



An Coimisiún  
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**Commission for  
Regulation of Utilities**

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# EirGrid Interconnector Designated Activity Company (EIDAC)

## Use of Capacity Revenue 2019/20

### Information Paper

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## **EIDAC Use of Revenue**

The CRU is required under Regulation (EC) 714/2009<sup>1</sup>:

1. to assess and approve the “Use of Revenue Statement” provided by a licenced operator of an interconnector in Ireland; and
2. to publish a Note verifying that the operator has used the revenues it has received, as operator of the interconnector, according to Article 16 (6) of (EC) Regulation 714/2009.

Article 16 (6) of Regulation (EC) 714/2009 requires that any revenue resulting from allocation of interconnection shall be used for the following purposes:

- a) guaranteeing the actual availability of the allocated capacity; and/or
- b) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors.

If the capacity revenue cannot be efficiently used for the purposes set out in points (a) and/or (b) above, they may be used, subject to approval by the regulatory authorities of the Member States concerned, up to a maximum amount to be decided by those regulatory authorities, as income to be taken into account by the regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs.

EirGrid Interconnector Designated Activity Company (**EIDAC**) is licenced by the CRU to operate the East West Interconnector (**EWIC**) in Ireland, which is subject to Regulation (EC) 714/2009.

**Relevant Period:** 01/07/2019 to 30/06/2020.

### **Capacity Revenue**

EIDAC has advised the CRU that it received a net interconnector revenue of €39 million in the relevant period described above (see accompanying statement by EIDAC).

### **Usage of EWIC**

EIDAC has advised the CRU that all the revenue received has been allocated to the following uses, where sufficient to do so:

- the servicing of the capital cost of the development of EWIC; that is both interest and principal repayment on debt and return on and principal repayment of equity;
- maintenance and operation of the EWIC; and
- net under recoveries in respect of the first two bullets points relating to any previous period.

### **Verification**

The CRU verifies that:

1. EIDAC’s use of revenue in the relevant period complies with Regulation (EC) 714/2009 and its attached Guidelines; and
2. the total amount of revenue received by EIDAC in the relevant period has been devoted to the purposes set out in Article 16 (6) of Regulation (EC) 714/2009.

Queries in relation to this note should be sent to Esther Fructuoso Márquez at [efructuoso@cru.ie](mailto:efructuoso@cru.ie)

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<sup>1</sup> This has been replaced by Regulation (EU) 2019/943 on the internal market for electricity. Future Use of Revenue Statements will be under this new regulation.