



Value of Lost Load (VOLL) 2015

Background

The RAs are required under the Code to set a value for the Value of Lost Load (VoLL) in €/MWh four months before the beginning of the calendar year to which it applied. In AIPSEM-07-484, the RAs announced their decision, after due consideration of the responses to a Consultation Paper published on 2 July 2007, that:

- For the period from 1 November 2007 to 31 December 2008, the VoLL would be set to €10,000/MWh; and,
- Its value in subsequent calendar years would be determined by taking its values in the preceding year and up-rating it by applying the weighted average of the year-on-year increase in the Irish Harmonised Index of Consumer Prices (HICP) (using a weight of two-thirds) and the UK HICP (using a weighting of one-third) in the July of the preceding year by comparison with that a year earlier.

The sources for the data on HICPs were cited as the [Central Statistics Office](#) (CSO) in Ireland and the [Office for National Statistics in the UK](#).

Decision on VOLL for 2015

The relevant data for the calculation of the 2015 value of VoLL using the specified methodology are as follows:

	Weight	July 2013	July 2014	% Change
Irish HICP (2005=100)	2/3	109.4	109.9	+0.50%
UK HICP (2005=100)	1/3	125.8	127.8	+1.6%
Weighted Average	1			+0.83%

On this basis, given that VoLL for 2014 was €10,898.49/MWh

and using the specified methodology, VoLL for the calendar year 2015 will therefore be:

$$€10,898.49/\text{MWh} \times (+0.83\%) = 10,898.49 \times 1.0083 = \mathbf{€10,988.9/\text{MWh}}$$