



An Coimisiún
um Rialáil Fóntas
**Commission for
Regulation of Utilities**

An Coimisiún um Rialáil Fóntas
Commission for Regulation of Utilities

EirGrid Interconnector Designated Activity Company (EIDAC)

Use of Capacity Revenue 2020

Information Paper

Reference:	CRU/21/054	Date Published:	04/05/2021	Queries to:	dashe@cru.ie
-------------------	------------	------------------------	------------	--------------------	--------------

EIDAC Use of Revenue

The CRU is required under Article 19 of Regulation (EU) 2019/943:

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 report and report to ACER verifying that the operator has used the revenues it has received, as operator of the interconnector, according to Article 19 of Regulation (EU) 2019/943.

Article 19 (2) of Regulation (EU) 2019/943 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 including firmness compensation; or
- b) maintaining or increasing cross-zonal capacities through optimisation of the usage of existing interconnectors by means of coordinated remedial actions, where applicable, or covering costs resulting from network investments that are relevant to reduce interconnector congestion.

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 (EU) 2019/943.

Relevant Period: 01/01/2020 to 31/12/2020.

Capacity Revenue

EIDAC has advised the CRU that it received a net interconnector revenue of c. €38 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; and
- maintenance and operation of the EWIC.

Verification

The CRU verifies that:

1. EIDAC’s use of revenue in the relevant period complies with Regulation (EU) 2019/943 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 19 (2) of Regulation (EU) 2019/943.

Queries in relation to this note should be sent to Dylan Ashe at dashe@cru.ie