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20th July 2016

Via email to consultation2016E02@acer.europa.eu

Dear Sir/Madam,

The Electricity Association of Ireland (EAI) welcomes the Agency's invitation to comment on the proposal for the determination of the Capacity Calculation Regions (CCRs) with the view of developing a common methodology. The EAI supports such development as it is particularly timely at this point in the transition to a decarbonised electricity sector, whilst giving due considerations to ensuring security of supply and allowing customers access to a secure and reliable supply of electricity at a competitive price.

The explanatory document¹ attached with the proposal provides justification for and further description of the proposed set of CCRs, which include TSOs from the European Union (EU) Member States and non-EU countries physically interconnected with each other. The EAI supports a dynamic and pragmatic approach taken to defining the geographic definition of the proposed CCRs, whilst remaining cognisant of the levels of interconnection between the participating members and acknowledging the unique operational challenges and security issues that may arise. The Association is of the opinion that a high-level, transparent and appropriately harmonised methodology should be established. However the EAI is mindful of a wide spectrum of operational issues that exist for all stakeholders, albeit some are more challenging than others, and believes it is imperative that the final methodology makes provision to allow flexibility in the definition of CCRs.

Considering Ireland's and Northern Ireland's geographical isolation, as well as the close integration of their electricity networks on the island, policy-makers have determined a single electricity market should be maintained. As acknowledged in the explanatory document¹, the current market on the island of Ireland, the Single Electricity Market (SEM), being a smaller synchronous system with increasing wind penetration, is facing a unique set of technological challenges and is undergoing

¹ ENTSO-E, 29 October 2015, *Explanatory document to all TSOs' proposal for Capacity Calculation Regions (CCRs) in accordance with Article 15(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management*, Available Online

Electricity Association of Ireland Ltd

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Peter O'Shea; Dr John Reilly, Joanne Ross



significant changes to ensure its compliance with the European Network Codes. At present the all-island (Ireland & Northern Ireland) SEM market is interconnected with the BETTA market in Great Britain (GB) through which it then connects to the mainland European electricity markets.

The impact of the recent UK Referendum result to withdraw from the EU on the Electricity Network Codes, as well as the development of the SEM and GB bidding zones, are dependent on the future nature of the UK's relationships with the EU on energy and other policies. The EAI is of the view that a degree of flexibility in the deliberation of the most appropriate common capacity calculation methodology for the Ireland-UK (IU) region is particularly justified given uncertainty as to the UK's internal and external policies, as well as its interaction on the same with the EU.

For and on behalf of the Electricity Association of Ireland,

A handwritten signature in black ink that reads 'Owen Wilson'. The signature is written in a cursive style and is positioned above a horizontal line.

Owen Wilson

CEO

Electricity Association of Ireland

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