

Single Electricity Market

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| Modifications Committee Meeting MinutesMeeting 70dual location – belfast & dublin14 october 201610.30 – 12.30 |
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Document History

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| **Version** | 1. **Date**
 | **Author** | **Comment** |
| 1.0 | 04/11/2016 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 2.0 | 28/11/2016 | Modifications Committee Member | Minor changes submitted to V1.0 - issued to Modifications Committee for review and approval |

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 and Agreed Procedures: **Version 18.0**](http://semopub/MarketDevelopment/Pages/MarketRules.aspx) |
| [**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\_08\_15** Clarification of Outturn Availability](http://semopub/MarketDevelopment/ModificationDocuments/Mod_08_15%20Clarification%20of%20Outturn%20Availability.docx) |
| [**Mod\_01\_16** ‘PROPOSAL TO REDUCE DISPUTE WINDOW AFTER I-SEM MARKET GO LIVE’](http://semopub/MarketDevelopment/ModificationDocuments/Modification%20Proposal%20V2.docx). |
| [Mod\_02\_16 Changes to MEC for DSU](http://semopub/MarketDevelopment/ModificationDocuments/Mod_02_16%20Changes%20to%20MEC%20for%20DSU.docx) |
| [Mod\_02\_16 Presentation](http://semopub/MarketDevelopment/ModificationDocuments/Modifications%20Committee%20Meeting%2070%20MOD_02_16.pptx) |

In Attendance (either by phone or in person)

|  |  |  |
| --- | --- | --- |
| Name | Company | Position |
| **Modifications Committee** |
| Adele Watson | NIE Network | MDP Member |
| Barry Hussey | CER | RA Alternate |
| Brian Mongan | AES | Generator Member |
| Clive Bowers | ESB | Generator Alternate |
| Connor Powell | SSE | Supplier Member |
| Gerry Halligan | ESB Network | MDP Member |
| Jill Murray | Bord Gais | Supplier Alternate |
| Jim Wynne | Electric Ireland | Supplier Member |
| Katia Compagnoni | SEMO | MO Member |
| Kenny Dane | UREGNI | RA Alternate |
| Kevin Hannafin (Chair) | Energia | Generator Member |
| Mary Doorly  | IWEA | Generator Member |
| Marc Senouci | EirGrid | SO Alternate |
| Paddy Finn | Electricity Exchange | DSU Member |
| Philip Carson | Power NI | Supplier Member |
| Sheena Byrne | CER | RA Alternate |
| William Steele | Power NI | Supplier Member |
| **Secretariat** |
| Esther Touhey | SEMO | Secretariat |
| **Observers** |
| Tim Steele | SEMO | Observer |
| Adelle Woods | Bord namona | Observer |
| Cathal Kearney | Eirgrid | Observer |

# semo update

The Minutes from Meeting 69 were read and approved by the Secretariat. The final version of the Minutes is available [here](http://semopub/Meetings/Minutes%20Meeting%2069%20version%201.0.docx).

**Programme of Work**

Secretariat presented the Programme of Work and a review of previous meeting actions.

The RA Representative provided an update on the below Modification Proposals:

* Mod\_08\_14and MOD\_02\_13 – Final Decision Approved – Mod\_08\_14 effective as of 9th September and Mod\_02\_13 Registration of Charges will be effective within 6 months from 9th September. MO Member advised that the implementation of this proposal is being managed by Market Operations Registration team and communication is underway with affected participants.
* Mod\_10\_14, MOD\_11\_14 and MOD\_12\_14 recommended for rejection are still kept outstanding until the issue remains under review; there has been no further activity on these.
* All proposals are reflected as such in the Market Rules section of [www.sem-o.com](http://semopub/). Secretariat advised that a final version of the Trading & Settlement Code is to be completed.

**CMS Update**

There was no CMS update as scheduled releases are all completed and no new system issue to report.

