



**Single Electricity Market  
(SEM)**

**Other Systems Charges for 2020-2021**

**Decision Paper  
SEM-20-047**

**22 July 2020**

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## 1 BACKGROUND

All island arrangements for Other System Charges (OSC) were harmonised in Ireland and Northern Ireland in 2010 and are set out in the Transmission Use of System (TUoS) Charging Statements, which are approved by both regulators, the CRU and UR.

The arrangements are defined in Ireland and Northern Ireland through:

- The Other System Charges policies;
- The Charging Statements; and
- The Other System Charges Methodology Statement.

This paper sets out the Regulatory Authorities' (RAs) decision for OSC rates and services/charges for the tariff year 2020/2021. This follows a consultation process carried out by the Transmission System Operators (TSOs).

The annual review of OSC commenced on 8 April 2020 when the TSOs published a consultation paper on proposed OSC rates and services/charges for the tariff year 2020/21.

Nine responses to the TSOs' consultation paper were received. Following the consultation process, the TSOs submitted a recommendation paper to the RAs which is published along with this decision paper.

## 2 OTHER SYSTEMS CHARGES – TSO RECOMMENDATION

The recommendations made in the TSOs' OSC paper are summarised as follows:

1. Retain the OSC rates approved for the 2019/2020 tariff year, only adjusting for inflation at forecast rate of 1.7%<sup>1</sup>, for the tariff year 2020/2021 for the following Generator Performance Incentive (GPIs):
  - a. Minimum Generation,
  - b. Governor Droop,
  - c. Secondary Operating Reserve (SOR),
  - d. Tertiary Operating Reserve 1 (TOR1),
  - e. Tertiary Operating Reserve 2 (TOR2), and
  - f. Reactive Power.

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<sup>1</sup> This is a blended rate which has been calculated by the TSOs using financial information provided by the Central Bank (IE) and the Office of Budgetary Responsibility (UK).

2. Increase the 2020/2021 Trip and Short Notice Declaration charges back to the 2017/18 tariff year rates, adjusting for 1.7% forecast inflation rate, for units with no day ahead market position (QEX).
3. Retain the rate of Trip and Short Notice Declaration charges as per 2019/20 tariff year, adjusting for 1.7% forecast inflation rate, for units with a day ahead market position (QEX).
4. Retain the Primary Operating Reserve GPI rate from the 2019/20 tariff year adjusted for inflation at a forecast rate of 1.7%.
5. Retain the Secondary Fuel Availability declarations GPI rate from the 2019/20 tariff year adjusted for inflation at a forecast rate of 1.7%.
6. Retain the RoCoF GPI rate from the 2019/20 tariff year adjusted for inflation at a forecast rate of 1.7%.
7. No Demand Side Unit (DSU) SND rate for 2020/21 with a view to liaising further with industry prior to proposing OSC for 2021/22.
8. Retain the charging rate of zero for the early and late synchronisation GPIs and for the loading and de-loading GPIs.
9. Retain the charging rate of zero for the Minimum On Time GPI and for the maximum number of starts in 24 Hours GPI.

No other changes were recommended for the 2020/2021 tariff period.

### **3 SEM COMMITTEE DECISION**

The SEM Committee's decision is as follows:

1. The RAs agree with all the recommendations from the TSOs.
2. The TSOs have calculated a blended inflation rate of 1.7% using the most recent financial data as published in March 2020 by the Central Bank (IE) and Office of Budgetary Responsibility (UK). This rate is accepted by the RAs.

The SEM Committee has decided that OSC rates as set out in the table below will apply in the upcoming tariff year:

**Trip charges:**

Charge	2020/2021 tariff year
Direct Trip Charge Rate	€2,227
Fast Wind Down Charge Rate	€1,670
Slow Wind Down Charge Rate	€1,114

Table 1: Trip Charges for units with a day ahead market position (QEX).

Charge	2020/2021 tariff year
Direct Trip Charge Rate	€4,454
Fast Wind Down Charge Rate	€3,340
Slow Wind Down Charge Rate	€2,228

Table 2: Trip Charges for units without day ahead market position (QEX).

**Short Notice of Declaration:**

SND charge rate	2020/2021 tariff year
Direct Trip Charge Rate	€39 / MW

Table 3: SND Charges for units with a day ahead market position (QEX).

SND charge rate	2020/2021 tariff year
Direct Trip Charge Rate	€77 / MW

Table 4: SND Charges for units without a day ahead market position (QEX).

**GPIs:**

GPI Declaration Based Rates	2020/2021 tariff year (€/MWh)
Minimum Generation	1.33
Max Starts in 24-hour period	0
Minimum On time	0
Reactive Power Leading	0.32
Reactive Power Lagging	0.32
Governor Droop	0.32
Primary Operating Reserve	0.54
Secondary Operating Reserve	0.13
Tertiary Operating Reserve 1	0.13

Tertiary Operating Reserve 2	0.13
Secondary Fuel Availability	0.03

GPI Event Based Rates	2020/2021 tariff year (€/MWh)
Loading Rate	0
De-Loading Rate	0
Early Synchronisation	0
Late Synchronisation	0

The RAs approve the OSC Rates and Services and the Other System Charges rates as set out above will apply from 1 October 2020 to 30 September 2021.