



Irish Offshore
Operators'
Association

Irish Offshore Operators' Association

Suite No. 2119, Fitzwilliam Business Centre, 26, Upper Pembroke Street, Dublin 2, Ireland
Tel: +353 1 637 3996 Fax + 353 662 0365 Email: info@iooa.ie Website: www.iooa.ie

Ms. Karen Trant
Commission for Energy Regulation
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24

15 September 2016

By email: ktrant@cer.ie

Re: **CER Minded to Instruction – Code Modification A071 – Alternative Capacity Arrangements in event of GNI Interruptions to Flows**

Dear Karen,

IOOA's members welcome the opportunity to respond to the minded to instruction as indicated by CER during the Code Mod Forum 31 August 2016.

IOOA supports CER's minded to instruction with respect to having the rebate/refund/credit related to all unavailable capacity. However, we believe that any final decision should reflect two important caveats.

Firstly, we strongly suggest that the Short Term daily tariff should be used as basis for this refund. Rather than the proposed average yearly tariff ($1/365 \times$ yearly tariff) per day, this suggested change would help result in a more accurate reflection of the cost/market value of the alternative capacity.

Secondly, in order help to help ensure that indigenous gas is not unfairly discriminated against in favour of imported gas, IOOA suggests that the price of Moffat short term capacity should set the level of refund. By way of explanation, if a Moffat shipper is purchasing gas from say a North Sea gas field and loses access to that gas, it can still flow alternative NBP-sourced gas through the *same* entry point. However, if one of the indigenous fields in Ireland is not available on a day, the affected shipper is forced to access entry capacity from *another* entry point, most likely Moffat.

In addition, there is a high level of installed overcapacity at Moffat which stems from historic and current over investments (e.g. twinning of the interconnector and twinning of onshore Scotland), thus an outage at Moffat entry point is less likely to occur than at the other indigenous entry points.

With respect to excluding 5 days properly notified planned maintenance from this rebate, IOOA's members would stress that planned maintenance in accordance with the Code of Operations, should only be allowed in the five Summer months (from May up to and including September).



Irish Offshore Operators' Association

Suite No. 2119, Fitzwilliam Business Centre, 26, Upper Pembroke Street, Dublin 2, Ireland
Tel: +353 1 637 3996 Fax + 353 662 0365 Email: info@iooa.ie Website: www.iooa.ie

Irish Offshore
Operators'
Association

Yours sincerely,

Brian McGlinchey
Chairman IOOA Gas Sub-Committee and on behalf of:

AzEire Petroleum
Cairn Energy,
Eni,
Faroe Petroleum,
Fastnet Oil & Gas,
PSE Kinsale Energy,
Kosmos Energy,
Lansdowne Oil & Gas,
Providence Resources,
Repsol,
San Leon Energy,
Serica Energy,
Shell,
Statoil,
Vermilion Energy Ireland,
Woodside.

Cc: Patrick Shannon Chairman IOOA
IOOA Management Committee
IOOA Gas Sub-Committee
GNI (marketdevelopment@gasnetworks.ie)
Colm O'Gormain CER (cogormain@cer.ie)