



## **Information Paper**

# **Directed Contract Round 13 to 16 Subscription Process & Dates**

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## 1. Introduction

The Commission for the Regulation of Utilities (CRU) and the Northern Ireland Authority for Utility Regulation (NIAUR or Utility Regulator), together referred to as the Regulatory Authorities or RAs, jointly regulate the all-Island wholesale electricity market, i.e. the Single Electricity Market (SEM).

The RAs are publishing this Information Paper to inform market participants of the Directed Contract (DC) subscription dates for DC Rounds 13 to 16.<sup>1</sup> The dates of each primary and supplementary subscription window for DC Rounds 13 to 16 as well as the share of product on offer per round are detailed within this Information Paper.

## 2. Overview of DC Product Types

There are currently three DC products available in the market: Baseload, Mid-Merit and Peak. Suppliers can elect to subscribe for any given product for which they are eligible in any particular quarter from ESB. The definitions of the products are set out as follows:

- *Baseload Product:* For Trading Periods at the Contract Quantity arising in all hours.
- *Mid-merit Product:* For Trading Periods at the Contract Quantity during the hours beginning at 07:00 and ending at 23:00 on Business Days and for Trading Periods on days that are not Business Days at 80% of the Contract Quantity.
- *Peak Product:* For Trading Periods arising during the hours beginning at 17:00 and ending at 21:00 on all days during October, November, December, January, February and March at the Contract Quantity.

## 3. DC Approach for DC Rounds 13 to 16

The DC subscription windows for rounds 13-16 will continue to be held quarterly, with a 3-day primary subscription window, followed a week later by a supplemental window of 1 day. Four quarters will be offered per round with 25% of each quarter available per round as detailed below in Table 1.

Table 1 - Share of products on offer per round

Round	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
13	25%	25%	25%	25%	—	—	—
14	—	25%	25%	25%	25%	—	—
15	—	—	25%	25%	25%	25%	—
16	—	—	—	25%	25%	25%	25%

<sup>1</sup> DCs are regulated Contract for Differences (CFDs), which are imposed on generation companies with large shares of generation (namely ESB) that are deemed to have market power in the SEM. This mechanism is used as part of the RAs market power mitigation strategy. The RAs decide upon the pricing and quantity of the DCs to be offered, as well as supplier eligibility rules for the purchase of DCs. The DCs mitigate market power by reducing the incentive for generation companies to submit bids above competitive levels or otherwise withhold capacity, in order to influence current spot prices or future contract prices.

#### 4. DC Timelines for Rounds 13 to 16

This section sets out the dates for all primary and supplemental subscription windows for SEM DC rounds 13 to 16. The primary subscription window in each DC round is held from Tuesday to Thursday, with the supplemental window taking place the following Thursday. The RAs will endeavour to inform all eligible suppliers of the volumes of DCs they are entitled to at least 3-5 working days in advance of the start of the primary subscription window. Should there be a need to amend these dates, the RAs will notify stakeholders in advance.

<b>Round 13 DC Subscription – December 2020</b>	<b>Timeline</b>
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q2 2021 to Q1 2022 product	Early-December
Primary Subscription Window for Q2 2021 to Q1 2022 product	<b>Tues 8<sup>th</sup> - Thurs 10<sup>th</sup> December</b>
Supplemental Subscription Window	<b>Thurs 17<sup>th</sup> December</b>
<b>Round 14 DC Subscription – March 2021</b>	<b>Timeline</b>
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q3 2021 to Q2 2022 product	Mid-March
Primary Subscription Window for Q3 2021 to Q2 2022 product	<b>Tues 23<sup>rd</sup> - Thurs 25<sup>th</sup> March</b>
Supplemental Subscription Window	<b>Thurs 1<sup>st</sup> April</b>
<b>Round 15 DC Subscription – June 2021</b>	<b>Timeline</b>
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q4 2021 to Q3 2022 product	Mid-June
Primary Subscription Window for Q4 2021 to Q3 2022 product	<b>Tues 15<sup>th</sup> - Thurs 17<sup>th</sup> June</b>
Supplemental Subscription Window	<b>Thurs 24<sup>th</sup> June</b>
<b>Round 16 DC Subscription – September 2021</b>	<b>Timeline</b>
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q1 2022 to Q4 2022 product	Mid-September
Primary Subscription Window for Q1 2022 to Q4 2022 product	<b>Tues 14<sup>th</sup> – Thurs 16<sup>th</sup> September</b>
Supplemental Subscription Window	<b>Thurs 23<sup>rd</sup> September</b>