



**Response by Energia to SEM-24-049**

***Consultation on Terms of Reference for Panel of  
Technical Experts in the SEM***

**21 August 2024**

Energia welcomes the opportunity to respond to SEM-24-049. Energia supported the recommendation in the EY Review (SEM-22-054a) to establish a Panel of Technical Experts (PTE).

### Context

Since the publication of the EY Review there have been several significant developments with regards to the setting of CRM volume requirements. From the T-4 26/27 auction SEMC has published its Volume Information Note, which provides additional insight into the volume setting process. In addition, from the T-4 27/28 auction the CRU has moved to a 3-hour reliability standard for Ireland, and SEMC has agreed a 6.5 hour all-island reliability standard.

In addition to the revised ISAC 2 methodology for determining CRM volume requirements and de-rating factors, Energia has been engaged with the TSO's ongoing consultations on the implementation of the National Resource Adequacy Assessment (NRAA) process, which will change how the CRM volume requirements are calculated to align with the EU methodology.

### Role and Purpose of the PTE

Energia supports the role of the PTE in reviewing the TSO's Target Volume, including locational capacity constraints, and providing advice to SEMC.

In quality assuring the TSO's analysis, methodology, inputs and outputs and assessing whether they are robust and fit for purpose, it will be essential that the members of the PTE have the requisite skills and experience.

Energia notes that the current GB PTE has a predominance of members with a background in academia and economics. Energia's view is that in addition to energy economists, the Ireland PTE should have members with a technical background in electrical engineering to properly assess the work of the TSO. This will be particularly important when assessing the impact of system and operational constraints.

Furthermore, it would be beneficial if in addition to members with an academic background, some PTE members also had direct industry experience. Finally, it will be important that members have a deep understanding of and experience of the SEM. As a small, island system with a high penetration of renewables, there are particular factors that pertain to operating and securing the SEM that are bespoke to the island of Ireland and need to be properly understood by the PTE members.

### Requirements of the PTE

Energia supports the proposed tasks of the panel. Energia notes that the recommendations to the TSOs from the PTE on the methodology and inputs for setting volume requirements will have to remain compliant with the EU NRAA approach that is currently being consulted upon.

Energia supports the publication of the PTE's final report to SEMC. It will be important that this report is published in a timely manner, so that it will be of relevance and use to CRM participants trying to understand the final volume requirements.

Finally, it is important that in the ToR it is made clear that SEMC retains final responsibility for the setting of the CRM volume requirements, and ultimately for procuring sufficient volumes to ensure security of supply to the relevant reliability standard. SEMC has full discretion to deviate from any recommendations from the PTE.

Ways of Working and Reporting

Energia supports frequent and structured communication between the PTE, the RAs, SEMC and the TSOs. It is important that the RAs, SEMC and TSOs are open and make resources and analysis sufficiently available to the PTE. It will also be important that the PTE is clear on how it is to maintain its independence as an advisory group.

Code of Practice

Energia supports a strong Code of Practice as set out in the consultation paper to protect the integrity and reputation of the PTE. From time to time it may be of benefit to seek third-party assurance on the governance arrangements and the independence of the PTE.