



Single Electricity Market

MODIFICATIONS COMMITTEE MEETING MINUTES

MEETING 120

MS Teams Call

5th December 2023

10.30AM – 1.00PM

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Document History

Version	Date	Author	Comment
1.0	12th Dec 2023	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	19 th Dec 2023	Modifications Committee Secretariat	Committee and Observer review complete

Distribution List

Name	Organization
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
Balancing Market Rules – Trading and Settlement Code & Agreed Procedures
Mod_11_23 SDP_02 Battery Integration
Mod_12_23 Extension to Timing for Execution of Deeds
Mod_13_23 SDP_01 Treatment of Non-Priority Dispatch Renewables

In Attendance

Name	Company	Position
Modifications Committee (voting members)		
Nick Heyward	Statkraft	Flexible Participant Member
David Caldwell	Power NI	Supplier Member
Bryan Hennessy	Flogas	Supplier Member
James Long	ESB Networks	MDP Member
Sean McParland	Energia	Generator Member
Richard Crowley	Bord Na Mona	Generator Alternate
Nick Brown	PrePayPower	Supplier Alternate
Eoghan Cudmore	Bord Gais	Supplier Alternate
Stacy Feldmann (Chair)	SSE	Generator Member

Paraic Higgins	ESB	Generator Member
Andrew Burke	WEI	Renewable Generator Member
David Morrow	Energia	Generator Alternate
Adelle Watson	NIE Networks	MDP Member
Colm MacOireachtaigh	PrePayPower	Supplier Member
Eoin Murphy	ElectroRoute	Assetless Member
Deirdre Hughes	EirGrid	SO Alternate
Robert McCarthy	Electricity Exchange	DSU Member
Katia Compagnoni	SEMO	MO Member
Martin McCarthy	SEMO	MO Alternate
Modifications Committee (non-voting members)		
Kevin Hagan	CRU	RA Member
Mary Farrelly	Uregni	RA Alternate
Secretariat		
Esther Touhey	SEMO	Secretariat
Sandra Linnane	SEMO	Secretariat
Observers		
Yongkang An	CRU	Observer
Andrew Waghorn	Deloitte	Observer
Fergus O'Boyle	EirGrid	Observer
Grace Burke	EirGrid	Observer
Mike Harrington	EirGrid	Observer
Thomas O'Sullivan	Auginish	Observer
Ed Carty	EirGrid	Observer

1. AUDIT UPDATE

Observer from the Audit team delivered a [presentation](#) on the Audit for 2022 which was issued in the middle of November 2023. There were 3 significant issues that have been reported and have been closed out by SEMO but no material issue above the threshold was found therefore resulting in a outcome of overall material compliance.

Observer from the Audit team confirmed that a Terms of Reference was issued for consultation for the 2023 Audit. Assurance was given that Deloitte would be able to report on the 2023 Audit in early 2024. It was advised that the timing of this work and the previous audit was such that the 2021 audit was completed later and those findings were not included in this report.

A discussion ensued on the list of 'other matters' in the audit report. It was noted by Deloitte that some of those matters were already included in the 'known issues report', some were new, but some were never part of that report because more procedural rather than system related. SEMO Member noted that there some of the issues included in the report were going to be addressed by raising a Modification Proposal early next year.

2. SEMO UPDATE

Secretariat welcomed all to Modifications Committee Meeting 120. It was noted that the RAs had contacted Secretariat following Meeting 119 to include a minor clarification on the minutes published. The minutes were then read and approved, and assurance was given that the minutes would be published with this clarification.

It was advised that meeting schedules for 2024 were in development, noting that the dates of some of the meetings may be moved closer to the meeting date.

Secretariat congratulated Stacy Feldman on reelection to the position of Chair and thanked Andrew Burke for agreeing to continue in the role of Vice Chair.

The Programme of Work was discussed and noted that the Judicial Review affecting 2 Modification Proposals that had been voted (Mod_05_23 and Mod_10_23) had been completed and while SEMO was waiting for further instructions, all work in relation to the implementation of those modifications would be paused. Generator Member queried if there was any provision for the scope of release to be open should Mods be paused like in this case and MO Member replied that if the release scope was still opened, it could always be re-adjusted but once it had gone into the design phase it could not be reopened.

Market Development Update

MO observer gave an overview for Release M and gave examples of the changes being applied including the resolution of 3 defects.

