

# Single Electricity Market

### MODIFICATIONS COMMITTEE MEETING MINUTES

MEETING 127B

MS Teams Call

12<sup>th</sup> March 2025

10.30AM – 12.30PM

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Version	Date	Author	Comment
1.0	19 <sup>th</sup> March 2025	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	26 <sup>th</sup> March 2025	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			
Balancing Market Rules – Trading and Settlement Code & Agreed Procedures			
Mod_01_25 Synchronous Condensers SDP_06			
Mod_01_25 Synchronous Condensers SDP_06 v2			
Mod_01_25 Synchronous Condensers SDP_06 v3			
Presentation – Meeting 127B			
Mod_01_25 Industry Call – Meeting Notes			

#### In Attendance

Name	Company	Position			
Modifications Committee					
Andrew Burke	WEI	Renewable Generator Member			
Andrew Kelly	ESB	Generator Member			
Cormac Daly	VIOTAS	DSU Member			
Colm Oireachtaigh	PrePayPower	Supplier Member			
Christopher Mullan	Power NI	Supplier Alternate			
David Caldwell	Power NI	Supplier Member			
David Morrow	Energia	Generator Member			
Eoin Murphy	ElectroRoute	Assetless Member			
Harry Molloy	EP UK Investments	Generator Member			

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Javaid Waqas	Energia	Generator Alternate		
James Long	ESB Networks	MDP Member		
Judith Torbitt	NIE Networks	MDP Alternate		
Kevin Goslin	CRU	RA Alternate		
Kevin Hagan	CRU	RA Member		
Michael Coone	EirGrid	SO Member		
Niamh Trant	Bord Gais Energy	Supplier Alternate		
Nick Heyward	Energy Storage Ireland	Flexible Participant Alternate		
Paraic Higgins	ESB	Generator Alternate		
Stacy Feldmann (Chair)	SSE	Generator Member		
Richard Crowley	BNM	Generator Alterate		
Nick Brown	PrePayPower	Supplier Alternate		
Secretariat				
Esther Touhey	SEMO	Secretariat		
Sandra Linnane	SEMO	Secretariat		
Observers				
Edward Carty	EirGrid	Observer		
Niall Rutherford	EirGrid	Observer		
Elaine Corcoran	EirGrid	Observer		
Peter Brett	EcoPower	Observer		
Peter Wibberley	Yellow Wood Energy	Observer		
Nicole Browne	CRU	Observer		
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# 1. SEMO UPDATE

Secretariat welcomed all to Extraordinary Modifications Committee Meeting 127B noting that there would be a shorter agenda without a Market Development update or overview of outstanding actions.

#### **DEFERRED MODIFICATION PROPOSAL**

#### MOD 01 25 SYNCHRONOUS CONDENSERS SDP 06 V3

The Proposer delivered a <u>presentation</u> on version 3 of this Modification Proposal noting the actions from the Industry Call held on the 26th of February would be addressed and further updates to the legal drafting had been circulated. It was also noted that updates to the Grid Code related Modification were also discussed internally to ensure alignment.

A reminder of the timelines to this proposal was given and the Proposer gave an update on the below actions raised at the Industry Call.

- Tie Breaking Rules It was confirmed that no updates were required as tie breaking occurs randomly.
- TSO to confirm reports for System Services Providing Units It was advised that there was an
  existing report for Operational Schedules and for Dispatch Instructions and there would be no new
  reports resulting from SDP\_06.
- TSO working more closely with Future Arrangements for System Services (FASS) confirmation given that there was collaboration with SDP and FASS and as per SEMC decision non reserve services would not be included for DASSA go live. Assurance was given that FASS have published a Phased Implementation Roadmap (PIR) and a consultation would be issued in the coming months on non-Reserve products.

The changes to version 3 of this proposal were discussed which included legal drafting changes.

Generator Member queried why Synchronous Condensers should be included in the Trading and Settlement Code. Generator Member questioned why there was no specific mention of Synchronous Condenser Units in the updated definition for Synchronization. The Proposer advised that the units were covered by the updated definition of Generator Unit and the new definition was reviewed by System Operators and in line with Grid Code. A concern was raised that these units do not produce energy, but they were included in the definition of Generator Unit with other energy producing units. MO Member advised that Generator Unit is an umbrella term under which many units fall including DSU and Assetless units which do not produce energy.

