



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

Harmonisation of Electricity Retail Markets in Ireland & Northern Ireland

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CEER Workshop
Brussels,
10th February 2011



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Introduction

- The Single Electricity Market was established by the Electricity Regulation Amendment (SEM) Act 2007
- It is the all island wholesale electricity market.
- SEM
 - cross jurisdictional Gross Mandatory Pool
 - regulated by the CER and the Utility Regulator via the SEM Committee
- Memorandum of Understanding between CER & Utility Regulator
 - Promote effective Retail Competition & equal treatment of participants and customers regardless of their location
 - **Public Electricity Supplier:** Ring-fencing arrangements, Tariff/revenue regulation, Economic Purchase Obligations, the operations of PSO arrangements
 - **Suppliers:** Supplier switching arrangements/requirements, Codes of Practice

All-Island SEM

Generators

Generators bid in SRMC and if scheduled generate power

Wholesale Market

Pool

Suppliers take power at SMP

Suppliers

consume power & pay supplier

Customers

Retail Market

Suppliers pay SMP

Suppliers

consume power & pay supplier

Customers



Overview of the Retail Electricity in ROI & NI

	ROI	NI
Customer Numbers		
Total Customers	2,231,600	824,000
Domestic	2,000,000	765,000
SME	200,000	54,000
LEU	1,600	5,000
Suppliers		
Full market opening	February 2005	November 2007
Domestic market	Likely Deregulation in April 2011	Regulated
Business markets	Deregulated as of October 2010	Partially Regulated
Suppliers Domestic	5	2
Suppliers Business	9	7

- Key Elements of Retail Market Design
 - Licensing regime
 - Price regulation (where it exists)
 - Switching (systems & processes)
 - Billing
 - Complaint Handling
 - Market Monitoring



Key Areas of ROI & NI Harmonisation

In the spirit of the Memorandum of Understanding, both regulators have adopted a pragmatic approach to harmonisation in 3 key areas;

1. Price Regulation

- Retail tariff structures ([CER/09/203a](#))
- Policy on retail margins and approach to k-factors for the incumbent suppliers - ([CER/09/203b](#))

2. Systems & Processes

- Harmonisation Project

3. Market Monitoring

- Consumer Surveys ([CER/10/084](#))
- Consultation on retail market monitoring in line with the 3rd Package

