

Single Electricity Market

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| Final REcommendation ReportMod\_22\_19 Correction of QUNDELotol calculations to convert tolug and tolog to Mwh20 December 2019 |

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Document History

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| **Version** | **Date** | **Author** | **Comment** |
| 1.0 | 20 Dec 2019 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 2.0 |  | Modifications Committee Secretariat | Issued to Regulatory Authorities for final decision |

Reference Documents

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| **Document Name** |
| [Trading and Settlement Code](https://www.sem-o.com/rules-and-modifications/balancing-market-modifications/market-rules/TSC-Part-B.docx) |
| [Modification Proposal Form](https://www.sem-o.com/documents/market-modifications/Mod_22_19/Mod_22_19-CorrectionofQUNDELOTOLcalculationstoconvertTOLUGandTOLOGtoMWh.docx) |
| [Presentation](https://www.sem-o.com/documents/market-modifications/Mod_22_19/Mod_22_19CorrectionofQUNDELOTOLcalculationstoconvertTOLUGandTOLOGtoMWh-KC.pptx) |
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# MODIFICATIONS COMMITTEE RECOMMENDATION

## Recommended for approval– unanimous Vote

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| **Recommended for Approval by Unanimous Vote** |
| Paraic Higgins (Chair) | Generator Member | Approve |
| Rochelle Broderick | Supplier Alternate | Approve |
| David Gascon | Generator Alternate | Approve |
| Eamonn Boland | Supplier Alternate | Approve |
| Jim Wynne | Supplier Member | Approve |
| Alan Mullane | Interconnector Member | Approve |
| Ian Mullins | Supplier Member | Approve |
| Sinead O’Hare | Generator Member | Approve |
| Robert McCarthy | DSU Alternate | Approve |
| Kevin Hannafin | Generator Member | Approve |

# Background

This Modification Proposal was raised by SEMO and was received by the Secretariat on the 21st November 2019. The proposal was raised and voted on at Meeting 95 on 5th December 2019.

The calculation of Tolerance Bands for Over and Under Generation(TOLOG and TOLUG) in paragraph F.9.2.5 evaluates values in **MW** representing the tolerance within which there will be no Premium for Under Generation or Discount for Over Generation Uninstructed Imbalances and outside which the Premium/Discount will apply.

This value is applied in paragraph F.9.3.2, without any conversion, **as though it were a value in MWh**, to calculate the Outside Tolerance Undelivered Quantity in MWh which is subsequently used in paragraph F.9.4.1 to calculate the Uninstructed Imbalance Charge.

This would appear to be an error in translating the rules on Uninstructed Imbalances from Part A to Part B whereby, under Part A the tolerances are also calculated in MW but are then converted to MWh by applying the Trading Period Duration when calculating the Uninstructed Imbalance amounts but no similar conversion is carried out in Part B. This results in tolerance bands being overstated by a factor of 2.

This proposal seeks to correct this error by applying the appropriate conversion to MWh during the calculation of Outside Tolerance Undelivered Quantities for subsequent use in determining Uninstructed Imbalance Charges

# PURPOSE OF PROPOSED MODIFICATION

**3A.) justification of Modification**

This proposal seeks to correct a clear error of applying tolerance values in incorrect units.

**3B.) Impact of not Implementing a Solution**

If this proposal is not implemented tolerance bands will continue to be overstated in error resulting in premiums and discounts not being applied to Uninstructed Imbalance volumes to which they should apply.

**3c.) Impact on Code Objectiv****es**

1. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;

Principally intended to further the objective related to efficient economic administration of the SEM by correcting this known material error and as such ensuring that the signals that premiums and discounts applied to deviations from dispatched positions which exceed prescribed tolerances provide for in terms of compliance with dispatch instructions are as intended.

# Working Group and/or Consultation

N/A

# impact on systems and resources

Change to SEMO settlement systems to implement amended algebra.

# Impact on other Codes/Documents

N/A

# MODIFICATION COMMITTEE VIEWS

## Meeting **95 – 5 December 2019**

The Proposer delivered a [presentation](https://www.sem-o.com/documents/market-modifications/Mod_22_19/Mod_22_19CorrectionofQUNDELOTOLcalculationstoconvertTOLUGandTOLOGtoMWh-KC.pptx) on the Modification which refers to the application of Tolerance bands which are defined as MW value. The proposal seeks to address the issue of Tolerance bands applied to calculations where all other variables are MWh. The conversion to MWh is achieved by multiplying by the Imbalance Settlement Period Duration. This modification is a simple correction to an error which is causing Tolerance bands to be overstated. It was noted that there was a need to also correct the units in the acronym definition of the Tolerance bands to MW instead of MWh. This was missed in the original drafting of the proposal but will be addressed in the Final Recommendation Report.

