



Energy for
generations

ESB Generation and Trading Response to the Utility Regulator Consultation on Seasonal Multiplier Factors for Gas Transmission

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1. CONSULTATION RESPONSE

ESB Generation and Trading (GT) welcomes the opportunity to respond to the Utility Regulator consultation on seasonal multiplier factors for gas transmission for gas year 2024/25. ESB GT supports the Utility Regulator proposal to retain the currently applicable seasonal multiplier factors for the tariff year 2024/25.

In the 2023 consultation on seasonal multiplier factors for gas transmission consultation, ESB GT had raised concerns that smoothed seasonal multipliers would remove a measure that is designed to incentivise shippers to utilise the system more during lower demand periods as the system approaches capacity. In addition, we noted that the application of the smoothing to the seasonal multiplier factors in Northern Ireland could have a distorting effect on competition in the SEM where the current seasonal multiplier factors are retained in Ireland.

We welcome that in combination with the proposal by CRU to retain the existing seasonal multiplier factors in Ireland, the proposed retention of the currently applicable seasonal multiplier factors in Northern Ireland will result in the continued alignment of transmission tariff parameters across the SEM arrangements.

ESB notes that the original proposal to apply smoothed seasonal multiplier factors was linked to the potential introduction of short exit capacity products to the market. ESB GT appreciates the degree of complexity faced by the Utility Regulatory in making a decision of this nature, including the trade-offs and wide-ranging impacts across energy market sectors and subsectors. We remain firmly of the view that the introduction of short exit capacity product is an important step for the gas market arrangements in Northern Ireland. We believe that this will have significant benefits for Northern Ireland based generators allowing them to compete efficiently in the SEM arrangements and thereby supporting the ability of both new and existing operators to invest in Northern Ireland. ESB GT asks that the Utility Regulatory provide industry with an update on the progress of this decision-making process and the expected timeline for a decision to be finalised at your earliest convenience. This is a particularly important in the context of the rapid changes in the energy sector that will result from the delivery of the 80% renewable electricity by 2030 target as set by the Climate Change Act (Northern Ireland) 2022.