



**Single Electricity Market  
(SEM)**

**SEM-24-059**

**TSOs proposed report under Article 13(4) of  
Regulation 2019/943**

**Consultation Paper**

**27 August 2024**

## EXECUTIVE SUMMARY

This consultation paper accompanies the proposed report ('the report') submitted by Eirgrid and System Operator for Northern Ireland ('TSOs') to Utility Regulator and Commission for Regulation of Utilities ('RAs') as pertaining to annual reporting by the Transmission System Operators to the Regulatory Authorities on redispatching and associated mechanisms and mitigations under Article 13(4) of Regulation 2019/943

The report covers the calendar year 2023 and the focus is on renewables which are subject to non-market based redispatch for constraint and curtailment. The report also highlights the measures being taken by the TSOs to minimise redispatch, the level of development and effectiveness of market-based redispatching mechanisms.

The RAs have engaged with the TSOs on this proposal and there has been a period of ongoing engagement whereby the TSOs proposed approach has been refined. Rather than further discussion between the RAs and TSOs, the RAs now consider it appropriate to seek industry views on the TSOs' proposed approach in order to inform any further refinement that may be necessary. Whilst seeking to establish a broad template and structure for future reporting under the obligation, the RAs are of the view the report should be open to improvement and refinement by the TSOs in future. In any case, the TSOs will need to consider feedback from ACER on this and future draft reports.

Interested stakeholder's views on the report proposed by the TSOs, are invited until 8 October 2024, and should be submitted to [schhetri@cru.ie](mailto:schhetri@cru.ie) and [chris.goodman@uregni.gov.uk](mailto:chris.goodman@uregni.gov.uk).

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## 1. Introduction

The Clean Energy for all Europeans package ('CEP') consists of eight legislative acts, which were adopted by the European Parliament and European Council in 2018 and 2019 following Commission proposals in November 2016. This involves a comprehensive update of the EU's energy policy framework aimed at enabling the transition to cleaner energy and facilitating a reduction in greenhouse gas emission levels of 40% by 2030 compared to 1990.

One of the legislative Acts, Regulation (EU) 2019/943 ('the Regulation') which focuses on the internal market for electricity, seeks to update requirements around the functioning of the EU wholesale electricity markets. The Regulation establishes rules to ensure the functioning of the internal market for electricity and includes requirements related to the development of renewable forms of energy and environmental policy, in particular specific rules for certain types of renewable power-generating facilities, concerning balancing responsibility, dispatch and redispatching (Recital 4).

The regulation (a) emphasises the use of competitive markets in general and (b) views one of the uses of markets to be supporting the delivery of outcomes consistent with the energy transition (as outlined in Article 1 of the Regulation). Article 13 of the Regulation deals with redispatching.

### 1.1 Background

#### 1.1.1 The Legislation

Article 13(4) of the Regulation, requires the Transmission System Operators (TSOs) and Distribution System Operators (DSOs) to report at least annually to the Regulatory Authorities (RAs) on:

- a) "the level of development and effectiveness of market-based redispatching mechanisms for power generating, energy storage and demand response facilities;
- b) the reasons, volumes in MWh and type of generation source subject to redispatching;

- c) the measures taken to reduce the need for the downward redispatching of generating installations using renewable energy sources or high-efficiency cogeneration in the future including investments in digitalisation of the grid infrastructure and in services that increase flexibility."

Article 13(4) further requires the RAs to submit the report to ACER, and to publish a summary, together with recommendations for improvement where necessary.

### 1.1.2. Interactions with the System Operators

The RAs issued a letter to the TSOs and DSOs in Ireland and Northern Ireland under Article 13(4) on 30 June 2023 and requested a draft report suitable for publication for consultation with industry. Both DSOs separately confirmed that there were not at this point redispatching and were of the view that this obligation was not relevant to them.

Following the issuing of the letter, there was a series of written and verbal engagements between the RAs and the TSOs. Initially, the TSOs had expressed concerns regarding their ability to determine the reasons for redispatching as the Single Electricity Market ('SEM') operates as an integrated scheduling, centrally dispatched model and, in this model, it is challenging to give specific 'reasons' for all redispatch volumes.

