



TYNAGH ENERGY
L I M I T E D

Seamus Byrne
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

Ref: TEL/CJD/15/186

07 October 2015

RE: Liquid Fuel Stock Obligations (CER/15/213)

Dear Seamus,

TEL welcomes this opportunity to respond to this Review of Fuel Stock Obligations for Electricity Generators.

TEL believes that the Fuel Stock Obligations are a fundamental element of Ireland's Security of Supply.

TEL believes that Scenario 1 or 2 allow for a situation where gas generators may see their stock holding requirement reduce from five days to three days. This reduction will be over time, and is likely to predominately occur in line with official secondary fuel testing. Currently gas generators are only reimbursed when they purchase oil to replace that which they have consumed. Therefore if you are not replacing the fuel in order to run down stock levels you will not be compensated based on current guidelines. This needs to be addressed if the CER decide to continue with the current methodology, or move to a three day holding for all generators.

TEL believes that there should be incentives to ensure that generators do not repeatedly declare themselves unavailable for fuel switching tests. If some generators can declare themselves unavailable without fear of sanction then it does not encourage other generators to meet their obligations. This could be in the form of a GPI, or preferably a payment for the provision of a vital service similar to other ancillary services.

TEL is of the opinion that the existing compliance regime is largely sufficient, but believes the regulator needs to enforce and be seen to enforce the existing regulations.

Lastly, TEL would encourage the creation of a system wide Demand Reduction Plan, which if implemented during a security of supply scenario would reduce demand and thereby increase the potential days running based on held fuel stocks.

Yours sincerely

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Risk and Regulatory Manager

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