

Single Electricity Market

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| Modifications Committee Meeting Minutes  Meeting 63  spencer hotel,  13 august 2015  10:30 – 14:30 |

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Document History

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| --- | --- | --- | --- |
| **Version** | **Date** | **Author** | **Comment** |
| 1.0 | 18th August 2015 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 2.0 | 25th August 2015 | Modifications Committee Secretariat | Modifications Committee and observer review complete. |

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 16.0](http://semopub/MarketDevelopment/Pages/MarketRules.aspx) |
| [Mod\_02\_13 Registration of Charges\_v2](http://semopub/MarketDevelopment/ModificationDocuments/Mod_02_13_v2%20V1.0.docx) |
| [Mod\_04\_15 Modification to Relevant Meter Operator Role and support requirements for Meter Communication Channels](http://semopub/MarketDevelopment/ModificationDocuments/Addition%20of%20Meter%20Operator%20Obligations%20to%20the%20TSC.docx) |
| [Mod\_06\_15 REMIT Data Reporting by the Organised Market Place to ACER](http://semopub/MarketDevelopment/ModificationDocuments/Mod_06_15%20REMIT%20Modification%20Proposal.doc) |
| [CMS Presentation](http://semopub/Publications/General/CMS%20Slides%20-%20MODS%20Meeting%2063.pdf) |
| [REMIT Presentation](http://semopub/MarketDevelopment/ModificationDocuments/MODS%20Meeting%2063%20-%20REMIT.pdf) |

In Attendance

|  |  |  |
| --- | --- | --- |
| Name | Company | Position |
| **Modifications Committee** | | |
| Adelle Watson | NIE T&D | MDP Member |
| Brian Mongan | AES | Generator Member |
| Clive Bowers | CER | RA Member |
| Derek Scully | Energia | Generator Alternate |
| Eamonn O’Donoghue | Electroroute | Interconnector Member |
| Gerry Halligan | ESB MRSO | MDP Member |
| Grainne O’Shea | ESBI | Generator Alternate |
| Jill Murray (Chair) | BGE | Supplier Alternate |
| Katia Compagnoni | SEMO | MO Member |
| Kris Kennedy | SONI | SO Member |
| Mary Doorly | IWEA | Generator Member |
| Marc Senouci | EirGrid | SO Alternate |
| Patrick Liddy | Activation Energy | DSU Member |
| William Steele | Power NI | Supplier Member |
| Sean Doolin | Electric Ireland | Supplier Member |
| **Secretariat** | | |
| Sherine King | SEMO | Secretariat |
| Esther Touhey | SEMO | Secretariat |
| **Observers** | | |
| Alastair Cooke | SONI | Observer |
| Leigh McCarthy | SONI | Observer |
| Scott Lennox | NI PPB | Observer |
| Gary McCullough | SONI | Observer |
| Gemma McHale | NIE T&D | Observer |
| Lynda Fitzpatrick | SEMO | Observer |
| Dermot Barry | SEMO | Observer |
| Derek Lawler | SEMO | Observer |
| Chloe Kinsella | Cenergise | Observer |
| Ian Mullins | Bord Gais | Observer |
| Philip Doyle | Bord Gais | Observer |
| Derek Ledwidge | Vayu Energy | Observer |

# SEMO Update

The Minutes from Meeting 62 were read and approved. The final approved version of the minutes is now published on the SEMO website.

Secretariat advised that to the minimum number of nominations being received, and in accordance with AP12 Section 3.7 (6), the following members were automatically elected -

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| --- | --- | --- | --- |
| **Position** | **Member** | **Alternate** | **Company** |
| Generator Member | Mary Doorly | Kenneth Matthews | IWEA |
| Generator Member | Kevin Hannafin | Derek Scully | Viridian |
| Supplier Member | Julie-Anne Hannon | Jill Murray | Bord Gáis |
| Supplier Member | William Steele | Philip Carson | Power NI |
| Interconnector Member | Eamonn O’Donoghue | Siobhain O’Neill | Electroroute |

Secretariat congratulated the returning Committee Members and also welcomed Eamonn O’Donoghue as the first Interconnector Member. There have also been changes between some Members and Alternates. These changes have been reflected in the published list of Committee Member on the SEMO website.

Secretariat presented the Programme of Work.

Observer presented the [CMS Presentation](http://semopub/MarketDevelopment/ModificationDocuments/MODS%20Meeting%2063%20-%2020150813%20-%20Market%20Systems.pdf) and advised that the cut-off date for the April 2016 release has not yet been finalised and could potentially be extended into November. The schedule of the current release was also presented and it was advised that this is on target for deployment on the 2nd of October.

