



Trading and Settlement Code Modifications Committee
c/o Esther Touhey
SEMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

03 March 2025

Our Ref: OSC-C-25-008

SEM Committee Decision for the Regulatory Authorities in relation to Mod_07_24 (Final Recommendation FRR_07_24)

Dear Esther,

On the 16th of January 2025, the Modifications Committee submitted its Final Recommendation Report (FRR) regarding Modification Proposal Mod_07_24 '*Introduction of TEG Activation Compensation Payments*' in accordance with Paragraph B.17.18.1 of the SEM Trading and Settlement Code (TSC). The Modification Proposal Mod_07_24 was submitted to the Modifications Committee by EPUKI on the 3rd of October 2024. The proposal was raised and discussed at meeting 125 and voted on at meeting 126 on Thursday the 5th of December 2024. The Modifications Committee voted to recommend this Modification Proposal for rejection.

This modification would introduce compensation payments for instances where Temporary Emergency Generation (TEG) was dispatched ahead of market generation. These payments would be based on the imbalance price during the period of TEG dispatch and would be paid to the volume of market-based generation which had declared available and which had not been dispatched.

The TEG is a measure taken to prevent or mitigate an electricity crisis and it comes under EU Regulation 2019/941 on risk-preparedness in the electricity sector. Article 16 of EU Regulation 2019/941 sets out how the TEG shall comply with market rules.

Following discussions around this proposal the RAs are concerned that implementing this modification could lead to additional costs that would be passed on to consumers. The RAs note that this Modification Proposal was recommended for rejection by the Modifications Committee.

Considering the above, and in accordance with Paragraph B.17.20 of the Trading and Settlement Code, the SEM Committee rejects this Modification Proposal, as set out in Appendix 1 of FRR_07_24.

Yours sincerely,

Kevin Hagan
Manager
Wholesale Electricity Markets
Commission for Regulation of Utilities

Lisa Tate
Manager
Markets Directorate
Utility Regulator

(Sent by email with no signature)