

# Single Electricity Market (SEM)

## Roadmap to Clean Energy Package Implementation

## **Information Paper**

SEM-19-073 16 December 2019

#### EXECUTIVE SUMMARY

The EU's Clean Energy Package (CEP) is a series of legislative acts adopted by the European Parliament and European Council in 2018 and 2019. The CEP contains eight legislative files, aimed at enabling the EU to transition to cleaner energy and facilitating a 40% reduction in greenhouse gas emission levels by 2030 compared to 1990.

The eight legislative acts within the CEP cover a range of actors and stakeholders in the energy sector including Member States, regulatory agencies, network operators and market participants. The SEM Committee will work in the context of policies set by the Government Departments (the DCCAE and DfE) and the Regulation on the internal market for electricity (EU) 2019/943<sup>1</sup>. The Regulation seeks to amend aspects of wholesale electricity markets in Europe, enhance integration and progress the transition to renewable energy. Having entered into force in July 2019, the majority of the articles in the Regulation apply from January 2020.

A high-level exercise has recently been conducted by the RAs to identify the areas of the Regulation which may require action by the SEM Committee. The conclusion of the RAs' review expressed that the revised SEM arrangements, which went live on 1<sup>st</sup> October 2018, is already compliant with many articles of the Regulation. As a result, there are a relatively small number of areas which are likely to require action by the SEM Committee.

This Information Paper provides a plan for how the SEM Committee will progress changes to the SEM, in order to provide a roadmap for implementation of the Regulation. The RAs have identified six key areas from the Regulation which will likely require action over the following year, summarised in the table below. Each of these six areas encapsulates relevant articles in the Regulation for which the SEM Committee is expected to exercise its functions over the coming year, i.e. to end 2020. By grouping the relevant articles into these areas, a regulatory policy plan is provided as shown in the table below, following which any necessary systems/IT implementation can also commence, with a view to implementing the provisions of the Regulation as soon as practical.

Workstream / Regulation Article(s)	Description	Expected Decisions and Amendments in 2020
Balance Responsibility Article 5	All market participants, bar certain possible derogations provided by the Member State, shall be responsible for the imbalances they cause in the wholesale market.	<ul> <li>SEM Committee Consultation on the approach to balance responsibility for newly balance responsible parties, taking account of aggregation - Q1 2020.</li> <li>SEM Committee decision on above.</li> <li>Modification(s) to the Trading and Settlement Code.</li> </ul>
Priority Dispatch Article 12	Dispatching of power-generating and demand-response facilities shall be non- discriminatory, transparent and market- based, leading to the removal of priority dispatch for new renewable generators bar certain exemptions.	<ul> <li>SEM Committee Consultation on priority dispatch Q1 2020.</li> <li>SEM Committee decision on above.</li> <li>Modification(s) to the Trading and Settlement Code for dispatch.</li> </ul>
Redispatch Article 13	Redispatching of generation units shall be market-based. Where non-market	<ul> <li>SEM Committee Consultation on compensation for non-market redispatch.</li> </ul>

<sup>&</sup>lt;sup>1</sup> <u>Regulation</u> (EU) 2019/943 on the internal market for electricity

