

# **SINGLE ELECTRICITY MARKET COMMITTEE**

**SEM Testing Tariffs 2015**

**SEM Committee Decision**

**SEM-14-103**

**01 December 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 required that the TSOs submit recommended Testing Tariffs to the SEM Committee each year.

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 issued the recommended tariffs for consultation on 22<sup>nd</sup> October 2014 (SEM-14-093) prior to forming a view. This paper sets out the SEM Committee's Decision

## 2 Responses to SEM-14-093

One response was reviewed and is published with this paper. This response did not raise an issue with the 2015 tariffs themselves. However, it did propose that units that undergo testing as part of regulatory approved Grid Code changes should be exempt from testing tariffs. And that accordingly a "4<sup>th</sup> phase" of testing should be established.

The SEM Committee notes these comments and that no objections were raised regarding the proposed 2015 testing tariffs. The respondent's proposal is not within the scope of this consultation and so the SEM Committee has not made a decision on this matter. However, the Regulatory Authorities will consider this matter further and will engage with the TSOs in this regard.

## 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.

## 4 SEM Committee Decision

The SEM Committee approves the 2015 Testing Tariffs as proposed by the TSOs effective from the 1<sup>st</sup> January, 2015.

**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%