



Energy for
generations

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Dear Jody,

G-TUoS Revenue Allocation consultation

ESB Generation & Trading (ESB GT) welcomes the opportunity to respond to UREGNI 'G-TUoS Revenue Allocation' consultation.

We support a need for a review of network charging structure in order to address the issue of a potential revenue allocation misalignment. Our main thoughts on the options put forward by the consultation document are outlined below.

We agree with both TSOs' views that Option C represents the most pragmatic and efficient approach. It will allow a timely and less burdensome implementation, ensuring consumer benefits are realised as soon as practicable. This approach will also align the network charging methodology used to recover EirGrid / ESB Networks costs with the approach used in NI for the recovery of SONI / NIE Networks costs.

In our view, Option D does not represent an efficient approach to resolving the network revenue misalignment, since it would translate into a more complex and onerous change for the industry. Not only will it require substantial effort from SONI to develop and incorporate all the required modifications, it is also likely to have material commercial implications for generators in the SEM.

Specifically, this option would lead to an increase in generator GTUoS charges within a relatively short period. As many generators would have already obtained Capacity Market



contracts through a T-4 auction process, they may not be able to recover this additional increase in charges. In addition to higher GTUoS resulting from other market developments, this further increase may have significant commercial implications on a large share of the SEM generation fleet.

Finally, we note that the options presented in the consultation are considered only to be an interim solution, therefore, it would be prudent to opt for the least change and least disruption option.