

Break up of whole island electricity market could result in power blackouts

● North at particular risk from disruption, says ESRI expert, as leaked British documents reveal threat to Single Electricity Market in no-deal Brexit

BY DANIEL MURRAY

The break-up of the Single Electricity Market (SEM) in the event of a no-deal Brexit could lead to potential blackouts in the North and increased prices across the whole island, according to an energy expert with the Economic Social and Research Institute (ESRI).

It could also cause large electricity infrastructure projects to grind to a halt.

The analysis from Muireann Lynch of the ESRI comes in the wake of leaked documents from the British government last month indicating the SEM could be severed within months of a no-deal Brexit.

The position in the leaked documents is at odds with continued public assurances from the British and Irish governments that the SEM would be maintained regardless of

Brexit's outcome. Those assurances have also been given by the SEM governing body known as the SEM Joint Committee and the grid operators Eirgrid and SONI.

The SEM is a first of its kind cross-jurisdictional electricity market. Started in 2007, it allows power generators in the North and in the Republic to sell their power into the one large integrated market.

Over time, it has resulted in greater efficiencies, synergies and coordination in power generation and distribution across the whole island which has led to greater energy security and price stability. Its break up would create supply and price problems.

"The uncertainty is unprecedented," Lynch told *The Sunday Business Post*.

"At the moment all of the electricity companies submit their bids to a central market algorithm, and that clears the

market for the whole island. What would happen is that operators of Northern generators would wake up and be told 'you're not allowed submit a bid here today'."

Lynch explained that if Northern Irish companies were ready to generate, but could not be facilitated, that could result in supply interruptions all over the island, "but more probably in the North". She said the distinction and balance between what generators could sell and produce would become less clear.

"As that distinction becomes less clear and once things physically start deviating from each other in unexpected ways, that's what can lead to things like system blackouts, brown outs and trips.

"You would probably be looking at blackouts in the North," she said

Activist investor is among trio to boost stake in housebuilder Cairn

BY BARRY J WHYTE

Three major investment firms – including Goldman Sachs, and another firm known for its aggressive activism – increased their stakes in Irish housebuilder Cairn Homes last week.

Coltrane Asset Management, a New York fund founded by former Deutsche Bank trader Mandeep Manku, bought up €6.7 million worth of shares last week, pushing its stake to 8.10 per cent, worth €63.8 million.

Coltrane is known for

launching aggressive activist campaigns against corporate boards.

Another fund, the London-based Lansdowne Partners, a more than €20 billion fund run by Suzi Nutton, increased its stake by €5.5 million, leaving it with an 8.78 per cent holding worth €69.2 million.

Meanwhile, Goldman increased by a smaller amount, just under €630,000, bringing its total stake to €51.5 million, or 6.53 per cent worth of the company's shares.

Last week, Cairn applied to

An Bord Pleanála to increase the number of houses on the plot of land it bought from RTÉ from 500 to 611 apartments and three townhouses.

That came as it told the stock exchange that it had sold 282 apartments in its The Quarter development in Citywest for €94 million.

The apartments were sold to an entity called Urbeo, a division of American investment giant Starwood. Urbeo has been described as a cuckoo fund.

Cairn's share price ended the week at just over €1.