



3 September, 2014

CONSULTATION ON AGGREGATED GENERATOR UNITS (AGU) & DEMAND SIDE UNITS (DSU) LICENSING ARRANGEMENTS

We welcome the opportunity to respond your consultation on Aggregated Generating Units (AGU) and Demand Side Unit (DSU) Licensing Arrangements.

Based on published analysis by the Utility Regulator, our members face the second highest electricity prices in Europe and, in addition, Northern Ireland as a whole will face a security of supply challenge from 2016.

The participation of our members in the market, as part of a DSU, can reduce individual bills and improves the position against published security of supply concerns. They are reporting potential competition for their involvement, but the barrier appears to have been delays in regulation.

We are disappointed that it has taken the Utility Regulator so long to issue this consultation. Although we have had a Single Electricity Market since 2007, our members have been denied the right to be part of a DSU unlike similar companies in Republic of Ireland. It now appears that all that has been required to resolve this issue is minor modifications to a generation licence already in place.

In its published Forward Work Plan, the Regulator commits to ensuring that local customers could participate in the SEM on an equal basis, as part of either an AGU or DSU, by the end of September. We would like the Utility Regulator to honour this commitment. To achieve this, we would encourage you to focus your resources on the following actions:

1. Make a decision on the licensing arrangements by mid-September at the latest.
2. Issue licences immediately after your decision to existing applicants, and promptly to new applicants.
3. Ensure that other regulated companies licence holders (NIE, SONI and SEMO) are facilitating demand side participation in the market by carrying on with their processes efficiently and in a timely manner. They do not need to wait until the licensing arrangements are decided because their processes are not dependent on this decision.

Our members are very anxious to have the opportunity as soon as possible to participate in this scheme which will help them improve competitiveness. We urge the Regulator to take immediate action as there appears no reasonable barrier to allow this to happen.

We are happy for this response to be published.