Generator Alternate voiced a concern that there wasn't clarity on what this Modification could do in relation to the future arrangements for system services and non-reserve procurement. It was noted that the framework of non-reserve products procurement contract could be tied to a Layered Procurement Framework (LPF), as per the 2023 SEMC Decision, and confirmation was needed on how this proposal would work in respect to this as well as implications to the Residual Availability Determination (RAD)/ Final Assignment Mechanism (FAM). There was a concern that the LPF would contract for the remaining service provision (total system requirement less LCIS procured volumes), and then when it came to dispatching the system, the LCIS contracted assets wouldn't be dispatched and the RAD/FAM would not compensate for the additional Synchronous Inertia Response (SIR) and State-Steady Reactive Power (SSRP) services procured in the Balancing Market. It was advised that Committee Members should have a full view of the consultation paper on non-reserve before making a decision on the Modification. The Proposer advised that the Scheduling and Dispatch Programme related to the scheduling and dispatch of Synchronous Condensers and that system services contracting was outside their remit. It was further discussed that Synchronous Condensers are system services and they could not be looked at with an S&D lens only. Generator Alternate also queried a statement from the Proposer's presentation in relation to different prices applied which would introduce an additional distinguishing factor between synchronous condensers and how this aligns with European legislation.

Generator Member questioned what was the function of the Modification if Scheduling is out of the TSC and was it just to specify the submission of Commercial and Technical Offer Data (COD and TOD) even though they cannot be profiled? The Proposer advised that Synchronous Condensers currently are registered under the Code but without an appropriate framework, they can submit COD and TODs like a standard unit which leads to sub optimal scheduling outcomes. There was a need to include them in the scheduler in a more optimal way and the Modification defines the data that would be needed for that to happen.

Generator Member noted that this could potentially be the correct solution but there was a lack of governance with this proposal, lack of clear interactions with the FASS program and the Balancing Market Principles Statement needed to be updated. Furthermore, there has been no impact assessment on how dispatch down was going to impact the market in terms of Constraints and how large number of Synchronous Condensers would eventually impact the system.

Generator Member also stated that when LCIS were set up, it was agreed that they would be able to recover their DTUoS network charges. The issue had been raised of how non-LCIS units could recover their full costs and this is yet not been addressed. Mod\_13\_19 addressed recovery of energy but not Network charges. It was asked if Synchronous Condensers were not under LCIS contract how would the charges be recovered.

It was questioned what the implication would be if this proposal did not meet its timeline. The Proposer confirmed that the status quo would remain, and scheduling of synchronous condensers would be sub optimal. These Service Providers are unique insofar as they consume energy therefore, they might not fit necessarily into the System Services Code. They could be added to FASS, but it was not yet clear if that could happen in its first phase.

DSU Member suggested that this proposal is deemed urgent but impacted the system quite a bit and asked for an impact assessment on Constraints. The Proposer advised that the proposal was raised as standard however the limitation on the release scope would be that it is either implemented in 2025 or would not be able to be implemented. As for the impact assessment that would be taken away, but this proposal was to facilitate renewable targets and optimize the Scheduling process.

RA Member advised that to integrate Synchronous Condensers in the Scheduler was important, and that in the RAs' view this proposal could come in after November 2025 with a number of months' delay, rather than years, if more time was needed to develop it.

Generator Alternate further questioned on why it was not being optimized on diversion from Final Physical Notifications (FPNs). SO Observer explained that with the current set up Synchronous Condensers submit CODs that are not a true reflection of their costs or the cost to the system. with the result of being scheduled more often than needed. This affects the schedulers optimization, so the objective is to reduce overall production costs and only having them scheduled on when needed.

Questions were also raised on setting dummy prices. SO Observer clarified that these prices are only a facility in case a prioritization policy were to be decided upon between LCIS and non-LCIS units. Generator Alternate reflected that it would be a policy matter that would need to be consulted on.

Members finally advised that consideration must be given to updating the Balancing Market Principle Statement (BMPS).

It was agreed that this proposal would be deferred subject to more information on the impact to systems.

### Decision

This Proposal was deferred.

#### **Actions:**

- Proposer to provide more detail on the impact this Modification will have on Dispatch Down and Constraints – Open
- Taking into consideration other program streams such as Layered Procurement Framework (LPF) and Future Arrangements for System Services (FASS) as a whole **Open**
- RAs to consider recovery of Network Charges by Non-LCIS Synchronous Condensers Open

# 2. AOB/UPCOMING MODIFICATIONS

Secretariat thanked all for their attendance and confirmed that Modifications Committee 128 will take place on Wednesday, 9<sup>th</sup> April 2025. The deadline for new Modification is Wednesday 26<sup>th</sup> March.