



**Single Electricity Market
(SEM)**

Other Systems Charges for 2019-2020

**Decision Paper
SEM-19-038**

28 August 2019

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1 BACKGROUND

All island arrangements for Other System Charges (OSC) were harmonized in Ireland and Northern Ireland in 2010 and are set out in the Transmission Use of System (TUoS) Charging Statements, which is approved by both regulators, the CRU and UR. The arrangements are defined in Ireland and Northern Ireland through:

- The Other System Charges policies;
- The Charging Statements and;
- The Other System Charges Methodology Statement

This paper sets out the SEM Committee (SEMC) decision for OSC rates and services/charges for the tariff year 2019/2020. This follows a consultation process carried out by the Transmission System Operators (TSOs).

The annual review of OSC commenced on the 5th April 2019 when the TSOs published a consultation paper on proposed OSC rates and services/charges for the tariff year 2019/20.

Five responses to the TSOs' consultation paper were received. Following the consultation process, the TSOs submitted a recommendation paper to the RAs which is published along with this decision paper.

2 OTHER SYSTEMS CHARGES – TSO RECOMMENDATION

The recommendations made in the TSOs' OSC paper are summarised as follows:

1. Increase the 2019/2020 Trip and Short Notice Declaration charges back to the 2017/18 rate adjusting for 1.325% forecast inflation rate for units with no day ahead market position (QEX).
2. Retain the rate of Trip and Short Notice Declaration charges as per 2018/19 tariff year, adjusting for inflation, for units with a day ahead market position (QEX).
3. Retain the charging rate of zero for the early and late synchronization GPIs and for the loading and de-loading GPIs.
4. Retain the charging rate of zero for the Minimum On Time GPI and for the maximum number of starts in 24 Hours GPI.

5. Retain the Primary Operating Reserve GPI rate from 2018/19 tariff year adjusted for inflation, with a view to carrying out a review ahead of tariff year 2020/21.
6. Retain the Secondary Fuel Availability declarations GPI rate from 2018/19 with a view to carrying out a review of the tariff in 2020/21.
7. Retain the OSC rates approved for the 2018/2019 tariff year, only adjusting for inflation at forecast rate of 1.325%¹ for the tariff year 2019/2020 for the following GPIs:
 - Minimum Generation,
 - Governor Droop,
 - Secondary Operating Reserve (SOR),
 - Tertiary Operating Reserve 1 (TOR1),
 - Tertiary Operating Reserve 2 (TOR2), and
 - Reactive Power.

No other changes were recommended for the 2019/2020 tariff period.

3 SEM COMMITTEE DECISION

The SEM Committee's decision is as follows:

1. The SEM Committee agree with the retention of all rates as recommended by the TSOs adjusted by inflation, where appropriate, with exception of the recommendation to increase Trip and Short Notice Declaration charges back to the 2017/18 rates for units with no day ahead position (QEX). The RAs will consider the recommendation further if still required, when the TSOs have more data and on completion of the Other Systems Charges full review to be undertaken by the TSOs in advance of the 2020/21 OSC consultation.
2. A blended inflation rate of 1.325% for the Minimum Generation, Governor Droop, SOR, TOR1, TOR2 and Reactive power GPIs is accepted by the SEM Committee. The RAs agree that this rate represents a realistic estimation of expected inflation for the coming tariff year.

The SEM Committee has decided that OSC rates as set out in the table below will apply in the upcoming tariff year:

¹ The inflation rate is based on the most recent source figures.

Trip charges:

Charge	2019/2020 tariff year
Direct Trip Charge Rate	€2,190
Fast Wind Down Charge Rate	€1,642
Slow Wind Down Charge Rate	€1,095

Short Notice of Declaration:

SND charge rate	2019/2020 tariff year
Direct Trip Charge Rate	€38 / MW

GPIs:

GPI Declaration Based Rates	2019/2020 tariff year (€/MWh)
Minimum Generation	1.31
Max Starts in 24 hour period	0
Minimum On time	0
Reactive Power Leading	0.32
Reactive Power Lagging	0.32
Governor Droop	0.32
Primary Operating Reserve 1	0.53
Secondary Operating Reserve	0.13
Tertiary Operating Reserve 1	0.13
Tertiary Operating Reserve 2	0.13
Secondary Fuel Availability	0.03

GPI Event Based Rates	2019/2020 tariff year (€/MWh)
Loading Rate	0
De-Loading Rate	0
Early Synchronisation	0
Late Synchronisation	0

The SEM Committee approve the OSC Rates and Services as set out above and will apply from 1 October 2019 to 30 September 2020.