ultimately be borne by customers.

Given these weaknesses in the current arrangement ESBCS has proposed that the *Pool Price Pass Through Tariff* should be individually applied, i.e. all LEUs should be supplied via the Individual PPPT. Key advantages of this approach are:

- This would provide an accurate pricing signal for the largest customers (i.e. LEUs) that remain with PES.
- Individual PPPT encourages (and enables) each customer to consider more efficient and economic use of energy.
- An objective of the Group PPPT was to provide protection from pool price spikes. Experience to date indicates that the Group PPPT offers no incremental material protection given the marginal difference between the Individual PPPT and Group PPPT. To the extent that may be significant pool price spikes, these will propagate to LEU Individual PPPT and Group PPPT customers alike and with the same order of magnitude.
- IPPPT is also the most appropriate basis on which ESBCS can continue to act as the supplier of last resort in a sector of the market where competition is now well established and there exists a restriction on the capability of LEUs to revert to ESBCS in this segment of the market.
- If a customer returns to ESBCS, perhaps because other suppliers cannot accommodate the unusual nature of its load shape, then unless the PPPT is applied on an individual basis the costs of serving the specific customer will partly fall on the general body of LEU customers. The Individual PPPT readily avoids this pitfall.

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- In CER decision CER08/088, a respondent commented that, where a 2% differential gain exists for a customer being on the Group PPPT (as opposed to being on the Individual PPPT) it is significant and should not be dismissed. In response to this, ESBCS comments that, if there is an instance of a customer being 2% better off by being on the Group PPPT, then given the structure of Group PPPT, equally, there are one or more customers who are worse off. The extent that a customer may marginally gain from being on the Group PPPT at the expense of other Group PPPT customers is quite random depending on coincidence of that customer's demand and pool prices.
 - In practice, analysis undertaken indicates the gap (i.e. marginal advantage/disadvantage between Group and Individual PPPT) is typically less than 1% and in most of those cases significantly less than 1%, thereby bringing into question the merit in having a more complex, less transparent tariff.
 - The very nature of a group demand weighted SMP frustrates and inhibits the transparency of the pool price being charged, thereby eroding the concept of a transparent pool pass through tariff.
 - From a customer point of view, customers do not know the price they are being charged for electricity until they receive their bill. A key feature of Pool Pass Through tariffs is enhanced transparency of charges - this is not the case for Group PPPT customers.

Having set out above in greater detail the basis and justification for cessation of the Group PPPT, ESBCS requests the Commission to approve the above tariff change request.

5. Green/Renewable Tariff.

5.1 Introduction:

The CER consultation on ESBCS tariff change proposals commencing 1st October 2008 (CER/08/046 of March 2007) included ESBCS proposals to introduce a Green Tariff.

In its decision CER08/088 (Tariff Structures for 2008/2009 of 22nd May 2008), the Commission approved in principle the introduction of a Green Tariff by ESBCS, but required additional information to be provided. Specifically in its decision and in response to questions posed arising from the consultation process, requirements for additional information were sought in relation to:

- (i) the green tariffs to be offered;
- (ii) what category of customers such tariffs would be offered to;
- (iii) sources of renewable energy;
- (iv) pricing.

The issues raised above are clarified below in addition to providing a broader perspective on the proposed tariff.

5.2 Background

European Union Targets:

The European Union (EU) is generally acknowledged for playing a strategic role in climate negotiations. The policies adopted at EU level are important not only for the emission reductions in Member countries, but also for the development of the international climate regime. Last January the European Council decided to aim for a complete overhaul and reform of the way the EU's 27 members combat climate change and aims to achieve three ambitious obligations for the 2020 horizon:

- the reduction of 20% of greenhouse gas emissions (GHG)
- the saving of 20% of the European energy consumption and
- a share of 20% of renewable energies in the overall energy consumption.

The key element of these ambitions, in relation to the fight against climate change, is the reduction of GHG emissions.

Government Policy:

The Government White Paper 'Delivering a Sustainable Energy Future for Ireland' published in March 2007 sets out clear actions, targets and timeframes to meet primary objectives of Security of Supply, Environmental Sustainability and Economic

Competitiveness. It is set firmly in the global and European context of energy security and climate change.

