



**Single Electricity Market
(SEM)**

Trading and Settlement Code

**SEM Scheduling and Dispatch Parameters
Consultation 2022**

**SEM-21-068
20 August 2021**

Table of Contents

1. Introduction	3
2. Scheduling and Dispatch Parameters	4
3. Next Steps	5

1. Introduction

Under Condition 10A of EirGrid's Transmission System Operator (TSO) Licence, and Condition 22A of SONI's Transmission System Operator Licence, the System Operator (SO) is required to report to the Regulatory Authorities (RAs) proposing values for parameters to be applied in the Scheduling and Dispatch process.

In June 2021 the RAs requested the TSOs to review the following parameters utilised in Scheduling and Dispatch:

1. Long Notice Adjustment Factor (LNAF)
2. System Imbalance Flattening Factor (SIFF)

On 30 July 2021, the RAs received a report from the TSOs outlining their recommendations for the proposed values for the above parameters. The purpose of this consultation paper is to invite comments on the TSOs proposals as summarised in this paper and detailed within the TSOs report which is published alongside this paper.

Responses should be sent, in electronic form, to TSC@cru.ie and karen.shiels@uregni.gov.uk by 17 September 2021.

All responses received will be provided to the TSOs and may be published unless the respondent clearly indicates that the relevant response is confidential.

2. Scheduling and Dispatch Parameters

Under Condition 10A of EirGrid's Transmission System Operator (TSO) licence, and Condition 22A of SONI's TSO licence, the TSOs are required to report to the Regulatory Authorities (RAs), proposing values for parameters to be applied in the Scheduling and Dispatch process. The accompanying report by the TSOs (SEM-21-068a) sets out the methodologies used to calculate the following parameters considered under those Licence Conditions, along with a review of their values as requested by the RAs.

The parameters covered in this report are the:

- Long Notice Adjustment Factor (LNAF); and
- System Imbalance Flattening Factor (SIFF).

These parameters give effect to the objectives of Scheduling and Dispatch from the market design decisions, in particular, balancing the trade-off between 'early' energy-balancing actions and the cost of non-energy actions. The LNAF applies a weighting to the costs of offline generators to reduce the likelihood of the scheduling tools recommending early commitment actions in the scheduling process. A value of zero for both LNAF and SIFF means there would be no additional weighted costs applied to offline generators and therefore no additional cost to the TSOs taking 'early' actions. Conversely, non-zero values of LNAF and SIFF would disincentivise the TSOs from taking 'early' energy balancing actions but may also increase the cost of non-energy actions. The intention with non-zero values of LNAF and SIFF would be to prevent the TSOs from taking actions on units prior to gate closure for energy balancing reasons. Such actions could foreclose the ability of participants to trade in the still-open intraday marketplaces to reduce energy imbalances.

The accompanying paper from the TSOs (SEM-21-068a) sets out the proposed values of LNAF and SIFF and the methodology for applying them in the scheduling tool. The TSOs' analysis examines the functioning of the ex-ante markets in terms of volumes and prices traded, as well as the supplier clearance level, over the past year. It also considers the ratio of non-energy to energy volumes and the number of early actions actually taken by the TSOs over the review period. In addition, the TSOs analysis considers potential impacts on the system margin of setting non-zero LNAF and SIFF parameters, in the context of current and forecast tight generation capacity margins. The TSOs' recommendation is that the LNAF and SIFF values remain unchanged from last year, at zero. This is summarised in the table below.

Parameter	Approved Value for 2021	TSOs' Proposed Value for 2022
Long Notice Adjustment Factor	0	0
System Imbalance Flattening Factor	0	0

Table 1: LNAF and SIFF parameters – approved values for 2021 and proposed values for 2022

3. Next Steps

Responses should be sent to TSC@cru.ie and karen.shiels@uregni.gov.uk by close of business on 17 September 2021.

A final decision on the Scheduling and Dispatch parameters consulted on in this paper will be published in Q4 2021.

All responses received will be provided to the TSOs and may be published unless the respondent clearly indicates that the relevant response is confidential.