	redispatch occurs, compensation is to be provided to firm generators.	<ul> <li>SEM Committee decision on the above.</li> <li>Modification(s) to the Trading and Settlement Code for compensation for non-market redispatch.</li> </ul>
Market Parameters Articles 7, 8, 10, 11, 23, 27	Updates to be made to the imbalance settlement period, technical bidding limits and the calculation methodologies for parameters including resource adequacy, the reliability standard and the Value of Lost Load.	<ul> <li>RA Information note on Technical Bidding Limits to the DCCAE/DfE.</li> <li>Publication of TSO request for derogation regarding the Imbalance Settlement Period and SEM Committee Decision.</li> <li>SEM Committee calculation of VoLL in advance of September T-4 capacity auctions (subject to timely ACER approval of calculation methodology).</li> </ul>
Capacity Remuneration Mechanisms Articles 20, 22, 26, 27	Where they are implemented by a Member State, the Regulation prescribes the design and application of the CRMs (both internally and on cross- border exchanges).	<ul> <li>Information issued to generation facilities to provide notice on updates affecting fossil fuel emitting generators in advance of the T-4 auctions in March – Q1 2020.</li> <li>Modification to the Capacity Market Code to reflect removal/restriction of payments for relevant fossil fuel generators.</li> <li>RAs to calculate capacity requirement taking account of cross-border participation, following ACER approval.</li> </ul>
Regional Coordination Centres Articles 35, 36	TSOs are required to develop a framework for the implementation of Regional Coordination Centres and submit this proposed framework to the RAs for approval by July 2020.	Consultation on the TSO framework for Regional Coordination Centre, following proposal on its establishment.

The RAs are engaging with the DCCAE and DfE and the European Commission during this CEP implementation phase. The SEM Committee has already commenced work on the existing regulatory framework, by reference to the above table, and will continue to engage with stakeholders to facilitate a timely and effective progression.

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#### 1. INTRODUCTION

- 1.1 In 2018 and 2019, the EU adopted a series of legislative acts referred to as the Clean Energy Package (CEP). The overall aim of the CEP is to facilitate a transition in the EU towards cleaner energy and to aid in achieving a 40% reduction in greenhouse gas emission levels by 2030 compared to 1990, as promised in the EU's Nationally Determined Contribution to the UN's 2015 Paris Agreement.
- 1.2 The eight individual legislative files in the CEP, which were adopted by the European Parliament and European Council, are listed as follows:
  - Energy Performance of Buildings Directive 2018/844
  - The recast Renewable Energy Directive (EU) 2018/2001
  - The revised Energy Efficiency Directive (EU) 2018/2002
  - Governance of the energy union and climate action (EU) Regulation 2018/1999
  - Regulation on risk-preparedness in the electricity sector (EU) 2019/941
  - Regulation establishing a European Union Agency for the Cooperation of Energy Regulators (EU) 2019/942
  - Regulation on the internal market for electricity (EU) 2019/943
  - Directive on common rules for the internal market for electricity (EU) 2019/944
- 1.3 The eight legislative acts within the CEP cover a range of actors and stakeholders in the energy sector including Member States, regulatory agencies, network operators and market participants. The SEM Committee will work in the context of policies set by the Government Departments (the DCCAE and DfE) and the Regulation on the internal market for electricity (EU) 2019/943<sup>2</sup>. The Regulation seeks to amend aspects of wholesale electricity markets in Europe, enhance integration and progress the transition to renewable energy. Having entered into force in July 2019, most of the articles in the Regulation apply from January 2020.
- 1.4 This Information Paper provides a plan for how the SEM Committee will progress changes to the SEM, in order to provide a roadmap for implementation of the Regulation. The RAs (the CRU in Ireland and Utility Regulator in Northern Ireland) are also engaging with the Government Departments (DCCAE and DfE) and the European Commission (EC) during this CEP implementation phase.

#### 2. OVERVIEW OF PLAN

- 2.1 A high-level exercise has recently been conducted by the RAs to identify the areas of the Regulation which may require action. The conclusion of the RAs' review expressed that the revised SEM arrangements, which went live on 1<sup>st</sup> October 2018, is already compliant with many articles of the Regulation. As a result, there are a relatively small number of areas which are likely to require action by the SEM Committee.
- 2.2 The RAs have identified six key areas from the Regulation which will likely require action by the SEM Committee over the following year, summarised as follows. Each of these six areas encapsulate relevant articles in the Regulation for which the SEM Committee is expected to exercise its functions over the coming year, i.e. to end 2020. A plan is provided in the table below, setting out SEM Committee consultation and decision-making, following which any necessary systems/IT implementation can also commence. If further

<sup>&</sup>lt;sup>2</sup> Regulation (EU) 2019/943 on the internal market for electricity

actions are identified by the RAs in the period ahead, the SEM Committee will also progress implementation for these areas.

