# Testing Tariff Rates Recommendations Paper

Calendar Year

01 January 2026 to 31 December 2026

09 October 2025





# **Contents**

AB	BREVIATIONS	4
1.	Executive Summary	5
2.	Introduction	5
3.	Response to Consultation	6
4.	TSOs Recommendation	9
<b>5</b> .	Appendix A Responses	10

## COPYRIGHT © EirGrid SONI

All rights reserved. No part of this work may be modified or reproduced or copied in any form or by means - graphic, electronic, or mechanical, including photocopying, recording, taping or information and retrieval system, or used for any purpose other than its designated purpose, without the written permission of EirGrid and SONI.

# **ABBREVIATIONS**

TSOs	Transmission System Operators		
RAs	Regulatory Authorities		
UUT	Unit Under Test		

# 1. Executive Summary

EirGrid and SONI (the TSOs) published a consultation paper on 21<sup>st</sup> August 2025 concerning the Testing Tariff Rates for the upcoming calendar year, 1<sup>st</sup> January 2026 to 31<sup>st</sup> December 2026. Comments on the consultation paper were received from two respondents. Having reviewed the responses, in this paper the TSOs propose a number of recommendations to the Regulatory Authorities (the RAs) for their consideration and approval.

## Proposed arrangements for calendar year 2026

- 1. Retaining a testing tariff charge of zero for Low Impact Testing.
- 2. Increasing the testing tariff charge for High Impact Testing to the rates shown in Table 1 below. Note: the rate of increase of the tariff relative to 2025 can be seen in Appendix A section 5.3.

		High Impact Testing			
1.	MW	Reserve System Services Cost	Reserve Imperfection Cost	Unit Commitment	Total Charge
		€/MWh	€/MWh	€/MWh	€/MWh
GEN <50	50	€ -	€-	€1.21	€1.21
50 < GEN ≤100	100	€-	€-	€4.69	€4.69
100 < GEN ≤ 150	150	€-	€-	€6.09	€6.09
150 < GEN ≤ 200	200	€-	€-	€6.82	€6.82
200 < GEN ≤ 250	250	€-	€-	€6.99	€6.99
250 < GEN ≤ 300	300	€-	€-	€7.11	€7.11
300 < GEN ≤ 350	350	€-	€-	€7.11	€7.11
350 < GEN ≤ 400	400	€ -	€-	€7.11	€7.11
400 < GEN ≤ 450	450	€ -	€-	€7.11	€7.11
450 < GEN	500	€ -	€-	€7.11	€7.11

Table 1: Proposed Testing Charge for High Impact Testing

No further changes are recommended for this tariff period.

# 2. Introduction

The TSOs consult on an annual basis regarding proposed changes to Testing Tariff Rates. The purpose of this paper is to make recommendations for approval to the RAs in Ireland and Northern Ireland. They are based on a consideration of the responses received by the TSOs to this year's Testing Tariff Rates Consultation paper for the calendar year 1<sup>st</sup> January 2026 to 31<sup>st</sup> December 2026.

Responses were received from the following parties:

Party	Abbreviation
Bord Gáis Energy	BGE
Electricity Association of Ireland	EAI

No confidential responses were received.

Copies of the responses received have been appended to this recommendations paper. Please refer to Appendix A for the responses in their entirety.

# 3. Response to Consultation

This section summarises comments received from Participants in relation to the proposed Testing Tariff Rates change for 2026. This section also contains the TSOs' response to the comments received.

Bord Gáis Energy (BGE) agree with the TSOs' proposals to set the Reserve Imperfection and System Services Reserve Costs at €0/MWh, continue managing Trip Charges through settlement processes, and retain the low-impact testing Tariff at €0/MWh.

The TSOs welcome the participant agreeing with the proposal to set the Reserve Imperfection, the System Services Reserve cost and the low-impact testing tariff at €0/MWh and to continue managing trip charges through Other System Charges settlement.

