

Approved 2024/2025 Generator Use of System Charges (GTUoS)

Accompanying Note

R0

29 August 2024



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1. Introduction

This document accompanies the Approved Generator Transmission Use of System (GTUoS) charges for both Ireland¹ and Northern Ireland² as calculated by the Transmission System Operators (TSOs) for the 2024/2025 tariff year and published on the EirGrid and SONI websites on 27 & 29 August 2024.

The approved charges are based upon the methodology as consulted on and approved by the Regulatory Authorities (RAs); the Commission for Regulation of Utilities (CRU) in Ireland and the Utility Regulator (UR) in Northern Ireland.

The methodology used to calculate the 2024/2025 tariffs is the same as that used for the calculation of the 2023/2024 tariffs. The assumptions used in the GTUoS calculation are based on publicly available information on connected and contracted generation and associated transmission reinforcements. Interconnector flows and conventional generation fuel prices are based on the 2024/2025 Imperfections Revenue Requirement Forecast³.

¹ https://cms.eirgrid.ie/sites/default/files/publications/2425_Approved_GTUoS_Tariffs_IE_R0.pdf

² <https://www.soni.ltd.uk/media/documents/2425-Approved-GTUoS-Tariffs-NI-R0.pdf>

³ <https://www.semcommittee.com/publications/sem-24-048-imperfections-charges-october-2024-september-2025-consultation-paper>

2. Total Revenue Requirement and GTUoS

The revenue requirement is approved annually by the respective regulators in order to ensure recovery of costs associated with the operation, development and planning of the transmission network in a particular tariff year.

The 2024/25 GTUoS tariffs are based on a revenue requirement of €124,310,084. The overall revenue requirement for GTUoS has increased by 0.7% relative to the revenue requirement for 2023/2024 tariffs. The breakdown of the approved revenues for recovery in 2024/25 and 2023/24 are summarised in Table 1 below.

Allowed Revenue	2024/25	2023/24	%
IE	£97,549,137	€96,080,756	+1.5%
NI	£22,744,975	£23,735,518	-4.0%
	€26,760,647	€27,313,600	-2.0%
All-Island	€124,310,084	€123,394,356	+0.7%

Table 1: Revenue Requirement

In terms of the Northern Ireland revenue, the TUoS reflected in the NI amount for 2024/2025 as set out above is as per the Utility Regulator G-TUoS Revenue Allocation Decision Paper.⁴

⁴ <https://www.uregni.gov.uk/news-centre/g-tuos-revenue-allocation-decision-paper>

3. Approved 2024/25 Tariffs

There is an on-going need to develop the electricity network on the island of Ireland to ensure security of supply now and into the future. There is an associated cost with this transmission investment which is levied on users of the transmission system via transmission use of system charges for demand and generator customers.

The regulatory approved methodology for GTUoS charging arrangements has been designed to link system usage with the transmission investment costs for different parts of the network. Each Generator's TUoS charge should then be reflective of transmission investment costs linked to its own use of the system.

GTUoS is made up of a postage stamp and locational component. The postage stamp portion is intended to recover a minimum of 70% of the total GTUoS revenue and is applied evenly across all generators, while the locational element is intended to provide for recovery of a maximum of 30%.

The following factors that vary year on year have a major impact on the locational aspect of the tariffs:

- The Overall Revenue Requirement to be recovered via the GTUoS tariffs;
- Power flows (which depend on network configuration and dispatch);
- Levels of generation and the contribution of each generator to the direction of flows on each network reinforcement;
- The assets included in the cost file including the Planned Network development and associated costs; and
- Interconnector flows.

4. Specific Influencing Factors for 2024/2025 GTUoS Model

On average the 2024/2025 tariffs are lower than the 2023/2024 tariffs. A key factor influencing the majority of the tariff reductions is the 7.1% increase Chargeable MEC, compared to the 0.9% increase in revenue to be recovered. There have been significant changes in the cost file, with new reinforcements being added in both jurisdictions, offset by older reinforcements falling out of the cost window, or being removed, having exceeded the 12 year maximum. Turleenan-Woodland continues to be included beyond the 12 year window, following a decision by the regulator to treat this as a special case.

There are some locational variances, which arise from power flow changes and how these flows are using the assets, which are included in the cost file, in the model.

As provided for in the methodology there is a 13 year window for inclusion of developments in the model, i.e. October 2017 until September 2030. Some of these changes have had a notable effect on the tariffs in certain areas.

There are four dispatch scenarios considered in the GTUoS model, consistent with the approved methodology:

1. Winter Peak demand, Merit Order dispatch, 0% Wind, 0% Solar
2. Summer Peak demand, Merit Order dispatch, 0% Wind, High Solar
3. Summer Peak demand, Merit Order dispatch, High Wind, High Solar
4. Summer Minimum demand, Merit Order dispatch, High Wind, 0% Solar

The methodology considers these four scenarios, assuming the Median Transmission Peak Demand for 2024, as approved for the National Resource Adequacy Assessment 2024-2033. There are five network file study years, covering from Winter 2025 until Summer 2030.

In terms of the 2024/2025 tariffs, the Northern Ireland tariffs are primarily influenced by the Winter Peak scenario, while the Ireland tariffs are predominantly influenced by the Summer Peak High Wind scenario. It is noticeable however that Summer Peak Low wind also plays a more significant role on influencing tariffs in Ireland than in previous years, which reflects the increasing level of solar power on the system.