Workstream / Regulation Article(s)	Description	Expected Decisions and Amendments in 2020
Balance Responsibility Article 5	All market participants, bar certain possible derogations provided by the Member State, shall be responsible for the imbalances they cause in the wholesale market.	<ul> <li>SEM Committee Consultation on the approach to balance responsibility for newly balance responsible parties, taking account of aggregation - Q1 2020.</li> <li>SEM Committee decision on above.</li> <li>Modification(s) to the Trading and Settlement Code.</li> </ul>
Priority Dispatch Article 12	Dispatching of power-generating and demand-response facilities shall be non- discriminatory, transparent and market- based, leading to the removal of priority dispatch for new renewable generators bar certain exemptions.	<ul> <li>SEM Committee Consultation on priority dispatch Q1 2020.</li> <li>SEM Committee decision on above.</li> <li>Modification(s) to the Trading and Settlement Code for dispatch.</li> </ul>
Redispatch Article 13	Redispatching of generation units shall be market-based. Where non-market redispatch occurs, compensation is to be provided to firm generators.	<ul> <li>SEM Committee Consultation on compensation for non-market redispatch.</li> <li>SEM Committee decision on the above.</li> <li>Modification(s) to the Trading and Settlement Code for compensation for non-market redispatch.</li> </ul>
Market Parameters Articles 7, 8, 10, 11, 23, 27	Updates to be made to the imbalance settlement period, technical bidding limits and the calculation methodologies for parameters including resource adequacy, the reliability standard and the Value of Lost Load.	<ul> <li>RA Information note on Technical Bidding Limits to the DCCAE/DfE.</li> <li>Publication of TSO request for derogation regarding the Imbalance Settlement Period and SEM Committee Decision.</li> <li>SEM Committee calculation of VoLL in advance of September T-4 capacity auctions (subject to timely ACER approval of calculation methodology).</li> </ul>
Capacity Remuneration Mechanisms Articles 20, 22, 26, 27	Where they are implemented by a Member State, the Regulation prescribes the design and application of the CRMs (both internally and on cross- border exchanges).	<ul> <li>Information issued to generation facilities to provide notice on updates affecting fossil fuel emitting generators in advance of the T-4 auctions in March – Q1 2020.</li> <li>Modification to the Capacity Market Code to reflect removal/restriction of payments for relevant fossil fuel generators.</li> <li>RAs to calculate capacity requirement taking account of cross-border participation, following ACER approval.</li> </ul>

Regional Coordination Centres Articles 35, 36	TSOs are required to develop a framework for the implementation of Regional Coordination Centres and submit this proposed framework to the RAs for approval by July 2020.	•	Consultation on the TSO framework for Regional Coordination Centre, following proposal on its establishment.	
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2.3 The remainder of this paper outlines each of the six deliverables separately by providing background information and the current plan of the SEM Committee for progressing compliance.

