



29th April 2011

Mr Paul McGuckin,
Moyle Interconnector Limited,
First Floor, The Arena Building,
85 Ormeau Road,
Belfast BT7 1SH

Via email

Re: Consultation on the Moyle Interconnector Capacity Framework Agreement

Dear Paul,

Endesa Ireland welcomes the opportunity to respond to the consultation paper on the Moyle Interconnector Capacity Framework Agreement and makes the following points.

In general, Endesa Ireland wonders whether it may be better to wait until intra-day trading arrangements have been finalised before making provisions in the Access Arrangements and Capacity Framework Agreement.

Section	Comment
Section 1.1, Definiton	'Auction Credit Limit' should be defined
Section 1.1, Definiton	Suggest that a term other than 'ESB system' should be used, such as 'Irish Transmission System'. Similarly for 'NIE System'.
Section 1.1, Definiton	It seems that the document referred to in the definition of 'Moyle Interconnector Framework Deed' should refer to Schedule 4 rather than Schedule 5.
Section 1.1, Definition	Endesa Ireland would welcome clarification of 'Nomination Window' and 'Nomination Gate Closure'.
Section 4.2	Endesa Ireland queries what happens if there are errors on the AMP publication of capacity, for example if a participant is told by AMP it has 20MW, but in fact it only has 10MW but the participant nominates to flow 20MW? Endesa Ireland suggests that a procedure should be set out to deal with errors on the AMP.
Section 4.6	Endesa Ireland notes that this section should comply with requirement in Article 16 of Regulation EC/714/2009 that 'the maximum capacity of the interconnections...shall be made available to market participants, complying with safety standards of secure network operation'.
Section 5.1 & 5.3	Endesa Ireland is in favour of the 'Use it or Sell it' approach suggested with any revenues being raised from resale being returned to the original capacity holder.

Section 5.6	Endesa Ireland requests that a Capacity Holder would be permitted to make a number of Resale Requests for a forthcoming Long Term Auction as the Capacity Holder may hold a number of different products which may mean that they do not meet the requirement in section 5.5(d). Alternatively the same result would be achieved by removing the requirement in 5.5(d). This requirement is undesirable as it limits secondary trading of capacity.
Section 5.16	In the case where a Capacity Holder submits a Resale Request and the capacity is not resold, the original capacity holder should be permitted to use the Units specified in the Resale Request.
Section 6.1	<p>It is suggested that the wording be amended to clarify that it is only the right of a capacity holder to '<i>unused Units</i>' shall lapse upon Gate closure.</p> <p>Endesa Ireland consider that if a 'Use it or Sell it' and implicit auction approach is adopted then Moyle must resell these units, in accordance with the requirement in Article 16 of Regulation EC/714/2009 that 'the maximum capacity of the interconnections...shall be made available to market participants, complying with safety standards of secure network operation'.</p>
Section 6.2	<p>This section seems to be at odds with Section 5.1. Endesa Ireland believes that any units unused at gate closure should be offered for implicit auction, that the charge for implicitly allocated capacity should be recoverable by the original capacity holder. If the interconnector owner is permitted to recover any of this charge it should be limited to recovering any additional costs incurred in reallocating the capacity.</p> <p>Given our central commitment model rather than self-dispatch, this is an appropriate divergence from the standard model. This will benefit customers as original capacity holders have paid for the capacity and that cost must be recovered; it is most equitable for the person making use of the capacity to pay for it.</p>
Section 7.11	Endesa Ireland considers that where a Capacity Transfer has been completed and registered that it should not be capable of termination where either Capacity Holder terminates its Capacity Framework Agreement or where the other Capacity Holder receives a notice of suspension.
Section 10.2	Endesa Ireland requests that invoices would be payable on a net monthly account basis.
Section 10.4	Endesa Ireland considers that the interest rate for overdue amounts of three percentage points per annum above the base lending rate of the Bank of Ireland is unduly high.
Section 11.3	If the Operator sells capacity held by a Participant who has been suspended it should only be permitted to retain monies owed to it

	and its costs in reselling the Units; any monies recovered in excess of this amount should be returned to the participant in question or else used to reduce costs for all participants.
Section 11.7	The grounds for Moyle to terminate the agreement listed in this section seem premature, it is suggested that it may be more appropriate for Moyle to be permitted to terminate the agreement if any of the investigations or actions listed find against Moyle and termination is a necessary remedy.
Section 19.1	It is submitted that the duty of confidentiality should be enduring and should extend beyond 12 months after the expiry or termination of the Capacity Framework Agreement.
Schedule 2	It is stated that each Participant must submit its nominations electronically. Provision should be made for a backup means of communication where Participants' systems are down. Paragraph 15 states that other valid means of communication may be utilised but does not stipulate what these means are – it is submitted that these should be specified in the Capacity Framework Agreement.
Schedule 3	The requirements on a 'Qualifying Issuer' mean that Irish banks are currently not eligible to fulfil this role, this high rating will result in increased costs for interconnector users.
Schedule 3, Appendix 2	It is queried why the Letter of Credit is to be governed by the laws of England.

Please don't hesitate to contact me should you wish to discuss any aspects of this response.

Regards,



Deirdre Powers
Director, Energy Management