iPower Response to **SEM-25-028**
Imperfections Charges
October 2025 – September 2026
And
Reforecast Report
October 2023 – September 2024
Dated: **30 June 2025**

iPower participates in both the Aggregated Generator Unit and Demand Side Unit response sectors of the electricity industry and perform a significant role in supporting the operation of the I-SEM balancing market and facilitating the continuous introduction of renewables. iPower currently has a capacity of 100MW, which carries a significant contribution to system support and stability and has considerable experience in working with SONI and EirGrid to provide stability and balance to system operations. iPower are a member of FERA who together have a registered capacity of circa 200MW.

iPower Flexible Energy welcomes the opportunity to respond to the SEM-25-028 consultation regarding the imperfection's charges October 2025 – September 2026.

iPower wishes to respond specifically to the exclusion of DSU energy payments from the 2025/26 Imperfections Charges forecast, as outlined in the current consultation paper (SEM-25-028). We note with concern that, once again, the costs associated with DSU energy payments have been excluded from the forecast submission "as there was not enough information available to quantify." While the TSOs acknowledge that there is scope for an impact on imperfections costs depending on implementation timelines, we find the recurring omission of this cost category deeply concerning.

Under the EU's Clean Energy Package, both the *Electricity Directive* and the *Electricity Regulation* reinforce the importance of non-discriminatory market access for demand-side resources.

Article 17(1) of the Electricity Directive obliges Member States to *"allow and foster the participation of demand response through aggregation"*, and to *"ensure that final customers—including those participating through aggregators—can take part in all electricity markets on a non-discriminatory basis alongside producers."*

Similarly, **Article 6(1)(a) of the Electricity Regulation** mandates that balancing markets must *"ensure effective non-discrimination between market participants, taking into account the*

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different technical needs of the electricity system and the different technical capabilities of generation sources, energy storage, and demand response."

These provisions together establish a legal foundation for equal treatment of demand response in electricity market participation across the EU and support the case for transparent inclusion of DSU-related costs in market forecasts.

As highlighted in our response to the previous Imperfection Charges consultation, we expressed strong reservations regarding the removal of DSU energy payment forecasts. Our concern remains that omitting these costs, while simultaneously acknowledging their likely material impact, undermines the transparency and accuracy of the imperfections forecasting process.

In the SEMC decision paper for the 2024/25 Imperfections Charges (SEM-24-064), the RAs stated: *"The SEM Committee has decided to maintain the TSOs' forecast of costs attributed to DSU energy payments within the Imperfections Charges for Tariff Year 2024/25. The issue of DSU energy payments is being consulted on again, and the outcome of this consultation will determine the cost of DSU energy payments to the Imperfections Charge."*

Despite this clear recognition of the issue, and the fact that SEMC is consulting under SEM-24-046, no final decision has yet been published, and the matter remains unresolved. This delay adds further uncertainty to the 2025/26 forecasting process.

We therefore urge the Regulatory Authorities to: (i) Explicitly acknowledge the unresolved status of SEM-24-046 in the final decision on the 2025/26 Imperfections Charge; (ii) Provide a clear and time-bound pathway for resolving the treatment of DSU energy payments; (iii) Consider including a contingency provision in the 2025/26 tariff.

Given the repeated deferral of this issue and its likely material impact, we believe it is essential that the "ongoing" nature of the DSU energy payments discussion is formally reflected in this year's final decision.

Yours sincerely,

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