#### 3. BALANCE RESPONSIBILITY

- 3.1 Article 5 of the Regulation updates the rules pertaining to Balance Responsibility for market participants in the wholesale electricity market. It defines Balance Responsible Parties (BRPs) as market participants or their chosen representatives who are financially responsible for their imbalances in the market, who strive to be balanced in real time<sup>3</sup>.
- 3.2 The current SEM framework sets out the *de minimis* threshold for participation in the Balancing Market to be a Maximum Export Capacity of 10MW, thus defining the current minimum capacity for Balance Responsibility in the SEM. The CEP updates this requirement, such that *all* market participants are to be responsible for any imbalances they cause in the market, bar certain derogations. This requirement also interacts with elements of Electricity Balancing Guideline and System Operation Guideline as inputs to the rules for balance responsible parties and balancing service providers. Work on these will also be progressing in the first half of 2020.
- 3.3 Derogations may be provided by the MS where generators meet the following conditions:
  - Generators have demonstrated projects for innovative technologies, subject to approval by the regulatory authority;
  - Generators for renewable sources with an installed capacity under 400kW (200kW from January 2026);
  - Generators benefiting from State Aid decisions which were commissioned prior to the 4<sup>th</sup> of July 2019.
- 3.4 Where any imbalances occur and are associated with those provided with derogations, the MS is to ensure that there is a financially responsible market participant who will cover those imbalances, for example an aggregator.
- 3.5 All of this will likely result in changes to the Trading and Settlement Code (TSC), including possibly, a reduction in the *de minimus* threshold for balance responsibility and possible changes to facilitate the development of a framework on the use of aggregators, and allocation of ex ante quantities (referred to in Article 7 of the Regulation).
- 3.6 Consideration will be given to the number of generators who will be impacted by these new requirements and will have to participate in the wholesale market for the first time. It could potentially affect hundreds of generation facilities with capacities between 400kW and 10MW.

<sup>&</sup>lt;sup>3</sup> Article 2(14) Regulation (EU) 2019/943 on the internal market for electricity (5 June 2019)

- 3.7 These affected market participants will also have to comply with the Electricity Balancing Guideline (EBGL) either directly or through the use of an aggregator. The EBGL is still in the process of being implemented in the SEM and is contingent on work being completed by the TSOs for the application of Article 18 of the EBLG which sets out the terms and conditions for balancing.
- 3.8 Additionally, the SEM Committee will support the Government Departments with respect to the first derogation stated in paragraph 3.3 in relation to "demonstration projects for innovative technologies". At a high-level the Regulation defines these as "projects which demonstrate technologies as a first of its kind in the Union and represents a significant innovation that goes well beyond the state of the art"<sup>4</sup>.
- 3.9 The following table presents a high-level approach to be taken by the SEM Committee to progress the implementation of Article 5 in the SEM.

Step	Actions in 2020
1	The SEM Committee will consult on Balance Responsibility and Aggregation in Q1 2020 and issue a subsequent Decision Paper on the issue.
2	The RAs will jointly evaluate the entry criteria needed for participation in the balancing market and decide what amendments need to be made to the TSC to facilitate entry by the new BRPs. It is anticipated that SEMO will raise the modification(s) necessary in the TSC and subsequent a SEM Committee Decision(s) will be made on the modification(s).
3	The SEM Committee will support the Departments to help identify criteria for a derogation provided for demonstration projects for innovative technologies.
4	Begin the technical implementation of the Decision(s) in the SEM.

#### 4. PRIORITY DISPATCH

- 4.1 Article 12 of the Regulation updates the provisions on rules surrounding priority dispatch, effectively removing it for new renewable generators with contracts concluded on or after 4 July 2019 bar certain exemptions, to facilitate a non-discriminatory, transparent and market-based system. However, it should be noted that existing renewable generation with contracts concluded prior to 4 July 2019 will continue to be subject to priority dispatch.
- 4.2 With respect to the removal of priority dispatch for new renewable generators (those with contracts concluded on or after 4 July 2019) exemptions apply for new renewable generation and demand-side facilities, covering:
  - Renewable energy generating facilities with an installed electricity capacity of under 400kW (200kW from 2026); and/or
  - Generators, energy storage facilities and other demand-side response units demonstrating innovative technologies, subject to approval by the RA;
- 4.3 In the current SEM framework, *all* renewable generation and peat is subject to priority dispatch, including provisions for Hybrid plants, and High Efficiency CHP/Biomass/Hydro plants. To comply with Article 12, various changes will be made to the current dispatch

<sup>&</sup>lt;sup>4</sup> Article 2(24) Regulation (EU) 2019/943 on the internal market for electricity (5 June 2019)

order which was decided in 2011 by the SEM Committee in SEM-11-062<sup>5</sup>, and subsequently, revisions may be needed to the TSO licences in order to adopt this requirement.

