

Stanbury Ltd
153 The Island, Chapelized, Dublin 20

2nd February 2011

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

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

Dear Mr Lynch,

We welcome the opportunity to respond to CER's consultation paper (CER/10/233). Stanbury Ltd is developing a small windfarm in Co Donegal (DG308), which is due receive a Gate 3 connection offer in summer 2011 for an MEC of 5.4 MW.

The current economic situation in Ireland is serious. It is now on the table that the banks will need further refinancing due to the exit of international funds of €90B in 2010 and of that €40B alone in December 2010. Bank of Ireland will most likely be nationalised in the coming weeks. This means that all of the Irish banks have been nationalised and owned by the taxpayer. Therefore the CER must take this situation into account. Considering the CER is the responsible regulatory authority for energy, it must modify policy appropriately in light of the economic situation. To do otherwise would mean that the CER is out of touch and is effectively sheltered in an ivory tower.

In the current economic climate, it is unreasonable for the CER to ask an applicant to demonstrate that he/she has difficulty and verification from the bank. It is the equivalent to committing commercial suicide. It demonstrates how out of touch the CER is with the crisis if it pursues this line of thought. The CER should satisfy itself through its own financial consultants about the financial environment but

common sense should prevail considering the amount of coverage night and day in the media about this crisis. It is fundamentally wrong of the CER to make such an unreasonable request.

Stanbury Ltd supports the proposals being put forward by IWEA that first stage payment should be capped at €10,000/MW with the payment split into €5,000/MW to execute the agreement and €5,000/MW some two years later. The IWEA also proposed that first stage payments should be refundable in the event that there is not a support mechanism in place within 18 months.

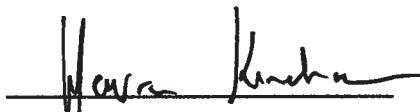
This proposal has the advantages of:

1. Securing time for the developer until the economic situation stabilises.
2. Lowers the attrition rate for Gate 3 projects, which will help Ireland Inc to meet its renewable targets.
3. Maintains the Gate 3 timeframe schedule.
4. The System Operator is at no financial loss regarding the connection costs over time.
5. Furthermore with the decrease in construction costs due to decreased activity in the sector will offset any upfront income loss incurred by the SO.

If the CER takes on board this proposal, it would demonstrate that it is willing to learn from the mistakes of its sister regulators and authorities such as the Financial Regulator and Central Bank.

We look forward to your support on this matter.

Yours sincerely,



Maura Kinahan