



**Single Electricity Market
(SEM)**

**CONSULTATION ON THE GENERATOR
FINANCIAL PERFORMANCE REPORTING
FRAMEWORK**

SEM-24-041

09 July 2024

INTRODUCTION

The SEM Committee published a decision paper (SEM-12-027) on Generator Financial Performance Reporting in the SEM in 2012. The main objectives were to provide the Regulatory Authorities (RAs), with a greater insight into the financial performance of generators to inform SEM Committee policy decisions, and also to increase the level of public market data available, thus increasing market transparency.

The 2012 decision set out the requirements for financial reporting by key generation companies to the RAs and the publication of an annual SEM Committee report based on the information collected. The requirements were updated in 2019 following a public consultation to account for changes in the market since 2012 (SEM-19-025, SEM-19-036). A new reporting framework was developed and has been used by the RAs since then.

At present, the Generator Financial Performance Report examines the financial performance of licensed generation companies with a combined ownership capacity greater than or equal to 25MW operating in the Single Electricity Market (SEM).

In the GFP Report FY2022 (SEM-24-040) the limitations of the current reporting framework in effectively identifying the revenues and profits earned by the generators from electricity markets and other relevant sources as a representation of the electricity industry's underlying financial position is detailed. The submissions made by the generators in high-price years 2021 and 2022 put some light on the different accounting methods used by various generators and these methods have different approaches to allocating costs, depreciation etc. The impact of hedges, contracts and derivative valuation movements on generators' profitability was more evident during these years. In the current reporting framework, the RAs do not have a greater insight into the contracts and hedges that the generators are involved in. Some of these hedges are directly assigned to individual generators while others are borne by the umbrella unit, thus not providing a clear insight into each generator's costs and revenues.

In order to provide better insight into the revenues earned and costs incurred by the generators in the SEM, a new reporting template might be required – focusing on the different revenue streams earned through different market arrangements in the SEM and also relevant costs incurred by the generators that is directly attributed to the running of units.

CONSULTATION QUESTIONS

The SEM Committee wishes to modify the reporting framework to better reflect the revenues earned by the generators and costs incurred by generators that directly relate to the generation in the units. The SEM Committee is of the view that a simplified reporting framework, extending to cover more generators under the reporting framework, would result in greater transparency into the money that is circulated and earned through various revenue streams in the SEM. The SEM Committee welcomes the views of the stakeholders and

industry on the following questions in relation to the Generator Financial Performance Reporting (GFPR) Framework.

1. In addition to the broader transparency benefits, are there any other benefits that stakeholders associate with the GFPR publication each year?
2. The most recent version of GFPR template used for data gathering from generators is included in Appendix A. Do the stakeholders have any suggestions for enhancing the data gathering process for GFP report? This can include any views on the inclusion of additional revenue and cost elements or deduction of any revenue and cost elements of generation companies currently included in the GFPR template.
3. The RAs are of the view that GFP Reports should have a focus on revenues earned by the generators through various revenue streams available in the SEM and operating costs of the generators. This is to avoid any distortions to the figures due to commodity and power hedges as well as derivative valuation movements included by the generators in the profits. Do the stakeholders have any view on this?
4. According to SEM-12-027, generators with a combined ownership capacity of more than 25MW operating in the SEM are required to complete the GFPR template. Do the stakeholders have a view on this threshold?
5. Are there any type of market participants that are currently not covered by the GFPR framework that should be included in future in your view?
6. Any other general comments on the GFPR process and the template?

The RAs are particularly seeking responses to the consultation from the users of the report along with the generators that are subject to the reporting requirements.

NEXT STEPS

The SEM Committee welcomes the views of the industry and stakeholders on the Generator Financial Reporting Framework. Any comments or feedback must be sent in electronic format to **GFR[at]cru.ie** by the close of business on **20 August 2024**.

Once the responses are reviewed and analysed, the SEM Committee intends to publish updated guidance on the Generator Financial Performance Reporting Framework if required.

APPENDIX A REPORTING TEMPLATE FY2022

Ref.	Information Requested (Refer to Appendix A of SEM-19-036 for explanation of fields)	Complete in either Euro or Sterling as appropriate
1	Name of generation asset owner	
2	Company making this submission	
3	Name of Generation Site	
4	Name of Generation Unit	
5	GU Code	
6	Technology Class	
7	Name of the Government Renewable Support Scheme, if applicable	
8	Name of PPA Counterparty, if applicable	
9	Fuel Source	
10	EIC W Code of the generation Unit	
11	Capacity (MW) of the Generation Unit	
12	Firm Access Quantity (MW)	
13	Financial Year	FY2022
14	End-Month of Generator's financial year-end	
15	Total Volume of Electricity Sold, consisting of:	
16	<i>Day Ahead - MWh</i>	
17	<i>Intra Day - MWh</i>	
18	<i>Balancing Market - MWh</i>	
19	Currency	
20	Revenue from Electricity Markets, consisting of:	
21	<i>Net Energy Payments</i>	
22	<i>> Day Ahead</i>	
23	<i>> Intra Day</i>	
24	<i>> Balancing Market</i>	
25	<i>Net Constraints Payments</i>	
26	Revenue from CfDs and Contracts	
27	Revenue from Capacity Payments	
28	Reliability Option Difference Charges	
29	Total of Other Revenue, made up of:	
30	<i>> Revenue from DS3 System Services</i>	
31	<i>> Revenue from Ancillary Services</i>	
32	<i>> Revenue from Support Mechanisms</i>	
33	<i>> Other Revenue Sources</i>	
34	Total Revenue	
35	Fuel Related Operating Costs	
36	Non-fuel Operating Costs	
37	Total Operating Costs	
38	EBITDI	
39	Depreciation	
40	Impairment	
41	EBIT	
42	Interest & Tax	
43	Net Profit	
44	Gross Margin	
45	Net Margin	