

26/07/24

Future Power Markets Update

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Future Power Markets

The Future Power Markets team is focused on how the ambition of 80% renewable energy share in electricity (RES-E) will be facilitated through the market.

The team's work spans across a number of core project areas, including:

- Strategic Markets Programme (SMP)
- Future Arrangements for System Services (FASS)
- Scheduling and Dispatch Programme (SDP)

Additional workstreams include:

- Long Duration Energy Storage (LDES)
- Energy Market Policy (EMP)



Strategic Markets Programme

SMP has a wide scope, a significant portion of which are changes required for Celtic Interconnector Go-Live and enabling increased flexible technology incorporating:

- **Full EU Integration:** The Celtic Interconnector, that is due to go-live in Q4 2026, requires the SEM Markets and Operational Systems to be compatible with European standards, which includes re-coupling the day-ahead market but also new arrangements for coupled intraday markets and participation on the EU balancing platform
- **Post-Brexit Trading Arrangements:** Changes to the trading of electricity between the SEM and GB to increase market efficiency
- **Balancing Market Reform:** Changes to the balancing market to enable flexible technology.

➤ EU Integration:

High Level Requirements for EU Integration under development - requiring changes to market rules and schedules, operating processes and system scheduling;
Meetings held with RTE on future market arrangements;
Current Celtic Interconnector go-live is planned for Q4 2026, and integration with EU markets will need to be in place for this date

➤ Post-Brexit Trading Arrangements:

No update

➤ Balancing Market Reform Updates:

High level requirements for Balancing Market Reform initiatives are under development;
Once agreed, these will be assessed for code and system changes required and put into project delivery plans.



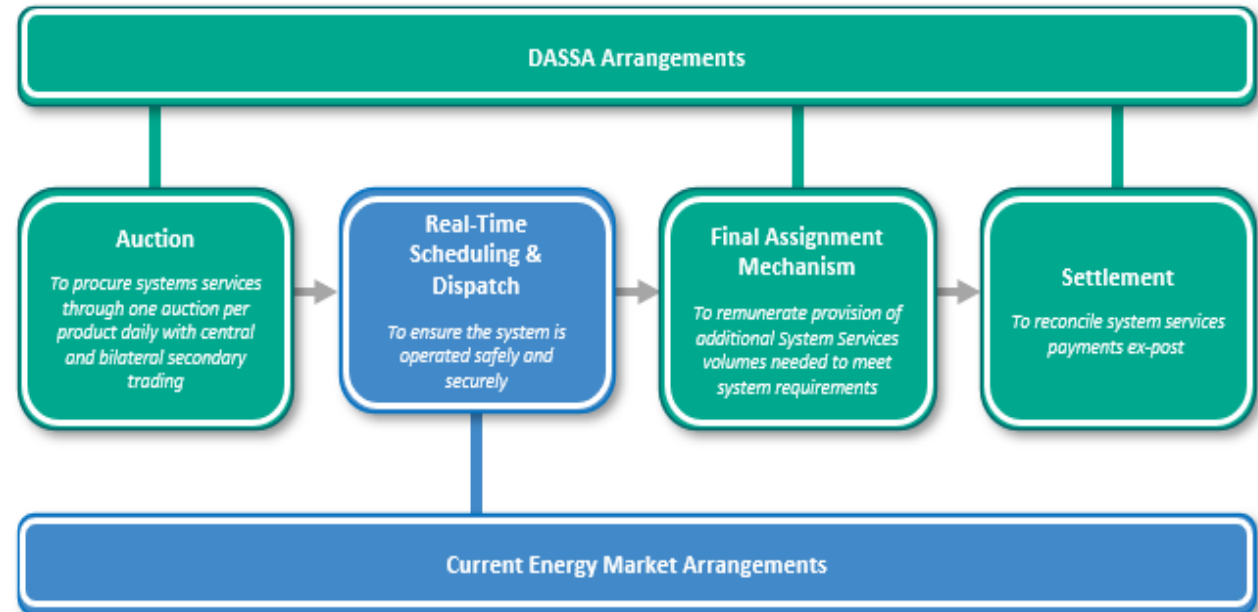
Future Arrangements for System Services

The design and implementation of Future Arrangements for System Services (FASS) includes:

- “To deliver a competitive framework for the procurement of System Services, that ensures secure operation of the electricity system with higher levels of non-synchronous generation”, in line with the Single Electricity Market Committee (SEMC) request
- The implementation of a Day Ahead System Service Auction (daily auction/DASSA), Layered Procurement Framework and Fixed Term Contracts
- The creation of a System Services market code and updates to relevant codes and licenses.