Both BGE and Electricity Association of Ireland (EAI) have challenged the methodology used to determine the revised Testing Tariff charge. BGE feel that the methodology is an arbitrary attempt to reduce the level of imperfection costs by levying more imbalance costs on testing units than is justifiable. EAI feel that the six-month assessment period is inadequate to justify a fundamental change in tariff methodology.

Justification on the methodology was provided in the consultation paper. The TSOs feel the proposed methodology strikes the appropriate balance of recovering costs that participant testing imposes on the system that are ultimately borne by the end consumer and providing a predictable tariff rate that is not overly burdensome. This allows participants to test and provide important system services required to enable important targets in terms of renewable penetration to be achieved while maintaining reliability which is essential for system security.

The appropriateness of these rates will remain under review by the TSOs as more testing data is analysed throughout the year. Only a very modest recovery of the system costs imposed by participant testing was recommended in this year's consultation due to the range of data available through the review.

Both BGE and EAI recommend that the TSO retains the existing methodology for High Impact Testing and index the current rate for inflation.

The TSOs disagree with the participants proposals. The TSOs do not believe such an approach would sufficiently offset the costs otherwise borne by the end consumer caused directly by testing activity on the system.

BGE state that the TSOs should pursue timely and targeted grid investment to reduce imperfections costs in the long term as many of these costs are driven by transmission limitations as opposed to testing activity. They ask for the TSOs to address severe constraints in the Cork and South-East region by implementing a "Powering Up Cork".

The purpose of the Testing Tariffs is to recover the specific imperfection costs incurred by facilitating participants testing, as opposed to general imperfections costs from the parties driving those costs. Grid investments will not negate the costs incurred when facilitating a participant testing on the grid.

The TSOs note BGE's comments regarding general imperfections - however, this matter is outside of the scope of the Testing Tariffs consultation.

EAI are concerned that the proposed tariff increase is an arbitrary mechanism for the TSO to reduce its exposure to imperfection charges without addressing the underlying cause of these charges, namely insufficient investment in the electricity grid. The proposal seeks to reallocate the costs of grid constraints rather than addressing the root cause through necessary investment. BGE have expressed similar concerns.

The TSOs object to the suggestion that the methodology used to propose the testing tariff rates in this consultation unduly shifts the burden of constraints to UUT. To accommodate a UUT that has not cleared in the market, the TSO's must displace other units away from their market position who could be subject to compensation in the form of Imperfections. It is this cost that the TSO's are attempting to recover as part of the Testing Tariff, which has no bearing on physical or technical constraints on the network. It should be noted that the method by which the TSO secures the system to accommodate testing means that no additional units are committed or decommitted, and so there is no interaction with Transmission Constraints Groups as a result of testing. The TSOs also point to the fact that with the High Impact Test charge, they are attempting to recover a modest proportion of the cost incurred when facilitating testing.

BGE state that an enhanced testing tariff methodology is unnecessary, as the Imbalance Price already compensates the system for imbalances caused by UUTs, while EAI similarly point to UUTs being fully exposed to imbalance charges through the standard market settlement process.

It is inaccurate to state the testing tariff methodology is "unnecessary, as the Imbalance Price already compensates the system for imbalances caused by UUTs". This statement fails to include the potential requirement to compensate unit that was displaced from its market position via the CDISCOUNT component of Imperfections. It was this CDISCOUNT information from actual testing instances on the system that was used to determine the testing tariff rate proposed in this consultation.

BGE state that balance-responsible UUTs could secure day-ahead positions for their testing profiles to avoid contributing to the NIV and being exposed to Imbalance Price during testing. Accordingly,

these units would be balance-responsible and impose no additional cost on the system during testing. Applying a testing tariff in these circumstances unfairly penalises responsible behaviour and weakens the incentive to align testing with the Day-Ahead Market

The TSOs agree that this would be a method of recovering costs on the system but believe it is impractical. Testing by its nature has proven to be unreliable in terms of being executed according to test plans, and this suggestion would reduce the TSOs' ability to be flexible in accommodating changing test profiles, which is a frequent request of participants when testing their units.

