



## **THIRD UPDATE ON HEDGING & WORKPLAN OUTLINED IN THE 2009 RETAIL TARIFF TIMETABLE**

### **Information Note**

**31<sup>st</sup> July 2009**

**CER 09/121**

## 1 - Introduction

On the 29<sup>th</sup> May the Commission for Energy Regulation (CER) and the Northern Ireland Authority for Utility Regulation (NIAUR) published the 2009 Retail Tariff Timetable<sup>1</sup>, setting out the key milestones in the retail tariff setting process for the SEM.

This note is our third and final update, and provides the additional hedging information the RA's committed to providing in the Retail Tariff Timetable paper, and also provides an update on the progress of items set out in the tariff timetable.

## 2 – Hedging Update

The RAs consider that transparency represents a key founding principle for any effective competitive market and following on from that, included in the tariff timetable paper was a commitment to publish three contracting updates, two during the contracting window and one after it has completed. This information note provides the last of the three updates and sets out the total aggregated volume of hedges purchased for the contracting period up to and including Tuesday 28<sup>th</sup> July<sup>2</sup>.

Table 1 below shows the total aggregated volume of hedges purchased up to and including the 28<sup>th</sup> of July by both ESBCS and NIEES for the first six months of the tariff year, the second six months of the tariff year, and beyond the tariff year if relevant. The total percentage hedged cover represents the total hedges purchased for the year as a percentage over the total anticipated forecast demand.

<b>Total Hedged Volumes (GWh) 2009/10 – up to 28<sup>th</sup> July</b>		
	<b>ESBCS</b>	<b>NIEES</b>
<b>Hedges purchased for the first six months of 2009/10 tariff year</b>	4,902	1,993
<b>Hedges purchased for second six months of 2009/10 tariff year</b>	4,076	1,529
<b>Total hedges purchased for 2009/10 tariff year</b>	8,978	3,522
<b>Hedges purchased for beyond the 2009/10 tariff year</b>	0	438
<b>Total Percentage Hedged cover (%)</b>	<b>80-85%</b>	<b>75-80%</b>

*Table 1- Aggregated volume of hedges purchased up to 28<sup>th</sup> July*

<sup>1</sup>[http://www.niaur.gov.uk/news/view/utility\\_regulator\\_publishes\\_electricity\\_retail\\_tariff\\_timetable/](http://www.niaur.gov.uk/news/view/utility_regulator_publishes_electricity_retail_tariff_timetable/)

<sup>2</sup> The final auction set for Tuesday the 28<sup>th</sup> July has been postponed with no alternative date currently set

### 3- CER & NIAUR Tariff Timetable Update.

Table 2 below provides an update on the progress of items outlined in the retail tariff timetable.

Item	Update
<b>Contracting window</b> Non-Directed Contract Auctions Directed Contract Auctions Supp. DC Auctions PSO Auctions	Began 12/05/09 – due to be completed 28/07/09 <sup>3</sup> Began 22/05/09 - completed on 12/06/09 Began 15/06/09 – completed on 19/06/09 Began 22/06/09 – completed on 03/07/09
<b>CER elements</b> PSO  PES Allowed Revenue  DUoS  TUoS	PSO Levy decision paper published 31 <sup>st</sup> July  ESB CS PES Allowed Revenue Proposed Decision Paper published 30 <sup>th</sup> July  ESB Networks Allowed Revenue Consultation Paper published 27 <sup>th</sup> July  EirGrid Allowed Revenue Consultation Paper published 27 <sup>th</sup> July
<b>NIAUR elements</b> DUoS  TUoS  SSS  PSO Inputs	The DUoS tariff was submitted 19 <sup>th</sup> June and was reviewed and approved by NIAUR.  The TUoS tariff has now been reviewed and approved by NIAUR.  The SSS Tariff has now been reviewed and approved by NIAUR.  The PSO inputs were submitted and have been reviewed and are currently being validated by NIAUR.
<b>Common elements</b> Capacity  MO Charges	Indicative capacity pot consultation was published 1 <sup>st</sup> July <sup>4</sup>  The MO Charges Price proposals were published on 20 <sup>th</sup> July 2009, the consultation period will be for four weeks, and end 15 <sup>th</sup> August. The Decision paper will be confirmed and published w/c 31 <sup>st</sup> August.

**Table 2- Update on Retail Tariff Timetable up to 31<sup>st</sup> July**

<sup>3</sup> The final auction set for Tuesday the 28<sup>th</sup> July has been postponed with no alternative date currently set

<sup>4</sup>

<http://www.allislandproject.org/en/capacity-payments-consultation.aspx?article=f6ff1ea8-5f01-416d-a863-cb945a3d71d9>

#### **4 – Conclusions and Next Steps**

Any known delays from the published retail tariff timetable are detailed in the table above.

This is the third and final hedging and work plan update.