

Single Electricity Market

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| Modifications Committee Meeting Minutes  Meeting 55  hilton hotel,  19 june 2014  10:30 – 14:00 |

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Document History

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| **Version** | **Date** | **Author** | **Comment** |
| 1.0 | 26 June 2013 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 2.0 | 03 July 2014 | Modifications Committee Secretariat | Review of content by Modifications Committee complete, published track changed version on SEMO website and notified Market Participants. |
| 3.0 | 15 August 2014 | Modifications Committee Secretariat | Approved at Meeting 56 |

Distribution List

|  |  |
| --- | --- |
| **Name** | **Organisation** |
| 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** |
| [Trading and Settlement Code](http://semopub/MarketDevelopment/MarketRules/TSC.docx) and Agreed Procedures: Version 15.0 |
| [Mod\_11\_12 Proposal to extend the definition of Special Units to include Compressed Air Energy Storage](http://semopub/MarketDevelopment/ModificationDocuments/Mod_11_12%20Gaelectric.docx) |
| [Mod\_02\_13 Registration of Charges\_v2](http://semopub/MarketDevelopment/ModificationDocuments/Mod_02_13_v2%20V1.0.docx) |
| [Mod\_12\_13 Amendment to Special Units Pumped Storage definition to include Energy Storage](http://semopub/MarketDevelopment/ModificationDocuments/Mod%2012_13%20V1.0.docx) |
| [Mod\_04\_14 Change to uplift Paramaters Determination Timeline\_v2](http://semopub/MarketDevelopment/ModificationDocuments/Mod_04_14_v2%20(Change%20to%20%20Uplift%20Parameters%20Determination%20Timeline)_v2.doc) |
| [Mod\_07\_14 Change to Final Registration Meeting Requirements to allow for email](http://semopub/MarketDevelopment/Modifications/Pages/Modifications.aspx) |
| [CMS Slides](http://semopub/Publications/General/Meeting%2055%20CMS%20Slides.pptx) |

In Attendance

|  |  |  |
| --- | --- | --- |
| Name | Company | Position |
| **Modifications Committee** | | |
| Adelle Watson | NIE T&D | MDP Member |
| Aine Dorran | ESB | Generator Alternate |
| Brian Mongan | AES | Generator Alternate |
| Connor Powell | Airtricity | Supplier Member |
| Elaine Gallagher | CER | RA Alternate |
| Iain Wright-Chair | SSE | Supplier Member |
| Julie-Anne Hannon | Bord Gáis | Supplier Member |
| Katia Compagnoni | SEMO | MO Alternate |
| Kris Kennedy | SONI | SO Member |
| Mary Doorly | IWEA | Generator Member |
| Michael Preston | EirGrid | SO Member |
| Niamh Delaney | SEMO | MO Member |
| Patrick Liddy | Activation Energy | DSU Member |
| Philip Carson | Power NI | Supplier Alternate |
| William Carr | Electric Ireland | Supplier Member |
| **Secretariat** | | |
| Sherine King | SEMO | Secretariat |
| **Observers** | | |
| David Carroll | EirGrid | Observer |
| Gary McCullough | SONI | Observer |
| Herb Healy | Enernoc | Observer |
| Julianne Scullion | EirGrid | Observer |
| Sinead O’ Hare | Power NI | Observer |

# SEMO Update

The Minutes from Meeting 54 were read and approved. The final approved version of the Minutes is now published on the SEMO website.

Secretariat presented the programme of work.

RA Member provided an update in relation to Mod\_18\_11 Definition of Availability advising that it is likely that a consultation on the proposal will be issued but that no indication of the timelines involved could be provided.

SO Member provided an update on Mod\_21\_12 Amendment to the ATC definition advising that internal discussions are ongoing in relation to the issue of compensation for Participants. SO Member advised that it is likely that the new market design will provide financial firmness for Participants. SO Member further advised that the options are to address the outstanding issues in the FRR or to withdraw the proposal.

MO Alternate presented the CMS update.