# Review of Action

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| Actions recorded at previous meeting  |
| Mod\_08\_15 ‘Clarification of Outturn Availability’ | * RA to follow up with RA Grid Code representative. After the meeting the following updated was received from the RA Member: “*This mod is currently with the CER for review, it was recommended for approval by the Grid Code Review Panel. We expect to have completed the process before the next GCRP meeting (11th October)*.” - **Closed**
 |
| Mod\_01\_16 ‘Proposal to end M+13 obligations under the TSC following the completion of M+4 resettlement period plus dispute window’ | * Action: MO to circulate timelines of Disputes raised between 2012 and 2016 – **Closed**
 |

# Deferred Modification Proposals

## I. Mod\_**04\_15 MODIFICATION TO RELEVANT METER OPERATOR ROLE AND SUPPORT REQUIREMENTS FOR METER COMMUNICATION CHANNELS.**

*Proposer: EirGrid*

Proposer advised that this proposal was to be withdrawn as the purpose of the Modification has been addressed in the I-SEM Trading & Settlement Code. New definitions and minor changes have been brought forward. All Meter Data Operator references have also been included in the I-SEM Trading & Settlement Code.

SO Alternate advised that they were happy that the intention of the proposal had been addressed and as such were satisfied that this proposal should be withdrawn. Committee was satisfied that the proposal could be withdrawn.

Decision

* The proposal was Withdrawn
* **Action:** Secretariat to issue Withdrawn Notice - Open

## II. Mod\_08\_15 clarification of outturn availability

*Proposer: EirGrid*

The SO Alternate (ROI) advised that CER had approved the ROI Grid Code modification. It was advised that no decision has been made as yet on relation to the NI Grid Code modification proposal. RA Member (NI) advised that they would take an action to discuss this with the relevant regulatory contact and provide an update to the Committee.

Decision

* The proposal was deferred
* **Action:** RA Alternate to follow up with RA Grid Code representative - **Open**

## III. Mod\_01\_16 v2 Proposal to reduce dispute window after I-SEM Market go live

*Proposer: SEMO*

MO Member was thanked for providing historic dispute data in relation to this proposal. The Committee were happy to vote on this proposal.

Decision

The proposal was Recommended for Approval.

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| **Recommended for Approval** |

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| **Recommended for Approval by Unanimous Vote**  |
| Clive Bowers | Generator Alternate | Approved |
| Mary Doorly | Generator Member | Approved |
| Kevin Hannafin-Chair | Generator Member | Approved |
| Brian Mongan | Generator Member | Approved |
| Conor Powell | Supplier Member | Approved |
| Philip Carson | Supplier Alternate | Approved |
| Jim Wynne | Supplier Member | Approved |
| Jill Murray | Supplier Alternate | Approved |

* **Action:** Secretariat to draft Final Recommendation Report - **Open**.

# New Modification Proposals

## Mod\_02\_16 Changes to mec for dsu.

*Proposer: Electricity Exchange*

DSU Member delivered a [presentation](http://semopub/MarketDevelopment/ModificationDocuments/Modifications%20Committee%20Meeting%2070%20MOD_02_16.pptx) explaining the purpose of the proposal. Chair requested that the proposer elaborate on the presentation detail for clarity. DSU Member explained how they sought to blend dispatch and demand of DSU’s giving the examples of their experience with biomedical and pharmaceutical organisations as current clients of theirs.

SO Alternate raised the point that in order for this to be feasible the existing generator would need to amend the connection agreement as the MEC needs to be changed. It was advised that MEC was not transferable in the connection agreement. It was also noted that should a new entity be assigned to a site then the site needs to reduce the MEC as this cannot be part of both.

Proposer queried this point as they felt that a DSU doesn’t have an explicit MEC. MO Member questioned how the correct split in MEC between different units could be guaranteed if it was not reduced and transferred. Chair asked for clarification regarding the sharing of MEC. MO Member stated that as it currently stands the connection agreement doesn’t allow for the sharing of MEC. Supplier Member asked if a worked example could be given to explain in more detail. DSU Member explained that the rationale was that capacity (from house load) from large units could be utilised to reduce Demand requirements. The question was raised if there is an increase of output to the site then why not trade through the existing site. DSU Member advised that Demand Assets may have a run time of two hours and two sets of technical offer data cannot be submitted.

