



An Coimisiún
um Rialáil Fóntas
**Commission for
Regulation of Utilities**

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System Services Locational Scarcity Scalars Rates to apply from 1 October 2020

Decision Paper

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Introduction

The CRU published its decision paper on Locational Scarcity Scalars (LSS) to apply in the Dublin Region in December 2019 ([CRU/19/128](#)). As part of its decision the CRU directed EirGrid to develop values for the scalars and to consult on these values before submitting the final values to the CRU for approval. In line with this direction EirGrid published a consultation on 23 June 2020 in which a definition for the Dublin Region was provided along with a set of values for the LSS. The consultation closed on 4 August and 13 responses were received by EirGrid.

Following review of the responses, on 12 September 2020 EirGrid submitted its recommendation on the setting of the values to the CRU, along with recommendations for the definition of the Dublin Region¹ and for what technologies should qualify for the scalars. On 30 September 2020 the CRU approved the recommendations and instructed EirGrid to implement the decision to apply from 1 October 2020. EirGrid's recommendation paper, detailing the responses to its consultation, has been published on its website [here](#). A summary of the CRU's decision is contained in the next section.

Decision

The CRU has approved the methodology proposed by the TSO; a pro-rata based approach to the setting of the locational scalar values, whereby each of the products receives the same scalar. The payment basis for the LSS will be applied in line with the payment rules for the Temporal Scarcity Scalar, as set out in the DS3 System Services Market Ruleset.

As set out in CRU/19/128 in the first year the LSS will be set for five years. While the rates may be adjusted within this period the CRU will have regard to the overall stability of the mechanism and certainty for providers.

The approved rates are set out in the below table.

	RRD	RRS	RM1	RM3	SSRP	TOR 2
01/10/20	1.94	1.94	1.94	1.94	1.94	1.94
01/10/21	1.94	1.94	1.94	1.94	1.94	1.94
01/10/22	1.94	1.94	1.94	1.94	1.94	1.94
01/10/23	1.94	1.94	1.94	1.94	1.94	1.94
01/10/24	1.94	1.94	1.94	1.94	1.94	1.94

Next Steps

In Q2 of next year, as part of the annual revenue setting process, the TSO will submit to the CRU its recommendation for the LSS rates to apply for the following five-year period, including whether any revision to the rates set out in this decision is appropriate. The TSO should also monitor the effectiveness of the approved methodology and propose any changes it considers appropriate.

¹ As set out in CRU/19/128 the TSO defines the Dublin Region (the area electrically in Dublin may vary from Dublin's geographic boundaries). The TSO has currently set the definition of the Dublin Region for the purpose of the application of locational scarcity scalars to the Dublin Level 2 Locational Capacity Constraint Area.