# Review of Actions

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| **Actions recorded at previous meeting** | |
| Mod\_02\_13: Registration of Charges | * SEMO to continue to pursue Participants in relation to signing the Deeds of Charge- **Open** * Secretariat to schedule Extraordinary meeting (via conference call) to agree the updated deed of charge – **Closed – call held Wed 22nd July 2015.** |
| Mod\_04\_15 Modification to Relevant Meter Operator Role and support requirements for Meter Communication Channels | * Meter Data Operator to liaise with proposer and revert to Committee in June with financial impact/cost-benefit analysis of implementation of the proposal**- Open, analysis being finalized for submission to the RAs in the coming days. Update to be provided in October meeting.** |
| Mod\_05\_15 Representation of Interconnector User Participants on the Modifications Committee | * SEMO/Secretariat to issue clarification prior to circulation of the FRR around voting eligibilities for Generator Participants who have ICUs registered, once the mod has been approved and implemented**- Closed, RA Decision received, proposal effective from 15th June 2015 and Interconnector Member included in completed Elections.** |
| Mod\_06\_15 REMIT Data Reporting by the Organised Market Place to ACER | * Participants to submit any comments or feedback on the proposal and advise whether they feel a working group/workshop is the preferred approach by 30th June 2015 to [modifications@sem-o.com](mailto:modifications@sem-o.com) and [remit@sem-o.com-](mailto:remit@sem-o.com-) **Closed Response to Participants feedback circulated on the 24th July and a 2 hours conference call held on the 11th August 2015** |
| Mod\_07\_15 Amendment to AP07 to include the use of the SEMO public website and email notification as the main communication channel in the event of a GCF | * Secretariat to publish AP Notification- **Closed – AP Notification Published – effective 3rd July 2015.** |

# Deferred Modification Proposals

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

*Proposer: EirGrid Group Legal*

Secretariat apologised for the distribution of comments from Viridian late afternoon the day before the meeting should some members not have had visibility of the comments. Generator Member advised that the comments were a summary document highlighting a principle position more for inclusion in a Final Recommendation Report as the comments had already been already been discussed in detail. There were some additional comments to the Code Modification version 3 including a typo in the reference to section 2.3 instead of 2.4 which has been acknowledged by the EirGrid Group Legal Representative and will be revised as part of the FRR.

The EirGrid Group Legal Representative addressed the key changes in Mod\_02\_13 version 3 providing a summary of this proposal containing Deed of Charge version 8. Changes to version 7 were carried out as a response to comments discussed at the conference call on the 22nd July with regards to the definition of ‘Working Day’ and ‘Event of Default’.

MO Representative also discussed the changes to the Code regarding the timelines for submission of Credit Cover extended from 5 Working Days to 10 Working days. These have been aligned for both methods of Credit Cover in order to allow timely submission of executed Deed of Charge if issues arose with the Letter of Credit. MO rejected claims that this extension creates a barrier to entry for new Participants as evidence has shown that Participants posts Credit Cover well in advance of the current deadline for Registration and that no Registration has been delayed because of untimely posting of Credit Cover.

Chair asked why the process involved going straight to a situation of a suspension rather than a notification of default. In addressing this, the EirGrid Group Legal Representative discussed how the suspension brought more substance to non-compliance and also would limit the amount of time unsecured accounts would arise for. There are other situations where the Code would allow for a direct Suspension; however, version 3 of the Modification to the Code, has mitigated the risk to Participants by not making it an automatic event due to the wording of paragraph 2.246 where this has been added: ‘*The Market Operator may, with the prior written approval of the Regulatory Authorities, issue a Suspension Order*…’.

Generator Alternate questioned how a judgement could be made that the process was exhausted. The EirGrid Group Legal Representative advised that the advice given to the Modifications Committee by external legal counsel confirmed that no further omissions, changes or concessions could be made without affecting the legal integrity of the document. All routes had been fully explored with crucial successes such as the negotiation of the removal of the indemnity with Danske Bank, whose position on other matters could not be negotiated any further.

Chair asked if ultimately this Modification will result in a more secure Market. MO Member confirmed that this was indeed the external counsel advise out of all options considered.

Chair requested further clarifications in areas such a suggested discriminatory practice and jurisdictional location of the SEM accounts, however, there was acknowledgement of the time and effort dedicated to this proposal along with external legal counsel and the sentiment that a Vote should be taken to draw this process to a conclusion.