- The TSOs are currently working on the development of the DASSA Design Recommendations Paper due for submission for consideration at the August SEM Committee meeting.
- The DASSA Product Review & Locational Methodology Consultation Paper was published on 6th June and is available at the following links: [EirGrid](#) & [SONI](#). A 6-week consultation period was open until 18th July, with the aim to publish the recommendations paper by the end of August.
- The System Services Supplier Charge consultation period is due to commence at the end of July.
- The TSOs and RAs are still engaging in relation to the funding application submitted by the TSOs on 16th February 2024.
- The first System Service Code Working Group meeting was held on 26th June with participation from 10 industry representatives. Constructive discussion was held in relation to Ways of Working, Legal & Governance, Qualification and Registration, Participation & Accession.

Overview of the DASSA Design



Scheduling and Dispatch Programme

The Scheduling and Dispatch programme aims to:

- To enhance the scheduling and dispatch systems and processes in Ireland and Northern Ireland
- To bring about compliance with the Clean Energy Package (CEP) and the treatment of variable Non-Priority Dispatch Renewables (NPDR)
- Facilitate low/zero carbon grid technologies such as Batteries, Synchronous Condensers in support of the broader goals of renewables and System Non-Synchronous Penetration (SNSP) penetration targets.

- The updated SEMO Data Publication Guide (DPUG) [here](#) and I-SEM Technical Specification (ITS) [here](#) reflecting the changes related to the Scheduling and Dispatch Programme Tranche 1 Initiatives have been published.
- An overview of the ITS was provided at the July industry workshop; a more detailed technical Q&A session will take place during the August session. Please send any related questions to SchedulingandDispatch@Eirgrid.com prior to the workshop.
- System vendors are tracking on plan for their builds of Tranche 1 initiatives.
- Detailed requirements are at an advanced stage and are progressing well for Tranche 2 initiatives.
- Target date for Tranche 1 Modifications approval of June 2024 has not been met, no immediate impact but the risk that changes will be required is present until Modifications are approved.
- An update on the proposed Negative Reserve Trial in NI was presented at the recent Future Power Markets Industry workshop. In the short term, to facilitate the commencement of the NI Negative Reserve trial an interim solution has been proposed and will be discussed further with an industry working group in the coming weeks. An enduring solution is being impact assessed as part of Tranche 2 of the Scheduling & Dispatch project. If this is achievable then it will build on the interim solution to improve the flexibility of our systems to enable greater utilisation of frequency response from the wind and solar in Northern Ireland.

Scheduling and Dispatch: Phase 2 Milestones

SOEF Milestone ID	Milestone	Dates	
Tranche 1	Requirements Definition Complete for Scheduling and Dispatch Programme Tranche 1 Initiatives	September 2023	✓
Tranche 1	System Design Complete for Scheduling and Dispatch Programme Tranche 1 Initiatives	March 2024	✓
Tranche 1	TSC, CMS & GC Mods Review Complete for Scheduling and Dispatch Programme Tranche 1 Initiatives by the relevant review group (Mods Committee, Grid Code Review Panel, Capacity Market Workshops respectively)	March 2024	✓
Tranche 2	Requirements Definition Complete for Scheduling and Dispatch Programme Tranche 2 Initiatives	July 2024	
Tranche 2	Publication of milestones for Scheduling and Dispatch Programme Tranche 2 Initiatives	September 2024	