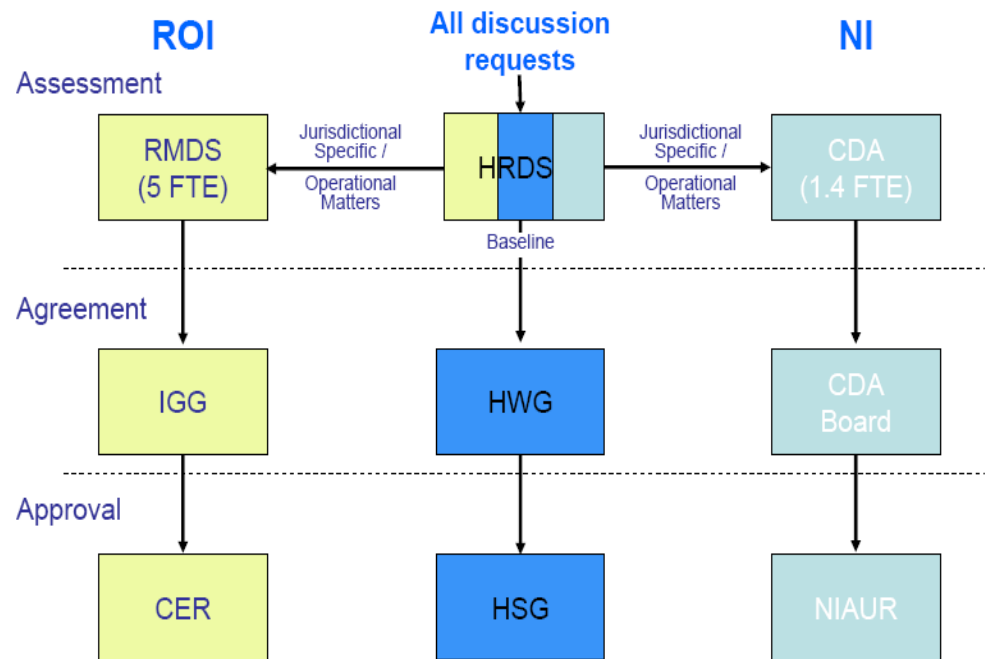
Harmonisation Project

- Objectives

- Promote effective Retail Competition & equal treatment of participants and customers regardless of their location
- Common switching systems, processes and supplier interfaces