The specific targets include:

- a 2010 target of 15% of electricity consumption from renewable sources
- a 2020 target of 33% of electricity consumption from renewable sources
- achieve 20% savings in energy across the electricity, transport and heating sectors by 2020 (in line with EU targets) and an indicative target of 30% to surpass the EU ambition

ESB Strategic Framework:

In line with EU and Government targets the recently published ESB “Strategic Framework to 2020” indicated its plans to undertake a €22 billion investment programme that will halve CO₂ emissions over the next 12 years, and make the company carbon net zero by 2035. An integral part of this strategy is to implement a sustainable vision and be part of Ireland’s effort to meet its environmental challenges.

Electricity Markets:

In other electricity markets, green electricity tariff offerings are becoming the norm across the globe as utilities re-appraise the role of such tariffs in their service proposition in response to growing environmental awareness and demand for such products amongst customers.

In the Republic of Ireland the domestic electricity sector was responsible for approximately one-quarter of the national carbon dioxide [CO₂] emissions in 2006⁴. The average Irish household emits around 2.9 tonnes of CO₂ from electricity consumption each year⁵. Electricity from renewable sources will assist in reducing CO₂ emissions into the atmosphere and electricity consumers can contribute by signing up to a green tariff.

⁴ Energy in Ireland 1990-2006 <http://www.sei.ie/index.asp?locID=686&docID=659>

⁵ Based on domestic annual average electricity usage of 4,500 kWh @ 642 grams of carbon emissions per kWh

In concert with the preceding objectives and developments, ESBCS is proposing to introduce a green supply tariff for domestic customers from 1st October 2008.

5.3 Green Tariff Options

Green electricity has been generated for many years but green tariff options have only emerged in retail markets in the past decade.

There are three distinct types of green tariffs offered in retail energy markets:

- A Green Supply tariff
- A Green Fund tariff
- A Carbon Offset Fund tariff

A **green supply tariff** is one where the supplier guarantees that the electricity it sells to customers is covered by the electricity it buys from renewable sources. There is a natural limit to the volumes of renewable electricity a supplier can source and consequently a limit to the number of customers that can avail of such a green supply tariff.

A **green energy fund tariff** is where the supplier invests a contribution that the consumer is willing to pay into supporting new renewable energy or other environmental projects. In some cases the company matches the customers' contributions.

A **carbon-offset fund tariff** is where the supplier offers to offset the CO₂ emissions associated with the customer's electricity consumption by planting trees or by investing in other CO₂ reducing projects locally or abroad.

The fund type tariffs are not limited in scope by the volume of renewable electricity available to the supplier or the number of customers who may wish to participate, although a customer contribution may deter some from participating.

In general the green tariffs that have a customer contribution offer greater environmental benefits than those that do not.

It is also possible to offer a hybrid of two or more of these types of tariffs and many UK Green tariffs are hybrid tariffs.

5.4 Green Tariff Uptake:

Many reports suggest that there is an increasing sense of ‘environmental awareness’ with increasingly significant proportions of consumers being concerned with the environment. However, much of this awareness has not as yet necessarily been reflected in practical actions in many countries and is representative of the significant journey that most nations have yet to travel to make significant progress in the area of sustainability.

Switching to a green tariff should be one of the easiest and most practical ways for a household or business to reduce their impact on the environment and advance sustainability.

It is difficult to assess at this point how many residential customers in Ireland will respond positively and actively to a green tariff offering from ESB Customer Supply (ESBCS). Nonetheless, it is reasonable to assume that the uptake would reflect the experience in GB and NI with a low initial take-up progressing steadily over a number of years. Even to date uptake in the UK is of the order of a few percent, thus highlighting the challenges in advancing green tariffs.

5.5 Other Aspects:

In promoting a green tariff to domestic customers there are several complimentary offerings that can be included; e.g. promotional packages including paperless billing/e-billing, "e-zines" (electronic mail magazines) providing updates on fund disbursements & projects, interesting case studies etc.

5.6 Fuel Sources:

Green electricity is electricity that is generated from renewable non-fossil sources. The principal renewable electricity sources are wind, solar, wave, tidal, hydro, geothermal, biomass, landfill gas, sewage treatment plant gas and biogases.

What a supplier can reasonably be expected to do is ensure that the renewable electricity it sells to customers is equivalent to the renewable electricity it purchases from generators. Thus the term ‘Green Electricity’ tends to refer to the purchase or sale of electricity from a renewable source rather than the electrons themselves.

The Renewables Directive requires the establishment of a Renewable Energy Guarantee of Origin (REGOs) system. Though arrangements have yet to be finalised

to marshal the energy tracking process, it is necessary that a robust and appropriate tracking system is in place to provide assurances regarding fuel/energy sources.