Actions

* Secretariat to draft Final Recommendation Report – **Open**
* RA Member has requested that those who expressed discriminatory concerns should submit an explanation on how these have affected their day to day processes given that the SEM Bank has been located in London for a number of years. Those are to be included in the Final Recommendation Report by the Secretariat - **Open**

Decision

* The proposal was Recommended for Approval by Majority Vote

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| **Recommended for Approval by Majority Vote** | | |
| Brian Mongan | Generator Member | Abstain |
| Connor Powell | Supplier Member | Approved |
| Derek Scully | Generator Alternate | Rejected |
| Eamonn O’Donoghue | Interconnector Member | Approved |
| Grainne O’Shea | Generator Alternate | Approved |
| Jill Murray (Chair) | Supplier Alternate | Approved |
| Mary Doorly | Generator Member | Approved |
| Patrick Liddy | DSU Member | Approved |
| Sean Doolin | Supplier Member | Approved |
| William Steele | Supplier Member | Rejected |

## II. Mod\_04\_15 MODIFICATION TO RELEVANT METER OPERATOR ROLE AND SUPPORT REQUIREMENTS FOR METER COMMUNICATION CHANNELS

*Proposer: EirGrid*

SO Alternate provided updates on the outstanding actions items. SO Alternate advised that the analysis was being finalized for submission to the RAs in the coming days and that they wish the proposal to be deferred to allow for further discussions. RA Member queried the costing being referenced as there are separate price control discussions. The modification is deferred pending further information from the proposer.

Actions

* Actions previously recorded in progress

Decision

* The proposal was deferred

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| **Deferred** |

## I. Mod\_06\_15 REMIT Data reporting by the organised market place to acer

Proposer SEMO/EirGrid Group Legal

MO Member delivered [REMIT Presentation](http://semopub/MarketDevelopment/ModificationDocuments/MODS%20Meeting%2063%20-%20REMIT.pdf) addressing the stringent timelines involved in progressing this modification proposal to meet the REMIT implementation deadline of October 7th 2015. This presentation also addressed comments received from Participants regarding the detail of the proposal. Each comment was debated in great detail with agreement reached on each point. These discussions will then be reflected in the legal drafting of this proposal.

MO Member addressed the tight timelines involved in progressing this proposal in line with the October 7th REMIT deadline. MO Member suggested that the usual timeline for preparation and review post meeting could be shortened to facilitate the proposal reaching the SEM Oversight Committee Meeting on September 8th. Changes agreed at the meeting would be circulated in a new version 3 of the Modification together with the Minutes of meeting 63 for review, therefore granting additional 5 Working Days to the RAs to provide recommendations in advance of the Oversight Committee. Chair asked was the shorter Committee review period necessary and did the RA’s need this additional time in advance of the Oversight Committee? RA Member advised that this time would be appreciated and needed.

Generator Member enquired when did the Modifications Committee vote to allow SEMO IT to develop the functionality within the Central Market Systems (CMS). Observer advised that systems in question are currently developed in the test environment and that they were included in proposals which, were agreed with the RA’s in May of this year and raised and highlighted in the CMS Updates at both Meeting 61 & Meeting 62. Observer also advised that SEMO in its capacity as the ‘Organised Market Place’ is obliged in accordance with the Implementing Regulation to offer a service to report if requested to do so and preparation for this was carried out on the principle of providing the least cost and least system impact solution.

MO Member advised that the fundamental area of the proposal lay in sections 3.95 – 3.98 as this sets out the legal framework under which SEMO can report on behalf of Participants. Interconnector Member asked for clarification on the difference between section 3.97 and section 3.98. MO Member distinguished the two stages: section 3.97 addresses the responsibility of Participants to provide the required data to SEMO while section 3.98 addresses the responsibility of SEMO to transmit this data to ACER. The EirGrid Group Legal Representative also advised that section 3.98 was drafted in this way to reflect Article 11 of the REMIT Implementing Regulation. Chair and Observer queried why there was an obligation directly shown in section 3.97 but not in section 3.98. MO Member advised that by referencing section 3.95 in section 3.98 this could be addressed. Observer advised that section 3.34 had been referenced in paragraph 3.97 to provide clarity and comfort to Participants that there was no change to the current obligations under the Code. The EirGrid Group Legal Representative advised that REMIT Regulations will take precedence over the Trading & Settlement Code. Chair felt that this should be reflected in the Trading & Settlement Code. MO Member clarified that SEMO is responsible for mapping the data and that it is the responsibility of the Participant to provide valid data as reflected in the Modification. Observer raised concerns that the responsibility in Paragraph 3.98 was not clear enough and that the MO should be the subject of that paragraph. An agreement was reached to refer to paragraph 3.95 and change the subject of the paragraph from ‘Participants’ to ‘Market Operator’.

