



Commission for Regulation of Utilities  
The Exchange  
Belgard Square North  
Tallaght  
Dublin 24  
Ireland

Your Ref: CRU/18/119  
Contact: Raoul Thulin  
Phone: 01793 475217  
Email: raoul.thulin@rwe.com

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By email: [electricityinterconnectors@cru.ie](mailto:electricityinterconnectors@cru.ie)

## Greenlink Electricity Interconnector

Dear Sir or Madam,

RWE welcomes the opportunity to respond to the CRU consultation on the Greenlink Electricity Interconnector published on 18<sup>th</sup> June 2018 (the Consultation Document). We are responding on behalf of RWE Supply and Trading GmbH and RWE Generation UK plc.

Whilst we cannot comment on the details of the updated CBA on which the Consultation Document is based, we suggest that further analysis with regard to the impact on the Irish system is required.

The update to Ofgem's Initial Project Assessment of the Greenlink Interconnector dated 10<sup>th</sup> August 2015<sup>1</sup> refers to changes in the analysis based on the expectation that Greenlink will avoid incurring certain system costs by providing an intertrip service and is expected to be able to provide Fast Frequency Response (FFR) in the GB market. The provision of both of these services has the potential to impact the operation of the Irish system adversely and hence consideration of the potential additional costs that might be incurred on behalf of customers in Ireland should be considered.

We note that as part of the Department of Business, Energy and Industrial Strategy (BEIS) call for evidence in relation to the 5-year review of the GB Capacity Market<sup>2</sup>, interconnector de-ratings and the interaction between the Cap and Floor regime and participation in the Capacity Market are likely to be part of the review. It would therefore be appropriate to analyse the effect that different scenarios might have on Greenlink's economics and on the CBA.

Finally, we would highlight the recent increases in the European carbon price, which has more than doubled since the end of 2017 and which may therefore have a material impact on projected power flows, and the economics of Greenlink. Given this market

<sup>1</sup> [https://www.ofgem.gov.uk/sites/default/files/docs/2015/08/greenlink\\_ipa\\_open\\_letter.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2015/08/greenlink_ipa_open_letter.pdf)

<sup>2</sup> <https://www.gov.uk/government/consultations/capacity-market-and-emissions-performance-standard-review-call-for-evidence>

**RWE Supply & Trading GmbH**  
Swindon Branch  
Windmill Hill Business Park  
Whitehill Way  
Swindon SN5 6PB  
United Kingdom

T +44(0)1793/87 77 77  
F +44(0)1793/89 25 25  
I www.rwe.com

Registered No. BR 7373

VAT Registration No.  
GB 524 921354

Supervisory Board:  
Dr Rolf Martin Schmitz  
(Chairman)  
Board of Directors:  
Dr Markus Krebber (CEO)  
Tom Glover  
Peter Krembel  
Dr Michael Müller  
Andree Stracke

Head Office:  
Essen, Germany  
Registered at:  
Local District Court, Essen  
Registered No.  
HR B 14327

Bank details:  
Deutsche Bank Essen  
Bank Code 360 700 50  
Account No. 105 127 500  
SWIFT: DEUTDEDE  
IBAN: DE05 3607 0050 0105  
1275 00

shift and current uncertainty around future levels of the GB Carbon Price Support, further scenario analysis should be undertaken.

Yours sincerely,

*By email*

Raoul Thulin  
Head of UK Markets and Performance Improvement