# Review of Actions

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| Actions Recorded At previous meetings | |
| Legal Support | * Re-tender for the provision of independent legal support  to be procured-**Open, in progress** |
| * Secretariat to circulate proposal to re-tender to Committee when finalised-**Open** |
| REMIT | * RAs to facilitate Working Group to progress REMIT outside of the Mods Committee forum-**Closed- held on 8th May** |
| Mod\_11\_12: Definition of Special Units | * TSO to procure IA-**In progress** |
| Mod\_02\_13: Registration of Charges | * Proposer to draft updated Deed of Charge reflective of the trust arrangements, to be circulated to the Committee & WG Members as soon as possible (for a review period of 3 weeks)-**Open** |
| * Secretariat to organise conference call to discuss Deed of Charge (for no sooner than 3 weeks from date of circulation of updated draft)-**Open** |
| * Participants to ensure adequate legal representation from their respective companies, is present for the call-**Open** |
| * SEMO to continue to pursue Participants in relation to signing the Deeds of Charge- **Open** |
| Mod\_12\_13 Amendment to Special units Pumped Storage Definition to include Energy Storage | * SEMO to initiate IA-**Closed-however SEMO asked to conduct further testing** |
|  | * TSO to procure a RCUC IA-**Closed-however SO asked to discuss outcomes of testing with ABB** |
| Mod\_04\_14\_v2 Change to Uplift Parameters Determination Timeline | * RAs to circulate updated legal drafting reflective of Participant comments provided at Meeting 54, as soon as possible (for a review period of 2 weeks)-**Closed-Committee agreed to withdraw proposal** |
| * Extraordinary conference call to be convened to facilitate a discussion and vote on the updated legal drafting**- Closed-Committee agreed to withdraw proposal** |

# Deferred Modification Proposals

## [Mod\_11\_12](http://semopub/MarketDevelopment/ModificationDocuments/Mod_08_12%20MIUNs.docx) proposal to extend the definition of special units to include caes

Proposer: Gaelectric

SO Alternate advised that a scope for internal studies is still being agreed upon internally. Secretariat advised that the RAs have granted an extension of the Modification Proposal until October 31st 2014.

Actions

* N/A

Decision

* The proposal was deferred

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| **Deferred** |

## II. Mod\_02\_13\_registration of charges

*Proposer: EirGrid*

Secretariat presented slide outlining the legal costs that have been accrued to date in relation to the proposal. Secretariat advised that the proposal has accrued significant costs of €76,000 to date and that this figure is not inclusive of the updated deed of charge which is currently in draft. Secretariat emphasised the importance of reviewing all material in advance and not re-visiting previously agreed decisions when dealing with External Counsel in order to prevent costs from rapidly accruing.

MO Member advised that a call was held with Pinsent Masons (PM) in relation to the issue of discrimination faced by NI Participants due to the location of the sterling bank accounts in London and the need for Participants to employ an agent of service to deal with the deed of charge. MO Member clarified that the accounts were moved to Danske Bank in London in order to meet the Code criteria requirements of acting as the SEM bank, which came about as an outcome of the implementation of Mod\_16\_11 Credit Worthiness Test for the SEM Bank and Credit Cover Provider banks.

Secretariat advised that PM are currently drafting the updated deed of charge and that it will be circulated for a three week review period with the aim of holding a conference call to discuss it prior to Meeting 56 on 14th August.

Generator Alternate made reference to a query that had been raised with SEMO in relation to the requirement to register a charge when the CRA is for a very small amount and is being utilised as a convenient way to pay small invoices, rather than to provide credit cover. MO Member advised that it has been discussed with PM and the RAs.

RA Alternate queried as to the Committee’s opinions on the issue raised by ESBI. Discussion ensued in relation to whether it would be possible to address the query in the deed of charge that is currently being drafted by PM. MO Member drew attention to the extensive legal costs that have been accumulated to date. MO Member advised that this issue was originally identified in the Market Audit however the non-compliance was on the relevant Participants who have not signed the deed of charge.