The TSOs disagree with the suggestion that testing tariffs should not be applied to units which clear in the day ahead market. Testing is, by its nature, unreliable and the MWs cleared for testing purposes has proven unreliable for the secure operation of the system. As such the TSO must produce a secure generation schedule, without factoring in MWs from units that are testing. This imposes costs on end consumers. The testing tariff aims to offset some of these costs.

BGE state that their view is that market exposure already discourages inefficient testing without the need for an increased tariff.

The TSOs agree that market exposure discourages inefficient testing from a commercial perspective, however the purpose of the testing tariff is to recover the imperfections costs paid to other participants in order to facilitate testing, it bears no relation to efficiency.

BGE noted that the timing of a test is outside of the unit's control and is ultimately determined by the TSO.

The TSOs objects to this statement. Test profiles are submitted by the participant for specific dates and times of their choosing. The TSOs agree to test profiles if submitted according to process timelines, and if it does not hinder the secure operation of the system. Participant testing that is subject to CTEST is always proposed by the participant.

EAI state that the proposed new tariff methodology creates an inequitable and non-transparent charge by over-penalising testing units for costs already covered under existing imbalance settlement arrangements.

The TSOs disagree with this statement. The participant is not subject to all the costs imposed on the system during its test. The TSO's propose to only recover modest proportion of this cost via the testing tariffs proposed for 2026.

# 4. TSOs Recommendation

The TSOs recommend:

- 1. Retaining a testing tariff charge of zero for Low Impact Testing.
  - 2. Increasing the testing tariff charge for High Impact Testing to the rates shown in Table 2 below.

		High Impact Testing				
	MW	Reserve System Services Cost	Reserve Imperfection Cost	Unit Commitment	Total Charge	
		€/MWh	€/MWh	€/MWh	€/MWh	
GEN <50	50	€-	€-	€1.21	€1.21	
50 < GEN ≤100	100	€-	€-	€4.69	€4.69	
100 < GEN ≤ 150	150	€-	€-	€6.09	€6.09	
150 < GEN ≤ 200	200	€-	€-	€6.82	€6.82	
200 < GEN ≤ 250	250	€-	€-	€6.99	€6.99	
250 < GEN ≤ 300	300	€-	€-	€7.11	€7.11	
300 < GEN ≤ 350	350	€-	€-	€7.11	€7.11	
350 < GEN ≤ 400	400	€-	€-	€7.11	€7.11	
400 < GEN ≤ 450	450	€-	€-	€7.11	€7.11	
450 < GEN	500	€-	€-	€7.11	€7.11	

Table 2: Proposed Testing Charge for High Impact Testing

# 5. Appendix A

## 5.1 BGE Response:



Tariffs Team **EirGrid** The Oval 160 Shelbourne Road Ballsbridge Dublin 4 tariffs@EirGrid.com

(Submitted via the EirGrid Consultation Portal)

19 September, 2025

RE: Proposed Testing Tariff Rates Paper for Calendar Year 01st January to 31st December 2026

Dear Tariffs Team,

Bord Gáis Energy (BGE) welcomes the opportunity to respond to the consultation on the Proposed Testing Tariff Rates Paper for 2026. We agree with the TSOs' proposals to set the Reserve Imperfection and System Services Reserve Costs at €0/MWh, continue managing Trip Charges through settlement processes, and retain the low-impact testing Tariff at €0/MWh. However, we do not support the TSOs' proposed revised methodology to calculate the Unit Commitment costs for High Impact testing.

The proposed revised methodology in our view is an arbitrary attempt to reduce the level of imperfection costs by levying more imbalance costs on testing units than is justifiable. The proposal relies on (i) an arbitrary 1.5 scaling factor to calculate testing tariffs for units ≤ 300 MW, and (ii) applies a flat rate tariff of €7.11/MWh for units > 300 MW, which penalises these units more than if the 1.5 uplift had been consistently applied. We see no credible basis for revising the established SEM-18-027a methodology, which remains more accurate and equitable across tariff bands compared to the TSOs' proposed revision.

