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Dylan Ashe
Commission for Regulation of Utilities
The Grain House
The Exchange
Belgard Square North
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7 August 2020

Re - CRU/20/066 Network Charges for Commercial Storage Units Interim Solution Consultation

Dear Dylan

EirGrid welcomes the opportunity to comment on the above consultation paper. EirGrid has no objection to the CRU's proposal to apply D-TUoS and cease charging G-TUoS to commercial storage providers as an interim approach to network charges for commercial storage.

At time of writing, the Proposed G-TUoS tariffs for 2020/21¹ are being consulted on with consultation responses due by 11 August 2020. The CRU's proposal to cease charging G-TUoS to commercial storage providers has not been taken into account in the G-TUoS calculations published for consultation.

Should the CRU direct that commercial storage providers should not be charged G-TUoS with effect from 1 October 2020, based on assumed connection dates for a number of commercial storage facilities expected to connect in the 2020/21 tariff year, this will result in a shortfall in G-TUoS recovered for 2020/21. The resultant G-TUoS under-recovery for 2020/21 will then have to be carried forward in the k-factor to be levied through G-TUoS for 2021/22. It is noted that commercial storage units in Northern Ireland would still pay G-TUoS in 2020/21.

¹ <http://www.eirgridgroup.com/site-files/library/EirGrid/2021-Proposed-GTUoS-Tariffs-v1-0.pdf>



EirGrid notes that the CRU views this proposal as a pragmatic interim approach which may provide consumer benefits in advance of a full review of the costs associated with storage providers' use of the network. Additionally, it is noted that the CRU intends to commence a review of the structure of network tariffs. EirGrid looks forward to working with the CRU on this review in the coming months.

Yours sincerely

[sent by email and accordingly bears no signature]

Diarmaid Gillespie
Head of System Support, EirGrid

cc. Anne Trotter, System Support, EirGrid
Bill Thompson, Head of Group Regulation, EirGrid
Shirley Kilcullen, Group Regulation, EirGrid