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19 September 2018

CRU Ref: D/18/16378

PAC Ref: PAC32-I-1025

Ms Margaret Falsey

Committee of Public Accounts
Leinster House,
Dublin 2

Dear Ms Falsey

Re: Request for CRU's observation on Wind Aware Ireland's report, and CRU views on the CRU's role or function regarding the electricity substation in County Laois

I refer to your letter of 19 July 2018, and the correspondence enclosed therein, requesting the Commission for Regulation of Utilities (CRU) to provide an information note regarding the above. I attach our information note in response to your request.

We hope that this information note assists the Committee on this matter and we are available to respond to any further queries in relation to these reports.

Yours Sincerely,

Paul McGowan

Chairperson, Commission for Regulation of Utilities

An Coimisiún um Rialáil Fóntas

Commission for Regulation of Utilities

CRU's observations on the Wind Aware Ireland report – as requested by the Public Accounts Committee (PAC ref: PAC32-I-1025)

Information Note

Information Note

CRU Reference:	D/18/16379	Date Sent:	19/09/2018	PAC Reference:	PAC32-I-1025

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Executive Summary

This information note has been prepared in order to provide the Commission for Regulation of Utilities' observations on the Wind Aware Ireland (WAI) report along with the CRU's views on any role or function it has regarding the Laois-Kilkenny Reinforcement Project. This information note focuses on the matters related to the CRU's functions as economic regulator.

From the outset it should be noted, as an overarching observation, there is a common trend throughout the WAI report, that is, inaccurate assumptions and quotes have been used to support the WAI report's main thesis.

In summary, the WAI report opposes the cost associated with wind energy in Ireland, in particular, the authors object to the high costs associated with wind energy. The central argument of the WAI report is supported by a number of inaccuracies and misunderstandings of the regulatory framework. In addition, the authors of the WAI report have been selective in their reading of the various material used in order to construct their argument and have not accurately represented the material. Furthermore, although the report is calling for a pause on climate policy actions, the report does not set out an alternative view of how Ireland might meet its renewable commitments by 2020. The costs are presented in the WAI report as the "*complex and supporting infrastructure, hidden subsidies and services required to actually put the electricity generated onto the grid*." The conclusion of the WAI report calls for a policy change as the current policy path is in their view unsustainable. CRU would not advise DCCAE to change policy based on the report.

With regard to references to the CRU in the WAI report, the majority of criticism directed at the CRU relates to our role in approving capital expenditure for electricity transmission network projects, in particular the Laois-Kilkenny project. There is significant proportion of this criticism that is based on the assumption that the CRU is a Sanctioning Authority under the Public Spending Code, which is not correct. The WAI report also does not correctly reflect the role of the CRU in approving revenues.

In addition, the WAI report selectively quotes Jacobs' cost review reports and concludes that electricity consumers do not receive value for money, when in fact the conclusion of the Jacobs reports recommended that capital expenditure be allowed by the CRU as the asset delivery activities that were undertaken were found to be broadly efficient.

In conclusion, having reviewed and considered the WAI report, it is the CRU's view that the WAI report should not be relied upon by the Committee, or DCCAE, as a basis on which to evaluate energy policy.

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Glossary of Terms

Abbreviation or Term	Definition or Meaning
WAI	Wind Aware Ireland
PAC	Public Accounts Committee
TSO	Transmission System Operator
TAO	Transmission Asset Owner
PR	Price Review
PR3	Price Review 3
PR4	Price Review 4
SEM	Single Electricity Market
CBA	Cost Benefit Analysis

1. Introduction

1.1 Context and purpose

This information note has been prepared in order to provide the Commission for Regulation of Utilities' (CRU) response in regard to the matters raised at the Public Accounts Committee (PAC) meeting of Thursday 12 July 2018.

The CRU received a letter from the PAC, dated 19 July 2018, and the correspondence (PAC ref: 1429C) enclosed therein, requesting the CRU to provide an information note with:

- detailed observations on the Wind Aware Ireland (WAI) report, and
- views on any role or function it has regarding the Laois-Kilkenny Reinforcement Project.

