



**Single Electricity Market  
(SEM)**

**Other Systems Charges for 2021-2022**

**Decision Paper  
SEM-21-062**

**16 August 2021**

## CONTENTS

- 1 BACKGROUND
- 2 OTHER SYSTEMS CHARGES – TSOs' RECOMMENDATION
- 3 SEM COMMITTEE DECISION

## 1 BACKGROUND

All island arrangements for Other System Charges (OSC) were harmonised in Ireland and Northern Ireland in 2010 and are set out in the Transmission Use of System (TUoS) Charging Statements, which are approved by both regulators, the CRU and UR.

The arrangements are defined in Ireland and Northern Ireland through:

- The Other System Charges policies;
- The Charging Statements; and
- The Other System Charges Methodology Statement.

This paper sets out the Regulatory Authorities' (RAs) decision for OSC rates and services/charges for the tariff year 2021/2022. This follows a consultation process carried out by the Transmission System Operators (TSOs).

The annual review of OSC commenced on 31 March 2021 when the TSOs published a consultation paper on proposed OSC rates and services/charges for the tariff year 2021/22.

Four responses to the TSOs' consultation paper were received. Following the consultation process, the TSOs submitted a recommendation paper to the RAs which is published along with this decision paper.

## 2 OTHER SYSTEMS CHARGES – TSO RECOMMENDATION

The recommendations made in the TSOs' OSC paper are summarised as follows:

1. Retain the OSC rates approved for the 2020/2021 tariff year, only adjusting for inflation at forecast rate of 0.99%<sup>1</sup>, for the tariff year 2021/2022 for the following Generator Performance Incentive (GPIs):
  - a. Minimum Generation,
  - b. Governor Droop,
  - c. Secondary Operating Reserve (SOR),
  - d. Tertiary Operating Reserve 1 (TOR1),
  - e. Tertiary Operating Reserve 2 (TOR2), and
  - f. Reactive Power.

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<sup>1</sup> This is a blended rate which has been calculated by the TSOs using financial information provided by the Central Bank (IE) and the Office of Budgetary Responsibility (UK).

2. Retain the Trip and Short Notice Declaration charges approved for the 2020/21 tariff year, adjusting for 0.99% forecast inflation rate, for units with no traded market position.
3. Retain the Trip and Short Notice Declaration charges approved for the 2020/21 tariff year, adjusting for 0.99% forecast inflation rate, for units with a traded market position.
4. Retain the Primary Operating Reserve GPI rate from the 2020/21 tariff year adjusted for inflation at a forecast rate of 0.99%.
5. Retain the Secondary Fuel Availability declarations GPI rate from the 2020/21 tariff year adjusted for inflation at a forecast rate of 0.99%.
6. Remove the RoCoF GPI rate.
7. No Demand Side Unit (DSU) SND rate for 2021/22 as a result of ongoing liaison with the Industry.

No other changes were recommended for the 2021/2022 tariff period.

### **3 SEM COMMITTEE DECISION**

The SEM Committee's decision is as follows:

1. The RAs agree with all the recommendations from the TSOs.
2. The TSOs have calculated a blended inflation rate of 0.99% using the most recent financial data as published in March 2021 by the Central Bank (IE) and Office of Budgetary Responsibility (UK). This rate is accepted by the RAs.

The SEM Committee has decided that OSC rates as set out in the table below will apply in the upcoming tariff year:

**Trip charges:**

Charge	2021/2022 tariff year
Direct Trip Charge Rate	€2,249
Fast Wind Down Charge Rate	€1,687
Slow Wind Down Charge Rate	€1,125

Table 1: Trip Charges for units with a Final Physical Notification (FPN).

Charge	2021/2022 tariff year
Direct Trip Charge Rate	€4,498
Fast Wind Down Charge Rate	€3,373
Slow Wind Down Charge Rate	€2,250

Table 2: Trip Charges for units without a Final Physical Notification (FPN).

**Short Notice of Declaration:**

SND charge rate	2021/2022 tariff year
Direct Trip Charge Rate	€39 / MW

Table 3: SND Charges for units with a final Physical Notification (FPN).

SND charge rate	2021/2022 tariff year
Direct Trip Charge Rate	€78 / MW

Table 4: SND Charges for units without a Final Physical Notification (FPN).

**GPIs:**

GPI Declaration Based Rates	2021/2022 tariff year (€/MWh)
Minimum Generation	1.34
Max Starts in 24-hour period	0
Minimum On time	0
Reactive Power Leading	0.32
Reactive Power Lagging	0.32
Governor Droop	0.32
Primary Operating Reserve	0.55
Secondary Operating Reserve	0.13
Tertiary Operating Reserve 1	0.13
Tertiary Operating Reserve 2	0.13
Secondary Fuel Availability	0.03

GPI Event Based Rates	2021/2022 tariff year (€/MWh)
Loading Rate	0
De-Loading Rate	0
Early Synchronisation	0
Late Synchronisation	0

The RAs approve the OSC Rates and Services and the Other System Charges rates as set out above. These will apply from 1 October 2021 to 30 September 2022.