



Information Paper

Directed Contract Round 21 to 24 Subscription Process & Indicative Dates

SEM-22-095

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1. Introduction

The Regulatory Authorities (i.e., CRU and UREGNI) 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 21 to 24¹. The dates of each primary and supplemental subscription window for DC Rounds 21 to 24, 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,

¹ 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.

January, February and March at the Contract Quantity.

3. Approach for DC Rounds 21 to 24

The DC subscription windows for rounds 21-24 will continue to be held quarterly, with a 6-day Primary Subscription Window held over two weeks, followed a week later by a Supplemental Window of 1 day (per amendments outlined in [SEM-21-065](#)). The RAs intend to hold a consultation in Q1 2023 to determine if a 6-day Primary Subscription Window should become an enduring arrangement. Four quarters will be offered per round with 25% of each quarter available per round as detailed below in Table 1.

Round	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
21	25%	25%	25%	25%	—	—	—
22	—	25%	25%	25%	25%	—	—
23	—	—	25%	25%	25%	25%	—
24	—	—	—	25%	25%	25%	25%

Table 1 - Share of products on offer per round

4. Indicative DC Timelines for Rounds 21 to 24

This section sets out the indicative dates for all Primary and Supplemental Subscription windows for SEM DC Rounds 21 to 24. The Primary Subscription Window in each DC round is held from Tuesday to Thursday, over two consecutive weeks, with the associated Supplemental Subscription 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 three working days in advance of the start of the Primary Subscription Window. Should there be a need to amend the below dates, the RAs will notify stakeholders in advance.

Round 21 DC Subscription – February 2023	Timeline
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q2 2023 to Q1 2024 product	Early-February
Primary Subscription Window for Q2 2023 to Q1 2024 product	Tuesday 14th - Thursday 16th February;

	Tuesday 21st – Thursday 23rd February
Supplemental Subscription Window	Thursday 2nd March
Round 22 DC Subscription – March 2023	Timeline
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q3 2023 to Q2 2024 product	Mid-March
Primary Subscription Window for Q3 2023 to Q2 2024 product	Tuesday 21st - Thursday 23rd March; Tuesday 28th – Thursday 30th March
Supplemental Subscription Window	Thursday 6th April
Round 23 DC Subscription – June 2023	Timeline
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q4 2023 to Q3 2024 product	Early June
Primary Subscription Window for Q4 2023 to Q3 2024 product	Tuesday 13th June – Thursday 15th June; Tuesday 20th June – Thursday 22nd June
Supplemental Subscription Window	Thursday 29th June
Round 24 DC Subscription – September 2023	Timeline
RAs publish paper on DC quantities and pricing, and inform suppliers of DC eligibility for Q1 2024 to Q4 2024 product	Early September
Primary Subscription Window for Q1 2024 to Q4 2024 product	Tuesday 12th – Thursday 14th September; Tuesday 19th – Thursday 21st September
Supplemental Subscription Window	Thursday 28th September