



## Single Electricity Market

### MODIFICATIONS COMMITTEE MEETING MINUTES

MEETING 123

MS Teams Call

20 June 2024

10.30AM – 12.00PM

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**Document History**

Version	Date	Author	Comment
1.0	27 <sup>th</sup> June 2024	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	4 <sup>th</sup> July 2024	Modifications Committee Secretariat	Committee and Observer review complete

**Distribution List**

Name	Organization
Modifications Committee Members	SEM Modifications Committee
Modification Committee Observers	Attendees other than Modifications Panel in attendance at Meeting
Interested Parties	Modifications & Market Rules registered contacts

**Reference Documents**

Document Name
<a href="#">Balancing Market Rules – Trading and Settlement Code &amp; Agreed Procedures</a>
<a href="#">Mod_01_24 Inclusion of Difference Charges in Calculation of Make Whole Payment Revenue</a>
<a href="#">Mod_03_24 Update of Difference Charge Calculation Logic</a>
<a href="#">Mod_04_24 SEMO Housekeeping 2024</a>
<a href="#">Mod_05_24 Clarification of Start Up Payment Conditions</a>

**In Attendance**

Name	Company	Position
<b>Modifications Committee (voting members)</b>		
David Morrow	Energia	Generator Alternate
Richard Crowley	Bord na Mona	Generator Alternate
Nick Heyward	Energy Storage Ireland	Flexible Participant Alternate
Robert McCarthy	Electricity Exchange	DSU Member
David Caldwell	Power NI	Supplier Member
Nick Brown	PrePayPower	Supplier Alternate
Bryan Hennessy	Flogas Energy	Supplier Member
Andrew Kelly	ESBGWM	Generator Alternate
Colm Oireachtaigh	PrePayPower	Supplier Member

Patrick Larkin	ElectroRoute	Assetless Alternate
Sean McParland	Energia	Generator Member
Andrew Burke (Vice-Chair)	WEI	Renewable Generator Member
Ian Mullins	Bord Gais Energy	Supplier Member
Harry Molloy	EPUKI	Generator Member
Andrew McCorrison	SSE	Generator Alternate
<b>Modifications Committee (non-voting members)</b>		
Deirdre Hughes	EirGrid	SO Alternate
Michael Coone	EirGrid	SO Member
Kevin Hagan	CRU	RA Member
Kevin Goslin	CRU	RA Alternate
Lisa Tate	UR	RA Member
Mary Farrelly	UR	RA Alternate
James Long	ESB Networks	MDP Member
Martin McCarthy	SEMO	MO Alternate
Katia Compagnoni	SEMO	MO Member
Adelle Watson	NIE Networks	MDP Member
<b>Secretariat</b>		
Esther Touhey	SEMO	Secretariat
Sandra Linnane	SEMO	Secretariat
<b>Observers</b>		
Emma Deegan	Energia	Observer
Pranav Kakkar	EPUKI	Observer
Gavin O'Brien	SEMO	Observer
John Tracey	EirGrid	Observer
Sorcha Dineen	EirGrid	Observer

## 1. SEMO UPDATE

Secretariat welcomed all to Modifications Committee Meeting 123 and noted that the minutes for Meeting 122 were read and approved. An overview was given on the Programme of Work with reference given to Mod\_08\_23 which involves the removal of Part A and Part B reference to the Code noting that an update will be made to the Market Rules page of the SEMO website in the near future.

It was advised that elections would commence after Modifications Committee Meeting 123 with expiration notices going out to each of the Members that are affected.

Thanks, and appreciation was given to Sean McParland of Energia who will be leaving the Committee in July.

Market Development Update

MO Member gave a briefing on the Market Development Update noting that the update focused on Release M which is expected to go live go-live at the end of July. It was advised that a high-level document for this release has been available for few months already and that the main focus of the release would be on implementing changes for Greenlink. MO Member went through the different phases of the Release noting Market System would be updated at the end of July and other TSO systems in August while a commercial go-live is dependent from Greenlink and is expected to be between September and October. An earlier system go-live is expected in GB to allow for the registration process in that jurisdiction.