Revising the methodology to address rising constraint costs undermines regulatory confidence. Instead, BGE recommends:

- Retaining the 2025 values for High Impact Testing indexed by inflation, consistent with the treatment of other tariffs in this consultation; and
- Preventing inefficient testing costs from arising by:
  - encouraging Units Under Test (UUTs) to trade test volumes in the Day-Ahead Market to ensure these are incorporated into market schedules; and
  - pursuing timely and targeted grid investment to reduce imperfections costs in the long term as many of these costs are driven by transmission limitations as opposed to testing activity. We reiterate our ask for the TSOs to address severe constraints in the Cork and South-East region by implementing a "Powering Up Cork" - this is urgently needed ahead of Celtic Interconnector and Tonn Nua go-live.

This response is structured as follows:

Section 1 sets out why the current tariff methodology to calculating Testing Tariff rates should be retained in place of the proposed revision to the methodology.

Bord Gäis Energy Limited is a registered company in Ireland. Our company registration number is 483078 and our registered office is One Warrington Place Dublin 2. Our Directors are David Kinwan, John Datton and Kerny McConnell.





- . Section 2 outlines how these costs are already fully recovered through the Balancing Market and highlights that market exposure already provides a strong disincentive to inefficient
- Section 3 details BGE's conclusion on the 2026 tariffs and how to better address imperfection costs, by targeting inefficient testing and grid investment, particularly in the South-East
- 1. The current methodology to calculating imperfection testing costs should be retained

The established SEM-18-027a methodology remains more accurate and equitable than the TSO's proposed revision. BGE's primary concern is that the proposed methodology for calculating imperfection testing costs will deliver sub-optimal and less accurate outcomes compared to the existing approach, and it would be premature for the SEMC to approve this change. The reasons set out below, highlight the need for informed and consistent decisions that support regulatory confidence in the SEM.

The proposed revised methodology	The existing methodology (SEM-18-027a)	BGE position
1.1. Applies an arbitrary	A base case for each band is	The multiplier, based on the tariff
1.5 scaling factor to	formed by comparing the	calculated for 300 MW units over
calculate testing	annual run hours for each unit	only 6 months of data1, is not a
tariffs for units ≤ 300	with and without UUT to get	valid substitute for appropriate
MW (i.e., 2025	the number hours of	data on smaller units and lacks
rate*1.5)	generation in a year displaced	transparency or robust
	by the UUT.	justification.
1.2. Applies a flat rate of	The calculation above is	The flat rate arrangement does
€7.11/MWh for units	repeated for a number of UUT	not replace insufficient data,
> 300 MW with	sizes to provide a range of	rather it penalises units > 300 MW
future revisions	charges banded by unit	more than if the 1.5 uplift had
planned	registered capacity <sup>2</sup>	been consistently applied.3

While we recognise the need to address the scale of imperfections costs to be recovered by the TSO in 2026, we believe the revised testing methodology is aimed at unduly shifting the burden of constraints onto UUTs rather than an attempt to address the appropriate recovery of testing costs (which could be done, for example, by incentivising improved testing behaviour).

- 2. Imperfections costs for testing are already addressed through Imbalance Settlement processes
  - 2.1. An enhanced testing tariff methodology is unnecessary, as the Imbalance Price already compensates the system for imbalances caused by UUTs.

Bord Gáis Energy Limited is a registered company in Ireland. Our company registration number is 463078 and our registered office is One Warrington Place Dublin 2. Our Directors are David Kinwan, John Dalton and Kerry McConnell.



<sup>1</sup> It is poor practice to base tariff proposals on limited data. In this case, the proposed methodology relies on only a six-month dataset (January-June 2025), whereas the established SEM-18-027a methodology is grounded in a full year of data. While it is critical that tariff methodologies are underpinned by sufficient data, even if a longer dataset were used the revised methodology would still be flawed, as it misidentifies testing as a driver of imperfections costs.

