



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

20 September 2023

Our Ref: F/26/446

SEM Committee Decision for the Regulatory Authorities in relation to Mod_05_23 (Final Recommendation FRR_05_23)

Dear Esther,

On 01 June 2023, the Modifications Committee submitted its Final Recommendation Report (FRR) with regard to Modification Proposal Mod_05_23 'Market Compensation for Firm Curtailment' in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC). Modification Proposal Mod_05_23 was submitted to the Modifications Committee by SEMO on 5 April 2023 and discussed and voted on at Meeting 116 on 20 April 2023.

The SEM committee, in 2020 and 2021, undertook a process of consultation relating to a number of matters regarding the Clean Energy Package including a consultation on Dispatch, Redispatch, and Compensation Pursuant to Regulation (EU) 2019/943 (SEM-21-026) and A Proposed Decision on the Treatment of New Renewable Units in the SEM (SEM-21-027). A decision paper related to these papers, SEM-22-009, was published in March 2022.

This Modification aims to provide for implementation of the element of decision SEM-22-009 related to the retention of ex ante market revenues for firm curtailment going forward from the implementation date commencing at the beginning of tariff year 2024/25. As noted by SEMO, this Modification is not seeking to implement arrangements for the retention of the ex-ante revenue for firm curtailment volumes for the period between January 2020 and September 2024 inclusive which will require separate implementation.

The effective date of implementing this Modification is 1st October 2024. Once this Modification is implemented, it will result in firm curtailment volumes receiving the same settlement treatment as constraint does today by including those volumes in the discount charge (which is a payment to the Generator Unit) with a deemed decremental price of zero such that any imbalance charge is offset and those volumes would retain their ex ante market revenue. Costs would be recovered via the imperfections charge in the same way as those costs are recovered for firm constraint as indicated in the relevant decision. Settlement of non-firm curtailment volumes would remain unchanged i.e. they would remain excluded from discount charges but would continue to receive curtailment charges reflecting the relative magnitude of the curtailment price, being the weighted average price of all ex ante trades and the imbalance price for a given unit in a given period.

This Modification will implement the forward-looking element of the SEM committee policy decision in relation to the treatment of non-market bases redispatch compensation pursuant to (EU) 2019/943 therefore ensuring that the Trading and Settlement Code both reflects the local policy requirements and the provisions of the Clean Energy Package in this area.

The RAs note that this Modification was recommended for approval on a majority basis by the Modifications Committee.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee directs that a Modification, as set out in Appendix 1 of FRR_05_23, is implemented on a Settlement Day basis on the first available Settlement Day following deployment of the required system changes in a scheduled Market Release.

Yours sincerely,

Kevin Hagan
Manager
Wholesale Electricity Markets
Commission for Regulation of Utilities

Leigh Greer
Manager
Wholesale Electricity Markets
Utility Regulator

(Sent by email with no signature)