4.4 The following table outlines the steps the SEM Committee plans to take in 2020 to address the topic of priority dispatch under Article 12.

Step	Actions in 2020
1	Engagement with the TSOs and Departments - Quarter 4 2019.
2	The SEM Committee will consult on priority dispatch changes in Q1 2020 and issue a subsequent Decision Paper on the issue.
4	Modification(s) to be made to the TSC on priority dispatch.
5	Begin the technical implementation of the Decision(s) in the SEM.

#### 5. REDISPATCH

- 5.1 Article 13 of the Regulation sets out requirements pertaining to redispatching of generation, energy storage and demand-side facilities, such that it is non-discriminatory, transparent and market-based.
- 5.2 A particular focus for the SEM Committee relates to Article 13.7 which refers to compensation for non-market based redispatching (constraints and curtailment) of firm generation, energy storage or demand-response facilities.
- 5.3 A previous SEM Committee decision set out in SEM-13-010<sup>6</sup>, removing compensation payments for curtailment, will have to be reconsidered, along with updates to the TSC. Discussions have already commenced within the RAs and externally with the TSOs to gain further understanding of this issue and its potential impacts on the SEM.
- 5.4 It is not anticipated that a resolution will be provided on the matter prior to the T-4 capacity auctions in March, but communication to stakeholders will be frequent and they will have the opportunity to participate in a Consultation in Quarter 1 2020 on the issue.
- 5.5 The following table presents a high-level plan to be taken by the SEM Committee to progress the implementation of Article 13 in the SEM.

Step	Actions in 2020
1	Engagement with the TSOs, Departments and other stakeholders - Quarter 4 2019.
2	The SEM Committee will consult on non-market redispatch in Quarter 1 2020, to be followed by a Decision Paper.
4	Modification(s) to be made to the TSC on non-market based redispatch compensation.
5	Begin the technical implementation of the Decision(s) in the SEM.

<sup>&</sup>lt;sup>5</sup> (<u>SEM-11-062</u>) Principles of Dispatch and the Design of the Market Schedule in the Trading and Settlement Code (26 August 2011)

<sup>&</sup>lt;sup>6</sup> (SEM-13-010) Treatment of Curtailment in Tie-break situations (1 March 2013)

#### 6. MARKET PARAMETERS

- 6.1 Various articles in the Regulation require updates related to the calculation methodologies for market parameters underlying wholesale electricity markets, and in particular the Capacity Market, including the Value of Lost Load (VoLL), reliability standards, and resource adequacy.
- 6.2 Article 23 of the Regulation outlines criteria for the ENTSO-E to update these calculations/methodologies and submit proposals to ACER by 5 January 2020. Prior to submission, ENTSO-E is required to host a Consultation allowing input from RAs, MS and other interested participants.
- 6.3 Within three months of receiving the proposals, ACER is to either accept or amend the proposals. When approved, each MS is then tasked with applying these calculations as per the guidelines set out in the Articles 11 and 25 of the Regulation. Specifically, Article 11 requires that the RAs use the approved VoLL methodology to determine a new estimate in each of their respective MS by 5 July 2020.
- 6.4 It is anticipated that the new VoLL estimate for the SEM will be applicable for the T-4 capacity auctions to occurring in September 2020, subject to the timing of ACER's approval of ENSTO-E's proposals.
- 6.5 Furthermore, Articles 7 and 8 place responsibilities on the TSOs and NEMOs to effectively organise and manage the *ex-ante* markets to maximise efficiency of the market and create a fair and non-discriminatory trading platform. In order to facilitate this, Article 8 requires harmonisation of the imbalance settlement period to be 15-minutes by 1 January 2021 to enable trading as close to real time as possible. However, a derogation may be granted by the RA until 31 December 2024 for systems where this is technically infeasible. In any event though, the Regulation requires that by the end of 2025 the imbalance settlement period be no less than 30 minutes in any system.
- 6.6 Under the current system, it is not envisaged that the SEM will be able to adjust to a 15minute imbalance settlement period by 2021 as required under Article 8, and as such it is anticipated that the TSOs will request a derogation or exemption under EBGL from the RAs with respect to this article. If an exemption request is received, this will require cooperation with ACER in the development of the CBA underpinning the request.
- 6.7 Finally under this workstream, Article 10 states that there shall be no restrictions to the formation of the wholesale electricity price; however, NEMOs may apply harmonised limits on maximum and minimum clearing prices for the *ex-ante* markets such that they do not unnecessarily restrict trade and they take the VoLL into consideration.
- 6.8 The RAs will review the wholesale market to identify any limitations in the market which could restrict such price formation. The current framework in the SEM does have technical bidding limits in place, in the form of a price ceiling and price floor; however, they are considered to be unrestrictive. The price floor is currently set at *minus* 1,000 EUR/MWh, while the price ceiling is set at the current VoLL (just over 11,000 EUR/MWh). Based on this evaluation, the RAs are informing the relevant Departments of this condition and how it does not appear to lead to any non-compliance with Article 10.
- 6.9 With regards to the articles mentioned in this section, the following steps are proposed by the SEM Committee to progress implementation in the SEM.

