



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

24 August 2018

Our Ref: D/18/14051

SEM Committee Decision for the Regulatory Authorities in relation to Mod_15_18 (Final Recommendation Report FRR_15_18)

Dear Esther,

On 22 June 2018, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal Mod_15_18 Clarification for Instruction Profiling in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

The Modification Proposal Mod_15_18 was submitted to the Modifications Committee by EirGrid (SEMO) on 11 April 2018. The Modification was discussed and voted on at Modifications Meeting 85 on 25 April 2018.

The need for this Modification arose during system development, where a number of flaws in the rules in Appendix O were identified. Specifically, the Final Recommendation Report states that the Modification:

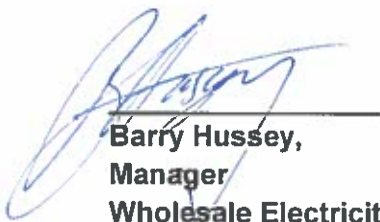
- provides (but the current Appendix O does not) for the situation where there are both curtailment and constraint instructions issued to wind generators;
- clarifies the rules that apply when an instruction to synchronise and another instruction to run at a particular output (being greater than minimum generation) interact with a minimum on time;
- makes clear that calculations are done on a Settlements Day rather than Trading Day basis;
- ensures that calculations for wind generation and storage do not rely on metered quantities (which quantities are not known in real time and hence cannot be used in determining imbalance prices); and
- requires that bid offer quantities are calculated on a minute-by-minute basis.

The Regulatory Authorities note that a number of changes from the originally circulated Modification Proposal were raised at the Meeting. In addition to these changes, a number of further minor changes were agreed with the Modifications Committee at Meeting 85. These are reflected in the Appendix to the Final Recommendation Report. The Regulatory Authorities also note that there was a discussion at Meeting 85 regarding the impact of these changes on wider market participants' system build projects, and that the action to ensure that these changes were communicated to the technical liaison group was closed off by SEMO after the meeting.

Having reviewed the FRR submitted by the Modifications Committee, the Regulatory Authorities are comfortable that the Modification facilitates the objectives of the Code insofar that it furthers the transparent operation of the market. This said, the Regulatory Authorities are concerned that the drafting in Appendix O is generally more challenging to interpret than the vast majority of the TSC. There is a risk that incumbent participants, who have been part of the wider project to transition from SEM to I-SEM, may have had more of an opportunity to have explained to them the internal operation of this complex area. Potential new entrants or future investors may not benefit from this experience. Rather than allow this understanding to be lost, the Regulatory Authorities consider that it would be useful, at a sensible point after Go Live but while the level of understanding is still present, for a wholesale review of the Appendix O drafting to be considered.

In accordance with Paragraph B.17.20 of the Code, the SEM Committee direct that a Modification, as set out in Appendix 1 of FRR_15_18, is implemented on a Trading Day basis with effect from one Working Day after the date of this letter.

Yours sincerely,



Barry Hussey,
Manager
Wholesale Electricity Markets