Ministers Announce Publication of Joint Framework for an All-Island Energy Market and Endorse Plans for a Second North and South Electricity Interconnector

Monday 22nd November 2004

The Minister for Communications, Marine and Natural Resources, Noel Dempsey T.D., and his Northern Ireland counterpart, Barry Gardiner MP, Minister for Enterprise, Trade and Investment met today and reaffirmed their Governments commitment to an all-island energy market.

Following the meeting, the two Ministers jointly launched the All-island Energy Market Development Framework which provides the strategic blueprint for creation of an all-island energy market. The Framework was produced in consultation with the Regulatory Authorities, industry and other stakeholders. It outlines the policy context and benefits of an all-island energy market and identifies the short to medium term priorities. A high-level Development Programme setting out goals and timeframes over the next few years is also included.

Ministers Dempsey and Gardiner also endorsed the Regulatory Authorities plans for a second North-South electricity interconnector. This will form a crucial part in ensuring there is a robust infrastructure in place that will meet the needs of the market and enhance security of supply for consumers.

Minister Dempsey said: The publication today of the All-island Energy Market Development Framework is another important milestone toward an all-island energy market. The Framework is target-driven and sets out clear goals. The challenge now is to continue to work together to translate the agreed policy framework and work programme into practical action. We want to see a unified market that will contribute to a more secure and cost efficient service for all consumers. In relation to the interconnector, Minister Dempsey added: The proposed second North-South electricity interconnector will provide increased system security and reliability. It will be a positive step toward further developing competition and will facilitate the development of a single electricity market. We will then have a very robust all-island electricity network that will be able to deliver long-term benefits to both economies. It is a good example of how both jurisdictions gain from practical north-south co-operation on energy.

Minister Gardiner said: Minister Dempsey and I have committed our Governments to working towards the creation of an all-island energy market. We want to see it deliver practical results that are mutually beneficial. The creation of an all-island energy market is part of the wider Euro pean drive to integrate energy markets. We are pleased that the Regulatory Authorities and industry have responded so positively to making this happen. The Regulatory Authorities now have the important task of driving this project forward and we would encourage them to do this using whatever resources they consider necessary.

We also welcome the Regulatory Authorities recommendation that a second electricity interconnector should be built between Northern Ireland and the Republic. They have made a sound strategic and economic case for this project. We have therefore endorsed their plans to work with the industry to identify the route, size and cost of the proposed interconnector.

The Ministers encouraged the Regulators and Transmission System Operators to meet soon to consider ownership and income arrangements for a second interconnector. They also emphasised the importance they attach to the early construction of the interconnector and asked the Regulators to provide them with regular reports on progress.

Finally, both Ministers took the opportunity to thank all who contributed to the consultation process, culminating in the publication today of the All-island Energy Market Development Framework.

Notes for Editors

The All-island Energy Market Development Framework is the outcome of consultation with the energy sector. A copy of the Framework can be found on the DCMNR website by clicking here. Details of plans by the CER and NIAER for the Single Electricity Market and related all-island energy matters can be found on: <u>http://www.allislandproject.org/</u>

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