# **Testing Tariff Rates for 2025**

Calendar Year

01st January to 31st December 2025

01st October 2024





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| Revision History |      |             |            |          |         |          |  |  |  |  |
|------------------|------|-------------|------------|----------|---------|----------|--|--|--|--|
| Revision         | Date | Description | Originator | Reviewer | Checker | Approver |  |  |  |  |
| R0               |      |             |            |          |         |          |  |  |  |  |
| R1               |      |             |            |          |         |          |  |  |  |  |
| R2               |      |             |            |          |         |          |  |  |  |  |

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# **ABBREVIATIONS**

CPI Consumer Price Index

HICP Harmonised Index of Consumer Price

OSC Other System Charges
RA Regulatory Authority
SEM Single Electricity Market

TSO Transmission System Operator

UUT Unit Under Test

### 1. Executive Summary

EirGrid and SONI (the TSOs) published a consultation paper<sup>1</sup> on 30<sup>th</sup> July 2024 concerning the Testing Tariff for the upcoming calendar year, 1st January 2025 to 31st December 2025. The consultation period closed on 27th August 2024 with no comments received from industry. The TSOs didn't change recommendations to the Regulatory Authorities (the RAs) for their consideration and approval.

The Single Electricity Market (SEM) Committee published their decision paper SEM-24-069<sup>2</sup> on 27th September 2024. Here are the arrangements for calendar year 2025:

- Retain the rates for High Impact Testing from 2024, adjusted for Inflation,
- Keep the rate at zero for Low Impact Testing, which was introduced as part of the revised SEM arrangements in 2018.

High Impact testing (Significant Test, previously referred to as Tariff A) Operational Test with a total duration equal to or greater than 6 hours, or where the Active Energy produced during the total duration of the test is equal to or greater than:

- 3 times the Active Energy which would be produced by the Test Proposer's Plant during 1 hour of operation at the Plant's Registered Capacity; or
- 500 MWh. (ii)

The impact of the Unit under Test (UUT) is an increase in the costs associated with maintaining system security.

Low impact testing (Minor Test, previously referred to as Tariff B) Operational Test with a total duration of less than 6 hours, and where the Active Energy produced during the total duration of the test is less than:

- 3 times the Active Energy which would be produced by the Test Proposer's Plant during 1 hour of operation at the Plant's Registered Capacity; or
- 500 MWh.

The impact of the UUT is an increase in the costs associated with maintaining system security.

#### 2. Introduction

In accordance with section F.13 of the Trading and Settlement Code<sup>3</sup>, the TSOs reported on Testing Tariff to the Regulatory Authorities (RAs) and proceeded with the consultation\recommendation process. There has been ongoing engagement between TSOs and the RAs.

The TSOs are outlining below, the approved rates and arrangement from RAs for Testing Tariff rates applicable for Calendar Year 2025.

<sup>&</sup>lt;sup>1</sup> Proposed Testing Tariff Rates Paper for Calendar Year 1st January to 31st December 2025 | SONI Consultation Portal and Proposed Testing Tariff Rates Paper for Calendar Year 01st January to 31st December 2025 | EirGrid Consultation Portal

<sup>&</sup>lt;sup>2</sup> SEM-24-069 SEM Testing Tariffs 2025 Decision Paper.pdf (semcommittee.com)
<sup>3</sup> https://www.sem-o.com/rules-and-modifications/balancing-market-modifications/market-rules/

### 3. Approved Rates for 2025

#### 3.1. Inflation Rates

In determining the blended forecast rate of 1.875%<sup>4</sup>, the TSOs' used:

- 75% from Central Bank HICP forecast using the latest available quarterly report adjusted for the relevant tariff timeframe; plus,
- 25% from Office of Budgetary Responsibility CPI forecast using the latest available quarterly report adjusted for the relevant tariff timeframe.

#### 3.2. Low Impact Testing Rates

Keep at zero for Low Impact Testing.

#### 3.3. High Impact Testing Rates

For high impact testing there are costs, such as unit commitment and reserve costs, which are not paid for by the UUT being balance responsible in the market. SEM arrangements and OSC will recover any unreliability of the UUT, as well as any imperfections costs being passed through to suppliers, arising from a consequence of UUT behaving unreliably.

As outlined in Table 1 below, for 2025 the approved rates for High Impact Testing, rates from 2024 adjusted for inflation.

|                 |     | High Impact Testing                |                                       |                          |                          |  |  |
|-----------------|-----|------------------------------------|---------------------------------------|--------------------------|--------------------------|--|--|
|                 | MW  | Reserve System Services Cost €/MWh | Reserve Imperfection<br>Cost<br>€/MWh | Unit Commitment<br>€/MWh | Total<br>Charge<br>€/MWh |  |  |
| GEN <50         | 50  | €-                                 | €-                                    | €0.80                    | €0.80                    |  |  |
| 50 < GEN ≤100   | 100 | €-                                 | €-                                    | €3.10                    | €3.10                    |  |  |
| 100 < GEN ≤ 150 | 150 | €-                                 | €-                                    | €4.03                    | €4.03                    |  |  |
| 150 < GEN ≤ 200 | 200 | €-                                 | €-                                    | €4.51                    | €4.51                    |  |  |
| 200 < GEN ≤ 250 | 250 | €-                                 | €-                                    | €4.62                    | €4.62                    |  |  |
| 250 < GEN ≤ 300 | 300 | €-                                 | €-                                    | €4.70                    | €4.70                    |  |  |
| 300 < GEN ≤ 350 | 350 | €-                                 | €-                                    | €4.82                    | €4.82                    |  |  |
| 350 < GEN ≤ 400 | 400 | €0.06                              | €0.05                                 | €4.32                    | €4.43                    |  |  |
| 400 < GEN ≤ 450 | 450 | €0.28                              | €0.42                                 | €3.11                    | €3.81                    |  |  |
| 450 < GEN       | 500 | €0.54                              | €1.24                                 | €2.57                    | €4.35                    |  |  |

Table 1: Approved Testing Tariff Cost Components for Calendar Year 2025

<sup>&</sup>lt;sup>4</sup> Inflation is calculated as a blended NI (25%) CPI and IE (75%) HICP rate from the following sources: NI - Economic and fiscal outlook - March 2024 (obr.uk) ROI - Quarterly Bulletin Q2 2024 (centralbank.ie)