

Aughinish Island,  
Askeaton,  
Co. Limerick.  
20<sup>th</sup> May 2016

**Aughinish Alumina Ltd reply to the consultation on DS3 System Services Interim Tariffs.  
This response is non-confidential**

Dear Sir/Madam,

As a large grid connected consumer of power Aughinish is aware of the risks to Ireland Inc. should the pursuit of government policy result in a weakened power grid. We support the DS3 team in ensuring the Irish grid remains competitive on a world stage and in so doing support indigenous and foreign investment. Aughinish as owner of the two Sealrock High Efficiency CHP units have invested in the evolving electricity market and will continue to participate in consultations and follow clear market signals.

Previous market consultation indicated that system services were a crucial element in Ireland meeting its 2020 renewable targets and that it would be an investable revenue stream for market participants who are facing degradation of energy payments.

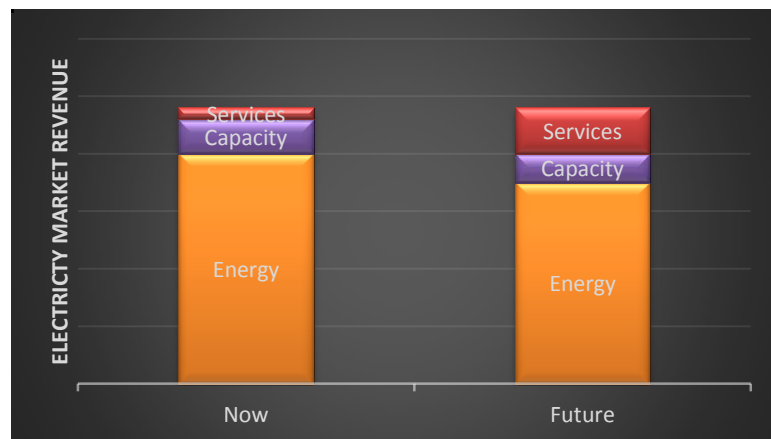


Fig 1: Previous indicative market revenues

It is our understanding that this consultation proposes Interim System Service Tariff Rates for 2016-2017 which combined with scalars and multiplication factors results in lower revenue payments to service providers than in the HAS.

If this is correct it is likely to influence participants and their investors. Aughinish would suggest that the proposed tariff rates be reconsidered in light of the value that they bring to the system and the resultant cost saving to consumers of a cheaper power mix.

Yours sincerely

**Thomas O'Sullivan**

Sr Business Analyst | Aughinish Alumina Ltd