



iPower Response to

Imperfections Charges October 2024 – September 2025 &

Reforecast Report October 2022 – September 2023

Consultation Paper SEM-24-048 dated 1st July 2024

iPower participates in the Demand Side Response sector of the electricity industry and perform a significant role in supporting the operation of the I-SEM balancing market and facilitating the continuous introduction of renewables.

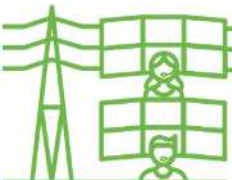
iPower currently have a registered capacity of 88.469 MW which carries a significant contribution to system support and stability, and have considerable experience in working with SONI and EirGrid to provide stability and balance to system operations.

The following comments are in relation to the SEM-24-048 Imperfections Charges Consultation.

Introduction

iPower operates a number of Demand Side Units and are concerned with the step taken within the consultation to remove the forecasted costs associated with payment of Energy to DSUs.

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Comments

Section 3 The TSOs Imperfections Charges Forecast for Tariff Year 2024/25

iPower are in agreement with the inclusion of the €158million attributed to the provision of potential payments to participants under Article 10 of Regulation (EU) 2019/243, ensuring there is sufficient funding to meet any future obligations that may arise as a result of the High Court Judgement.

It is noted that this value is referenced as the key driver of the TSOs estimate of the total Imperfections Charges for Tariff Year 2024/25.

Section 3.2.3.1

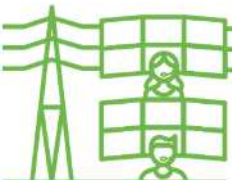
Consultation SEM-22-036 was published in July 2022 and outlined the proposals for an enduring solution to enable energy payments in the balancing market for DSUs. It aimed to ensure compliance with the Clean Energy Package, which mandates that DSUs receive energy payments at all times, not just during scarcity periods.

Decision SEM-22-090 was published in November 2022, and detailed the phased approach for implementing the enduring solution to enable DSU energy payments. This approach is intended to gradually integrate DSUs into the balancing market while ensuring compliance with regulatory requirements.

The phases include:

1. Interim Solution: Initially implemented to provide a temporary framework for DSU energy payments.
2. Phase 1: Introducing modifications to the Trading and Settlement Code to extend access to energy payments.
3. Phase 2: Implementing the full enduring solution as proposed in previous consultations (SEM-19-029), ensuring comprehensive integration of DSUs into the market.

MOD_02_23 was raised 9th February 2023 by the RAs, (to move forward from the Interim solution implemented, as per approved MOD_17_19), to Phase 1 to ensure that DSU had access to energy payments in the balancing markets at all times and not just at times of scarcity.





This MOD was proposed for approval, however to date, it has not yet been approved.

FFR_MOD_02_23 was published on 22nd February 2023, which detailed 'This modification will help to ensure that the SEM is in line with requirements of the Clean Energy Package and associated obligations (Article 17 of the Electricity Directive and Article 6 of the Electricity Regulation) designed to fully integrate DSUs into the market.'

It clearly stated 'If this proposal is not implemented, then the SEM may become non-compliant with the requirements of the Clean Energy Package and associated obligations.'

iPower are concerned what signal the removal of the DSU Energy forecast from the Imperfections calculation is sending.

Phase 1 implementation, proposed for approval under MOD_02_23, refers 'Elements of the original framework will remain in place, such as continuing to use dispatched quantity as a proxy for metered quantity and the **use of the Imperfections Charges to fund DSU energy payments**'.

Conclusion

iPower believe there has been undue delay in approval of FFR_MOD_02_23 in respect that the T&SC MODs committee voted for approval in the February 2023 meeting.

iPower request that MOD_02_23 is approved and implemented asap and that the removal of the DSU Energy forecast from the Imperfections Charges is reversed for 24/25 Tariff Year.

Yours Sincerely,

Matt O'Kane
Managing Director