With regard to the SEM, and further to the SEM paper – “Disclosure of Information to Final Customers by Suppliers (SEM08-006)” - it is the understanding of ESBCS that the Commission will issue guidelines to suppliers in the coming months with a timetable for final implementation, but, given the retrospective nature of these calculations, this new system will not be in place until 2009 for the current calendar year.

5.7 ESBCS Green Tariff structure:

ESBCS green tariff, hereinafter referred to as Green Cent Tariff will be a two part offering consisting of electricity sourced from a renewable generation source, coupled with a contribution to a fund, whereby ESBCS shall match the customers contribution:

- (i) **A Green Supply Tariff, with a guarantee that the customer’s electricity is sourced from a renewable source.**

in conjunction with

- (ii) **ESBCS Green Cent™ Fund**

ESBCS will establish a **Green Cent™** Fund which generates revenue through a contribution by customers on our Green Tariff. The contribution will be 0.5 cent per kWh⁶ and will be matched by ESBCS contributing 0.5c/kWh to create a **Green Cent™**.

In addition to matching the customers’ contributions ESBCS will contribute a further €100,000 to the fund in each of the first 5 years.

⁶ A typical residential customer will make a contribution of €22.50 +VAT based on average electricity usage of 4,500 kWh per year.

- **Fund Management:**

- A “Green Cent” Fund administration committee, to include senior members of ESB Customer Supply and independent representation will be established to oversee the fund activities.
- The **Green Cent™** Fund will make funds available to non-profit, charitable, educational, and community based organisations in order to support the implementation of small scale renewable energy technology projects.
- For illustrative purposes the types of projects being undertaken by beneficiary organisations are envisaged as: (e.g.)
 - Solar Panels,
 - Wind Turbines,
 - Geothermal heating,
 - Educational purposes.
- Fund administration will involve close liaison with and support of parties already active in this area.
- The frequency with which grants are made will depend upon the size of the fund and the volume of applications, but it is anticipated that the awards would be made at least twice yearly
- Governance arrangements will be publicly available.
- Application guidelines will be publicly available via ESBCS website. These guidelines will include:
 - objectives of fund allocation,
 - extent of funding available for individual projects,
 - eligibility criteria,
 - evaluation & award criteria.

- **Tariff Availability**

- The green cent tariff will apply to domestic tariff customers.
- ESBCS expects that this tariff will be available to up to 50,000 residential customers.

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- **Billing:**
 - A new line item will be included on the Green Cent Tariff customer's bill explicitly identifying their contribution to the Green Fund.
 - E-billing, upon introduction will be an automatic offering for customers on the Green Cent tariff.
 - **Application:**
 - Customers may apply via current channels to sign-up for the green tariff.
 - **Green electricity sources:**
 - ESBCS will comply with all requirements applicable to suppliers of green/renewable electricity arising from the finalisation of Disclosure of Information to Final Customers by Suppliers (SEM08-006) and any associated decisions as issued by the Commission, applicable to suppliers retailing green electricity.
 - As regards retailing electricity sourced from renewable generation, ESBCS shall comply with standard licence and regulatory conditions associated with the sale and rebalancing of green electricity. Accordingly ESBCS shall ensure that it does not sell green electricity to final customers which in aggregate exceeds the amount of green energy available to it and which is produced using renewable, sustainable or alternative forms of energy.
 - Separately, ESBCS shall submit to the CER relevant documentary evidence of its sources of green electricity including pool purchases and hedge contracts to provide assurance of the veracity of its sources.
 - ESBCS can confirm that it shall not be using AER sourced/PSO funded generation for its Green Cent tariff, but shall be using renewable electricity sourced from other contracted sources of renewable electricity.
 - **Pricing:**
 - The tariff will be fully reflective of the costs ESBCS incurs in procuring the green electricity in the SEM/wholesale market.
 - The tariff rates in the Green Cent tariff will be the prevailing 2008/2009 ESBCS rates for domestic customers with an additional contribution of 0.5

cents (excl VAT) per kWh over the kWh rates in the standard and nightsaver domestic tariffs⁷.

- This contribution will accumulate to a **Green Cent™** Fund and the sum contributed by customers will be matched by ESBCS.
- In addition ESBCS will contribute a further €100,000 to the fund in each of the first 5 years of the funds operation.

⁷ E.g. A typical customer consuming 4,500 kWh/annum would contribute €22.50 (excl VAT) to the fund each year.