



21st March 2011

Mr Seán mac an Bhaird,
Commission for Energy Regulation.
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

Via email

**Re: CER/11/040 – Price Discrimination and Customer Protection
in the De-regulated Electricity Market**

Dear Seán,

Endesa Ireland welcomes the opportunity to respond to the consultation paper on Price Discrimination and Customer Protection in the De-regulated Electricity Market.

The CER has expressed their concern with ‘sticky customers’, particularly those in receipt of the Free Electricity Allowance (FEA), not benefitting from competitive electricity prices. Endesa Ireland suggests that the State hold a competitive tender for the energy provider for all recipients of the FEA, who will then be charged the tariff as per the successful tender. Recipients of the FEA would pay this same tariff for electricity exceeding the allowance amount. This should alleviate concerns regarding reluctance of these customers to switch; as the Government is paying for a large volume of this electricity it should be entitled to choose the most advantageous tariff.

In relation to the “enhanced market monitoring powers” of CER discussed in Section 2.5 of the Consultation Paper, S.I. 450 does not set out the means by which the market will be monitored. Endesa Ireland requests that the CER issue a consultation on this issue as soon as possible, given that full market deregulation is scheduled for 4 April.

Due to this lack of clarity on market monitoring, and as a decision has not yet been made on proposed Customer Protection Measures in the De-regulated Electricity Market¹ it is difficult to comment on whether the combined customer protection measures and market monitoring will be sufficient to prevent punitive price discrimination in the market.

Endesa Ireland does not consider that an obligation on non-discrimination is required as it would be burdensome on suppliers to provide evidence of non-discrimination

¹ CER/10/241



and may delay or stifle innovation in supplier offers, which would reduce the benefits of competition.

Endesa Ireland notes that the consultation paper states that CER has issued a new supply licence to Electric Ireland. We have not been able to find such a company registered in Ireland, it seems to be a trading name registered to ESB. Would CER kindly clarify whether this is a new licence issued to ESB or if the licence is issued to Electric Ireland and whether this is a standard generic licence?

We would also request that the CER outline the legal relationship/structure between ESB, ESB CS, ESB IE and Electric Ireland and list the licences granted to these entities. We wonder if Electric Ireland is a trading name and whether reference to ESB CS will still be made on all customer correspondence. We would also welcome clarification on the separation/ringfencing requirements in place.

As regards the Electric Ireland rebranding, Endesa Ireland believes that there is no need to rebrand for the purposes of the PES function, and the costs of rebranding should not be borne by PES or SoLR customers. It is noted that the RAs have a live consultation concerning the reintegration of ESB² and the outcome of that consultation should not be prejudiced by branding ESB CS and ESB IE together when the separation of business requirement should still be in place.

Endesa Ireland also notes that the time given for responses to this consultation is less than the minimum of 28 days set out by the CER in its Decision on the Review of the Consultation Process³.

Please don't hesitate to contact me should you wish to discuss any aspects of this response.

Regards,

A handwritten signature in blue ink that reads 'Deirdre Powers'.

Deirdre Powers
Director, Energy Management

² SEM-10-084

³ CER/08/089