Tranche	Milestone	Dates	
Tranche 1	System Build Commenced for Scheduling and Dispatch Programme Tranche 1 Initiatives	March 2024	✓
Tranche 1	Publication of key milestones for testing and go-live, including revised ISEM Technical Specification of Scheduling and Dispatch Programme Tranche 1 Initiatives	June 2024	✓
Tranche 1	Regulatory Authority approval for Trading and Settlement Code (TSC), Capacity Market Code (CMC) & Grid Code Mods (GC) for Scheduling and Dispatch Programme Tranche 1 Initiatives	June 2024	
Tranche 1	Publication of Technical Specification for Scheduling and Dispatch Programme Tranche 1 Initiatives	July 2024	
Tranche 1	Vendor System Build and Test Complete for Scheduling and Dispatch Programme Tranche 1 Initiatives	Dec 2024	
Tranche 1	TSO/MO System Test and Validation Complete for Scheduling and Dispatch Programme Tranche 1 Initiatives	Mar 2025	
Tranche 1	Participant Interface Test (PIT) Commences for Scheduling and Dispatch Programme Tranche 1 Initiatives	Mar 2025	
Tranche 1	Participant Interface Test (PIT) Complete for Scheduling and Dispatch Programme Tranche 1 Initiatives	Mar 2025	
Tranche 1	Cutover activities Commences for Scheduling and Dispatch Programme Tranche 1 Initiatives	Mar 2025	
Tranche 1	Confirm Go Live Decision for Scheduling and Dispatch Programme Tranche 1 Initiatives	April 2025	
Tranche 1	Implementation and Go Live for Scheduling and Dispatch Programme Tranche 1 Initiatives	April 2025	
Tranche 2	Implementation and Go Live for Scheduling and Dispatch Programme Tranche 2 Initiatives	Oct – Dec 2025	



Additional Market Developments

Long Duration Energy Storage

DECC's Energy Storage Policy Framework was published in July, with EirGrid providing input & feedback to this paper.

Following on from this, we have kicked off discussions with the RAs on how to implement the actions that have been set against EirGrid in the aforementioned paper.

In parallel to the work with DECC, we have also met with the Department for Economy this month to ensure that we are keeping them up to speed with the work that we are doing.

Added to this, we continue to engage with the DSO on their proposed storage procurement so that we can ensure that risks & issues affecting the TSO are being taken on board.

Energy Market Policy

On the 1st July the TSOs of the Core Capacity Calculation Region (CCR) welcomed EirGrid as a full member. EirGrid will commence work on the adoption of the existing Core methodologies in time for when the Celtic interconnector goes live.






The CCR regional project aims to optimize the use of electricity within the CORE region. It does this by allowing Market Participants to trade in different market time frames while ensuring that delivery is achieved in real-time.

When the Celtic interconnector goes live the border between Ireland and France will be included in the Core region. This region includes bidding zones from across the EU from as far away as Romania.



Future Power Markets Programmes: Consolidated View of Key Dates

- ◆ Meeting/Workshop
- ◆ Consultation/Decision
- ◆ Programme Milestone

Programme	April 24	May 24	June 24	July 24	Aug 24	Sep 24	Oct 24	Nov 24
 SDP	◆ ESPS Modification Follow-Up 05 Apr		◆ Publication of Delivery schedule					
 LDES								
 FASS	◆ DASSA Auction Design Workshop ◆ Code Development Panel TOR		◆ DASSA Auction Design Recommendations Paper ◆ Product Review and Locational Methodology Consultation Paper		◆ DASSA Auction Design SEMC Decision		Summary view. See FASS Phased Implementation Roadmap for full view of programme milestones.	
 SMP								
 EMP								
	◆ FPM IW 11 April	◆ FPM IW 08 May	◆ FPM IW 05 June	◆ FPM IW 03 July	◆ FPM IW To be confirmed	◆ FPM IW 11 September	◆ FPM IW 09 October	◆ FPM IW 06 November



Contact Information

If you require further information on what has been published in this update, please email:

futurepowermarkets@eirgrid.com or futurepowermarketsNI@soni.ltd.uk

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