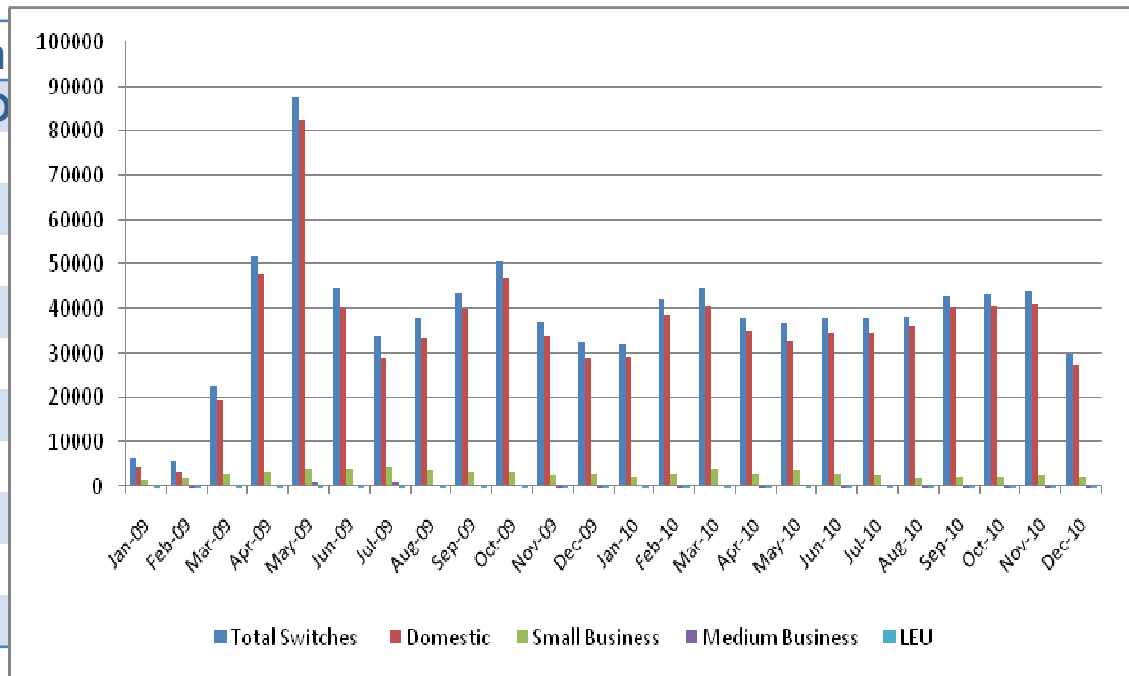
- Governance

- Joint Regulatory Steering Group
- Common change management



Systems Background in ROI & NI

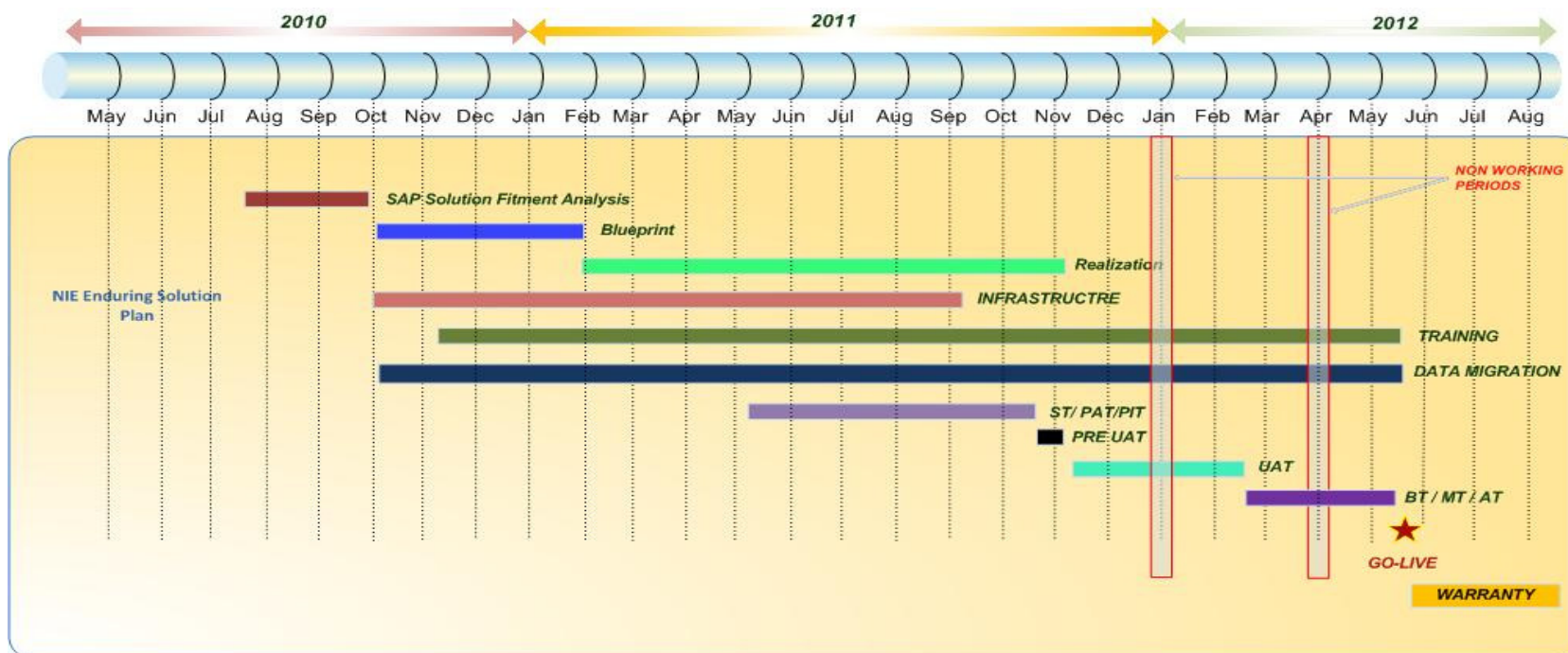
Functional Area	Number of ROs
Billing	3
Customer Data	9
Data Processing	18
Fieldwork	17
Message Management	2
Meter Point Characteristics	3
Objection and Cancellation	11
Registration	14
Settlement	11
Unmetered Supplies	4



- SAP supported central retail market systems implemented with full market opening - fully automated switching solution with proven capacity
- Legacy systems in NI limit degree of customer switching that can be supported - 6,000 to 7,500 switches per month
- Launch of the Enduring Solution project in NI was a key driver for all island harmonisation

Delivery Timelines

- Review of all systems and processes to give a harmonised baseline
- Common change management procedures
- Design freeze from December 2010
- Full launch of harmonised solution expected Q2 2012



- The harmonisation project will be delivered in Q2 2012
- Harmonisation will ease supplier entry from one retail market to the other
- Harmonisation will further support the development of competition to the benefit of the all island customer
- In working towards the delivery of the project a clearly defined decision making process has proven invaluable





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Questions?

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