GTUoS tariffs tend to be higher in regions which are remote from large demand centres, and in parts of the network which have a large amount of developments built or planned, namely in the North West and the South West of Ireland. GTUoS Tariffs tend to be lower around the Northern Ireland, and the east and north-east of Ireland.

A significant influencing factor is the Turleenan-Woodland circuit. This has had a significant effect on NI GTUoS charges. For the 2024/25 model, Turleenan - Woodland is in the model for 4 years, i.e. from 01/06/2027, There has been a 15-month delay to this circuit since last year, for 2024/25 tariffs, meaning this circuit was assumed in the studies from Summer Peak Year + 2, same as in 2023/34. Development of the network in Belfast is new for 2024/25 and enters the model and Cost Window in Year 4.

Some nodes in Donegal have had tariffs reduced by up to 34%, due to reinforcements falling out of the cost window. The reversal of base case flows on Clashavoon-Macroom has led to increases of 37-65% at certain nodes in the south west, while the introduction of the Coolnabacky-Kilkenny new overhead line into the cost file for 2024/25 has increased the tariff at Kilkenny by 23%.

5. Analysis of Tariffs

In this section we look at the overall trends of the approved GTUoS tariffs.

The maximum, minimum and overall range of tariffs is shown in Table 2 below. The postage stamp part of the tariff has increased (due to increase in revenue to be recovered).

	24/25 Tariffs €/kW/year	23/24 Tariffs €/kW/year
Postage stamp	€5.5717	€5.9233
Maximum tariff	€13.0642	€13.0759
Minimum tariff	€5.4919	€5.9233
Range	€7.5723	€7.1526

Table 2: Analysis of Tariffs

The change in the average tariff from last year’s tariffs is shown in Table 3 below.

	24/25 €/kW/year	23/24 €/kW/year	% difference
Ireland average	€8.0582	€8.5551	-5.8%
Northern Ireland average	€7.6057	€8.1455	-6.6%
All-Island average	€7.9596	€8.4619	-5.9%

Table 3: Average Tariffs

The change in the average tariff over the last 5 years is shown in Figure 1.

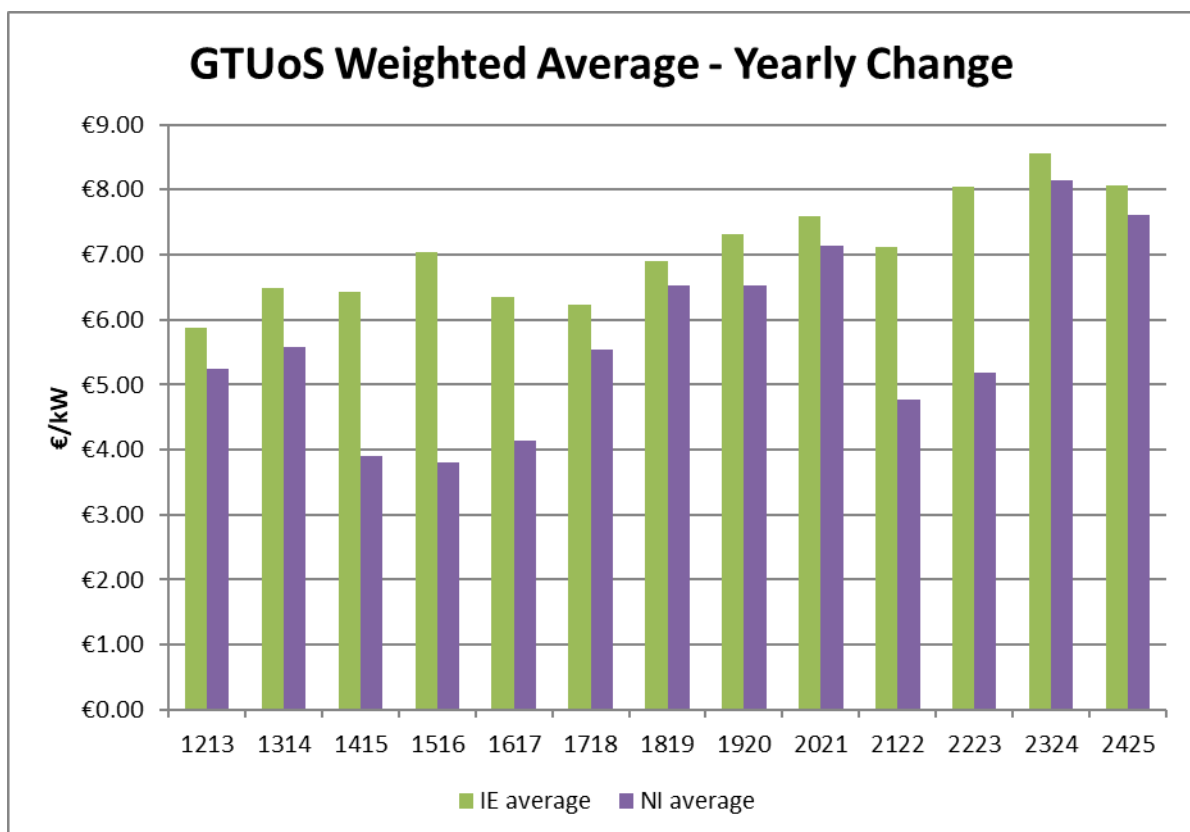


Figure 1: GTUoS Average - yearly change

6. Contact

If you have any queries relating to these Approved GTUoS Tariffs for 2024/2025 please E-mail: Tariffs@EirGrid.com or Tariffs@soni.ltd.uk.