<sup>&</sup>lt;sup>2</sup> 2025 High Impact Testing Tariffs – GEN < 50 MW = €0.80/MWh; 50 < GEN ≤ 100 MW = €3.10/MWh; 100 < GEN ≤ 150 MW</p> = €4.03/MWh; 150 < GEN ≤ 200 MW = €4.51/MWh; 200 < GEN ≤ 250 MW = €4.62/MWh; 250 < GEN ≤ 300 MW = €4.70/MWh; 300 < GEN ≤ 350 MW = €4.82/MWh; 350 < GEN ≤ 400 MW = €4.43/MWh; 400 < GEN ≤ 450 MW = €3.81/MWh; GEN ≥ 450 MW = €4.35/MWh.

<sup>&</sup>lt;sup>3</sup> 350 < GEN ≤ 400 MW = €4.43 × 1.5 = €6.65 < €7.11: 400 < GEN ≤ 450 MW charge = €3.81 < €7.11 × 1.5 = €5.72. < €7.11: 450</p> MW < GEN = €4.35. ×1.5 = €6.53



The net effect of a UUT being paid the Imbalance Price during testing (when it does not have a dayahead traded testing position) is zero cost to the consumer, provided the Imbalance Price is calculated correctly. To clarify, where a UUT does not hold a traded position, its testing volumes are spilled onto the grid and automatically captured in the Balancing Market's Net Imbalance Volume (NIV). To accommodate these volumes on the grid, EirGrid decrements another unit by the same MW volume. In principle, the price paid by the decremented unit should be equal to the imbalance price paid to the UUT. This produces a netting effect where the system cost of facilitating the test is fully covered within the imbalance mechanism, for example:

- The UUT is paid the Imbalance Price for the energy it spills onto the grid,
- EirGrid decrements another unit by the same volume,
- The decremented unit pays the Imbalance Price,
  - the system has been made whole.

There is no constraint costs caused by UUTs, other than the opportunity cost of the UUT not being available to resolve a constraint. This is a normal operational reality, as no unit can reasonably be expected to be available 100% of the time, and is not grounds for penalising UUTs through higher testing tariffs.

The cost of imperfections is driven by constraints on the system, not by testing activity. As such these costs are attributable to the TSO, not the UUT, and can only be managed by investing in the grid. The TSO's revised methodology instead seeks to recover these constraint-driven costs through the testing tariffs - unfairly shifting the burden of constraints from TSOs to UUTs. It is unintuitive to socialise these costs through testing tariffs as a means of recovering imperfections.

2.2. If a balance-responsible UUT trades its test volumes day-ahead and delivers as planned, there is no impact on the Net Imbalance Volume (NIV) and no imperfections costs arise.

Balance-responsible UUTs secure day-ahead positions for their testing profiles to avoid contributing to the NIV and being exposed to Imbalance Price during testing. In this case, the Physical Notification (PN) submitted by the UUT will reflect its intended testing profile to ensure these volumes are fully scheduled and balanced against demand ahead of testing. This means that no additional balancing actions are triggered as a result of the test and no imperfections charges (such as CDISCOUNT or CPREMIUM) are created provided the UUT delivers against its PN.

Accordingly, these units are balance-responsible and impose no additional cost on the system during testing. Applying a testing tariff in these circumstances unfairly penalises responsible behaviour and weakens the incentive to align testing with the Day-Ahead Market.

Where a UUT trades its test volumes day-ahead and fails to deliver against its PN, it is charged at the Imbalance Price for the imbalance caused. Similarly, if a unit does not trade day-ahead, it is exposed to the Imbalance Price for imbalances caused by its testing MWs appearing in the BM. In these cases, the unit is already penalised through imbalance settlement, meaning there is no justification for layering an additional testing tariff on top of Imbalance Price exposure.

Our view is that market exposure already discourages inefficient testing without the need for an increased tariff. It is also important to note that the timing of a test is outside of the unit's control and is ultimately determined by the TSO. In circumstances where EirGrid carries out a test during periods of high renewable penetration when wholesale prices for electricity are low, the UUT is likely to incur losses during the test due to its cost of running not being covered.

Bord Gäis Energy Limited is a registered company in Ireland. Our company registration number is 463078 and our registered office is One Warrington Place Dublin 2. Our Directors are David Kirwan, John Dalton and Kerry McConnell.