Step	Actions in 2020
1	RAs to send note to Departments on the technical bidding limits currently in place in the SEM - Quarter 4 2019.
2	RAs to participate in the ENTSO-E consultation on the market parameters in Q4 2019/Q1 2020.
3	RAs to engage in ACER workshops and meetings pertaining to market parameters.
4	The SEM Committee will begin engagement with the TSOs to discuss the terms of an anticipated derogation or exemption request for the 15-minute imbalance settlement period, and will publish their proposal for public comment.
5	SEM Committee to calculate VoLL based on the approved methodology incorporate it into the SEM with the aim of it being in place before the T-4 capacity auctions in Sept 2020.

#### 7. CAPACITY REMUNERATION MECHANISMS

- 7.1 While determining the need for a capacity remuneration mechanism (CRM), as part of the approval process for the EC, Member States are to evaluate the level of resource adequacy in their jurisdiction. The parameters for this assessment, as mentioned in section 5, are being updated by ENTSO-E subject to ACER approval.
- 7.2 The SEM has previously identified resource adequacy concerns and as such has a CRM in place backed by a ten-year State Aid approval. Member States are required under Article 20 to develop an implementation plan for the EC to eliminate any identified regulatory distortions or market failures. Implementation plans for Ireland and Northern Ireland are accordingly being developed by the Departments to submit to the EC as per Regulation requirements.
- 7.3 Articles 21 and 22 set out new guidelines and design principles for development of CRMs. The SEM is mostly compliant with the articles due to the recent revisions which occurred to the market with the introduction of I-SEM in October 2018. The main consideration however occurs in Article 22.4 which prohibits capacity payments for generation facilities emitting above a certain level of CO<sub>2</sub>. Specifically, it requires that:
  - From 4 July 2019, any new generation facility which emits more than 550g of CO<sub>2</sub> of fossil fuel origin per kWh of electricity shall not receive capacity payments; and
  - From 1 July 2025, *all* generation facilities, regardless of when they were commissioned who emits more then 550g of CO<sub>2</sub> of fossil fuel origin per kWh of electricity and more than 350kg CO<sub>2</sub> of fossil fuel origin on average per year per installed kWe small not receive capacity payments.
- 7.4 There are currently no specifications regarding these criteria in the Capacity Market Code (CMC) and as a result, the new requirement is expected to have an impact on the T-4 capacity auction occurring in March 2020, and all subsequent auctions, for any generation facilities which exceed emissions limits.
- 7.5 The SEM Committee will review the CO<sub>2</sub> emissions levels for generation units following the approval of ACER's guidelines on calculation methodologies for CRMs, which are set to be published in January 2020. However, information on the new rules will be provided to any generation facilities anticipated to participate in the capacity auction in March to reduce uncertainty for market participants. The RAs are also considering the impact of

this requirement on existing units which might breach the aggregate emissions limits and how these might be treated beyond 1 July 2025 in the CRM.

