



28th January 2011

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

Via email

CER/10/223

Dear John,

Endesa Ireland welcomes the opportunity to respond to the Consultation on First Stage Payments on Acceptance of a Connection Offer to the Electricity Network.

Endesa Ireland believes, as a general principle, that common rules should apply to all generators, renewable or otherwise. Thus, Endesa Ireland welcomes the proposal in Consultation Paper CER/10/232 to apply the first stage payment and bonding arrangements set out in CER/09/138 equally to all generators (thereby extending it to non-renewable transmission connected generators).

Endesa Ireland is of the opinion that the first stage payment should be non-refundable for all generators. Given that some developers of renewable generators will not have certainty of a REFIT contract at the time of signing and will not continue with the development if a REFIT contract is not signed, it may be justified to include a refund condition for these generators. However, if the developer wishes to benefit from this condition, the connection offer should automatically be deemed terminated if the renewable developer does not receive a REFIT offer letter within 18 months of offer acceptance.

Endesa Ireland suggests that if a renewable developer wishes to have the option of progressing with a connection offer regardless of whether a REFIT offer is made or not, their first stage payment should be non-rebatable. Otherwise the 'unsuccessful' REFIT applicant can hoard capacity without undertaking the same commitment as other developers.

Regards,

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

Deirdre Powers
Director, Energy Management