



Fuel-Mix Disclosure in the Single Electricity Market:
Calculation Methodology

SEM – 11 – 058

1.1 Introduction

ESB Energy International (“ESBI”) appreciates the opportunity to comment on this consultation paper and has no objection to all or part of its response being published by the Regulatory Authorities (RAs). This response is submitted on behalf of ESB Energy International, Independent Generation who own commercial and retail businesses in both jurisdictions in the SEM. The ESBI portfolio includes both thermal and wind generation in the UK, and has thermal generation assets in other parts of Europe.

1.2 General Comments

ESBI has carefully reviewed the Fuel-Mix Disclosure in the Single Electricity Market: SEM – 11 – 058. We welcome the replacement of interim arrangements with enduring arrangements.

We agree this enduring methodology meets the objective of ensuring both Regulators are compliant with governing legislation Article 3(6) of Directive 2003/54/EC, replaced by Article 3(9) of Directive 2009/72/EC and also Regulation 25 of S.I. No. 60 of 20053.

We have concerns, however, relating to original objectives of the European Commission. Primarily, in our opinion, the methodology potentially contributes to the publication of information which may ultimately confuse end consumers, rather than help consumers to make informed choices about suppliers. For example, suppliers could potentially substitute assigned brown energy for transferred / purchased GoOs from a jurisdiction where they are less sought after. Consequently the fuel mix disclosure will not be reflective of actual power supplied. Additionally, we query, if for example, a consumer could purchase a product that is disclosed as 100% green but simultaneously is priced with a LEC (Levy Exemption Certificate) cost included.

In our opinion the methodology of how GoOs can be used as described in the paper may wrongly indicate to consumers the actual benefit to the environment of their

choosing to purchase their electrical power from one supplier as opposed to another even when they do so in the belief they are making an informed choice of suppliers based on the information provided to them under this methodology. More clarity should be provided to customers so better and more informed decisions can be made.

ESBI notes that the timeline for replacing the interim arrangements is tight as implementation is anticipated to be complete by year end. We suggest that to avoid delays or issues, especially in 2012, there is on-going and regular effective communication with all stakeholders.