1.2 The Wind Aware Ireland Report

The stated aim of the WAI report is to identify the major economic costs to the Irish State and consumer that relate to the deployment of on-shore wind energy. The WAI report includes an estimate of the cost associated with wind energy in Ireland at approximately €1.2 billion per annum. According to the WAI report these costs include the:

> *"complex and supporting infrastructure, hidden subsidies and services required to actually put the electricity generated onto the grid."*

The main conclusion of the WAI report calls for a policy change as the current policy path, in their view, is unsustainable, the conclusions states:

> *"Our energy policy must be urgently reviewed and all current actions paused until full analysis has taken place of the most cost-effective and sustainable way to decarbonise"*

The authors of the WAI report urge a review of Ireland's energy policy and for all current actions to be paused until full analysis of the most cost-effective and sustainable way to decarbonise.

With reference to the CRU in the WAI report, the overarching criticisms relate to:

- the CRU's role in approving charges for the use of and connection to the electricity network, and
- the CRU holding EirGrid and ESB Networks, two commercial State-bodies, accountable to the Public Spending Code.

1.3 CRU approach and structure of responding

In responding to this request the CRU does not intend to provide observations on every single point in the WAI report, instead observations will be provided on key points that relate to the CRU's functions as economic regulator.

For avoidance of doubt, the WAI report contains many inaccuracies and mischaracterisations both generally and as regards to the CRU. Therefore, where this note is silent on aspects of the WAI report it should be not read as confirming the veracity of those aspects of the WAI report.

The CRU's response is structured as follows:

a) **Section 2:** outlines the industry structure, which will include a description of the Transmission System Operator (TSO) and the Transmission System Owner (TAO) roles in the context of network development. This will also include background information regarding the role of the CRU when setting charges and revenues for use of, and connection to the electricity system in Ireland. This will lead to a description of the Price Review process, which will also cover the CRU's role in regard to the Laois-Kilkenny reinforcement project.

b) **Section 3:** provides the CRU's observations on key conclusions that relate to the CRU,

c) **Section 4:** provides the CRU's observations on case study which can be found in the WAI report, and

d) **Section 5:** provides a conclusion that is based on the CRU's observations.

2. Background Information

This section provides background information regarding the role of the CRU, the Transmission System Operator (TSO) and the Transmission System Owner (TAO). In addition, this section will provide background information regarding the CRU's powers when approving charges and the Price Review process, which will also describe the CRU's role regarding individual projects.

2.2 Industry structure and legislative context

The transmission business consists of EirGrid, licensed by the CRU as the Transmission System Operator (TSO) and ESB, acting through its ESB Networks business unit, as the licensed Transmission Asset Owner (TAO).

The TSO's (EirGrid) functions are set out principally in section 8 of S.I. No. 445/2000[1] as amended. In particular, under section 8(1) of S.I. No. 445/2000, the TSO has a number of exclusive functions which include:

- to operate and ensure the maintenance of and, if necessary, develop a safe, secure, reliable, economical and efficient electricity transmission system, and to explore and develop opportunities for interconnection of its system with other systems, in all cases with a view to ensuring that all reasonable demands for electricity are met and having due regard for the environment,
- to offer terms and enter into agreements, where appropriate, for connection to and use of the transmission system with all those using and seeking to use the transmission system, and
- to charge for the connection to and use of the transmission system in accordance with Section 35 of the Electricity Regulation Act 1999 and S.I. No. 445/2000, as amended

The TAO's (ESB) legislative functions under S.I. No. 445/2000, as amended include, *inter alia,* to build additional transmission infrastructure at the direction of the TSO, and to maintain the existing network.

[1] http://www.irishstatutebook.ie/eli/2000/si/445/made/en/print#article8

2.3 CRU's legislative context

2.3.1 CRU's functions and duties

The CRU's functions and duties are set out principally in section 9 of the Electricity Regulation Act 1999, as amended, (the Act). In particular, according to section 9(4)(a) of the 1999 Act, the CRU shall carry out its statutory functions in a manner which does not discriminate unfairly between relevant stakeholders, and also have regard to, *inter alia*, the need to:

- secure that licence holders are capable of financing the undertaking of the activities which they are licensed to undertake,
- protect the interests of final customers and to secure that all their reasonable demands for electricity are satisfied,
- promote the continuity, security and quality of supplies of electricity,
- promote competition, and
- promote efficiency and the use of renewable, sustainable or alternative energy.

