

An Coimisiún
um Rialáil Fóntas
Commission for
Regulation of Utilities



Trading and Settlement Code Modifications Committee
c/o Esther Touhey
SEMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

02 February 2018

Our Ref: D/18/1662

SEM Committee Decision for the Regulatory Authorities in relation to Mod_11_17 (Final Recommendation Report FRR_11_17)

Dear Esther,

On 28 November 2017, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal, Mod_11_17 (Deferral of Information Imbalance Charges) in accordance with paragraph B.17.8.1 of the SEM Trading and Settlement Code (the Code).

On 5 October 2017, the Market Operator submitted Mod_11_17. The purpose of the proposal is to remove the obligation on the Market Operator to include the values for Information Imbalance Charges in Settlement Statements as an interim measure.

The Regulatory Authorities note that the Members of the Modifications Committee were unanimous in their view that the Modification Proposal would better facilitate the achievement of the Code Objectives:

- to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by its Market Operator Licences; and,
- to provide transparency in the operation of the Single Electricity Market.

The Regulatory Authorities note that a presentation was made to the Modification Committee meeting on 19 October 2017 where the reasoning for the proposal was explained and proposed changes to the Code were set out. The presenter explained that the Information Imbalance Charge will be zero for the Go Live of the revised SEM arrangements and will therefore have no material impact. Deferral of this functionality would allow for prioritisation of more material functionality in the market systems for go live.

The SEM Committee further notes that this is the first of a number of Interim Provisions likely to be submitted to it for decision. It is also aware that the question of the form of the legal drafting of such Interim Provisions has been debated at the Modifications Committee, and was discussed in detail at the 21 November 2017 Modification Committee meeting.

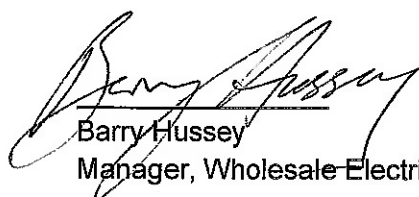
The Regulatory Authorities therefore take the view that the legal drafting in the Code in respect of this Modification Proposal should be designed to provide a framework for similar proposals which are likely to follow. In addition, the Regulatory Authorities take the view that it should be clear for a reader of the Code whether any Interim Provision is in effect. For these reasons, the Regulatory Authorities have made some minor changes to the legal drafting proposed by the Modifications Committee and in addition have added a provision to remove each Interim Provision as it is terminated. That drafting is shown in the attachment.

Further to those discussions at the November meeting, the Regulatory Authorities agree with the views of the Members of the Committee that a regular update on the implementation of these deferred Modifications would be useful, and further, that discussion should occur with the Modifications Committee prior to the submission by SEMO of its proposals on the implementation timeline of the Interim Provisions to the Regulatory Authorities for approval. This process is now reflected in the revised legal drafting. In addition to this, the Regulatory Authorities request that SEMO add a standing item to meetings from March 2018 where an update on these Interim Provisions can be provided.

Considering the above, the SEM Committee directs that, broadly in line with the recommendation of the Modifications Committee in FRR_11_17, the Modification Proposal Mod_11_17 should be made and should be implemented on a Trading Day basis five Working Days after the date of this letter. As the Information Imbalance Charge was an element of the SEM Committee's Detailed Design Decision (SEM-15-067), this is considered a high-priority item for implementation by the Regulatory Authorities. The Market Operator should at this point plan to include the functionality to publish the Information Imbalance Charge in the first software release following I-SEM go-live, after which the enduring provisions of the Trading and Settlement Code in relation to this Modification should take effect.

The version of Mod_11_17 to be made is that set out in the Appendix to this letter.

