

Consultation on Single Electricity Market Legislation

Response of Moyle Interconnector Limited

1 Introduction

- 1.1 Moyle Interconnector Limited (“**Moyle**”) appreciates the opportunity to respond to the Department’s consultation paper of 10th November 2006 on the legislation intended to underpin the proposed Single Electricity Market (“**SEM**”) for the island of Ireland. This paper sets out the company’s response, which is informed by its position as the mutually-owned debt-financed company which provides the only link between the electricity systems and markets of Ireland and Great Britain.
- 1.2 As a mutual company working for energy consumers, Moyle supports the proposed implementation of the SEM. We believe that the proposed market will be in the interest of consumers throughout Ireland, based on the expectation that it will bring enhanced competition, security and diversity of supply, all of which continue to be objectives of Moyle on behalf of consumers. The concerns of the company in relation to the legislation and the SEM itself are at the more detailed level.

2 **Article 3: Power to modify licence conditions in connection with SEM arrangements**

- 2.1 The necessity for the powers proposed to be granted to the Authority and the Department under Article 3 is acknowledged. However, the use to be made of these powers is of concern in relation to licences and contracts which underpin industry financing arrangements set up in the interests of consumers and on the basis of a stable regulatory, licence and contractual regime. The proposed safeguards in the legislation are noted. The Department will be aware of the importance of ensuring that implementation of the SEM through the use of these powers does not impact on the arrangements put in place for the purposes of such financing transactions. The companies and financiers involved in such arrangements will undoubtedly require comfort as to the intent and limitations of this Article.

3 **Article 5: The SEM Committee** **Article 8: Objectives and duties of the Department, the Authority and the SEM Committee**

- 3.1 It is not entirely clear how the Authority’s objective to protect the interests of NI electricity consumers is balanced with the SEM Committee’s objective to act on behalf of the Authority on matters than relate to the SEM. It is important that the Authority cannot be prevented or hindered from protecting the interests of NI electricity consumers by the SEM Committee. Legislative clarity is needed as to the priority to be given to the Authority’s objectives if a conflict arises with those of the SEM Committee.