2.3.2 Setting the charges for use of Network

Under Section 35 of the Act, the CRU approves charges for the use of, and connection to the electricity transmission system. In accordance with Section 35 (4) these charges are to be calculated to enable the TSO/TAO recover:

a. the appropriate proportion of the costs directly or indirectly incurred in carrying out any necessary works, and
b. a reasonable rate of return on the capital represented by such costs.

To this end, the CRU's five-year Price Review decisions outline the revenue that the TSO/TAO are allowed recover from TUoS customers during a Price Review period.[2] The review process is explained in section 2.4 below.

2.4 CRU Price Review Process

2.4.1 Overview of Price Review

Electricity network businesses in Ireland are natural monopolies that do not face competition, and therefore are subject to regulation to closely align the interest of network companies with the

[2] A similar process is carried out for the distribution system.

consumer interest. As Ireland's utility regulator, when setting use of electricity system charges, the CRU endeavours to balance the availability, affordability and quality of the service with the costs incurred by electricity network businesses.

In order to do this, the CRU carries out reviews of the allowed revenue for the electricity network businesses on a five year basis, through what is known as a Price Review. The five year approach is international best practice, and is used by a number of European energy regulators as well as in a number of other regulated sectors.

For each Price Review period, the CRU determines the maximum revenue (revenue allowance) that the businesses are able to recover from the electricity customer. The latest five year review covers the period 2016 to 2020 and sets out a revenue allowance for the businesses over that period. The revenue allowance allows the network businesses recover the cost to operate, maintain and build the system.

The revenue allowance is set at a level that would allow an efficient business in a competitive environment finance its activities. The level of the allowance is determined by a combination of benchmarking against organisations in other countries and examining the specific underlying costs of the network businesses. It is then the responsibility of the network companies to efficiently run their businesses within the revenue allowance. This approach ensures that the network companies are incentivised to improve performance and make appropriate operational decisions.

For avoidance of doubt, the CRU does not approve a specific list of tasks and projects which equate to the revenue allowance. Rather, the revenue allowance reflects our view of an efficient level of Capex required to deliver on the Price Review, for example meeting 2020 renewable targets and maintaining and enhancing quality of electricity supply.

2.4.2 How the CRU view is formed – the allowance setting process

The Price Review decisions follow a lengthy period of engagement with both transmission businesses. This involves the analysis of multiple submissions by the transmission businesses on both their historic and forecast costs, multiple meetings with the businesses to clarify those submissions, and the benchmarking of the transmission costs and performance against international best practice. To do this, the CRU engages the services of independent technical and financial experts.

For PR4 the CRU engaged the services of Jacobs (a leading international engineering, sciences and project delivery firm) to review efficiency levels, operating costs (historic and forecast) and capital investment. Europe Economics (a London based firm with expertise in economic regulation) were engaged to provide advice on the allowed rate of return required on capital investments to ensure that the capital programme can be funded. The consultants' reports, which included substantive analysis and recommendations, were published alongside the CRU's Price Review 4 decision papers.

Furthermore, the CRU held public consultations on the Price Review decisions which allowed the public and interested stakeholders to submit their views on any aspect of the Price Review. The consultation process which includes consultancy reports, consultation papers, and responses to consultations along with the decision papers can be found at: TSO & TAO Transmission Revenue[3].

2.4.3 Capital expenditure monitoring and the CRU's role in relation to specific projects

As noted above, the CRU sets a revenue allowance at a level that would allow an efficient business in a competitive environment finance its activities. It is then the responsibility of the network companies to efficiently run their businesses within the revenue allowance. Therefore, the CRU does not typically ex-ante approve revenues for a single project, rather we approve revenues for a capital programme that is intended to achieve certain objectives, such as the 2020 targets and improving quality of supply.

At the end of each Price Review period the CRU reviews the outputs reporting and monitoring regime to assist in the CRU's determination as to whether the expenditure incurred during that period was done so on an efficient basis. The CRU monitors capital expenditure on projects greater than €10 million. The CRU can clawback any expenditure if the companies cannot demonstrate it was efficiently incurred.

