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Via e-mail only

Dear Kevin,

Re: SEM-11-007 Contracts for Differences Options 2011/12

We are delighted to have this opportunity to comment on your proposal to include additional short term products to the existing Directed Contracts ("DCs") process.

We strongly support this proposal, as auction prices are a better reflection of the actual conditions in the market place. The additional short term auctions will increase flexibility and liquidity in the market, as suppliers will better manage their required hedging volumes in a shorter timeframe. With the launch of the new East-West Interconnector in 2012, we will have access to the more liquid GB electricity market. We believe it is imperative that the Irish retail electricity market embraces this increased activity and introducing shorter term DCs will be a precursor to this changing environment.

Consequently, we are in favour of the proposed approach for including short term products to the DC process.

We appreciate that the publication of the regression formulae before each auction would be an overhead. However, we believe that this exercise should be conducted at least once a year to give market participants detailed and up to date information on the component parts of the formulae. This should ideally be made available before the commencement of the DC process in late June.

Best regards,

David Gascon.