

All-Island

Power Market Outlook to 2030



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CORNWALL INSIGHT

CREATING CLARITY

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About Cornwall Insight

Getting to grips with the intricacies embedded in the energy market can be a daunting task. There is a wealth of information online to help you keep up to date with the latest developments but finding what you are looking for and understanding the impact for your business can be tough. That is where Cornwall Insight comes in, providing independent and objective expertise. Ensure your business stays ahead by taking advantage of our:

- Publications – Covering the full breadth of the energy industry our reports and publications will help you keep pace with the fast moving, complex and multi-faceted markets by collating all the “must-know” developments and breaking-down complex topics
- Market research and insight – Providing you with comprehensive appraisals of the energy landscape helping you track, understand and respond to industry developments; effectively budget for fluctuating costs and charges; and understand the best route to market for your power
- Training, events and forums – From new starters to industry veterans, our training courses will ensure your team has the right knowledge and skills to support your business growth ambitions
- Consultancy – Energy market knowledge and expertise utilised to provide you with a deep insight to help you prove your business strategies are viable

For more information about us and our services contact us on enquiries@cornwall-insight.ie or +353 1 657 3420

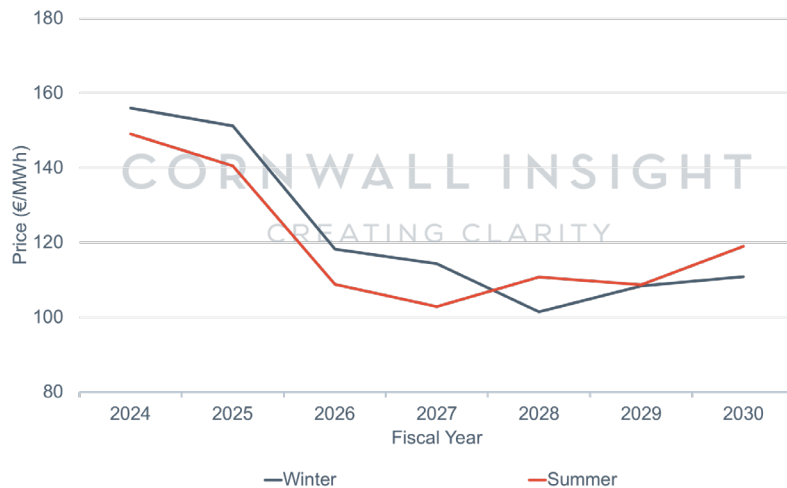




1 Ireland Power Market Outlook to 2030

This report provides an annual overview of trends for the All-Island Power Market out to 2030 using outputs from Cornwall Insight's latest forward curve for the All-Island (AI) Single Electricity Market (SEM) covering Northern Ireland and the Republic of Ireland. This publication is based on comprehensive market and asset-level power price modelling that delivers long-term power price forecasts, informed by industry-leading regulatory, market and policy expertise, and supplemented with direct access to trusted practitioners. All numbers/ figures are based on Cornwall Insight modelling, except where explicitly referenced.

Figure 1: Power price forecasts - average price per fiscal year



Source Cornwall Insight Benchmark Power Curve

Key Drivers

- Prices for the near term have fallen as gas storage stocks in the EU are very strong for winter, with less gas expected to be needed to refill to meet targets in summer. However, power prices will remain elevated in the next few years relative to the period before the Russian invasion of Ukraine, as the EU has become more dependent on Liquefied Natural Gas (LNG) shipments.
- Prices are forecast to decline from 2024 to 2027 as renewable generators are built to meet the 80% renewable generation target by 2030, replacing capacity provided by higher marginal cost coal- and oil-fired plants.
- Prices stabilise from 2027 as growth in renewable generation is met by increasing demand and completion of the Celtic and MaresConnect interconnectors, which results in Ireland becoming a net exporter of electricity.
- Since our last report:
 - European gas prices have decreased in the short term due to ample gas storage levels over the winter period.
 - EU carbon prices have decreased, mostly due to reduced industrial demand resulting from high energy prices.
 - The 27/28 T-4 capacity market auction results were published in December, with a total of 231MW new capacity successful.
- For information up to 2050 and more in-depth analysis, our **All-Island Forward Curve Report** is available.

