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EU Reg 838/2010 Consultation Query Response

Dear Laura

EirGrid has conducted a review of the historical average tariffs and believed it was inherent in the publication of the consultation that 2023 was the first year in which the limit defined in EU Reg 838/2010 had been breached. However, to confirm, please see below the information requested. We are still awaiting Actual Revenue data from 2009-2012 that must be restored from data archives and can follow up with this when available.

Calendar Year	Exported Energy MWh	Actual Revenue €	Average Tariff €/MWh	Comment
2009	26,758,591			Would need actual revenue of ~€67m to be a breach which was not in-line with the GTUoS revenue of this time
2010	26,999,185			Would need actual revenue of ~€68m to be a breach which was not in-line with the GTUoS revenue of this time
2011	26,185,168			Would need actual revenue of ~€65.5m to be a breach which was not in-line with the GTUoS revenue of this time
2012	25,856,280			Would need actual revenue of ~€65m to be a breach which was not in-line with the GTUoS revenue of this time
2013	24,413,946	49,321,696	2.0	
2014	24,546,675	56,617,289	2.3	
2015	26,816,022	57,621,031	2.1	
2016	28,812,887	60,764,376	2.1	
2017	29,527,918	58,465,575	2.0	
2018	29,322,456	61,937,562	2.1	
2019	29,481,788	69,535,314	2.4	
2020	30,738,337	75,705,099	2.5	
2021	30,123,312	76,664,850	2.5	
2022	32,172,183	76,354,824	2.4	
2023	30,017,664	88,906,915	3.0	Breach of Limit

Stiúrthóirí: Brendan Tuohy Cathaoirleach, an Dr Theresa Donaldson Leaschathaoirleach, Tom Coughlan, Michael Hand, Rosa M Sanz García (An Spáinn), James Nyhan, Pauline Walsh, Ivan Schuster

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Uimhir Chláraithe na Cuideachta No. | Company Reg No. 338522

It may be inferred from the table above that the €2.5/MWh limit specified in EU Regulation 838/2010 was first breached in 2021 but at the time a breach was not considered due to the rounded average Tariff meeting the €2.5/MWh limit. We will ensure to make the CRU aware of how the data was interpreted in the 2021 determination in our final recommendation paper and if it is decided that additional refunds should be issued as a result, we would propose to carry these out as per the mechanism agreed out of the consultation.

The Example calculations in the document were rounded off for the purposes of illustration and simplification. In reality, the refunds would be calculated to the nearest cent, in line with the charges. A more accurate calculation for Example 1 is outlined below.

Where the Ratio of Retained Revenue from Producers is 0.895 as calculated above, the quantum to be returned for a customer who had paid €3.9m would be:

$$\begin{aligned} \text{Revenue Returned to Unit}_{it} &= (1 - \text{Ratio of Retained Revenue from Producers}_t) \\ &\quad * \text{Actual Revenue from Unit}_{it} = (1 - 0.895) * €3.9m = €0.4095m \end{aligned}$$

Which would work out as a monthly adjustment on the GTUoS invoice of $€0.4m/12 = €0.034125m$, i.e., €34,125 per month for the 12 months in the refunding period which as noted above would be the subsequent tariff year.

Regards

Michael Coone

System Support & Analysis



Email Received 09/01/2025

Hi Claire,

Happy New Year, I hope you had a lovely break.

I've copied John Bourke from WEI and Maria Hallinan from ISEA on this email as the response will be relevant to both organisations in preparing submissions. Would you be able to direct the below queries to someone who can advise on the GTUOS consultation that is currently live on the EirGrid consultation portal please?

I believe there is a lack of information provided in the consultation to allow industry to fully consider the proposal.

In the Context section of the consultation, it mentions that a breach was identified in 2023, however, there is no confirmation that there was not a breach prior to this. Please can you provide the following information for all years since the regulation came into effect?

1. Total Exported Energy for all relevant previous revenue years
2. Total Exported Energy for all relevant previous years based on calendar year
3. Total Actual Revenue from Producers for all relevant previous revenue years
4. Total Actual Revenue for Producers for all relevant previous calendar years

See below example taken from the consultation where the GTUOS refund is supposed to amount to €0.4m over a year, yet the suggestion is that only €30k would be paid each month. The rounding adopted in the example seems to be unfavourable to those receiving the refund - was this intended?

Example 1

Where the Ratio of Retained Revenue from Producers is 0.895 as calculated above, the quantum to be returned for a customer who had paid €3.9m would be:

$$\begin{aligned} \text{Revenue Returned to Unit}_{it} &= (1 - \text{Ratio of Retained Revenue from Producers}_t) * \text{Actual Revenue from Unit}_{it} \\ &= (1 - 0.895) * €3.9m = €0.4m \end{aligned}$$

Which would work out as a monthly adjustment on the GTUoS invoice of $€0.4m/12 = €0.03m$, i.e., €30,000 per month for the 12 months in the refunding period which as noted above would be the subsequent tariff year.

Thank you in advance and looking forward to working with you again in 2025.

Best regards,
Laura Mehigan
Grid Services Manager