Chair and Generator Member expressed the concern that this proposal related more to a metering issue. SO Alternate advised that metering and sub metering is an issue that has been raised within the TSO. There is an Uninstructed Imbalance issue and it is unclear how this could be addressed. Generator Member advised that he was in agreement with the Chair and felt that this was also a metering issue. It was of great importance to large generators how a site can be carved out of large generation units. The SO alternate raised the point that the TSOs had received multiple queries in relation to various potential DSU arrangements. The SO alternate highlighted that the TSO’s DS3 Innovation team had organised a Demand Side Management (DSM) Forum to discuss issues affecting small and large scale demand side stakeholders on an all island basis. The SO alternate recommended that this modification be raised at this forum in order to discuss the potential issues, such as testing, grid code, metering etc in a holistic manner with all relevant stakeholders including the TSO, DSO, DNO, SEMO and industry. SO Alternate advised that this DSM Forum has been set up and the first meeting was taking place on 25th October. Secretariat asked if the details of the event could be forwarded to the Secretariat to then forward to the Committee.

Generator Member questioned if there were parallels between this issue and the connection points issued being looked at through the generator connection liaison group. DSU Member stated that there was no reallocation of MEC. DSU Member explained that he had been to progress this Modifications Proposal in order to progress the TSO discussion.

Supplier Member queried if this issue has been looked at in I-SEM Trading & Settlement Code. MO Member advised that there were transitional arrangements to be discussed under AOB that would clarify some of the difficulties around implementing a proposal that could have implications for the T&SC that will be consulted on for I-SEM. It was advised that consultation will start in early November 2016 but new Modifications should from now on refer to both Part A (current T&SC) and Part B (T&SC for post I-SEM go live). MO Member advised the Generator Member that the Grid Code did not currently allow this and they explained the hierarchy of the various codes with the Grid Code taking precedence. It was queried if this could be done as a single unit and location. Concerns were raised of a possible TOD issue.

MO Member referred to Mod\_04\_11 that had previously dealt with MEC for DSUs. At the time DSUs were not allowed to have an MEC and the Modification was raised to allow an MEC up to the De-Minimis threshold (10 MW) to allow small unit’s to participate in the SEM. It was evident from the documentation of that Mod (including Working Group report) that the focus had always been to limit the MEC to the De-Minimis threshold. MO Member also queried the new clause in the Modification that allowed 10% of the Unit’s MEC which potentially can allow an MEC of any amount which would not be in the spirit of the original MOD\_04\_11. DSU Member agreed that this clause could be removed without prejudicing the general principle of the Modification.

The Grid Code sets the limit on the capacity of the DSU rather than the export capacity of the site. MO Member recommended that this be brought to the DSM Forum. Chair suggested to the Committee that the proposal be deferred. Generator Member agreed stating that they felt this was a metering issue. SO Alternate advised that this was a hybrid scenario that was not fully defined in either the Grid Code or Trading & Settlement Code and needed to be discussed with all parties affected. It was also stressed that there were Uninstructed Imbalance issues, connection issues as well as metering issues.

Generator Member also raised the issue of multiple ownership of a site and how this can affect the scenario proposed by this Modification.

The process for how this proposal could be progressed in light of the I-SEM Trading & Settlement Code being out for consultation soon was raised by Supplier Member. MO Member advised that there were provisions within the transitional arrangements and there was still time to reflect such a change. It was suggested that if a V2 were to be submitted by the Proposer, this should also contain references to Part B of the T&SC for completeness, in order to be considered in light of the I-SEM Code consultation.

