



**Single Electricity Market
(SEM)**

SEM Generator Testing Tariffs 2023

**Decision Paper
SEM-22-084**

21 November 2022

1 INTRODUCTION & BACKGROUND

The TSOs are required to review the Testing Tariffs annually and submit recommendations to the SEM Committee no later than 31 August each year. Testing Tariffs are charges levied by the TSOs on Generator Units Under Test (GUUT) in the all-island electricity market on the basis of their registered capacity. These are provided for by the Trading & Settlement Code Part B. Testing Tariffs recover expected increases in Imperfections Costs due to generators undertaking testing and are paid by the GUUT.

On 10 May 2018 the SEM Committee approved a new methodology ([SEM-18-027](#)) for the calculation of Testing Tariffs to account for changes resulting from the implementation of new market arrangements in October 2018. The SEM Committee also instructed the TSOs to conduct a full review of the methodology taking account of the costs imposed by units under test in the new market arrangements. The TSOs have recommended a modification to the Trading and Settlement Code which may affect UUT. The full review will be completed when a decision is made on whether to progress this modification.

This paper sets out the testing tariffs that will apply to GUUT in the SEM from 1 January 2023. It follows the recommendation paper submitted by the TSOs on 21 September 2022, which is published along with this decision. Prior to submission of the recommendation paper, the TSOs carried out a public consultation¹ on 16 August 2022 that lasted for two weeks, no responses were received. This was a relatively short period of consultation reflective that the proposed changes to the tariff were minimal. The SEM Committee expects the TSOs to complete a more detailed review of the Testing Tariffs ahead of a more extensive consultation period next year.

2 SEM TESTING TARIFFS 2022: TSO RECOMMENDATION

The TSOs propose to make no changes to the approved 2022 testing tariffs in setting the 2023 testing tariffs, other than updating for inflation at a forecast rate of 5.038%. The reason for this is that the majority of recent generator testing has been low impact and does not incur a testing tariff, and the TSOs envisage this trend continuing in 2023.

Additionally, Mod 02_22 to the Trading and Settlement Code, relating to Cost Recovery when Under Test, is currently under consideration. This may affect the entire Units Under Test process, so the TSOs propose that more substantive review be carried out following a decision on the progression of this Mod and understanding of its impact.

¹ The public consultation can be found on [EirGrid's website](#) and on [SONI's website](#).

3 SEM COMMITTEE DECISION

The SEM Committee has decided that, as recommended by the TSOs, the SEM Testing Tariff rates as set out in the table below will apply from 1 January 2023.

Tariff A:

Generator Capacity	MW	SEM 2022 €/MWh (from 01 Jan 2022)	SEM 2023 €/MWh (from 01 Jan 2023)	% Variance
GEN <50	50	€ 0.73	€ 0.76	5.038%
50 < GEN ≤100	100	€ 2.80	€ 2.94	5.038%
100 < GEN ≤ 150	150	€ 3.64	€ 3.82	5.038%
150 < GEN ≤ 200	200	€ 4.08	€ 4.28	5.038%
200 < GEN ≤ 250	250	€ 4.17	€ 4.38	5.038%
250 < GEN ≤ 300	300	€ 4.24	€ 4.46	5.038%
300 < GEN ≤ 350	350	€ 4.36	€ 4.58	5.038%
350 < GEN ≤ 400	400	€ 4.00	€ 4.20	5.038%
400 < GEN ≤ 450	450	€ 3.45	€ 3.63	5.038%
450 < GEN	500	€ 3.92	€ 4.12	5.038%

Tariff B:

Tariff B is set to zero for all units.

4 NEXT STEPS

The testing tariff rates set out above will apply from 1 January 2023.

In light of the proposed Trading and Settlement Code Mod 02_22, the TSOs shall carry out an assessment of the impact on testing tariffs, and following on from this will conduct a more detailed review of the testing tariff methodology. This will result in a more extensive consultation on the testing tariffs for 2024.