

15/12/23

Future Power Markets Update

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Introduction

Facilitating increased amounts of renewables on the grid through market arrangements requires collaboration. As we move to net-zero carbon, sharing experiences on the key market-related issues facing Transmission System Operators (TSOs) out to 2030 and beyond is paramount to our work. We do this through membership of the European Network of Transmission System Operators for Electricity (ENTSO-E) and through bespoke engagements with TSOs around the world.

In November we held the first Future Markets Collaborative Workshop with the GB's Electricity System Operator (ESO). The workshop provided great learnings as we both move towards achieving decarbonised grids.

If you have feedback to this newsletter don't hesitate to get in touch with the [team](#).

- David Carroll, Head of Future Power Markets



EirGrid-ESO Future Markets Collaborative Workshop, Dublin November 2023



Long Duration Energy Storage Call for Evidence Workshop, Dundalk November 2023



Future Power Markets

The Future Power Markets 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
- Scheduling and Dispatch Programme

Additional workstreams include:

- Long Duration Energy Storage
- Energy Market Policy



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 the relevant codes and licenses.

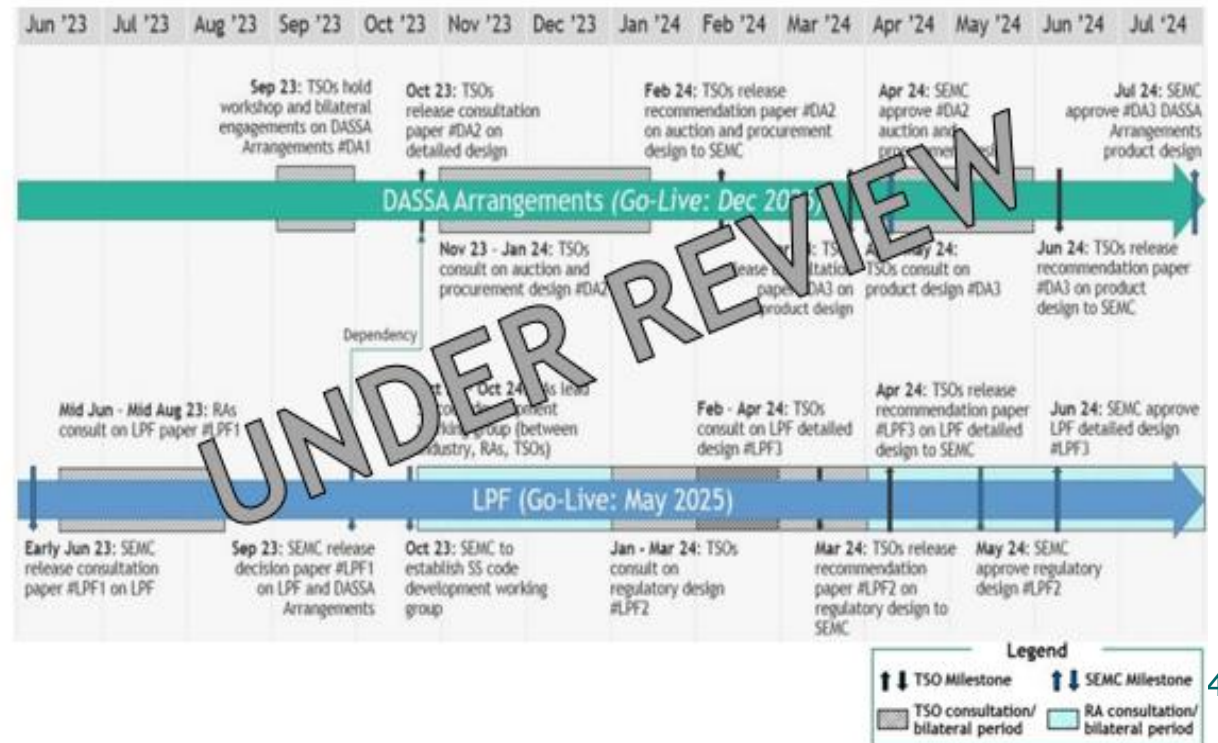
➤ The SEMC Decision on the SSFA Phase III: Phased Implementation Roadmap for the System Services High Level Design was published on 8th December 2023 ([SEM-23-103](#)).

➤ The TSOs are assessing the SEMC Decision and will produce a final Phased Implementation Roadmap for the FASS programme, to be approved by the SEMC ahead of release to industry.

➤ The implementation of quarterly auctions for reserve services in 2025, as proposed in the SEMC Consultation Paper SEM-23-043, is no longer being prescribed.

➤ The team is progressing DASSA detailed design proposals with our partners DotEcon and Afry. The team is also working on the development of the TSOs’ DASSA consultation paper expected to be published in Q1 2024.