[3] https://www.cru.ie/document_group/tso-tao-transmission-revenue/

3. Observations

This section provides the CRU's observations on the WAI report, as already noted the CRU will provide observations on the main criticisms that relate to the CRU, which will include:

- General observations
- Observations on the PSO Levy (section 2.1 of WAI Report)
- Observations constraint, curtailment and capacity payments (Section 2.4 of WAI report)
- Observations on grid costs (Section 2.2 of WAI Report)
- Observations on sanctioning grid costs (section 3 and 4 of WAI report)
- Observations on WAI's quotes in regard to Jacobs reports (section 3 and 4 of WAI report)
- Observations on Jacobs' comments efficiency (section 3 and 4 of WAI report)
- Smart Meters

As an overarching observation on the WAI report, the CRU notes the authors' selective reading of the various material which has been used to support their central argument. The CRU has provided some examples of such selectivity within this information note.

3.1 General observations

The WAI report estimates the cost associated with wind energy in Ireland at approximately €1.2billion per annum. According to the WAI report these costs relate to the supporting infrastructure, subsidies and services required to put the electricity generated onto the grid. As explained in this report the WAI report's conclusion are based on quotes that have been taken out of context and are not supported by evidence.

To summarise, the central argument of the WAI report is supported by a number of inaccuracies and misunderstandings of the regulatory framework. In addition, the authors of the WAI report have been selective in their reading of the various material used in order to construct their argument and have not accurately represented the material. Furthermore, although the report is calling for a pause on climate policy actions, the report does not set out an alternative view of how Ireland might meet its renewable commitments by 2020.

3.2 Observations on the PSO Levy

The provision of price supports for renewable energy projects (including wind) is an issue for Government policy. Additionally, the design of the PSO and its underlying mechanisms/structures are Government policy matters, and outside the remit of the CRU. From a regulatory perspective, the CRU's primary role is the calculation of the PSO levy.

With reference to the costs of electricity, the CRU notes that wind typically has a dampening effect on the wholesale price of electricity given that its marginal cost is close to zero. A corollary of wind generation's downward pressure on the wholesale electricity price is an increase in PSO levy funding requirements for wind, as wind generators cannot recover their costs through lower wholesale electricity prices, and therefore require further PSO funding. Additionally, the CRU notes that the design of the PSO mechanism contributes to an inverse relationship between the PSO levy and the wholesale electricity price (i.e. PSO levy increases when wholesale electricity prices decrease, & vice versa).

On July 31st 2018 the CRU published its Decision Paper on the Public Service Levy (PSO) for 2018/19. The CRU has calculated that a PSO of €209.19 million will be required for the 2018/19 PSO period, which represents a decrease of €262.71 million (56%) on the 2017/18 levy of €471.9 million. One of the primary drivers contributing to the decrease of the PSO levy in 18/19 is a higher forecasted wholesale electricity price (due to higher commodity prices), which has reduced the ex-ante payment that is associated with the 2018/19 PSO.

3.3 Observations on grid costs

The WAI report is accurate in its assertion significant investment is required in order to meet the Government target of 40% of Ireland's electricity generated by renewable sources by 2020, which has thus far been predominantly wind. The investment also facilitates other renewables, as well as improving the continuity, security and quality of supplies of electricity to consumers. Evidence of this improvement can be seen in the annual Transmission System Performance reports published by EirGrid[4]. These reports show that system performance parameters such as System Minutes Lost and management of System Frequency levels have improved over the last number of years.

3.4 Observations on sanctioning grid costs

The WAI report is not accurate in its presumption that CRU is Sanctioning Authority as defined in the Public Spending Code.[5] [6] This is because EirGrid and ESB are commercial State-bodies, which are natural monopolies and are not exchequer funded. Instead they finance via equity, bank loans and/or issuing bonds in international markets. Therefore, the CRU regulates these companies via the Price Review process (as described in section 2.4), which is widely used across Europe for regulating natural monopolies in the utility sector.

[4] http://www.eirgridgroup.com/aboutus/publications/
[5] See Introduction A.00 - https://publicspendingcode.per.gov.ie/000-value-for-money-code/
[6] See Clarify your Role A-02 - https://publicspendingcode.per.gov.ie/A02-Clarify-your-Role/

3.5 Observation on WAI’s quotes regarding Jacobs’ reports

As noted in section 2, project design and initiation (referred to as stage 1) is the TSO’s responsibility. Projects called for by the TSO must be funded efficiently and constructed in a timely manner by the TAO, which does not have a decision-making role in terms of the transmission projects to be undertaken. The construction and energisation of projects by the TAO is referred to as Stage 2. This is important distinction to make, because the WAI report focuses on Jacobs report on the TSO costs.