**2. REVIEW OF ACTIONS**

MO Member gave an update on the below actions:

Mod\_02\_22 – MO Member advised that the text document from TSO had been updated with the additional process in cases where the units agree to come back earlier from outage at the request of the TSO, and minor updates throughout the documents.

Mod\_10\_23 – MO Member advised this was on hold pending a final order from judicial review. Concerns were raised from a Renewable Generator Member about the timelines and requested any changes to be communicated as soon as possible as they came in. MO Member reassured that SEMO had commenced looking at potential Modifications that would facilitate readiness in case of a judgement being finalized. SEMO is aware of the magnitude of the outstanding payments and the accrued delays; however, no action can be taken until the judicial process has reached completion and full clarity is provided. Generator Member also asked for comments from the RAs, and RA Member confirmed SEMO statement.

Mod_02_22 Cost Recovery when Under Test	<ul style="list-style-type: none"> <li>Implementation of decision on Mod_02_22 by TSO – <b>Closed</b></li> </ul>
Mod_08_23 Archiving Part A & C of the TSC	<ul style="list-style-type: none"> <li>SEMO to add explanatory wording to the updated sections in the SEMO website – <b>Closed</b></li> </ul>
Mod_10_23 Market Compensation for Firm Curtailment Look Back Period	<ul style="list-style-type: none"> <li>SEMO to publish detailed process for comments – <b>On Hold</b></li> </ul>
Mod_12_23 Extension to Timing for Execution of Deeds	<ul style="list-style-type: none"> <li>Proposer to assess comments and potentially submit a version 2 of this proposal with updated legal drafting – <b>Closed</b>.</li> <li>Secretariat to draft a withdrawal notification - <b>Closed</b></li> </ul>
Mod_13_23 SDP_01 Treatment of Non-Priority Dispatch Renewables	<ul style="list-style-type: none"> <li>Proposer to provide more information on existing delivery programs and the established timelines for an enduring solution – <b>Closed</b></li> </ul>

Mod_01_24 Inclusion of Difference Charges in Calculation of Make Whole Payment Revenue	<ul style="list-style-type: none"> <li>Proposer to update legal drafting and submit a version 2 for the Modifications Committee Meeting 123 in June - <b>Open</b></li> </ul>
Mod_02_24 SDP_02 Battery Integration V3	<ul style="list-style-type: none"> <li>Secretariat to draft a Final Recommendation Report – <b>Closed</b></li> </ul>

**3. DEFERRED MODIFICATION PROPOSALS**

**MOD\_01\_24 INCLUSION OF DIFFERENCE CHARGES IN CALCULATION OF MAKE WHOLE PAYMENT REVENUE**

The Proposer delivered a [presentation](#) on this Modification Proposal noting that this Proposal was previously presented in Modifications Committee Meeting 122 in April 2024 but although the legal drafting has been reviewed and modified, there are still issues that need addressing for individual scenarios, therefore a deferral to the next meeting was requested for this modification.

The new draft assured that the Modification would not apply in cases where a unit doesn't have a Capacity Contract.

In the worked example the Proposer considered 3 identical generation units and advised that it was important to highlight that the changes aim to maintain a neutral revenue for the generators while not being too onerous on the consumers. RA Member noted that this Modification ~~was worth consideration had merit~~ however, commented on the completeness of the data for the first unit in the example provided as other charges or payments were being omitted that would apply and it does not give a ~~complete truthful~~ reflection of the scenario. [The Proposer did not agree that there were changes omitted nor that the example presented was not a complete reflection of the scenario.](#)

Supplier Member asked how often this issue has occurred and what magnitude. The Proposer said that they had experienced in particular with units at Kilroot during a price event in Jan 2021. Since then, a modification to remove interconnector impact on pricing had been approved eliminating the risk of further price events; however, it is the opinion of the Proposer, that the frequency of the occurrences will increase due to the greater penetration of wind and batteries and therefore this issue should be anticipated. As for the magnitude of each occurrence, that will depend on the prices submitted by the affected unit and the duration of the event. SO Alternate requested the analysis of the real time example cited by the Proposer, because the losses incurred could potentially have been mitigated by Imperfection Payments such as CPREMIUM and other components such as CIMB. The proposer agreed that was a possibility and accepted to provide the details of the event.

