



**Single Electricity Market
(SEM)**

Trading and Settlement Code

**SEM Scheduling and Dispatch Parameters
Consultation 2023**

**SEM-22-053
17 August 2022**

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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 2022 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)

The LNAF and SIFF terms are defined in the table below. The definitions are as outlined in the SONI and EirGrid Transmission Licences.

Term	Definition
LNAF	Long Notice Adjustment Factor – A multiplier applied to the start-up costs of generation sets which varies depending on the length of notice provided in any instruction from the Licensee to synchronise such generation set and which has greater values for greater lengths of notice.
SIFF	System Imbalance Flattening Factor – A multiplier applied to the start-up costs of generation sets which varies depending on the degree to which forecast generation including forecast imports and forecast exports on Interconnectors is short of forecast demand and which has greater values for greater shortages.

On 27 July 2022, 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 14 September 2022.

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-22-053a) 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, 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-22-053a) sets out the proposed values of LNAF and SIFF and the methodology for applying them in the scheduling tool. The TSO's have carried out a review of the scheduling processes based on the intent of the LNAF and SIFF parameters. The review focusses on the parameters in the context of current security of supply concerns, new operational trial and audit outcomes.

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 2022	TSOs' Proposed Value for 2023
Long Notice Adjustment Factor	0	0
System Imbalance Flattening Factor	0	0

Table 1: LNAF and SIFF parameters – approved values for 2022 and proposed values for 2023

3. Next Steps

Responses are invited from interested stakeholders in relation to the values of the parameters proposed by the TSOs, as summarised in this paper, and as set out in further detail in the accompanying submission from the TSOs. Responses should be sent to TSC@cru.ie and karen.shiels@uregni.gov.uk by close of business on 14 September 2022.

A final decision on the Scheduling and Dispatch parameters consulted on in this paper will be published in Q4 2022.

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