

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

Date : 21ST September 2012.

WPDRS and Powersave Scheme Changes - CER / 12/ 133

Dear Seán,

Electric Ireland welcomes the opportunity to respond to the CER consultation on Proposed Changes to the Winter peak Demand Reduction Scheme and and Powersave Scheme 2012/13.

In summary, Electric Ireland would like to see both WPDRS retained for all customers for 2012/2013 and run in parallel with DSU for one year to allow for transition by market participants.

Electric Ireland supports the proposals in respect of the Powersave Scheme.

Detailed responses to the consultation questions are provided in APPENDIX 1 below.

Regards

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Appendix 1

Question 1

Respondents are invited to comment on whether there are sufficient viable alternative demand side options available in the SEM to progress with the planned phasing out of the WPDRS? If you consider sufficient viable alternatives are not in place for customers to avail of during the forthcoming 2012/13 WPDRS period, please give reasons why and details of a preferential roll off approach.

Response 1.

Electric Ireland does not believe that sufficient viable alternative demand side options exist to progress with the planned phasing out of WPDRS. This has been reinforced by feedback from large customers who have traditionally availed of WPDRS and who are concerned at the imminent removal of the incentive without having a fully functioning alternative in place yet.

From the issuing of the new DSU registration form by Eirgrid in July 2012 there has not been sufficient time available for potential participants consideration of relevant investment decisions and their implementation of the necessary complementary arrangements to facilitate participation. In this context Electric Ireland strongly advocate the retention of WPDRS for all customers for 2012 / 2013 to allow for the market to transition to the new arrangements for DSU participation i.e. to allow for the parallel operation of WPDRS and DSU for 1 year.

Question 2

Respondents are invited to comment on the proposed changes to the rules of the WPDRS. Are you in favour of the proposals, if not, please specify which proposals you are not in favour of? Outline reasons for agreement or disagreement.

Response 2

As per response to question 1 Electric Ireland favours retention of WPDRS in parallel with operation of DSU for all customers for 2012/ 2013.

Question 3

Respondents are invited to comment on the proposal to maintain the same rules as last year for the forthcoming Powersave Scheme. Are you in favour of this proposal? Outline reasons for agreement or disagreement.

Response 3

Electric Ireland supports the proposals as outlined in respect of the Powersave Scheme.

Question 4

Respondents are invited to comment on the pricing proposals for the WPDRS. Do you agree that WPDRS payments should be maintained at 2011/12 levels for the forthcoming period (2012/13) or should they be reduced to introduce a further incentive for customers to move towards market based schemes. Please give reasons why and, in the case of a reduction in price, a % reduction that you deem appropriate? Are there other alternative pricing options that CER should consider?

Response 4

Electric Ireland agree in principle that the incentive for customers to move towards market based schemes is appropriate. However, in the circumstances as outlined in our response to question 1, we support the retention of the WPDRS at current rates and for all customers for 2012/2013. It would be counter productive to penalise participants by reducing the rates at the same time as they are being encouraged to adopt market based schemes in the interests of maintaining system stability.

Question 5

Respondents are invited to comment on the proposals to retain the rates applicable under the 2011/12 Powersave for 2012/13. Are you in favour of the proposal? Outline reasons for agreement or disagreement.

Response 5

Electric Ireland supports the retention of the rates applicable under the 2011/ 2012 Powersave for 2012/2013.