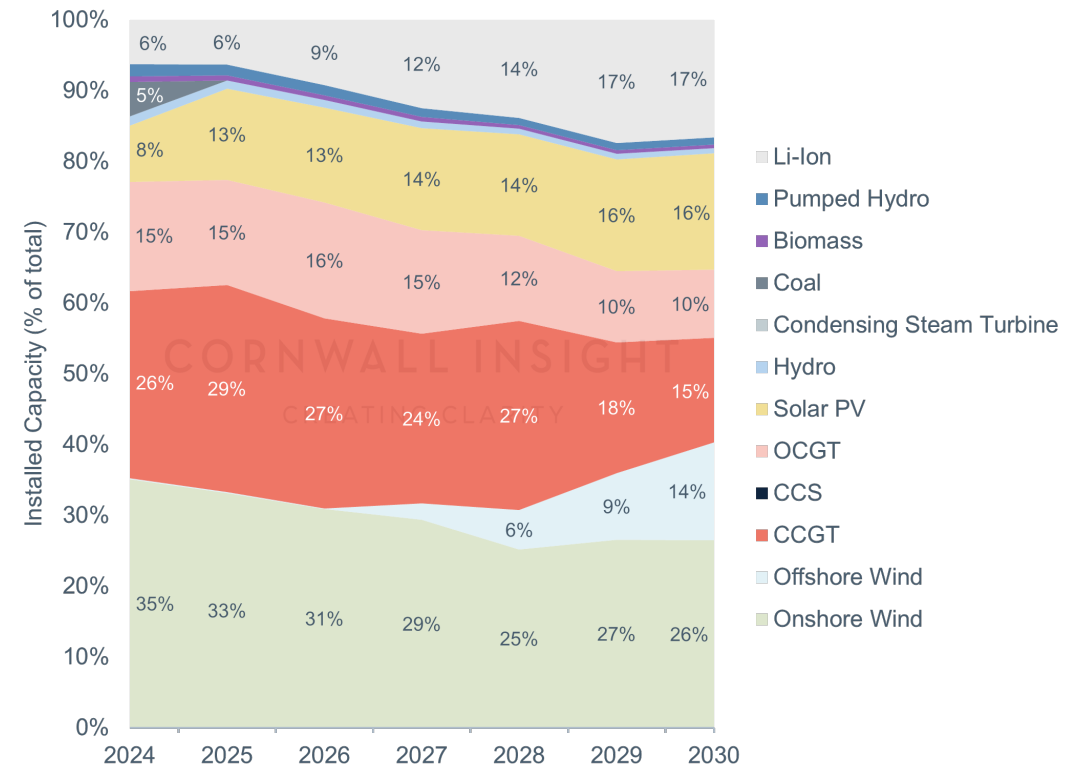


Generation Technology Mix

Underlying the forecast changes in power prices are significant changes to the technological make-up of the system.

- As carbon prices increase, coal station profitability decreases. They mainly generate in the winter when the system is tighter until they cease market operations in 2025 in line with Government ambitions. Moneypoint is scheduled to close in 2025, although it is expected to remain as a generator of last resort until 2029.
- CCGT capacity is expected to increase in 2025 with the conversion of Kilroot power station. Additional CCGTs are expected towards the end of the decade to meet demand in periods of low wind, as acknowledged by the Climate Action Plan 2023.
- OCGT capacity grows to maintain system security. However, EP Energy announced that Tynagh has terminated their capacity market agreement and that their planned OCGT plant will no longer be built.
- Offshore wind will be deployed through government subsidy to help meet the 80% renewable electricity target in 2030. ORESS 1 saw 3GW of capacity awarded, with a further 900MW set to be procured in ORESS 2.1 (draft Terms and Conditions to be published in March 2024) for delivery in 2030.
- An additional 497.6MW of solar and 148.4MW of wind capacity is due by 2027. Timelines for additional renewable buildout have been extended to align with lower-than-expected capacity awarded in the RESS auction, resulting in a slight increase in prices in the medium term.
- Battery storage capacity will increase to offer flexibility and balancing services.