High Level Roadmap: FASS Phased Implementation (to be revised by the TSOs based on SEM-23-103 Decision Paper)



Scheduling and Dispatch Programme

The Scheduling and Dispatch programme aims to:

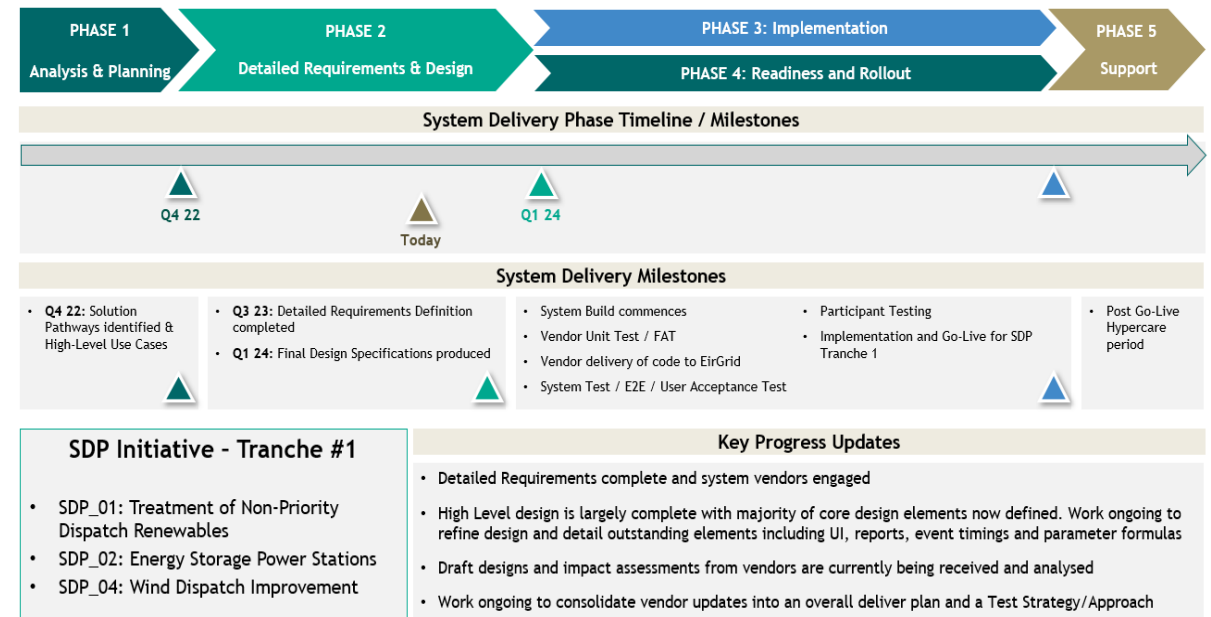
- To enhance the scheduling and dispatch systems and processes in Ireland and Northern Ireland
- To bring about compliance with the Clean Energy Package (CEP) and the treatment of variable Non-Priority Dispatch Renewables (NPDR)
- Facilitate low/zero carbon grid technologies such as Batteries, Synchronous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

- Industry Workshops were held on November 1st and December 6th 2023. The material can be found [here](#).
- The SDP_002 (ESPS) T&SC modifications have proceeded through multiple Market Participant workshops and was submitted to SEMO's Modifications (Mods) Committee on December 5th 2023. Similar effort and engagement continues for the SDP_001 NPDR interim solution.
- The detailed design for SDP Tranche 1 initiatives is ongoing.
- Consideration continues for the eventual implementation of the SDP_001 NPDR enduring solution.
- Sustained engagement with industry continues through bilateral meetings and Industry Workshops.

Systems Delivery Update: Tranche 1

Stakeholder Engagement: Industry Workshop

Systems Delivery Update - SDP Tranche 1



Additional Market Developments

Long Duration Energy Storage

Industry Workshop

A successful Industry Workshop and info session regarding the [Long Duration Energy Storage \(LDES\) Call for Evidence](#) was held in Dundalk on November 10th 2023. We would like to thank participants for their valuable feedback and insights which will help shape our next steps.

Internal Collaboration

Internal workshops have been held to brainstorm and develop the framework on how storage assets will be utilised by the TSO and in the market. We plan to continue this collaboration into the new year in preparation for an LDES Recommendations Paper, which we plan to release in Q1 2024.



Energy Market Policy

Electricity Market Redesign

Negotiations (between the European Parliament, Council and European Commission) on the revised Electricity Market Design [reached a conclusion with a text agreed on Dec 14](#). The agreement will need to be endorsed by the Parliament and Council, then the text will go through the translation process over the next few months before being published next year during the Belgian Presidency of the Council. Overall, it is accepted that the changes agreed are far less than originally anticipated but that there will be a European Commission review in 2026.

Multi-Region Loose Volume Coupling (MRLVC)

The fourth meeting of the [Specialised Committee on Energy](#) was held on November 9th 2023. This meeting was attended by the UK Department of Energy Security and Net Zero (DESNZ) and the European Commission. Energy trading arrangements were discussed which included the MRLVC analysis report and a discussion on next steps. We await the publication of the next steps. 6

Contact Information

If you require further information on what has been published in this update, please email futurepowermarkets@eirgrid.com

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