

31/01/25

Future Power Markets Update

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Future Power Markets Design Authority

The Future Power Markets Design Authority team is focused on how the ambition of up to 80% renewable energy share in electricity (RES-E) will be facilitated through the market.

The team's work spans across a number of core project areas, including:

- Future Arrangements for System Services (FASS)
- Scheduling and Dispatch Programme (SDP)
- Strategic Markets Programme (SMP)

Additional workstreams include:

- Long Duration Energy Storage (LDES)
- Energy Market Policy (EMP)



Future Arrangements for System Services

The design and implementation of Future Arrangements for System Services (FASS) includes:

- “To deliver a competitive framework for the procurement of System Services, that ensures secure operation of the electricity system with higher levels of non-synchronous generation”, in line with the Single Electricity Market Committee (SEMC) request
- The implementation of a Day Ahead System Service Auction (daily auction/DASSA), Layered Procurement Framework and Fixed Term Contracts
- The creation of a System Services market code and updates to relevant codes and licenses.

- System Services Charge Recommendation Paper finalised and shared with RAs on the 29th November. SEMC Decision now expected by end of February, a delay of one month against PIR schedule.
- Volume Forecasting and Methodology Recommendations paper submitted to RAs on 23rd December. Feedback from RAs received on 15th January. Updated paper to be issued to RAs ahead of the SEMC Decision in February.
- The DS3 SS Tariffs to DASSA (“The Gap”) Consultation Paper was issued to the RAs on the 23rd December and is awaiting RA approval before being consulted upon.
- The DASSA Top-Up Mechanism (FAM Alternatives) Consultation Paper is being finalised and will be issued to the RAs shortly.
- The 4th System Services Code Working Group will be held on 23rd January (2-hour virtual session) to present the first draft of the Plain English Version of the SS Code.
- In the Future Power Markets January Industry Workshop, the FASS team presented an in-depth session on the DASSA Objective Function and the DASSA Top-up Mechanism. Please find it within the slide deck [here](#).

FPM: Industry Workshop (21st of January 2025)

Agenda for FASS Presentation

Chair: Niamh Delaney

Time	Topic	Presenter(s)
14:20 - 15:25	Presentation on the DASSA Objective function <i>including 25 minutes for Q&A</i>	Sam Bouma & Kasra Haji Bashi
15:25 - 16:15	Presentation on the DASSA Top-Up Mechanism <i>including 20 minutes for Q&A</i>	Joe Deegan

Scheduling and Dispatch Programme

The Scheduling and Dispatch programme aims to:

- Enhance the scheduling and dispatch systems and processes in Ireland and Northern Ireland
- Bring about compliance with the Clean Energy Package (CEP) and the treatment of variable Non-Priority Dispatch Renewables (NPDR)
- Facilitate low/zero carbon grid technologies such as Batteries, Synchronous Condensers in support of the broader goals of renewables and System Non-Synchronous Penetration (SNSP) penetration targets.

➤ The Scheduling and Dispatch Programme is composed of six initiatives, split into two tranches.

Tranche 1: SDP-01 Operation of Non-Priority Dispatch Renewables (NPDR)

SDP-02 Energy Storage Power Station (ESPS) integration

SDP-04 Wind dispatchability improvements

Tranche 2: SDP-03 Fast Frequency Response (FFR)

SDP-05 Reserve services scheduling and dispatch

SDP-06 Synchronous condenser scheduling and dispatch

➤ Continued system vendor test delays have impacted the critical path of Tranche 1 delivery. The programme is publishing a re-baselined plan for Tranche 1 Delivery (**subject to SEMC All Ireland Programme Change Approval*)

➤ Revised plan moves to a three stage Go Live of Tranche 1 (*further detail on re-baselined delivery plan is available [here](#)*)

➤ May-25: SDP-02 (ESPS)

➤ Early Sep-25: NPDR & Wind EMS (Control Room Only)

➤ Late Sep-25: NPDR WDI MMS & Balancing Market Conversion

➤ Target date for Tranche 1 Modifications approval of June 2024 has not been met. Mod_13_23 Treatment of NPDRs (SDP_01 NPDR) and SEM-24-044 Definition of Curtailment, Constraint and Energy Balancing related to SEM-13-011 (SDP_04 WDI) were included on the agenda for SEM-C meeting on 19-Dec. The two items were not approved at the December meeting and will be next on the agenda at the SEM-C meeting scheduled for 27-Feb

➤ The modification process for the Tranche 2 T&SC modifications is in progress. System design for Tranche 2 continues with the programmes system vendors.

Strategic Markets Programme

SMP has a wide scope, a significant portion of which are changes required for Celtic Interconnector Go-Live and enabling increased flexible technology incorporating:

- **Full EU Integration:** The Celtic Interconnector, that is due to go-live in Q4 2026, requires the SEM Markets and Operational Systems to be compatible with European standards, which includes re-coupling the day-ahead market but also new arrangements for coupled intraday markets and participation on the EU balancing platform
- **Post-Brexit Trading Arrangements:** Changes to the trading of electricity between the SEM and GB to increase market efficiency
- **Balancing Market Reform:** Changes to the balancing market to enable flexible technology.

➤ EU Integration:

- High Level and Detailed requirements gathering underway for changes to systems and processes required to implement scope of programme.
- Detailed programme planning underway with key resources being onboarded and vendor engagement commencing.
- Current Celtic Interconnector go-live is planned for Q4 2026, and integration with EU markets will need to be in place for this date.

➤ Balancing Market Reform Updates:

- High level requirements for Balancing Market Reform initiatives are under review and moving to the next phase, these are also currently under assessment for code and system changes required and put into project delivery plans.



Additional Market Developments

Long Duration Energy Storage

We are working on the second iteration of the draft consultation paper with CRU following initial feedback. We also kicked-off our first workshop with CRU on procurement model options, focusing on market interactions and the ability to address dispatch down. EirGrid to publish LDES procurement timeline in January's Stakeholder Engagement workshop.

In parallel to the enduring solution, we are investigating alternative market measures to incentivise LDES. We are also seeing liquidity in the ECP pipeline to satisfy initial DECC volume.



Energy Market Policy

A motion was passed at the Northern Ireland Assembly in December around the democratic consent vote to continue application of Articles 5-10 of the Windsor Framework/NI Protocol. Article 9 relates to the continuation of the Single Electricity Market.

A meeting of the EU-UK Specialised Committee on Energy has decided to resume work on the implementation of Multi-Regional Loose Volume Coupling. A Roadmap has been developed which includes three workstreams on Fallback and Operational Timings, Forecaster Procurement and Offshore and Hybrid compatibility with the MRLVC solution. A final report on the work is due to be completed in November 2025.

The EC Commission is due to publish its proposal regarding Capacity Allocation and Congestion Management (CACM) 2.0 later this quarter. ACER issued its original recommendations in 2021. Given the increased focus on competitiveness in the EU it will be noteworthy whether the EC proposal continues to be consistent regarding a number of areas including: 70% capacity availability up to the intraday, a redefinition of Capacity Calculation Regions and changes regarding the governance of Market Coupling.

Contact Information

If you require further information on what has been published in this update, please email:

futurepowermarkets@eirgrid.com or futurepowermarketsNI@soni.ltd.uk

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