**Decision**

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This Proposal was deferred.

**Action:**

- Proposer to provide details of the event occurred in the past – **Open**.
- Proposer to update legal drafting and submit a version 2 for the Modifications Committee Meeting 124 in August – **Open**

**4. NEW MODIFICATION PROPOSALS**

**MOD\_03\_24 UPDATE OF DIFFERENCE CHARGE CALCULATION LOGIC**

The Proposer delivered a [presentation](#) on this Modification proposal noting that they required it to be deferred as the proposal may get withdrawn on further analysis. The Proposer advised that the issue was material only for particular sections of the market in particular units with very high prices.

Concern was raised by a Generator Member that this had been rushed through. The Proposer mentioned that the intention was to accelerate any possible system change and therefore it was submitted by the deadline. However new facts came to light after having raised the Modification changing the view on its necessity. The Proposer requested more time to complete the analysis and provide a full explanation.

*Decision*

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This Proposal was deferred.

**MOD\_04\_24 SEMO HOUSEKEEPING 2024**

The Proposer gave an overview of this Modification Proposal noting there was a minor adjustment to a paragraph which had not been correct from when Part B of Code was first published. It was advised the minor error caused 2 paragraphs to become merged.

*Decision*

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This Proposal was Recommended for Approval.

Recommended for Approval by Unanimous Vote		
Andrew Burke (Vice-Chair)	Renewable Generator Member	Approve
Nick Heyward	Flexible Participant Alternate	Approve
Robert McCarthy	DSU Member	Approve
Nick Brown	Supplier Alternate	Approve
Bryan Hennessy	Supplier Member	Approve
Andrew Kelly	Generator Alternate	Approve
Andrew McCorrison	Generator Alternate	Approve
Patrick Larkin	Assetless Alternate	Approve
Sean McParland	Generator Member	Approve

Ian Mullins	Supplier Member	Approve
Harry Molloy	Generator Member	Approve
David Caldwell	Supplier Member	Approve

**Action:**

- Secretariat to draft a Final Recommendation Report - **Open**

**MOD\_05\_24 CLARIFICATION OF START UP PAYMENT CONDITIONS**

The Proposer gave a [presentation](#) of this Modification Proposal and a background on the proposal. An overview was given on how CSU was implemented and how this Modification Proposal was looking at units that were not receiving their start-up costs when getting settled on their first period of continuous operation, on simple CODs.

The Proposer confirmed that a change request was discussed with the vendor and deemed minor. The Proposer discussed the cause of the issue and noted that a workaround was developed to avoid any impact to generators. This Modification Proposal was drafted after discussion with the Regulators to make sure that the correct interpretation of the process was being applied. Assurance was given that this was not a policy change but just a clarification requiring minor system changes.

Renewable Generator Member gave support for this proposal but voiced concern with the overall governance shown and suggested that testing should have been carried out to ensure the fix was working correctly. The Proposer agreed that lessons were learned from this, and processes were put in place so that this would not happen again by increasing the regression testing samples so that as many varieties of unit types and scenarios would be included in testing although it could never be guaranteed that all scenarios can be captured.