The Proposer gave assurance that the system change associated with this modification was a relatively low priority and would not replace any more urgent system changes in the pipeline just because was voted in earlier. It was suggested that it would probably be implemented after Release F. It was also indicated that the system changes were expected to be of very low impact.

# Proposed Legal Drafting

Additional change to Glossary:



# LEGAL REVIEW

N/A

# IMPLEMENTATION TIMESCALE

It is proposed that this Modification is implemented as the Modifications Committee have Recommended it for Approval. This Modification requires system changes and as such it is recommended that it is made effective from the first Settlement Day following delivery of the associated system changes.

# Appendix 1: Mod\_22\_19 correction to qundelotol calculations to convert tolug and tolog to mwh

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| **MODIFICATION PROPOSAL FORM** |
| **Proposer***(Company)* | **Date of receipt***(assigned by Secretariat)* | **Type of Proposal***(delete as appropriate)* | **Modification Proposal ID***(assigned by Secretariat)* |
| **SEMO** | **21 November 2019** | **Standard** | **Mod\_22\_19** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Christopher Goodman** |  | **Christopher.Goodman@sem-o.com** |
| **Modification Proposal Title** |
| **Correction of QUNDELOTOL calculations to convert TOLUG and TOLOG to MWh** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC Part B** | **F.9** | **Version 21** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| The calculation of Tolerance Bands for Over and Under Generation(TOLOG and TOLUG) in paragraph F.9.2.5 evaluates values in **MW** representing the tolerance within which there will be no Premium for Under Generation or Discount for Over Generation Uninstructed Imbalances and outside which the Premium/Discount will apply.This value is applied in paragraph F.9.3.2, without any conversion, **as though it were a value in MWh**, to calculate the Outside Tolerance Undelivered Quantity in MWh which is subsequently used in paragraph F.9.4.1 to calculate the Uninstructed Imbalance Charge.This would appear to be an error in translating the rules on Uninstructed Imbalances from Part A to Part B whereby, under Part A the tolerances are also calculated in MW but are then converted to MWh by applying the Trading Period Duration when calculating the Uninstructed Imbalance amounts but no similar conversion is carried out in Part B. This results in tolerance bands being overstated by a factor of 2.This proposal seeks to correct this error by applying the appropriate conversion to MWh during the calculation of Outside Tolerance Undelivered Quantities for subsequent use in determining Uninstructed Imbalance Charges |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
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2.
3.
4.
5.
6. 1.
	2.
	3.
	4.
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	6.
	7.
	8.
	9. 1.
		2.
		3. 1. The Market Operator shall calculate the Outside Tolerance Undelivered Quantity (QUNDELOTOLuγ) for each Generator Unit, u, in Imbalance Settlement Period, γ, as follows:

where:* + - * 1. QMLFuγ is the Loss-Adjusted Metered Quantity for Generator Unit, u, in Imbalance Settlement Period, γ;
				2. QDLFuγ is the Loss-Adjusted Dispatch Quantity for Generator Unit, u, in Imbalance Settlement Period, γ;
				3. TOLUGLFuγ is the Loss-Adjusted Tolerance for Under Generation for Generator Unit, u, in Imbalance Settlement Period, γ;
				4. TOLOGLFuγ is the Loss-Adjusted Tolerance for Over Generation for Generator Unit, u, in Imbalance Settlement Period, γ; and
				5. DISP is the Imbalance Settlement Period Duration.
 |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| This proposal seeks to correct a clear error of applying tolerance values in incorrect units |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of Part A and/or Section A.2.1.4 of Part B of the T&SC for Code Objectives)* |
| * + - * 1. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;

Principally intended to further the objective related to efficient economic administration of the SEM by correcting this known material error and as such ensuring that the signals that premiums and discounts applied to deviations from dispatched positions which exceed prescribed tolerances provide for in terms of compliance with dispatch instructions are as intended. |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| If this proposal is not implemented tolerance bands will continue to be overstated in error resulting in premiums and discounts not being applied to Uninstructed Imbalance volumes to which they should apply. |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures; also indicate impacts on any other Market Code such as Capacity Marker Code, Grid Code, Exchange Rules etc.)* |
| Not required | Change to SEMO settlement systems to implement amended algebra. |
| ***Please return this form to Secretariat by email to*** balancingmodifications@sem-o.com |