On the basis of selectively chosen extracts, substantive points and recommendations from, *inter alia*, the Jacobs report on TSO cost[7] [8], the authors of the WAI report conclude:

> *“projects funded by the consumer have not been itemised and no quantification of value-for-money undertaken. Although the aim of the whole wind project is to reduce CO_2 emissions, no one, including the CRU, has analysed the impact of this large spend.”*

It should be noted that the Jacobs report available on page 6 of the Jacobs report states:

> *“This report should be read in full and no excerpts are to be taken as representative of the findings.”*[9]

Moreover, it was not the purpose of the Jacobs report or the Price Review process more generally to carry out an analysis on the reduction of CO_2 or the impact of the large spend on wind energy. Instead, as stated in the Jacobs report, the purpose was to assess and compare the levels and appropriateness of the transmission capital expenditure against network operational and investment needs and to analyse, comment on and make recommendations on efficient project and asset delivery, including delivery processes, in line with industry best practice.

In fact, the TSO revenue recommendation available from page 3 of the Jacobs’ report on TSO cost, recommended the disallowance of a portion of the TSO’s PR3 outturn expenditure because it was considered inefficient spend, and recommended the allowance of the remainder of the expenditure.[10]

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[7] https://www.cru.ie/wp-content/uploads/2015/07/CER15191-Jacobs-Review-of-TSO-Costs-2011-2020.pdf
[8] https://www.cru.ie/wp-content/uploads/2015/07/CER15192-Jacobs-Review-of-TAO-Costs-2011-2020.pdf
[9] https://www.cru.ie/wp-content/uploads/2015/07/CER15191-Jacobs-Review-of-TSO-Costs-2011-2020.pdf
[10] https://www.cru.ie/wp-content/uploads/2015/07/CER15191-Jacobs-Review-of-TSO-Costs-2011-2020.pdf

The majority of the capital expenditure is delivered through the TAO. In relation to the TAO revenue recommendation available from page 3 of the Jacobs' report on TAO costs, where it should be noted, recommended the actual outturn PR3 TAO capital expenditure is allowed in full, but that significantly improved expenditure monitoring and incentive mechanisms are introduced for PR4. In addition, the Jacobs report notes that there is reasonable level of confidence that asset delivery activities being undertaken by the TAO are broadly efficient. [11]

In 2017 as one of the key outcomes of the Price Review process, the CRU consulted, in CRU/17/335[12], on proposals for improving the reporting and incentives arrangements to apply for the remainder of the Price Review 4 period.

In 2018, in the light of consultation responses and further analysis, the CRU published a decision paper CRU/18/087[13], which included twenty decisions on reporting and incentives under PR4. The objectives of the decisions are to improve outcomes for electricity customers and market participants during the PR4 period, and to create a robust platform for the continuing development of reporting and incentives for PR5 and beyond.

In particular, the CRU made the following changes to strengthen monitoring and reporting of how revenue allowances are spent, and what levels of performance they deliver for customers:

1. A re-positioned Annual Performance Report for the transmission system, jointly produced by the TSO (EirGrid) and TAO (ESB Networks), providing an accessible summary of network performance.

2. A revised reporting framework for the TSO and TAO documenting the methodology applied to identify investment needs, assess options and deliver these investments for network users.

3.6 Constraint, curtailment and capacity payments.

The footnotes referred to in this section of the WAI report do not provide any supporting evidence that can be discerned to support the total figures. It is difficult to comment in much detail on this section of the report. The text makes a number of assumptions around conventional generators having to be paid extra due to the presence of wind generation. This is not the case.

[11] https://www.cru.ie/wp-content/uploads/2015/07/CER15192-Jacobs-Review-of-TAO-Costs-2011-2020.pdf
[12] https://www.cru.ie/wp-content/uploads/2017/12/CRU17335-Consultation-on-Reporting-and-Incentives-under-Price-Review-4.pdf
[13] https://www.cru.ie/wp-content/uploads/2018/05/CRU18087-Reporting-and-Incentives-under-Price-Review-4-Decision-Paper.pdf

The WAI report refers to constraint payments increasing when wholesale prices are low, it states:

'When wholesale fossil fuel prices are low, constraint payments rise'

This is not explained and the reference to footnote 57 cites the SEMO Value of Market Report which refers only to the value of the market on an annual basis. Constraint payments tend to increase and decrease in tandem with the total value of the energy market which seems to contradict the WAI report.