- 7.6 In addition to the guidelines surrounding the internal treatment of capacity mechanisms within a Member State, Article 26 of the Regulation prescribes rules around cross-border participation in capacity mechanisms. ENTSO-E is to issue a proposal for the calculation of the maximum entry capacity for cross-border participation, revenue-sharing, rules for availability checks, and determining factors for non-availability payments, terms of registry and common rules for identifying capacity eligible to participate. This to be consulted on by ENTSO-E and submitted to ACER by 5 July 2020.
- 7.7 Following the approval of all the proposed methodologies, the RAs are then tasked to ensure capacities are correctly calculated as per the approved processes; this is not envisaged to take place until late next year or 2021.
- 7.8 The SEM Committee plans the following approach to progress CRM implementation with respect to the Regulation.

Step	Actions in 2020
1	The RAs are commenting on the Market Reform Plan provided by their respective Departments with respect to the design of the CRM – Quarter 4 2019.
2	Following the publication of the ACER guidelines on calculation methodologies for CO <sub>2</sub> emitting plants (due by 5 January 2020), the SEM Committee will review the guidance and where appropriate, work to incorporate calculation methodologies into the CRM.
3	Information to be provided to generation units participating in the T-4 capacity auction in March 2020 on the removal for capacity payments for relevant CO <sub>2</sub> emitting generators.
4	Modifications to be raised to the Capacity Market Code for the removal of capacity payments for relevant CO <sub>2</sub> emitting generators, with a subsequent Decision by the SEM Committee on the proposed modification.
5	Inputs into cross-border CRM participation in relevant ENTSO-E workshops and consultations and participation in appropriate ACER working groups.

#### 8. **REGIONAL COORDINATION CENTRES**

- 8.1 Article 35 in the Regulation requires the development of Regional Coordination Centres (RCCs). These are international entities created to complement the role of TSOs in a prescribed geographic region set by the ENTSO-E subject to the criteria provided in Article 36, by performing specific tasks as prescribed in Article 37.
- 8.2 The geographic regions for the RCCs are currently being consulted on by the ENTSO-E, with a deadline for a proposal to be submitted to ACER by 5 January 2020, to be approved/amended by ACER within three months of the submission date.
- 8.3 The TSOs in each agreed region are then are tasked with developing a proposed methodology for the establishment of the RCCs, to submit to the relevant RAs for approval by 5 July 2020. The SEM Committee envisages that consistent communication with the TSOs will occur during the development of this framework.
- 8.4 It is anticipated that the following steps will be taken to progress on the delivery of the RCCs.

Step	Actions in 2020
1	Input by the RAs into the ENTSO-E consultation on the geographic scope for the RCCs and subsequent participation in ACER working groups on the relevant topics.
2	Regular engagement in the form of meetings and reports from EirGrid and SONI on the progress for the development of the RCCs.
3	Following the submission of the RCC framework, it is anticipated that the SEM Committee will publish the proposal for consultation and issue a subsequent decision prior to implementation of the RCCs.

#### 9. NEXT STEPS

- 9.1 The SEM Committee has already commenced work in relation to the Regulation deliverables, based on the six priority areas identified above. The SEM Committee will track progress towards implementation during 2020 and will have regular meetings with relevant Government Departments and interested stakeholders in relation to CEP implementation. As part of this, the SEM Committee plans to keep stakeholders informed of all key developments in an open and transparent manner.
- 9.2 As indicated in our plan above, the SEM Committee envisages public consultations to commence in Quarter 1 2020, on the balance responsibility, dispatch and redispatch (constraints and curtailment) issues.