**Decision**

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This Proposal was Recommended for Approval,

Recommended for Approval by Unanimous Vote		
Andrew Burke (Vice-Chair)	Renewable Generator Member	Approve
Nick Heyward	Flexible Participant Alternate	Approve
Robert McCarthy	DSU Member	Approve
Nick Brown	Supplier Alternate	Approve
Bryan Hennessy	Supplier Member	Approve
Andrew Kelly	Generator Alternate	Approve
Andrew McCorrison	Generator Alternate	Approve



Patrick Larkin	Assetless Alternate	Approve
Sean McParland	Generator Member	Approve
Ian Mullins	Supplier Member	Approve
Harry Molloy	Generator Member	Approve
David Caldwell	Supplier Member	Approve

**Action:**

- Secretariat to draft a Final Recommendation Report - **Open**

**5. AOB/UPCOMING MODIFICATIONS**

RAs advised that the paper for DSU energy payment consultation is finalized and awaiting approval to be published. Market Participants were encouraged to read and respond to this paper.

Secretariat thanked all for their attendance and confirmed that Modifications Committee Meeting 124 would take place on for 22<sup>nd</sup> August 2024.

<b>APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT MEETING 123</b>		
<b>Status as of 20 June 2024</b>		
<b>Modification Proposals ‘Recommended for Approval’ without System impacts</b>		
<b>Title</b>	<b>Sections Modified</b>	<b>Sent</b>
Mod_10_23 Market Compensation for Firm Curtailment Look Back Period	H	Sent for RA Decision 16/11/23
<b>Modification Proposals ‘Recommended for Approval’ with System impacts</b>		
Mod_02_24 SDP_02 Battery Integration V3	B,D,F Appendix H,I,N,O, Glossary, Agreed Procedure 1 & 4	Sent for RA Decision 24/05/24
Mod_13_23 SDP_01 Treatment of Non-Priority Dispatch Renewables	D,F Appendix E,I,K,O, Glossary	Sent for RA Decision 15/03/24
Mod_11_23 SDP_02 Battery Integration	B,D,F, Appendix I, Appendix O, Glossary	Sent for RA Decision 08/02/24
Mod_02_23 DSU Energy Payments	B, F, G, H AP01 Section 2.3 & Appendix 3	Sent for RA Decision 16/03/23
<b>Modification Proposals ‘Recommended for Rejection’</b>		
N/A	N/A	N/A
<b>RA Decision ‘Further Work Required’</b>		
N/A	N/A	N/A
<b>RA Decision Approved Modifications with System Impacts</b>		
<b>Title</b>	<b>Sections Modified</b>	<b>Effective Date</b>
Mod_17_22 System Action Re-pricing	E.3.4.2	Following system implementation
Mod_05_23 Market Compensation for Firm Curtailment	F, G, Glossary	Following system implementation
Mod_08_23 Archiving Part A&C of the TSC	Part A & Part C	Following website upgrade project
<b>RA Decision Approved Modifications with no System Impacts</b>		
<b>Title</b>	<b>Sections Modified</b>	<b>Effective Date</b>
Mod_06_23 SEMO Housekeeping 2023	F.2.7.2, F.10.1.4, Glossary, AP04 2.7.1, 2.7.2	28 <sup>th</sup> July 2023
Mod_07_23 Collection of Monies M+4 Update	G.2	28 <sup>th</sup> July 2023
Mod_09_23 Correction to the calculation of SDPIMB	G.14.2.4	21 <sup>st</sup> December 2023
<b>RA Decision Rejected</b>		
Mod_01_23 Remuneration of Commissioning Unit	D,F,G,K	13 <sup>th</sup> November 2023
Mod_07_22 Indexation to calculation of Capacity Payments for New Capacity	F.17	19 <sup>th</sup> March 2024

<b>RA Direction</b>		
Mod_08_20 Imbalance prices to reflect the real-time value of energy	D.4.4.12	Decision letter received – 29/10/20
<b>AP Notifications</b>		
N/A	N/A	N/A
<b>Withdrawal Notifications</b>		
Mod_12_23 Extension to Timing for Execution of Deeds	AP1, 3.7.1	23 <sup>rd</sup> April 2024
<b>Modification Proposal Extensions</b>		
N/A	N/A	N/A
<ul style="list-style-type: none"> <li>• Meeting 124 – 22<sup>nd</sup> August 2024 – MS Teams</li> </ul>		