Chair advised that all risks must be adequately assessed to ensure that Participants feel comfortable voting on the proposal when the updated deed of charge is received. Discussion ensued around the possibility of having a lower cash collateral level limit of €100 where it would not be necessary to register a charge. MO Member advised that when this issue was previously discussed, there were concerns over the credit risk to the market of implementing such a limit. Generator Alternate re-iterated preference to include a lower cash collateral limit below which it would not be necessary to sign a deed of charge in the deed of charge currently being drafted. MO Member asked how many accounts were affected and asked Participants to feed back this information.

Actions

* Actions recorded at previous Meeting 54 in progress
* Participants to advise Secretariat of how many company accounts (if any) are utilising CRAs for small invoices (rather than to provide credit cover) no later than COB 3rd July

Decision

* The proposal was deferred

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| **Deferred** |

## II. Mod\_12\_13 Amendment to special units pumped storage definition to include energy storage

*Proposer: AES*

MO Member provided an update on the action recorded at Meeting 54 for SEMO to initiate an IA. MO Member advised that the initial testing was quite limited. MO Member further advised that an identical unit to Turlough Hill was set up in the market and the systems were tested to ascertain whether an additional Pumped Storage Unit could be handled. MO Member advised that no problems were identified by SEMO IT during this initial phase of testing, but that analysis had not been performed on the generation schedule output.

SO Member provided an update on the action recorded at Meeting 54, for the SOs to initiate a RCUC IA. SO Member advised that the RCUC testing was not successful and that further discussions with ABB are necessary. Chair queried as to whether the issue with RCUC is a design issue or a defect. SO Member advised that currently the SO do not have full information of the issue, which is why further discussion with ABB is necessary and the original specifications for RCUC must be examined further.

Proposer reiterated that the market systems can cope with the proposed change. MO Member reiterated that the initial testing was very simplistic. Proposer expressed the view that the modification proposes a basic word change, and that as the MO has confirmed there doesn’t seem to be an issue in the market systems, there should be no reason why a vote could not be procured from the Committee. MO Member advised that without RCUC, it would not be possible to provide an dispatch schedule based on the same economic inputs as the market in real time and that could impact on constraint payments. Proposer queried that a despatch schedule could not be provided, and SO Member stated that despatches schedule would still be provided by SOs as presently. SO Member advised that it is necessary to procure an overall impact of a proposal prior to voting on it. Proposer advised that RCUC is a tool to assist the SO and that it doesn’t drive SEMO’s day to day operation.. MO Member advised that a RCUC IA for Mod\_11\_12 Compressed Air Energy storage is still ongoing and where a modification impacts RCUC it needs to be assessed to provide complete information. Proposer advised that there are distinct differences between the AES and the CAES modification proposals. Proposer further advised that RCUC issues are outside the Modifications Committee’s remit.

RA Alternate expressed the view that it would be prudent for the Committee to wait to vote on the proposal as all the information on the implications of the proposal are not yet clear. Chair advised that the intention was to complete the relevant testing before Meeting 55, however only the preliminary tests have been complete with further testing necessary. Chair expressed agreement with RA Alternate’s point that it is not prudent to vote on the proposal on the basis of completion of preliminary testing. Proposer drew attention to the fact that TOD that was provided was within the specification for Pumped Storage, therefore it is not necessary to use any other TOD.

Supplier Member queried as to how much further testing is likely to be necessary. MO Member advised that it will be necessary to check resources internally with SEMO IT. Proposer reiterated the importance of knowing the timeframe for the additional testing emphasising that it should be completed by the next Meeting. Observer expressed the view that more testing of unconstrained units should be carried out.

DSU Member expressed the view that the Committee are setting an unfavourable precedent by not allowing new Participants to enter the market due to uncertainties within the respective systems. Discussion ensued around the option of separating the RCUC testing and the market testing and keeping the RCUC testing out of the Modifications Committee forum. SO Member confirmed to the DSU Member that if additional units (not requiring TSC mods) entered SEM and that RCUC couldn’t cope then RCUC would be changed. Chair was in support of separating the RCUC and market testing and advised that the Committee are in support of the technology proposed by AES and do wish to vote on it, however feel the full information on the impacts of the proposal is necessary before taking a vote.

