

Charging Methodology Statement

EWIC Interconnector

DRAFT FOR CONSULTATION

ISSUE 3.0

1 INTRODUCTION

1.1 EirGrid Interconnector Designated Activity Company (EIDAC), a wholly owned subsidiary of EirGrid plc. is responsible for the transmission of electricity across the East West Interconnector (EWIC). The EWIC Interconnector connects the Single Electricity Market of Ireland with the electricity market of Great Britain. EWIC holds an Interconnector Licence in Ireland and GB.

1.2 This document sets out a Charging Methodology describing how users access and are charged for long term transmission rights on the Moyle Interconnector.

1.3 An electronic version of this document can be obtained by visiting the EWIC website at: <http://www.eirgridgroup.com/customer-and-industry/interconnection/>.

1.4 Further information on EWIC's activities and the information contained within this document can be obtained by contacting us by telephone, email or in writing:

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2. INTERCONNECTOR CHARGING METHODOLOGY

2.1. This Charging Methodology will be approved by the relevant Regulatory Authorities before it takes effect. Subsequent modifications to the charging methodology will be submitted to the relevant Regulatory Authorities if such modifications are deemed to better achieve the relevant Charging Methodology objectives.

2.2 EIDAC shall review its Charging Methodology at least once in each calendar year and, subject to its licences, make modifications to the Charging Methodology for the purpose of ensuring that it better achieves the relevant charging methodology objectives.

2.3 Where modifications are proposed by EIDAC to this charging methodology these will be consulted upon with the industry. The relevant Regulatory Authorities may amend any proposed changes to the methodology before the changes would otherwise take effect.

2.4 In this Charging Methodology, unless the context requires otherwise, capitalised words and expressions have the meaning ascribed to them in Part 1 of Schedule 1 of the EWIC Access Rules Issue 4.0.

2.5 This Charging Methodology applies from I-SEM Go Live.

Objectives of the charging methodology

2.6 As a minimum the interconnector charging methodology has to comply with the objectives set out in Conditions 20(1) and 20(3) of the CER Licence and Condition 10(4) of the Ofgem Licence, which require that the charges and their underlying methodology are:

- a) Objective;
- b) Transparent; and
- c) Non-discriminatory

2.7 In addition to this minimum set of relevant objectives EIDAC has its own objectives for the charging regime. These are that the use of interconnector charges should:

- a) Be simple to understand and implement; and
- b) Promote efficient use of the interconnector within the context of the differing market structures it connects.

2.8 Where modifications are proposed by EIDAC to this charging methodology these will be consulted upon with the industry in accordance with Condition 20(8) of the CER Licence and Condition 10(11) of the Ofgem Licence. The relevant Regulatory Authorities have the right to amend any proposed changes to the methodology before the changes would otherwise take effect.

Transmission Rights

2.9 Long Term Transmission Rights on the EWIC Interconnector shall be allocated in accordance with the EWIC Interconnector Access Rules. 1

2.10 EIDAC believes that the methodology it has prescribed for charges for using EWIC facilitates the relevant objectives described above.¹

¹The Access Rules in turn refer to the NRA Approved HAR or for an interim period the TSO Proposed HAR