

Submitted via: SEM Committee Consultation Portal

6th May 2025

Re: SEMO Price Control 2024-2029 – Draft Determination

Introduction:

Energy Storage Ireland (ESI) is the representative body for the energy storage sector across Ireland and Northern Ireland. We represent over 70 member companies active across the energy storage supply chain, committed to enabling a flexible, decarbonised, and secure electricity system.

We welcome the opportunity to respond to the SEMO Price Control 2024–2029 Draft Determination. SEMO plays a central and increasingly strategic role in enabling Ireland's transition to a decarbonised and flexible electricity system. As the Single Market Operator, SEMO's responsibilities go far beyond administration- it must design, implement, and evolve the complex market systems that support the integration of technologies like energy storage.

In a context where rapid market reform is required to unlock services such as inertia, reserve, and flexible capacity as we move away from traditional fossil fuel generators, SEMO must be resourced to act as both a systems enabler and market innovator. Ensuring SEMO has the capability to deliver change efficiently, transparently, and in coordination with broader policy objectives is essential to maintaining investor confidence and securing the long-term value of flexibility providers such as energy storage to the power system.

This response focuses specifically on the critical importance of supporting the delivery of Long Duration Energy Storage (LDES) and other crucial programmes through appropriate resourcing and prioritisation within SEMO's work programme. Once again, we would like to thank SEMO for allowing us this opportunity to respond.

Key Points:

1. SEMO's Role in Supporting the LDES Programme of Work

ESI believes that SEMO's functions will be central to the successful delivery of the LDES procurement and the future participation of LDES in the market. It is crucial that storage assets are allowed operate in the market something which there are restrictions are on currently. It is our understanding that, SEMO with the aid of their counterparts in the TSO's and RA's will be responsible for:

- Designing and implementing appropriate settlement systems for LDES contracts and services,
- Ensuring dispatch processes recognise and fairly remunerate the operational characteristics of long duration assets,
- Enabling metering, data management, and reporting frameworks to support transparent and predictable revenues,
- Providing the market certainty and operational clarity necessary to attract private investment into large-scale storage projects.

Without effective systems to support the participation and settlement of LDES assets, the commercial viability of these projects could be undermined, placing at risk the delivery of these crucial assets and ultimately Ireland's energy policy objectives. It is therefore essential that SEMO is adequately funded and resourced to deliver the market and operational changes required for LDES success in Ireland.

2. Future Arrangements for System Services (FASS), Strategic Markets Programme and Hybrids

Alongside the LDES procurement, the Future Arrangements for System Services (FASS), the Strategic Markets Programme, and the rollout of hybrid connections all represent crucial programmes of work. These programmes are deeply interlinked and together represent a fundamental redesign of how flexibility services including those provided by energy storage are procured, valued, and integrated into the electricity system. The outcomes of these initiatives will directly shape the commercial and operational environment for storage for years to come.

Given the scale and complexity of these reforms, timely and coordinated implementation is essential. Delays or misalignment between these programmes risk creating regulatory uncertainty, deterring investment, and undermining the delivery of flexibility services needed to support system security and decarbonisation. As stakeholders have seen in other market change programmes, delays and ambiguity in timelines and deliverables can have material impacts on investor confidence and project viability.

Ultimately, our crucial ask is that SEMO is fully resourced and funded to deliver these reforms successfully and on schedule. This includes ensuring that core functions such as market system upgrades, settlement process improvements, and transparent, fair engagement with participants are all robustly supported throughout the duration of this price control period.

3. Importance of Adequate Resourcing Amidst Significant Market Change

With the SEM undergoing transformational change across multiple programmes simultaneously as mentioned above, the risks of under-resourcing are significant. Delays or inefficiencies in implementing these strategic initiatives could impact system security, increase costs for consumers, and deter urgently needed investment in storage and flexibility. We therefore strongly support the principle that SEMO's operational and capital budgets should reflect the scale and importance of these reforms, while maintaining appropriate cost control and transparency mechanisms.

Conclusion

Energy Storage Ireland supports the overall direction of the Draft Determination paper being consulted on. We urge the SEM Committee to ensure that critical programmes such as the LDES procurement are fully resourced and prioritised to deliver the system change needed for a decarbonised, secure and cheaper energy future.

We would be pleased to engage further with the SEM Committee on any of the points raised.

Kind Regards,

A handwritten signature in black ink, appearing to read "Bobby Smith", written over a horizontal line.

Bobby Smith
Head of Energy Storage Ireland