

From: Helen Keane-MacDonough <Helen.KMacDonough@enterprise.gov.ie> on behalf of Retail <retail@enterprise.gov.ie>  
Sent: Wednesday, November 23, 2022 1:18:04 PM  
To: vincent Jennings <vincent@csna.ie>  
Cc: Minister English Diary <MinEnglishDiary@enterprise.gov.ie>; Maedhbh Cronin <Maedhbh.Cronin@enterprise.gov.ie>; Deborah Dignam <Deborah.Dignam@enterprise.gov.ie>; Niamh Martin <Niamh.Martin@enterprise.gov.ie>; Sandra Mullen <Sandra.Mullen@enterprise.gov.ie>; Retail <retail@enterprise.gov.ie>

Subject: FW: PSO levy refund query

Hi Vincent,

Just following up regarding your query to Minister English on 15th November re PSO Levy refund.

Please see the reply below we received from the CRU:

For the first time since the commencement of the scheme a negative PSO of this magnitude has been calculated. The establishment of an enduring solution, to allow payments to customers requires significant legislative, operational and administrative changes.

The current PSO billing and invoice arrangements are complex and require that the levy is collected by the retail supplier from final customers and paid to the Distribution System Operator (DSO) or the Transmission System Operator (TSO) as appropriate, the DSO is then required to account for and to pay all appropriate amounts received to the TSO. Finally, the TSO is responsible for the payment of all appropriate PSO levy to PSO-supported suppliers. Currently, there is a time lag between when monies are collected from the customer and paid to the supported suppliers. There can also be mismatches between funds collected from the customer (due to more or less customers paying the PSO levy than anticipated) and support payments due to suppliers. Any under or over-recovery as a result of mismatch cashflows is currently absorbed by the supported supplier and reconciled on T+2 basis as part of the R-factor. The CRU in conjunction with EirGrid (TSO) and ESBN (DSO) have completed a reviewed these procedures and are updating these arrangements to allow for PSO payments be made to final electricity customers.

Furthermore, the Department of the Environment, Climate and Communications (DECC) are currently finalising secondary legislative amendments which are necessary to allow for a negative PSO levy.

It is anticipated that PSO payments to customers will commence in Q1 2023

Kind regards

Helen

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