



**Single Electricity Market
(SEM)**

**Information Note on
Implementation of Regulation
2019/943 in relation to Dispatch
and Redispatch**

**SEM-20-052
10 August 2020**

EXECUTIVE SUMMARY

This Information Note outlines the Regulatory Authorities' next steps following the recent Consultation exercise on the implementation of Article 12 '*Dispatching of generation and demand response*' and Article 13 '*Redispatching*' under the revised Regulation on the internal market for electricity (EU) 2019/943.

Based on the feedback received from stakeholders, the RAs intend to progress each of the areas discussed in the Consultation Paper as part of four separate workstreams, comprising further Consultation Papers, stakeholder workshops and Decision Papers. This note provides an overview of the breakdown for each issue considered in the Consultation and the timelines under which these will be progressed in order to provide clarity to stakeholders on the process for full implementation of Articles 12 and 13 of Regulation 2019/943.

Each of the areas consulted on in SEM-20-028 have been grouped into four areas of work for SEM Committee decisions or further consultation, namely;

1. Decision on Eligibility for Priority Dispatch and Conditions for Changes to Priority Dispatch Status.
2. Proposed Decision on the Definition of Non-Market Based Redispatch in the SEM and Compensation under Article 13(7).
3. Further Consultation on the Treatment of New Renewable Units in Scheduling and Dispatch and Energy Balancing.
4. Further Consultation on the Priority Dispatch Hierarchy in the SEM.

Table of Contents

1. Introduction	4
1.1 Clean Energy Package Background	4
1.2 Purpose of this Information Note.....	5

1. Introduction

1.1 Clean Energy Package Background

The Clean Energy for all Europeans package (CEP) consists of eight legislative acts which were adopted by the European Parliament and European Council in 2018 and 2019 following Commission proposals in November 2016. This involves a comprehensive update of the EU's energy policy framework aimed at enabling the transition to cleaner energy and facilitating a reduction in greenhouse gas emission levels of 40% by 2030 compared to 1990. The revised Regulation on the internal market for electricity (EU) 2019/943¹ under the CEP seeks to amend aspects of wholesale electricity markets in Europe, enhance integration and progress the transition to renewable energy. Having entered into force in July 2019, the majority of the articles in the Regulation apply from January 2020.

A high-level review was conducted by the RAs in the second half of 2019 to identify the areas of the Regulation which may require action by the SEM Committee with respect to the all-island SEM. The RAs identified a number of areas for action by the SEM Committee in 2020, along with coordination with relevant Government Departments in Ireland and Northern Ireland, in order to progress implementation of the Regulation. Based on this review, a Roadmap for progressing these six areas in 2020 was outlined by the SEM Committee in an Information Paper published in December 2019².

Two of the areas identified in the Information Paper relate to Article 12 '*Dispatching of generation and demand response*' and Article 13 '*Redispatching*'. Options for the implementation of these Articles in the SEM were consulted on in SEM-20-028. This Consultation closed on 22 June 2020 and considered a range of issues including the definition of dispatch and redispatch in the SEM, changes to eligibility for priority dispatch under the Regulation and compensation for non-market based redispatch.

¹ [Regulation \(EU\) 2019/943](#) on the internal market for electricity.

² [SEM-19-073](#) Roadmap to Clean Energy Package Implementation

1.2 Purpose of this Information Note

This Information Note outlines the RAs' next steps following SEM-20-028.

Each of the areas Consulted on in SEM-20-028 have been grouped into four areas of work for upcoming SEM Committee decisions or further consultation, namely;

1. Decision on Eligibility for Priority Dispatch and Conditions for Changes to Priority Dispatch Status.
2. Proposed Decision on the Definition of Non-Market Based Redispatch in the SEM and Compensation under Article 13(7).
3. Further Consultation on the Treatment of New Renewable Units in Scheduling and Dispatch and Energy Balancing.
4. Further Consultation on the Priority Dispatch Hierarchy in the SEM.

An overview of the topics to be covered under each area and the timelines for each is provided in Table 1 below. The RAs also intend to hold workshops during the Consultation period for items 3 and 4 with further engagement on each work area as necessary.

In terms of considering and responding to the written feedback received to SEM-20-028, the RAs will publish all non-confidential responses received with the first Decision Paper but will respond to comments raised in relation to the specific issues considered as part of each issue area. Each subsequent paper will address the feedback received in relation to the issues covered and the RAs' intention is to host all responses and papers on this topic on a single page on the SEM Committee website for ease of reference.

It is envisaged that following completion of the Consultation and Decision processes set out in Table 1, a number of changes may be required to licences, Grid Codes, the Trading and Settlement Code, Balancing Market Principles Statement and market systems. Provisions for these changes are also included in Table 1.

Workstream	Description	Expected publications and engagement
Eligibility for Priority Dispatch and Conditions for Changes to Priority Dispatch Status.	<p>This will include a SEM Committee Decision on the following issues;</p> <ul style="list-style-type: none"> • Eligibility for priority dispatch status with regard to the 4 July 2019. • Eligibility for demonstration projects. • Change to priority dispatch status due to significant modifications and voluntary cessation of priority dispatch status. • Application of these Decisions at the Transmission and Distribution level. 	<ul style="list-style-type: none"> • Decision Paper – September 2020.
Definition of Non-Market Based Redispatch in the SEM and Compensation under Article 13(7).	<p>This will include a SEM Committee Decision on the following issues;</p> <ul style="list-style-type: none"> • Definition of Dispatch and Redispatch in the SEM. • Definition of Non-Market Based Redispatch in the SEM. • Financial compensation for Non-Market Based Redispatch under Article 13(7). 	<ul style="list-style-type: none"> • Proposed Decision Paper – Q3 2020. • RA presentation and workshop prior to publication of Decision. • Decision Paper – Q4 2020
Treatment of New Renewable Units in Scheduling and Dispatch and Energy Balancing.	<p>This will include a SEM Committee Consultation on the following issues;</p> <ul style="list-style-type: none"> • Treatment of priority dispatch units in the SEM. • Treatment of ‘new’ renewable units in scheduling and dispatch. • Treatment of ‘new’ renewable units in energy balancing. • Treatment of out of market non-priority dispatch generation. 	<ul style="list-style-type: none"> • Consultation Paper – Q3 2020. • Workshop during consultation period. • Decision Paper – Q4 2020.

	<ul style="list-style-type: none"> • Review of bidding rules in the SEM in relation to such units. • Application of constraints and curtailment in the SEM. • The role of the TSOs and future role of DSOs in Dispatch and Redispatch. • Changes to market rules and systems. 	
Priority Dispatch Hierarchy.	<p>This will include a SEM Committee Consultation on the following issues;</p> <ul style="list-style-type: none"> • Revisions to the priority dispatch hierarchy. • Non-market based redispatch hierarchy. 	<ul style="list-style-type: none"> • Consultation Paper - Q4 2020. • Workshop during consultation period. • Decision Paper – Q1 2021.
Changes to licences, Grid Codes, the Trading and Settlement Code, Balancing Market Principles Statement, and market systems.	<p>This work area will progress in tandem as decisions are made on each of the four workstreams above.</p>	<p>This work will progress into 2021.</p>

Table 1

For further information related to the areas of work outlined in Table 1 or questions in relation to SEM-20-028 please contact gkelly@cru.ie and Gary.Mccullough@uregni.gov.uk.