After liaising with the RAs, and TSOs from other countries, the TSOs have provided the accompanying report 'Article 13 Clean Energy Package Redispatching Annual Report – 2023' on 7 June 2024. This report covers the calendar year 2023 and the focus is on the renewable Generator Units which are dispatched via a priority dispatch hierarchy.<sup>1</sup>

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<sup>1</sup>[Microsoft Word - Eirgrid-SONI Letter to RAs Scheduling and Dispatch Programme Priority Dispatch Hierarchy Request 16.01.2024 \(semcommittee.com\)](#)

## 2. The report proposed by the TSOs

In the report, the TSOs mention that they had discussed with other centrally dispatched TSOs on their approach but could not find one agreed template. The report primarily consists of elements from the annual constraint and curtailment report published annually by TSOs. The focus of this annual report is the volume of dispatch down of solar and wind as they are the main sources of renewable electricity in the SEM.

The third section of the report which details the reasons for redispatching sets out details of the Balancing Market Principles Statement ('BMPS') prepared by the TSOs in accordance with their license obligations and SEM-16-058<sup>2</sup>. The TSOs note that the objective in publishing the BMPS is to set out how they fulfil the statutory obligations that govern the scheduling and dispatch process in the SEM. They then explain the main objectives of scheduling and dispatch which are to ensure operational security, maximise priority dispatch generation, efficient operation of the SEM and provision of transparency. In relation to renewables, dispatch and redispatch are enacted via the wind dispatch tool which focuses largely on network constraints and curtailment.

The remainder of the report consists of data from the annual constraint and curtailment report and details other subsections of Article 13(4).

### 2.1. Reasons for Redispatching

The RAs acknowledge the TSOs position that it is challenging in an integrated scheduling, central dispatch system to discern reasons for each and every decision. That said, the RAs remain of the view that it should be possible to report, at a high level, for any unit on the system.

The report focuses on BMPS and scheduling and dispatch objectives as being the reasons for redispatching without analysis of the actual network and operational constraints which drive them or detail on what mitigations are planned or in place. For

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<sup>2</sup> [SEM-16-058 BMPS Terms of Reference Decision Paper.pdf \(semcommittee.com\)](#)

example, under the section ‘Contributory Factors for Dispatch Down of Wind and Solar’ it is mentioned that ‘it is sometimes necessary to limit the maximum level of wind generation on the system for security or safety reasons’ without elaborating further on what these security or safety reasons are or how redispatch resulting from them can be mitigated going forward.

The report does not provide much detail on the interaction between market processes and redispatch, for example, where market outcomes for Generator or Demand Side Units or Interconnectors may result in a need for redispatch as a result of interactions with operational constraints or otherwise. The report also does not provide much detail in relation to the TSOs plans to mitigate redispatch via current or prospective market design, operational process or technology enhancement initiatives or otherwise.

The RAs acknowledge the challenges indicated by the TSOs in preparing the report and appreciated the engagement that occurred and consider that it is now appropriate to seek industry views prior to further assessing whether refinements and/or additions are appropriate.

### 3. Summary

As the RAs are required to submit the TSOs’ report to ACER under Article 13(4), it is beneficial to invite industry feedback on several aspects of the report, especially the reasons for redispatching and the mitigations currently in place and under consideration for the future. This will help in finalizing a template for the report as it is expected to be submitted and published every year.

The RAs are of the view that while we are seeking to establish a broad template and structure for future reporting under the obligation for the TSOs to use in future, the report should in any case be open to improvement and refinement by the TSOs. In any case, the TSOs will need to consider feedback from ACER on this and future draft reports.

#### 4. Next Steps

The RAs are inviting feedback on the report proposed by the TSOs. Interested stakeholders are invited to respond to this consultation paper until 8 October 2024 and these responses should be submitted to [schhetri@cru.ie](mailto:schhetri@cru.ie) and [chris.goodman@uregni.gov.uk](mailto:chris.goodman@uregni.gov.uk).