

DS3 System Services: Expenditure Review

07/05/2021

The DS3 System Services arrangements have been designed to facilitate new and existing technologies and participants to provide services required to facilitate the operation of a resilient power system when up to 75% of demand is met by non-synchronous technologies.

In September 2020, the TSOs published a [note](#) on System Services expenditure, outlining our concerns with regard to significant increases in spend arising due to the unforeseen high volumes of fast acting technologies in provision of system services.

Following DS3 System Services Gate 4, an additional 128.5MW of system services provision from high availability fast acting technology has been procured; this is expected to increase again significantly following Gate 4B. This significant additional increase in volumes will generate an increase in expenditure to a level that may exceed the regulatory guideline of €235m (plus €20m in a high-wind year).

SEM Committee Decision SEM-17-080 outlines the measures to be taken in the event that the annual expenditure is forecast to exceed this guideline. In that context, the TSOs submitted a report to the regulatory authorities highlighting the trend in expenditure that will ensue as a result of the aforementioned increase in volumes and, upon request from the regulatory authorities, are now developing proposals on revised System Services Rates. A consultation on the revised rates will be launched in the coming weeks, before the TSOs submit our tariff proposals to the regulatory authorities.