

KERRY WIND POWER LTD

3rd Feb.20111

John Lynch
Electricity Transmission
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

Email: jlynch@cer.ie

Re: Consultation on First Stage Payments on Acceptance of a Connection Offer to the Electricity Network, CER/10/233

Dear Mr Lynch,

Kerry Wind Power Ltd. is developing a windfarm near Kenmare, Co. Kerry. The project is due to receive a Gate 3 connection offer for 34MW in 2011.

Kerry Wind Power Ltd supports the proposals being put forward by IWEA. IWEA proposes that first stage payments should be capped at €10,000/MW and to split the payment into €5,000/MW to execute the agreement and €5,000/MW twenty-four months later.

In the current economic climate it has become impossible for developers to access funds from banks to assist with this stage of development for a wind farm project. Even raising an initial €5k/MW is substantial more challenging that raising €10k/MW only a short number of years ago. In today economic climate the IWEA proposal still represents a major commitment by developers.

Kerry Wind Power Ltd. respectively request the CER consider options to ease the financial burden to execute Gate 3 offers but still achieve its objectives of not hoarding capacity or exposing the electricity-end customer to significant costs. It is also important to note that removing this level of money from the private sector will not promote the continued growth of the renewable sector.

The cost to execute the *Kerry Wind Power Ltd* 's Gate 3 connect offer will be approximately €12k/MW. It is inequitable that some developers are charged €10k/MW and other are being charged substantially higher amounts. No clear justification has been provided by the CER as to why a varying level of 1st stage payments is required to ensure projects do not hoard capacity. Based on the IWEA proposal the system operators will receive €40m over a two year period, which appears to be more than adequate to consent the non-contestable Gate 3 assets.

Should you have any queries, or should you wish to discuss this matter further, then please do not hesitate in contacting me.

Yours Sincerely,



Sean McCarthy

Director

Kerry Wind Power Ltd.,