

SINGLE ELECTRICITY MARKET COMMITTEE

SEM Testing Tariffs 2015 SEM Committee Consultation

SEM-14-093

22 October 2014

1 Introduction

In March 2012 the SEM Committee published SEM-12-014 which approved a revised methodology for the calculation of the SEM Generator Testing Tariffs from that which had applied since 2005. This decision also stated that *“commencing in 2013, the TSOs shall review these tariffs annually and submit their recommendations to the SEM Committee not later than 31st August each year. The SEM Committee may revise the tariffs taking these recommendations into consideration.”*

In accordance with this Decision the TSOs have made a submission to revise the existing tariffs based on the application of the approved methodology. The Regulatory Authorities have reviewed the proposals and the SEM Committee has decided to issue the recommended tariffs for consultation prior to forming a view.

2 Request for Comments

The SEM Committee requests responses from industry on the proposed tariff changes. For the avoidance of doubt this consultation relates to the revision of the tariffs only, and not the underlying methodology approved in SEM-12-014. Comments should be submitted, preferably by email, to Billy Walker (Billy.Walker@uregni.gov.uk) at the Utility Regulator and Robert O’Rourke at the CER (rorourke@cer.ie) by **17.00 Friday 7th November, 2014**.

3 Generator Testing Tariffs

The application, by the TSOs, of the approved methodology results in the revised tariffs as set out in the tables below. Tariff A (generally associated with commissioning units) is decreasing substantially this period and Tariff B (generally associated with regular testing of existing units and the latter stages of commissioning) is increasing in line with inflation. The costs in tariff A are driven by:

- Reserve requirement
- Additional reserve constraint costs
- Reserve premium
- Additional run hours

This period the cost of additional run hours have contributed most of the decrease and is due to updated fuel forecasts and a change to the type of unit scheduled to meet the additional run hours.

The costs in Tariff B are driven by the trip charge increase, which has increased by 1.5% due to inflation.

The TSOs’ Recommendations Paper contains a detailed discussion on the calculation of the revised tariffs and is published alongside this paper.

TARIFF A:

Generator Capacity	2015 €/MWh	2014 €/MWh	% Change
GEN <50	€6.57	€11.13	-41%
50 < GEN ≤100	€6.59	€11.01	-40%
100 < GEN ≤ 150	€7.30	€12.21	-40%
150 < GEN ≤ 200	€7.05	€11.95	-41%
200 < GEN ≤ 250	€7.96	€12.09	-34%
250 < GEN ≤ 300	€7.82	€11.84	-34%
300 < GEN ≤ 350	€7.78	€12.27	-37%
350 < GEN ≤ 400	€8.26	€12.44	-34%
400 < GEN ≤ 450	€8.79	€12.98	-32%
450 < GEN	€11.02	€14.58	-24%

TARIFF B:

Generator Capacity	2015 €/MWh	2014 €/MWh	% Change
GEN <50	-	-	-
50 < GEN ≤100	-	-	-
100 < GEN ≤ 150	-	-	-
150 < GEN ≤ 200	€0.27	€0.27	0%
200 < GEN ≤ 250	€0.43	€0.42	2%
250 < GEN ≤ 300	€0.68	€0.67	2%
300 < GEN ≤ 350	€1.09	€1.08	1%
350 < GEN ≤ 400	€1.74	€1.72	1%
400 < GEN ≤ 450	€2.79	€2.75	1%
450 < GEN	€4.46	€4.39	2%