3. BGE's suggestions on next steps regarding 2026 testing tariffs; how to better address inefficient testing behaviour and the cost of constraints to consumers

The revised methodology will not address the rising cost of system constraints and will instead overrecover testing costs from UUTs, ultimately passing the burden of increasing constraint costs from the party that can better manage them (the TSO) onto UUTs. While in theory testing costs should be netted out through imbalance settlement, we recognise that in practice some costs may arise - yet the revised methodology overstates these costs, effectively making UUTs pay for wider system constraint costs that exist irrespective of testing. BGE therefore urges the TSOs and RAs to consider our conclusion below as part of the way forward on this issue:

- a. The testing tariff for 2026 should remain unchanged, consistent with the approach taken for all other tariffs in this paper, and be set on the basis of the 2025 tariffs indexed by inflation. Any other approach would be arbitrary and would serve only to recover an unduly high proportion of Imperfections costs from UUTs and ultimately consumers. This approach maintains regulatory confidence, avoids over-recovery and results in a fairer allocation of imperfections costs which the TSOs argue arise from testing activities- even though these costs are already being covered through Imbalance Settlement as explained in Section 2 above;
- b. We also recommend that a more effective measure to address inefficient testing behaviour would be to encourage UUTs to secure a PN for their testing profiles in the Day-Ahead Market. This ensures test profiles are incorporated into market schedules and balanced against demand in advance of testing. Trading these volumes day-ahead rather than exposing them to imbalance settlement means that unnecessary imbalance charges are avoided and testing costs are incurred more efficiently for consumers;
- c. The need to pursue timely and targeted grid investment cannot be overstated as imperfections costs are ultimately driven by transmission constraints rather than testing activity. Addressing constraints at source is the only sustainable way to reduce constraint costs for consumers. BGE urges the TSOs to focus on addressing constraints in Cork and the South-East, ahead of the delivery of the Celtic Interconnector and Tonn Nua wind farm by implementing a "Powering Up Cork" plan akin to the "Powering Up Dublin" plan - this is urgently needed.

I hope you find this response and suggestions above useful.	Please let me know if further	discussion
would be helpful.		

Yours sincerely.

Niamh Trant

Regulatory Affairs - Commercial

Bord Gáis Energy

Bord Gäis Energy Limited is a registered company in Ireland. Our company registration number is 463078 and our registered office is One Warrington Place Dublin 2. Our Directors are David Kinvan, John Dalton and Kerry McConnell.



## 5.2 EAI Response:





# Response to EirGrid & SONI Consultation

# **Proposed Testing Tariff Rates for 2026**

## Electricity Association of Ireland

Status: Final

Date: 19/09/2025

## A decarbonised future powered by electricity.

## Electricity Association of Ireland

Registered Office: 6 Merrion Square North, Dublin 2, D02 FF95 Registered No.443598 VAT No. IE9682114C

T+353 1 524 1046 | Einfo@eaireland.com | @electricityAl

### www.eaireland.com

Directors: Kevin Hannafin, Bryan Hennessy, TJ Hunter, Brendan Kelly, Claire Madden, Cólm O Górmain, Peter O'Shea, Kleran Tubridy, Dr John Reilly.











The Electricity Association of Ireland (EAI) is the representative body for the electricity industry and gas retail sector operating within the Single Electricity Market (SEM) on the island of Ireland.

Our membership comprises utilities that represent 90% of generation and retail business activities and 100% of distribution within the market. Our members range in size from single plant operators and independent suppliers to international power utilities. Our members have a significant presence in Ireland, Northern Ireland and Great Britain across the sector value chain. We represent the interests of the all-island market in all relevant jurisdictions, including the EU via our membership of the European electricity representative body Eurelectric.

We believe that electricity has a fundamental role in providing energy services in a decarbonised, sustainable future, in particular through the progressive electrification of transport and heating. We believe that this can be achieved, in the overall interest of society, through competitive markets that foster investment and innovation.

We promote this vision through constructive engagement with key policy, regulatory, technology and academic stakeholders both at domestic and EU levels.