Yours sincerely,



Barry Hussey

Manager, Wholesale Electricity Market

Appendix

T&SC Part B

INTERIM PROVISIONS

H.6 Each of the Interim Provisions set out in the following paragraphs shall have effect until the relevant Modification Deployment Date, and each Interim Provision which replaces a provision of the Code shall have effect in place of the specified provision until that date, from which time the replaced provision shall commence and apply. Once the Modification Deployment Date has passed the text of the relevant Interim Provision shall be replaced by "Intentionally Blank":

H.7 Until the date that is the Mod_11_17 Deployment Date, Appendix G paragraph 14 shall be replaced by the following:

"The Market Operator shall ensure that a Settlement Statement and Settlement Reports for Trading Payments and Trading Charges issued to a Participant for its Generator Units provides to Participants, when considered in conjunction with other supplementary reports made available to the Participant under the same timeframes and over the same Communication Channels, inter alia, for the relevant Generator Unit *u* in each Imbalance Settlement Period *y* for the relevant Settlement Day in Billing Period *b*, values of:

- a) total Daily Amounts for the Participant (Settlement Day value);
- b) the Imbalance Component Payment or Charge for the Generator Unit;
- c) the Premium Component Payment for the Generator Unit;
- d) the Discount Component Payment for the Generator Unit;
- e) the Offer Price Only Accepted Offer Payment or Charge for the Generator Unit;
- f) the Bid Price Only Accepted Bid Payment or Charge for the Generator Unit;
- g) the Curtailment Payment or Charge for the Generator Unit;
- h) the Uninstructed Imbalance Charge for the Generator Unit;
- i) the Fixed Cost Payment or Charge for the Generator Unit (where calculable over the Billing Period and included in the last Settlement Day of the Billing Period);
- j) the Testing Charge for the Generator Unit;
- k) Metered Quantity for the Generator Unit;
- l) Actual Availability Quantity for the Generator Unit;
- m) Ex-Ante Quantity for the Generator Unit;
- n) Dispatch Quantity for the Generator Unit;
- o) Loss-Adjusted Accepted Offer Quantities, with corresponding Bid Offer Prices, for the Generator Unit;
- p) Loss-Adjusted Accepted Bid Quantities, with corresponding Bid Offer Prices, for the Generator Unit;
- q) Loss-Adjusted Offer Price Only Accepted Offer Quantities for the Generator Unit;
- r) Loss-Adjusted Bid Price Only Accepted Bid Quantities for the Generator Unit;
- s) Biased Accepted Offer Quantities for the Generator Unit;
- t) Biased Accepted Bid Quantities for the Generator Unit;
- u) Loss-Adjusted Non-Firm Accepted Bid Quantities for the Generator Unit;
- v) Loss-Adjusted Trade Opposite TSO Accepted Offer Quantities for the Generator Unit;
- w) Loss-Adjusted Trade Opposite TSO Accepted Bid Quantities for the Generator Unit;
- x) Curtailment Quantities for the Generator Unit;

- y) System Service Flag for each Generator Unit;
- z) System Service Difference Quantity for each Generator Unit;
- aa) Start Up Costs for the Generator Unit;
- bb) No Load Costs for the Generator Unit;
- cc) Imbalance Settlement Price;
- dd) Curtailment Price; and
- ee) Market Back Up Price.

The Settlement Statement version will be indicated.”

For the avoidance of doubt, this supersedes the obligation contained in Agreed Procedure 15 section 2.3 to publish the Information Imbalance Charge for Generator Units within Settlement Documents until the date that is the Mod_11_17 Deployment Date.

T&SC Part B Glossary

Modification Deployment Date	means the date for the termination of the Interim Provision set out in that provision. The date will be proposed by the Market Operator following consultation with the Modifications Committee and approved by the Regulatory Authorities, such date to be published on the Market Operator web site at least three Working Days in advance of the date concerned.
Mod_11_17 Deployment Date	means the date proposed by the Market Operator following discussion with the Modifications Committee, and approved by the Regulatory Authorities for the purpose of H.7, such date to be published on the Market Operator web site at least three Working Days in advance of the date concerned.
Interim Provisions	means the provisions referred to in section H commencing at clause H.7, each of which shall apply, in accordance with paragraph H.6, until terminated on the relevant Modification Deployment Date.