Decision

* The proposal was deferred
* **Action:** SO Alternate to provide details of first DSM Forum to then be forwarded to the Committee – **Closed**
* **Action:** Modification to be brought to the DSM Working Group, to progress Impact Assessment with all relevant stakeholders – **Open**
* **Action:** Proposer to investigate potential V2 of the Modification **- Open**

# AOB/upcoming events

MO Member apologised for not issuing all the transitional arrangements in advance of the meeting. The documents were introduced to the Committee with feedback sought. Chair welcomed the Interim Arrangements that were made available in advance. Generator Alternate sought clarification as to what has been agreed. MO Member advised that the Interim Arrangements were part of the consultation and that a flexible approach has been applied. RA explained that there were two schools of thought behind the fast track process – minor fixes, typographical, housekeeping proposals or major issues that were clearly affecting the principles of the I-SEM design; in addition to this the aim of not clogging the work of the committee in the early operation of I-SEM with urgent early proposals after go-live as was the case when SEM went live.

Chair expressed concern that the interim arrangements did not align with the original intent as these proposals go further than the current urgent proposal process. Sections H 2.1.1 and Section B were referenced as overstating the case and it seemed to go above and beyond the current process. RA Member asked that all such feedback be submitted as part of the consultation process. Question was also raised as to whether NEMO Rules or Capacity Code took precedence. MO Member advised that Chapter B detailed Legal Governance with a hierarchy of codes provided.

Supplier Member felt that the governance was ambiguous and Generator Alternate suggested that an explanation of the rationale as to why this needed would provide the clarity sought. RA Member advised that this process was to deal with evident material errors only. Chair proposed a letter be sent on behalf of the Committee to comment on the consultation. There was disagreement from members on this and the RA Member stressed that this was an open consultation and that comments can and should be submitted.

MO Member advised that the I-SEM Trading and Settlement Code was out for consultation on 10th November. Chair raised the question of the new code being processed as a modification proposal. RA Member advised that this was not the case and that the legislative changes had been communicated and the code would be designated. Discussion ensued relating to legal governance and how the designation should occur and also regarding the cutover process. They are part of the Transitional Arrangements proposed to the I-SEM Market Rules Working Group and would have repercussions on the new Modification being proposed and discussed during the consultation process. RA Member accepted the need to clarify the cutover process and date as well as the consultation and designation process.

* **Action:** RA Member to clarify the cutover process and date and impact on new Modifications as well as the consultation and designation process.- **Open**

Calendar updates

* Mods Submission Deadline – 17th November 2016
* Meeting 71 – Thursday 1st December 2016, conference call meeting – to be confirmed dependent on new proposals/agenda items

# Appendices

## Appendix 1 - Secretariat Programme of Work as discussed at meeting 70

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| **Status as at 14th October 2016** |
| **FRRs ‘Recommended for Approval’ without systems impacts awaiting RA Decision** |
| **Title** | **Sections Modified** | **Sent** |
| **Modification Proposals ‘Recommended for Approval’ with System impacts** |
| N/A | N/A | N/A |
| **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’** |
| N/A | N/A | N/A |
| **RA Decision Approved Modifications with no System Impacts** |
| **Title** | **Sections Modified** | **Effective Date** |
| 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 | 12 November 2015 |
| Mod\_08\_14 Clarification of SEM Collateral Reserve Accounts | T&SC 6.19 | 09 September 2016 |
| Mod\_02\_13 Registration of Charges | T&SC Section 2 and Section 6, AP 1, AP 9 AP 17 , Glossary | Tbc |
| **RA Decision Rejected** |
| N/A | N/A | N/A |
| **AP Notifications** |
| Mod\_09\_15 Amendment to Update Process re Submission Failure | AP07 | 5 February 2016 |
| **Withdrawal Notifications** |
| N/A | N/A | N/A |
| **Modification Proposal Extensions** |
| N/A | **N/A** | **N/A** |
| * **Mods Submission Deadline – 17th November 2016**
* **Meeting 71 – Thursday 1st December 2016, conference call meeting – to be confirmed dependent on new proposals/agenda items**
* **Chair & Vice Chair Elections completed**
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