Our ambition is to contribute to the realisation of a net-zero GHG emissions economy by 2050 or sooner, in order to limit the impact of rising temperatures. Electricity offers opportunities to decarbonise the Irish economy in a cost-effective manner.











#### Introduction

The Electricity Association of Ireland (EAI) welcomes the opportunity to respond to this consultation on the proposed testing tariff rates for 2026. Having reviewed the TSOs' proposal, we cannot support the proposed change in methodology for determining the 2026 testing tariffs. We recommend that the current methodology be retained for 2026, with the 2025 tariffs indexed for inflation. Our position is based on the following concerns.

#### 1. Arbitrary Reallocation of Costs

The EAI's members are concerned that the proposed tariff increase is an arbitrary mechanism for the TSO to reduce its exposure to imperfection charges without addressing the underlying cause of these charges, namely insufficient investment in the electricity grid.

We urge EirGrid & SONI to develop and implement detailed, time-bound, and accountable grid investment plans, akin to the "Powering Up Dublin" initiative. Such plans are urgently needed, particularly for chronically congested areas such as Cork and the South, where the grid must be prepared for significant developments like the Celtic Interconnector and the Tonn Nua offshore wind farm. Shifting the financial burden of grid constraints onto testing units is not a sustainable solution and penalises participants for issues beyond their control.

#### 2. Inequitable and Non-Transparent Cost Apportionment

Units Under Test (UUTs) are already fully exposed to imbalance charges through the standard market settlement process. The proposed tariff structure effectively introduces an enhanced charge (versus the current approach) for the same system impact. It arbitrarily enhances the portion of imbalance costs attributable to a testing unit. This approach is neither equitable nor transparent. It obscures the true cost of testing and imposes a punitive, non-cost-reflective charge on generators. The imbalance settlement mechanism is the appropriate venue for managing the costs associated with deviations from market positions, and enhancing the existing tariff further for testing units in the manner proposed is unjustifiable.



#### Conclusion and Recommendations

In summary, the EAI cannot support the TSOs' proposal due to three primary objections:

- The six-month assessment period is inadequate to justify a fundamental change in tariff methodology.
- The proposal seeks to reallocate the costs of grid constraints rather than addressing the root cause through necessary investment.
- The proposed new tariff methodology creates an inequitable and non-transparent charge by over-penalising testing units for costs already covered under existing imbalance settlement arrangements.

The EAI strongly recommends that the TSOs retain the current methodology for the 2026 tariff year. The most appropriate and equitable course of action is to index the approved 2025 testing tariffs for inflation, which provides certainty and stability for market participants.

If you require any clarification or have questions, please do not hesitate to contact these offices.

Yours sincerely,

Alex (Nurphy

Alex Murphy

Policy Analyst

Electricity Association of Ireland

# 5.3 High Impact Testing Rate of Increase

			High Impa	ct Testing			
	MW	Reserve System Services Cost €/MWh	Reserve Imperfectio n Cost €/MWh	Unit Commitme nt €/MWh	Total Charge €/MWh	Rate of Increase	Objective
GEN <50	50	€-	€-	€1.21	€1.21	1.51	
50 < GEN ≤100	100	€-	€-	€4.69	€4.69	1.51	
100 < GEN ≤ 150	150	€-	€-	€6.09	€6.09	1.51	
150 < GEN ≤ 200	200	€-	€-	€6.82	€6.82	1.51	
200 < GEN ≤ 250	250	€-	€-	€6.99	€6.99	1.51	
250 < GEN ≤ 300	300	€-	€-	€7.11	€7.11	1.51	35% Recovery of Scenario 1
300 < GEN ≤ 350	350	€-	€-	€7.11	€7.11	1.48	
350 < GEN ≤ 400	400	€-	€-	€7.11	€7.11	1.60	
400 < GEN ≤ 450	450	€-	€-	€7.11	€7.11	1.87	
450 < GEN	500	€ -	€-	€7.11	€7.11	1.63	

Table 3: Proposed Testing Tariff Rates for 2026 and their Rate of Increase