Observer queried as to the target date for the implementation of the energy storage. Proposer confirmed the end of 2015 as the target date.

Actions

* SEMO IT to propose testing scenarios for further testing within the market systems
* Participants to submit scenarios for testing by SEMO IT, where applicable
* Secretariat to organise conference call for Committee sign-off on proposed testing scenarios
* SOs to discuss outcomes of testing with ABB
* RAs to discuss internally whether a MWh De-Minimus level should be put in place for energy storage

Decision

* The proposal was deferred

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| **Deferred** |

## IV. Mod\_04\_14\_V2 change to uplift parameters determination timeline

*Proposer: RAs*

Secretariat advised that there were two actions in relation to the proposal recorded at the previous Meeting. Secretariat further advised that subsequent to the Meeting, the RA Member had circulated an email advising that following internal discussion, the RAs were in favour of withdrawing the modification as proposed. RA Alternate confirmed that the RAs wish to withdraw the proposal. The Committee were in agreement to withdraw the proposal.

Actions

* N/A

Decision

* The proposal was withdrawn

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| **Withdrawn** |

# New Modification Proposals

## I. Mod\_07\_14 Change to Final Registration Meeting Requirements to allow for email

*Proposer: SEMO*

*AP Only*

MO Member presented an overview of the proposal advising that it seeks to allow SEMO to hold a final Registration meeting via email, rather than via conference call or in person, when appropriate, for the agreement of a market Effective Date for new market registrations. MDP Member advised of internal company concern in relation to the addition of an email option for the agreement of a market Effective Date. MDP Member further advised that in the past, some parties have been left out of email correspondence. MO Member clarified that email has never been an option before and that the proposal seeks to add an additional choice of email, while the other two options of a meeting in person or a conference call, will remain.

Chair sought Committee views in relation to the proposal. Generator Member expressed concern that it can be difficult to have a comprehensive discussion of any issues via email. Chair reiterated that the addition of email does not preclude the other two existing options from being utilised when deemed appropriate. Generator Alternate expressed the view that meeting attendees can also be left out of conference call/in person meetings and that this issue is therefore not only confined to emails. Secretariat advised that it may be prudent to set up a meeting between the proposer and NIE to discuss NIE’s concerns with what is proposed. Committee were in agreement with the above.

Actions

* NIE to clarify issues with the addition of email option internally
* Secretariat to set up meeting with NIE and proposer to further discuss, once clarification has been received from NIE

Decision

* The proposal was Recommended for Approval

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| **Deferred** |

# AOB/upcoming events

Calendar updates

* Meeting 56 is scheduled for 14 August 2014 (Dublin)
* Modification Proposal submission deadline is 31st July 2014

# Appendices

## Appendix 1 - Secretariat Programme of Work

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Status as at 25 June 2014** | | | | |
| **FRRs ‘Recommended for Approval’ without systems impacts awaiting RA Decision** | | | | |
| **Title** | **Sections Modified** | | **Sent** | |
| Mod\_18\_11 Definition of ‘Availability’ | T&SC Glossary | | 08 September 2011 | |
| **RA Decision ‘Further Work Required’** | | | | |
| Mod\_21\_12 Amendment to Available Transfer Capacity (ATC) definition | | T&SC Section 5; T&SC Appendix K | | 21 November 2012 |
| **RA Decision Approved Modifications with System Impacts** | | | | |
| **Title** | **Sections Modified** | | **Effective Date** | |
| N/A | N/A | | N/A | |
| **RA Decision Approved Modifications without System Impacts** | | | | |
| N/A | N/A | | N/A | |
| **AP Notifications** | | | | |
| N/A | N/A | | N/A | |
| **Modification Proposal Extensions** | | | | |
| Mod\_11\_12 Proposal to extend definition of Special Units to include Compressed Air Energy Storage | Extension Granted | | 31 October 2014 | |
| * **CMS Release 2.4.0 was deployed on 16th May** * **V15.0 of the T&SC was published on 16th May** | | | | |