



An Coimisiún  
um Rialáil Fóntais

Commission for  
Regulation of Utilities

### **Notice to Industry on a disorderly Brexit**

The CRU is today, 5 March 2019, publishing an information note regarding gas and electricity in the event of a disorderly, or 'no deal' Brexit.

Ireland trades both gas and electricity with Great Britain through interconnectors, even in the event of a no deal Brexit on 30 March 2019, this trade, in both gas and electricity, will continue.

There is an all island wholesale electricity market, called the Single Electricity Market or SEM. The SEM will continue to operate in the event of a no deal Brexit on 30 March 2019.

#### **GAS**

Flows of gas between Great Britain and Ireland take place through the gas interconnectors. Trade across these interconnectors is facilitated by a European trading platform, known as Prisma. In the event of a no deal Brexit, Prisma will continue to be used and trade will be unaffected. Gas will continue to flow.

#### **ELECTRICITY**

The Single Electricity Market allows generators and suppliers to trade electricity in a single market across the island of Ireland. This all-island trade will continue, in the event of a no deal Brexit. Trade between Ireland and Great Britain, through the interconnectors, will continue although this trade may be less efficient, as some platforms operated under EU rules may not be used in the same way as today.

In the SEM, generators and suppliers can trade electricity in a number of timeframes. Electricity can be traded the day before it is expected to be used (known as the Day Ahead Market) and it can be traded on the day itself (known as the Intra Day market). Currently the Day Ahead Market operates as part of a pan-European market. Electricity is traded across almost all the EU Member States simultaneously in this market. Ireland is connected to this market through Great Britain. In the event of a no deal Brexit, this market will almost certainly be less efficient than today as Great Britain will no longer be part of the pan-EU market and the SEM will become an isolated market. The CRU will seek to minimise this loss in efficiency, working in conjunction with DCCAE and EirGrid and through engagement with the European Commission. Trade with Great Britain will continue, unaffected, in the Intra Day Market.

The SEM covers areas outside of the energy trading arrangements described above, including ancillary services and a Capacity Market.

In the Capacity Market, generators compete with each other for contracts to provide generation capacity for the island of Ireland. This is to ensure that there is sufficient generation available to meet the expected demand.

At its meeting on 29 February, the SEM Committee confirmed that the T-4 Capacity Auction for Capacity Year 2022/23 will proceed on 28 March 2019 as set out in the published capacity auction timetable. Regardless of any type of Brexit, contracts awarded in this auction will be honoured.

Accompanying this note is a set of slides presented by EirGrid plc at the recent SEM Committee Brexit Senior Stakeholder Forum, held in Dundalk on 18 February.