3. REVIEW OF ACTIONS

Mod_02_22 Cost Recovery when Under Test	<ul style="list-style-type: none"> Implementation of decision on Mod_02_22 by TSO - Open
Mod_01_23 Remuneration of Commissioning Unit	<ul style="list-style-type: none"> SEMO to seek an impact assessment – Closed as Mod has been rejected
Mod_08_23 Archiving Part A & C of the TSC	<ul style="list-style-type: none"> SEMO to add explanatory wording to the updated sections in the SEMO website – Open
Mod_09_23 Correction to the calculation of SDPIMB	<ul style="list-style-type: none"> Secretariat to draft a Final Recommendation Report – Closed

Mod_10_23 Market Compensation for Firm Curtailment Look Back Period	<ul style="list-style-type: none"> • Secretariat to draft a Final Recommendation Report – Closed • SEMO to publish detailed process for comments – Paused following JR
Mod_11_23 SDP_02 Battery Integration	<ul style="list-style-type: none"> • Proposer to liaise with Secretariat to arrange further Industry Calls to discuss Modification Proposals further – Closed.

MO Member provided assurance that the action on Mod_02_22 would be closed shortly and noted that delays were due to making sure that all the relevant documentation would be considered. Apologies were given that this had not been resolved yet.

DSU Member requested an update from the Ras on a decision on Mod_02_23 and relative timeframes. Disappointment was expressed for the delay to this Modification and there was concern for similar delays affecting further Modifications in the future. The RAs noted that the impact assessment for Mod_02_23 raised issues around the implementation of the Modification, and this is causing delay.

4. DEFERRED MODIFICATION PROPOSALS

MOD_11_23 SDP_02 BATTERY INTEGRATION V2

The Proposer gave a [presentation](#) on this Modification Proposal and gave a reminder of the purpose of the proposal and based on feedback from Meeting 119 there had been more opportunities for discussions. It was advised that 2 additional sessions were held for the Committee and wider industry and summarized how batteries would be treated like other Generators for most settlements calculations.

The Proposer went through the changes and system improvements that V2 of this Proposal would bring. It was noted that the aim of this Modification was to be able to register these units as battery storage and although this does not extend to full optimization due to vendor constraints, work on the delivery of that enduring solution would begin next year. The Proposer also advised that source data, dispatch and settlement were the focus of this Modification Proposal, and the approach in V2 would reduce risks raised by Participants.

It was noted that the implementation excluded the introduction of Outturn Minimum Output in the calculation of bid offer acceptance quantities for incs and the requirement for the need of this change will be assessed after the deployment. MO Member confirmed that this section had been removed from the legal drafting therefore vote taken today would not include those changes. The section discussed would require a second Modification Proposal.

Decision

This Proposal was Recommended for Approval.

Recommended for Approval by Unanimous Vote		
Stacy Feldmann (Chair)	Generator Member	Approve
Nick Heyward	Flexible Participant Alternate	Approve
David Caldwell	Supplier Member	Approve
Sean McParland	Generator Member	Approve
Richard Crowley	Generator Alternate	Approve

Eoghan Cudmore	Supplier Alternate	Approve
Paraic Higgins	Generator Member	Approve
Andrew Burke	Renewable Generator Member	Approve
Colm Oireachtaigh	Supplier Member	Approve
Robert McCarthy	DSU Member	Approve
Eoin Mooney	Assetless Member	Approve

Action:

- Secretariat to draft a Final Recommendation Report - **Open**

5. NEW MODIFICATION PROPOSALS

MOD_12_23 EXTENSION TO TIMING FOR EXECUTION OF DEEDS

The Proposer gave a [presentation](#) on this Modification Proposal noting that after feedback from industry, the proposal was slightly updated with a more defined extension of timelines. The Proposer removed the 10-day timeframe for execution of Deeds and replaced it with an endeavour to achieve it within 30 Working Day or by the effective date of the unit. This was due to the monthly frequency of the board meeting and other time delays that might affect the process.

There were concerns raised by Members that the timelines had been extended too far and there was no consideration to the fact that Participants need the execution of Deeds at least few days in advance of the effective date. Also it was suggested that other solutions should be considered such as electronic signature and delegation of authorities, plus the amendment of the text to include the formula ‘best endeavor’ which has a demonstrated legal standing. The Presenter provided assurance that they would review this internally to establish what was achievable. It was advised that the issue was a continual non-compliance, and this needed to be addressed. The Proposal could not proceed to a vote and the Proposer will revert to the Panel with an alternative solution and a potential V2 of the Proposal taking Members feedback onboard.

