



## **Information Paper**

# **Directed Contract Round 25 to 28 Subscription Process & Indicative Dates**

SEM-23-071

20<sup>th</sup> September 2023

## Table of Contents

1. Introduction.....	2
2. Overview of DC Product Types .....	2
3. Approach for DC Rounds 25 to 28 .....	3
4. Indicative DC Timelines for Rounds 25 to 28 .....	3

## 1. Introduction

The Regulatory Authorities (i.e., CRU and UREGNI) jointly regulate the all-Island wholesale electricity market, i.e. the Single Electricity Market (SEM).

The RAs are publishing this Information Paper to inform market participants of the Directed Contract (DC) subscription dates for DC Rounds 25 to 28<sup>1</sup>. The dates of each primary and supplemental subscription window for DC Rounds 25 to 28, as well as the share of each product on offer per round are detailed within this Information Paper.

## 2. Overview of DC Product Types

There are currently three DC products available in the market: Baseload, Mid-Merit and Peak. Suppliers can elect to subscribe for any given product for which they are eligible in any particular quarter from ESB. The definitions of the products are set out as follows:

- *Baseload Product*: For Trading Periods at the Contract Quantity arising in all hours.
- *Mid-merit Product*: For Trading Periods at the Contract Quantity during the hours beginning at 07:00 and ending at 23:00 on Business Days and for Trading Periods on days that are not Business Days at 80% of the Contract Quantity.
- *Peak Product*: For Trading Periods arising during the hours beginning at 17:00 and ending at 21:00 on all days during October, November, December,

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<sup>1</sup> DCs are regulated Contract for Differences (CfDs), which are imposed on generation companies with large shares of generation (namely ESB) that are deemed to have market power in the SEM. This mechanism is used as part of the RAs market power mitigation strategy. The RAs decide upon the pricing and quantity of the DCs to be offered, as well as supplier eligibility rules for the purchase of DCs. The DCs mitigate market power by reducing the incentive for generation companies to submit bids above competitive levels or otherwise withhold capacity, in order to influence current spot prices or future contract prices.

January, February and March at the Contract Quantity.

### 3. Approach for DC Rounds 25 to 28

The DC subscription windows for rounds 25-28 will be held quarterly, with a 6-day Primary Subscription Window held over two weeks, followed a week later by a Supplemental Window of 1 day (per amendments outlined in [SEM-23-026](#)). Four quarters will be offered per round with 25% of each quarter available per round as detailed below in Table 1.

Round	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25
25	25%	25%	25%	25%	—	—	—
26	—	25%	25%	25%	25%	—	—
27	—	—	25%	25%	25%	25%	—
28	—	—	—	25%	25%	25%	25%

Table 1 - Share of products on offer per round

### 4. Indicative DC Timelines for Rounds 25 to 28

This section sets out the indicative dates for all Primary and Supplemental Subscription windows for SEM DC Rounds 25 to 28. The Primary Subscription Window in each DC round is held from Tuesday to Thursday, over two consecutive weeks, with the associated Supplemental Subscription Window taking place the following Thursday. The RAs will endeavour to inform all eligible suppliers of the volumes of DCs they are entitled to at least three working days in advance of the start of the Primary Subscription Window. Should there be a need to amend the below dates, the RAs will notify stakeholders in advance.

Round 25 DC Subscription – November/December 2023	Timeline
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q2 2024 to Q1 2025 product	Mid-November
Primary Subscription Window for Q2 2024 to Q1 2025 product	<b>Tuesday 28<sup>th</sup> - Thursday 30<sup>th</sup> November;</b> <b>Tuesday 5<sup>th</sup> - Thursday 7<sup>th</sup> December</b>

Supplemental Subscription Window	<b>Thursday 14<sup>th</sup> December</b>
<b>Round 26 DC Subscription – March 2024</b>	<b>Timeline</b>
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q3 2024 to Q2 2025 product	Early-March
Primary Subscription Window for Q3 2024 to Q2 2025 product	<b>Tuesday 12<sup>th</sup> - Thursday 14<sup>th</sup> March;</b> <b>Tuesday 19<sup>th</sup> – Thursday 21<sup>st</sup> March</b>
Supplemental Subscription Window	<b>Thursday 28<sup>th</sup> March</b>
<b>Round 27 DC Subscription – June 2024</b>	<b>Timeline</b>
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q4 2024 to Q3 2025 product	Early June
Primary Subscription Window for Q4 2024 to Q3 2025 product	<b>Tuesday 11<sup>th</sup> June – Thursday 13<sup>th</sup> June;</b> <b>Tuesday 18<sup>th</sup> June – Thursday 20<sup>th</sup> June</b>
Supplemental Subscription Window	<b>Thursday 27<sup>th</sup> June</b>
<b>Round 28 DC Subscription – September 2024</b>	<b>Timeline</b>
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q1 2025 to Q4 2025 product	Early September
Primary Subscription Window for Q1 2025 to Q4 2025 product	<b>Tuesday 10<sup>th</sup> – Thursday 12<sup>th</sup> September;</b> <b>Tuesday 17<sup>th</sup> – Thursday 19<sup>th</sup> September</b>
Supplemental Subscription Window	<b>Thursday 26<sup>th</sup> September</b>