With reference to the capacity market, the Capacity Payment Mechanism (CPM) did not operate as described in the WAI report.[14] The CPM considered the cost of an efficient new entrant to the market (Best New Entrant). All generators receive the same payment based on their availability to the market. While the WAI report is a little out of date, it is important to note that these arrangements are being replaced as part of the I-SEM project. From 1st October 2018, capacity payments will be on the basis of a competitive auction. The CRU regulates the Single Electricity Market in conjunction with the Northern Irish Authority for Utility Regulation.

3.7 Smart Meters

The WAI report is not fully accurate in its assertion that the:

"aim of the smart meters is to reduce demand during periods of peak demand…."

Although this will be facilitated through the introduction of time-of-use tariffs, the requirement to upgrade the current analogue meter stock to smart electricity meters stems from legal requirements contained in the Third Energy Package, and also, the requirements of the draft Clean Energy for All Europeans package of legislation.

Moreover, the WAI Report attributes all of the costs of the smart meter upgrade to wind as asserted by the authors. This is not correct, rather the aim of the smart meter upgrade is multifaceted with a range of benefits such as:

- The upgrade of old, analogue meter stock to new smart meters. This marks a shift toward digital already experienced in sectors such as broadcast television and mobile communications,
- Empowering energy customers with better and more accurate information regarding their consumption in order to empower them to make more informed choices regarding their energy needs,

[14] The CPM has since been replaced by the CRM under which an auction process allocates and determines capacity payments.

- Facilitating the introduction of new products and services such as time-of-use tariffs and a new form of smart prepayment,
- Enabling the network companies to better manage the grid by providing better and more accurate information,
- Provide greater flexibility and facilitating active consumers among other things.

4. Observations on case study (Laois-Kilkenny Project)

The case study outlined in the WAI report focuses on the Laois-Kilkenny project. The authors' primary critical points relate to grid infrastructure, capital expenditure and efficiency. The conclusions in the report rely on inaccuracies and a misunderstanding of the regulatory framework. The primary critical points relate to:

1. No CBA as required under the Public Spending Code,
2. CRU not holding project specific information,
3. Efficiency and necessity of capital expenditure,
4. Project cost variations, in particular the increase in Laois-Kilkenny project cost.

In relation to points 1, 2, and 3, as already noted in this report, the CRU is not a Sanctioning Authority as per the Public Spending Code and does not sanction specific project costs within a Price Review. EirGrid and ESB are commercial State-bodies and are not exchequer funded. Instead they finance via equity, bank loans and/or issuing bonds in international markets.

In relation to points 2, and 3 the CRU is an economic regulator that sets a revenue allowance at a level that would allow an efficient business in a competitive environment finance its activities. The CRU's process in relation to specific projects is to monitor capital expenditure on projects greater than €10 million to support its ex-post review as part of the Price Review process. In addition, at the end of each Price Review period, the businesses will be required to demonstrate that expenditure incurred during that period was on an efficient basis. The CRU can claw back any expenditure if the companies cannot demonstrate it was efficient.

In relation to point 4 above, project variations are not an unusual occurrence, it is expected that any network development or business plan will inevitably change through a Price Review period. In fact, it would be unusual if the Price Review went exactly as had been planned five years earlier. It is the TSO's responsibility to change its plans as the needs of the system change during a Price Review period. The purpose of the five-year process is to provide this level of flexibility to the TSO and requiring the TSO to adapt to the needs of the system as circumstances change. By placing this responsibility on the TSO and requiring it to manage change within its revenue allowance the interests of consumers are better served than they would be through a more rigid process that was unable to respond to changing circumstances.

5. Conclusion

The central argument of the WAI report is supported by a number of inaccuracies and misunderstandings of the regulatory framework. In addition, the authors of the WAI report have been selective in their reading of the various material used in order to construct their argument and have not accurately represented the material. Furthermore, although the report is calling for a pause on climate policy actions, the report does not set out an alternative view of how Ireland might meet its renewable commitments by 2020.

In conclusion, having reviewed and considered the WAI report, it is the CRU's view that WAI report should not be used by the Committee as a basis on which to evaluate energy policy.

We hope that this information note assists the Committee on this matter and we are available to respond to any further queries in relation to these reports.