Generator Member raised concerns regarding liability because the wording of Article 11 of the Implementing Regulation could result in participants being in breach of the legislation. Generator Alternate asked the RAs whether they would be in breach of legislation and have to answer to either/or CER and ACER. Generator Member was unhappy with the lack of consideration for the section in Article 11 of the legislation which says that they would have ‘*to take reasonable steps to validate*’ data. As it stands currently, there is no visibility due to the receipt function not being available to participants. Generator Alternate said that in these circumstances, the reasonable steps were exhausted after appointing the MO as there was no visibility of the file submitted to ACER.

Observer explained that this was not possible due to timing and sensitive nature of the information sent at gate closure. To provide an extract of data by Participants it would require system changes which, at this point, can only be discussed after go live and following clarification from ACER as to the type of validation they will have in place for the verification of data. Observer noted that SEMO understood Participants frustration at lack of transparency in this area as they too were dealing with a lack of visibility regarding the validation and data mapping process. Chair advised that adding a requirement for the MO to publish data when clearly they are not in a position to do so would create an automatic breach of the Code which wasn’t desirable. Interim solutions were discussed which relate to publishing submitted data. The RAs questioned the possibility of making the file submitted to ACER available to Participants after the completion of the runs when the same data is no longer confidential. Observer agreed that this was possible on the basis that there were no objections to issuing one file which contains all Market Participants data. Observer stated that this was to enable Participants to validate the data sent and should not to be considered as a receipt from ACER. An agreement to develop a further section 3.99 linked to changes in Appendix E was reached on this interim publication process which is dependent on standard publication of data.

Generator Alternate felt that the wording of section 3.98 relating to ‘…to the extent that such failures are attributable to the Market Operator added a further burden of proof which was unnecessary. The EirGrid Group Legal Representative advised that it was not clear what would be achieved by removing this section and it would need further consideration before it could be removed. Generator Alternate questioned the value of this additional wording as the MO must be considered responsible for the submission to ACER once appointed.

Discussion ensued with regard to the wording in 3.98 and if adding a simple reference to 3.95 would only cover the ability to appoint but did not cover the responsibilities taken on by the MO. Wording of section 3.98 was deliberated in terms of the use of the wording ‘shall be responsible for’. The need to align section 3.95 with 3.98 was also discussed.

Generator Alternate asked if the referenced ‘Notification Form’ was available to Participants as this would affect whether or not the discussed sections could be agreed upon.

MO Member explained that this was in development and displayed a draft template for the attention of the Committee. Chair asked how the transfer of obligation for the reporting was being dealt with. MO Member confirmed that completion of the Notification Form was the request to report and therefore resolved the transfer of responsibility. MO Member also confirmed that this document would be treated as a stand alone form document referenced in the Code in the same manner as other Unit Registration Form and would not be incorporated within the body of Code.

Generator and Supplier Members expressed frustration due to the RAs in NI delaying the opening of the registration process for NI Generators. RA Member acknowledged the issue and stated that the concerns should be addressed directly to the NI Authority. MO member clarified the timelines for submission of REMIT Notification forms and that SEMO will facilitate late submission due to incapacity to register.

Observer asked if back loading of data was being considered. Observer advised that the report provision commences on October 6th to allow reporting of Ex-Ante data for the 7th October.

Summary discussion took place to confirm agreement to the final wording of sections 3.95 – 3.98. plus provisional intent for an additional paragraph 3.99.

Generator Member emphasised the position that there was an element of redundancy that should be addressed throughout the Modification. This is because of a number of references to the appointment of the MO which are already covered in the new terms definitions and in 3.95.

Discussion continued into the afternoon when MO Member addressed the remaining sections of the [REMIT Presentation](http://semopub/MarketDevelopment/ModificationDocuments/MODS%20Meeting%2063%20-%20REMIT.pdf) focusing on the Glossary and Agreed Procedures items of the proposal and comments received. Glossary terms for REMIT Data were discussed at length as MO Member explained that suggested alternative proposals contained terms that were not codified. The term CMS was utilised as this is more appropriate and there was an approach taken by having a general reference to the mapping of CMS data with relevant IDs for REMIT reporting.

