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Commission for Energy Regulation
The Exchange
Belgard Square North
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For the Attention of Ms. Brid O'Donovan
Re: Consultation Paper CER/11/194

Saorgus Energy Ltd. comments on Consultation Paper CER/11/194:

- a) We support the SO's initiative in regularising the cost of modifications.
- b) It must be noted that the SO's could stand to gain revenue from generators' efforts to correct sub-optimal offers made under group processing. As such there is a clear potential conflict of interest here for the SO's and for CER. It should be noted in the decision that a modification request that has the aim of correcting a sub-optimal offer design would attract no fee.
- c) The fees must be cost reflective - this is required under the RE Directive (e.g. Art. 13). What information can be provided to demonstrate to stakeholders and to the EU Commission that the proposals are in compliance with the directive in this regard and are in line with fees charged by reputable private firms? There is also a related onus on CER to ensure that the consultants vetting the charges on CER's behalf are not economically bound to the SO's in any significant way.
- d) It should also be demonstrated that there is no cross-subsidisation between applicants - cross-subsidisation is precluded by the RE Directive. However, it is clear from the section "Balancing of costs" that such cross-subsidisation is in fact designed into the proposals. Specifically, it is clearly stated that the structuring of charges will "protect smaller applicants from higher fees". We would suggest that the SO's and CER confirm that this proposal has been examined appropriately and has been found to be in compliance with all applicable laws and regulations.
- e) The fees proposed are far in excess of private industry fees for what in most cases are simple modifications.
- f) The proposed timelines are excessive for what in many cases are simple modifications.



Aidan Forde
Director

Tuesday, 29 November 2011