



## **Response by Energia to SEM Committee**

***SEM-23-049 Imperfections Charge 2023/24  
Consultation Paper***

**28 July 2023**

## **1 Introduction**

Energia welcome the opportunity to respond to SEM Committee consultation SEM-23-049 Imperfections Charge 2023/24 Consultation Paper. Energia has outlined our position in relation to this consultation below.

## **2 Consultation Response**

Energia note the reduction in the imperfection costs for the tariff year 2023/24 from 2022/23, however when compared with previous years the cost of these charges for the coming tariff year is still significantly higher. Such a substantial variance as demonstrated over the past three years in the imperfection charges exposes the customer to high volatility. Energia believe there would be merit in carrying out a multi-annual calculation of the charges over a longer period e.g., looking at three years or four years in advance. With a longer-term forecast approach, a decision could be taken to spread cost increases (like those seen in 2022/23) over a longer period and therefore smoothing the charge across future years. This would mean the customer is exposed to much less volatility.

Energia is also supportive of continued network investment and development in areas driving high levels of constraint costs which contribute to the dispatch balancing costs, to help reduce these constraint costs.