



committee

**SINGLE ELECTRICITY MARKET
COMMITTEE**

Postponement of Directed Contracts Round 20

Notification to Industry

SEM-22-067

14th September 2022

1. Introduction

- 1.1 The Regulatory Authorities (RAs, i.e, CRU and UREGNI) are hereby notifying market participants of their decision to postpone Quarterly Directed Contracts (DCs) Round 20.
- 1.2 In August 2022, the RAs notified market participants of their decision to postpone the consultation process to determine if amendments to the duration of the Primary Subscription Window and to the process of calculating DC pricing formulae (as outlined in [SEM-22-017](#)) should become enduring arrangements ([SEM-22-059](#)). The RAs also notified market participants of their decision to implement the amendments in DC Round 20.
- 1.3 DCs in Round 20 cover quarterly segments for the periods: Q1 2023, Q2 2023, Q3 2023 and Q4 2023. The DC Round 20 Primary Subscription Window was scheduled to take place from; Tuesday 20th September 2022 to Thursday 22nd September 2022 inclusive and Tuesday 27th September 2022 until Thursday 29th September 2022, inclusive. The associated Round 20 Supplemental Subscription Window was scheduled to be held on Thursday 6th October 2022.
- 1.4 The rationale for postponing DC Round 20 is as follows;
 - 1.4.1 Since the publication of [SEM-22-059](#) in August 2022, market uncertainty has increased and commodity prices have become highly sensitive to ongoing geopolitical developments and near-term supply dynamics. The sustained elevated volatilities of commodity prices and ongoing global influences of price dynamics currently pose a disproportionate risk that the DC commodity input prices may move outside the volatility range during the scheduled subscription windows of DC Round 20;
 - 1.4.2 To allow time for Regulatory Authorities to review the proposals discussed at the European Union Member States Energy Ministers Council meeting on Friday 9th September 2022 and review any potential

impacts such proposals may have on the DC process and/or DC subscription rules.

- 1.5 The RAs have decided to postpone DC Round 20 for a minimum of three weeks from the date of publication of this notification. The RAs emphasise their decision is to postpone, not cancel, DC Round 20.

- 1.6 Should market participants have any queries or observations regarding RA's decision as outlined in this Information Paper, please contact the RAs: mmg@cru.ie or kevin.baron@uregni.gov.uk.