Agreement was reached for the Glossary and AP sections referenced in the [REMIT Presentation](http://semopub/MarketDevelopment/ModificationDocuments/MODS%20Meeting%2063%20-%20REMIT.pdf) following more deliberations. There was agreement to remove the need for section 5.2.2 within AP 5 and all insertions in AP06. Data Confidentiality provisions in paragraph 2.344 (and subsequent) were discussed and Generator Alternate questioned if there was a need to add anything further for REMIT. The EirGrid Group Legal Representative believed that section 2.348 sufficiently covers this as it stands. The Emergency Communication Failure scenario in Agreed Procedure 7 was also discussed as to how REMIT Reporting was facilitated should this happen. Observer advised there was an escalation process in place in terms of reporting such incidents and that all RRMs are obliged to report any failure to transmit data to ACER and all affected parties.

The agreed wording will all be reflected in the legal drafting contained in the Final Recommendation Report.

**NOTE:** an explanatory note will be issued together with MOD\_06\_15 v3 to capture in further details all relevant changes following final legal and technical review.

***Actions***

* MO to review wording of Modification as per discussion within 5 Working Days
* Secretariat to provide agreed Legal Drafting to Committee for review within 5 working days in advance of receipt of the Final Recommendation Report - Open
* Secretariat to draft Final Recommendation Report – Open

Decision

* The proposal was Recommended for Approval by Unanimous Vote

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| **Recommended for Approval by Unanimous Vote** | | |
| Brian Mongan | Generator Member | Approved – subject to legal drafting |
| Connor Powell | Supplier Member | Approved |
| Eamonn O’Donoghue | Interconnector Member | Approved |
| Grainne O’Shea | Generator Alternate | Approved |
| Jill Murray (Chair) | Supplier Alternate | Approved |
| Mary Doorly | Generator Member | Approved |
| Sean Doolin | Supplier Member | Approved |

Patrick Liddy had to leave the meeting and was unavailable for the Vote, however, he did communicate to the Chair that he would be in favour of voting to Approve this proposal.

# AOB/upcoming events

Calendar updates

* The next meeting will be Thursday 14th October in Hilton Hotel, Belfast.

* Submission deadline – Thursday 30th September.

# Appendices

## Appendix 1 - Secretariat Programme of Work as discussed at meeting 63

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Status as at 13 August 2015** | | | | | |
| **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 | |
| **Modification Proposals ‘Recommended for Approval’ with system impacts** | | | | | |
| Mod\_12\_13 Amendment to Special Units Pumped Storage definition to include Energy Storage | | T&SC Section 2; T&SC Section 4; T&SC Section 5; T&SC Appendix H; T&SC Appendix I; T&SC Appendix M; T&SC Appendix N; T&SC Appendix O; T&SC Glossary | | FRR currently in draft  (legal drafting finalised) | |
| **Modification Proposals ‘Recommended for Approval’ without system impacts** | | | | | |
| Mod\_08\_14 Clarification of SEM Collateral Reserve Accounts | | T&SC 6.19 | | 20 May 2015 | |
| **Modification Proposals ‘Recommended for Rejection’** | | | | | |
| Mod\_10\_14 Make Whole Payments to Interconnector Units | | N/A | | 27 March 2015 | |
| Mod\_11\_14 Pay-as-bid/Paid-as-bid Interconnector Units | | N/A | | 27 March 2015 | |
| Mod\_12\_14 Amendment to Make Whole Mechanism to remove Settlement Periods of simultaneous import and export flows. | | N/A | | 08 May 2015 | |
| **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** | |
| Mod\_09\_14 Amendment to Make Whole Payments for Interconnector Units | | T&SC Section 4 | | Next CMS Release | |
| **RA Decision Approved Modifications without System Impacts** | | | | | |
| Mod\_05\_15 Representation of Interconnector User Participants on the Modification Committee | | Section 2, AP12 & Glossary | | Effective 15 June 2015 | |
| **AP Notifications** | | | | | |
| Mod\_07\_15 Amendment of AP07 to include the use of SEMO public website and email notification as the main communication channel in the event of a GCF. | | Agreed Procedure 07 | | Effective 03 July 2015 | |
| **Withdrawal Notifications** | | | | | |
| **n/a** | **n/a** | | | | **n/a** |
| **Modification Proposal Extensions** | | | | | |
| Mod\_02\_13 Registration of Charges | | Extension Granted | | 31 August 2015 | |
| * **Cut-off date for October 2015 release was 6th March 2015** * **Release completed 15th May 2015** * **T&SC Version 17 published 15th May 2015** * **Gen, Supply & Interconnector Election process completed** * **Chair & Vice-Chair Election – commences following Meeting 63** * **Mods Submission Deadline – Wed 30th September 2015** * **Meeting 64 – Wed 14th October 2015** | | | | | |