Figure 2: Future electricity generation capacity breakdown



Source Cornwall Insight Benchmark Power Curve

For information up to 2050 and more in-depth analysis our **All-Island Forward Curve Report** is available.

Our experts are on hand to discuss any of the information above in more detail.



All-Island Forward Curve

The Forward Curve is a comprehensive power price modelling service, providing market and technology-specific forecasts. It delivers long-term 30-year price forecasts, informed by our significant market, policy and regulatory expertise, along with direct access to our experts.

Key Commercial Features

This is part of our power revenue forecasting service, which offers complete coverage and insight across power revenue streams available for generation and storage assets.

- 30-year forecasts of Irish captured wholesale power prices for generating technologies
- Three scenarios presented (Central, High & Low) covering credible outcomes for policy, regulation, technology mix, and commodity price developments informed by in-depth and extensive market research
- Forecasts are underpinned by leading modelling practises for capacity planning and dispatch utilising the latest PLEXOS software
- Models are calibrated to the traded market ensuring forecasts are consistent with our practical expertise in real market operations

Key Benefits

Our comprehensive service offers regular price and value monitoring of key revenue streams.

- Understand the range of credible long-term electricity prices captured by different technologies
- Incorporate asset-level revenue forecasts into project/portfolio financial models to support investment cases, budgeting, asset benchmarking and business planning
- Mitigate risk arising from changes to regulation, policy and the prevailing market conditions
- Benchmark and assess the value delivered by different routes to market



Transactions & Valuations



Risk Management Market
& Regulatory Change



Portfolio & Asset Optimisation

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Find out more about this service by contacting Therese Murphy at t.murphy@cornwall-insight.ie or +353 (0)87 406 0054.



North West Europe* Benchmark Power Curve

**Germany, Austria and Benelux*

The Benchmark Power Curve is a comprehensive power price modelling service, providing market and technology-specific forecasts. It delivers long-term 30-year price forecasts, informed by our significant market, policy and regulatory expertise, along with direct access to our experts.

Key Commercial Features

This is part of our power revenue forecasting service, which offers complete coverage and insight across power revenue streams available for a low carbon generation asset.

- 30-year power and commodity (gas, oil, carbon) wholesale curves for Germany, Austria, Netherlands, Belgium and Luxembourg power markets
- Technology capture prices (e.g. solar, onshore/offshore wind, baseload)
- High, central & low scenarios by generation mix and commodity prices
- Developed in collaboration with the Institute of Energy Economics at the University of Cologne (EWI)

Key Benefits

Our comprehensive service offers regular price and value monitoring of key revenue streams.

- Designed to support business case development and investments in power generation assets
- Short-term forecasts are calibrated to the traded market to ensure they reflect current market dynamics
- Mitigate investment risk through accurately reflecting key regulatory and policy developments



Transactions & Valuations



Risk Management Market &
Regulatory Change



Portfolio & Asset Optimisation

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Find out more about this service by contacting Ben Reade at b.reamde@cornwall-insight.com or +44 (0)7866 607963.

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Don't miss our upcoming webinar

17 January 2024 | 11:00am-12:00pm GMT

Modelling the Journey Towards a Low-Carbon Future: Focus on North West Europe

Join us for an exciting webinar where we will reveal exclusive insights from our brand-new North West Europe Benchmark Power Curve. Discover how Germany, Belgium, Netherlands, Luxembourg and Austria are coping with the ongoing energy volatility and what it means for their net zero targets.

Find out how policy decisions are shaping the future of the region's energy sector – and what challenges and investment opportunities lie ahead. You will also have the chance to ask questions and join the discussion during the Q&A session. Don't miss this opportunity to discover our power price forecasting service and how it can help you make informed decisions in the energy market.

[Register here](#)



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