EPRG Spring Seminar

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UK and Ireland wholesale markets
May’s Brexit Trilemma

Option A: Break promise to DUP. Border in Irish Sea. Irish reunification in long run.
Option B: Break promise to Ireland/EU. Violate Good Friday Agreement w/ border on Ireland. Ireland vetoes Withdrawal Agreement, cliff edge Brexit disaster.
Option D: Totally impossible. Magical Thinking, Unicorns, etc.

Source: R. Daniel Kelemen, Rutgers University
ISEM trilemma – what industry wants

- CERTAINTY
- COMMUNICATION
- CONTINUITY
- CONSUMER CENTRIC
1. **Status Quo – UK in the IEM**
   - Most desirable outcome
   - Minimal adjustments to industry codes and licences

2. **Regional Coupling**
   - Preserve the bulk of the I-SEM benefits.
   - Moderate effort to adjust market systems and transposition of codes.

3. **All Island Market**
   - Loss of welfare in relation to option 2 (due to less efficient IC flows)
   - Significant effort in assessing suitability of EUPHEMIA for a decoupled market of the size of the SEM.
   - Market entities such as NEMOs (SEMOpx) will have a redefinition of their roles.

4. **NI – Stand Alone Market**
   - The NI market would probably be too small to justify complex market arrangements.
   - GUAs might be the best way forward