Decision

This Proposal was deferred.

- Proposer to assess comments and potentially submit a version 2 of this proposal with updated legal drafting – **Open**.

MOD_13_23 SDP_01 TREATMENT OF NON-PRIORITY DISPATCH RENEWABLES

The Proposer gave a [presentation](#) on this Modification Proposal noting that the intention for the meeting today was to introduce this Proposal and additional sessions will be organized similar to the process undertaken for Mod_11_23 and a vote requested at Modifications Committee Meeting 121.

The Proposer provided a background on this Modification Proposal noting that it was based around consideration arisen from SEMC decision SEM-21-027, the Clean Energy Package and other regulations. It was advised that under this Modification, non-priority dispatch units would be required to submit PNs. The Commercial Offer Data and Fixed Costs were discussed, with evidence requested from Participants on the application of Fixed Costs. It was noted that units would be required to submit technical offer data.

The Proposer went through the details of the Proposals and provided example of instruction profiling and of energy balancing actions.

Members offered support for this Proposal and welcomed further Industry Calls to discuss in more detail. Clarifications were requested on the application of Tolerance on dispatch and the presenter replied that the approach of using the existing percentage tolerance (TOLENG) on a per unit basis will be used.

The question was raised on whether the recent Judicial Review would have an impact on this proposal. The Presenter replied that based on their assessment the proposal was not affected by the outcome of the judicial review and the RAs noted that they would monitor further developments of the judge's order to confirm that. Also questioned the timelines for delivery of this proposal and of a vote in February would still leave time for the end of year release. Proposer said that compared to other Mods this was heavily developed in collaboration with the vendor and a February vote could still ensure those timelines provided the detailed impact assessment would not raise any issue.

Decision

This Proposal was deferred.

Action:

- Proposer to engage with Members and submit a potential version 2 of this Modification Proposal for Modification Committee Meeting 121 - **Open**

4. AOB/UPCOMING MODIFICATIONS

MO Member gave a brief overview of upcoming proposals for Modification Committee Meeting 121 noting that SEMO were preparing a proposal on Start Up Costs based on the finding of the audit report as discussed at the beginning of the meeting.

Secretariat advised that yearly schedules for 2024 will be issued shortly with invites issued one month in advance for all meetings.

APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT MEETING 120		
Status as of 5 December 2023		
Modification Proposals ‘Recommended for Approval’ without System impacts		
Title	Sections Modified	Sent
Mod_10_23 Market Compensation for Firm Curtailment Look Back Period	H	Sent for RA Decision 16/11/23
Mod_09_23 Correction to the calculation of SDPIMB	G.14.2.4	Sent for RA Decision 16/11/23
Mod_07_22 Indexation to calculation of Capacity Payments for New Capacity	F.17	Sent for RA Decision 22/11/22
Modification Proposals ‘Recommended for Approval’ with System impacts		
Mod_02_23 DSU Energy Payments	B, F, G, H AP01 Section 2.3 & Appendix 3	Sent for RA Decision 16/03/23
Modification Proposals ‘Recommended for Rejection’		
N/A	N/A	N/A
RA Decision ‘Further Work Required’		
N/A	N/A	N/A
RA Decision Approved Modifications with System Impacts		
Title	Sections Modified	Effective Date
Mod_17_22 System Action Re-pricing	E.3.4.2	Following system implementation
Mod_05_23 Market Compensation for Firm Curtailment	F, G, Glossary	Following system implementation
Mod_08_23 Archiving Part A&C of the TSC	Part A & Part C	Following website upgrade project
RA Decision Approved Modifications with no System Impacts		
Title	Sections Modified	Effective Date
Mod_06_23 SEMO Housekeeping 2023	F.2.7.2, F.10.1.4, Glossary, AP04 2.7.1, 2.7.2	28 th July 2023
Mod_07_23 Collection of Monies M+4 Update	G.2	28 th July 2023
RA Decision Rejected		
Mod_01_23 Remuneration of Commissioning Unit	D,F,G,K	13 th November 2023
RA Direction		
Mod_08_20 Imbalance prices to reflect the real-time value of energy	D.4.4.12	Decision letter received – 29/10/20

AP Notifications		
N/A	N/A	N/A
Withdrawal Notifications		
N/A	N/A	N/A
Modification Proposal Extensions		
N/A	N/A	N/A
<ul style="list-style-type: none"> • Meeting 121 – 8th February 2024 – MS Teams 		