

**I-SEM Project Managers' Group (PMG)
6 November 2018
Key Notes, Actions & Decisions**

Meeting Details	
Meeting Purpose	I-SEM Project Managers' Group (PMG)
Location	EirGrid, Dublin
Chair	Simon Grimes
Secretariat	Lenka Peskova; William Clancy
Date	6 November 2018

Key Notes ¹ & Decisions
<p>I-SEM went live on 1 October 2018, with the TSOs' focus in the period since that date being on ensuring that the new markets are operating stably. The TSOs advised that with I-SEM now live, the purpose of this meeting was to consider what comes next, advising that they see there being two follow-on projects:</p> <ol style="list-style-type: none"> 1. A Day 1+ Project will be a short term "clean-up" project, run for a defined period of time and led by Morris Lyness. Its main scope is to fix known defects in the ABB Market Management System, for which workarounds were sufficient to go-live, but for which there is a business case to fix them soonest rather than to allow workarounds to persist. In addition, there are a very limited number of changes to systems which are deemed a short-term priority for delivery (e.g. some improvements to reports) which will be progressed by a Day 1+ Project. Timelines will be confirmed in due course, but the intention is to deliver in Q2 2019. The TSOs are currently actively engaged with their vendor, ABB, to determine the agreed scope of the defects to be fixed. Engagement with market participants on the detail of the delivery will likely be via a newly established Technical Liaison Group. 2. A Day 2 Project will have a different focus; namely, to build on the foundations of the existing markets by implementing new or amended functionality - for example, to deliver new policy initiatives or to deliver improvements to efficiency or performance. Day 1+ will provide the basis upon which to deliver Day 2. <p>The detailed scope of a Day 2 Project has yet to be agreed and the purpose of this PMG meeting was to start a process of engagement and consultation with market participants on the development priorities. To seed that process, the TSOs/RAs outlined a number of potential candidates which they had identified as being potential scope items for the Day 2 Project.</p> <p>Categorised by the types of driver for change, Slides 7-14 set out the suggested candidates.</p>

¹ In addition to the core materials presented at the meeting: [6 November 2018 PMG Slide Deck](#). Slide numbers refer to the updated slide pack published after the meeting.

Slide 8 “Day 2 Requests”

The TSOs advised that not all of the functionality deferred for I-SEM delivery on 1 October 2018 would necessarily be progressed in a future Project. Some were obviously priorities for delivery – such as D2R_03 – but for others there was not deemed to be the requirement currently – for example, D2R_02 or D2_06.

Slide 9 “State Aid Decision”

The requirements which followed from the State Aid approval of the Capacity Market are understandably assessed to be a priority to progress. The changes to the CM Algorithm required for the T-4 Auction are therefore being progressed as part of the Day 1+ Project, as these are needed by March 2019 (*Slide 3 provides details*).

The other requirements are currently being reviewed by the RAs, with any resulting delivery likely to form an early deliverable of a Day 2 Project. For example, the RAs advised that they plan to open a consultation on the treatment of DSUs shortly, in order to make the preparations which might be necessary in advance of the CM T-1 Auction in December 2019. The December 2018 T-1 CM Auction is unaffected and preparations for this Auction are currently being actively progressed by the TSOs.

The RAs further noted that item #3 “Review Cross Border Zonal Arrangements” would require cooperation with GB counter parts and advised that there is a risk that it could be affected by any agreement on Brexit.

Slide 10 “SEMC Decisions”

The RAs advised that they did not think any system changes would be required as a result of the SEMC decisions.

This was certainly the case with the first item – the implementation of the Balancing Market Principles Code of Practice (BMPCOP). The RAs outlined that a decision is yet to be made on when the application of the BMPCOP will take place and with it the interim approach to bidding controls suspended. Until then, the application of those interim controls will continue in the form of the Bidding Code of Practice (BCOP) being applied.

A participant noted that in its view a further consultation should take place prior to any move from BCOP to BMPCOP being enacted.

Slides 12 & 13 “TSO/MO Operational Changes”

TSO Scheduling & Dispatch

The TSOs were asked how they intend to engage with participants on co-optimisation of energy and system services. In response, the TSOs advised that today’s meeting was the first step to engage; their thinking is still at an early stage and they have not yet fully considered all options. With further thinking, specific items will then be progressed and consulted on, as appropriate.

MO Operations

The TSOs explained that the candidates listed on slides 12 and 13 relate to improvements which would deliver performance, reliability, efficiency, or compliance benefits. For each, full details of the changes/improvements have still to be fully determined by the TSOs and the business case has yet to be made. Ultimately what’s included in the Day 2 scope will depend upon the business case/value proposition and the opportunity cost relative to other developments dependent upon the same scarce resources.

Slide 14 “Participant Changes”

The floor was opened to participants and, as part of the discussion the following candidates, were suggested for consideration by participants:

1. Block Bids (DAM);
2. Complex Bids (IDA);
3. M7 Wash Trade (OTC functionality); and

4. Centralised REMIT platform.

Participants noted that it is key that systems achieve stability first and priority defects are fixed before major changes are introduced; they noted that the TSOs' approach provided for this, by implementing a Day 1+ clean-up project prior to the introduction of new functionality via the delivery of a Day 2 Project. As the TSOs noted on Slide 15, a Day 2 Project would likely not commence prior to Summer 2019, in order to focus on bedding down Day 1 operations and delivery of the clean-up to MMS via a Day 1+ Project, as well as allowing time to consult on the scope of a Day 2 Project and procure resources for its delivery.

Liquidity, reports improvement, schedule and dispatch and intraday continuous markets were all identified as areas where participants would like to see changes or updates, with one participant also requesting that the TSOs push for earlier xBid inclusion. The TSOs requested participants advise on what additional reports they need.

The need for a test environment to be made available for participants to be able to test their systems, on demand, against the market systems was highlighted by participants, with the TSOs advising that this was the intention, to be able to test interfaces against the P2 environment, but noting that this will not produce market settlements.

Participants highlighted that releases from the projects would require them to undertake readiness activities and stressed the need for the TSOs to engage with them ahead of these releases. The TSOs confirmed they are well aware of this requirement and would fully engage in accordance with the relevant market code.

It was also noted that participants are in the process of closing down their own I-SEM projects and that they will need sufficient lead times and notice in order to resource and procure services for the further changes/updates to ISEM systems ahead of a Day 2 Project. Again, the TSOs and RAs acknowledged this requirement.

At the close of the discussion, the TSOs advised that they would welcome to receive further candidates for possible inclusion in the Day 2 project scope, together with the reasons why each candidate offered is needed.

Participants are kindly requested to submit their suggested Day 2 candidates via the Contact Us form on the SEMO website, using the Enquiry type: "Day 2 Nominations". We look forward to receiving your suggestions.

Please bear with us, this option isn't yet available but will be added shortly to the website; the TSOs will inform participants once it is available

Slide 16 "Major Risk – Brexit"

The RAs advised that the default position on Brexit is that post 29 March 2019 (or whatever transition period is agreed thereafter), Northern Ireland will remain part of the single electricity market. However, the RAs acknowledged that the outcome of Brexit negotiations is as yet unknown and they are awaiting guidance from the Departments. Participants queried if there was a Plan B in the event of a hard Brexit, which meant that Northern Ireland could not continue to remain part of the SEM, with the RAs advising what if scenarios are being investigated and work is ongoing in the background. Participants requested that the RAs consider publishing a "Notice of Exposure in Ireland" for I-SEM. Whilst participants noted the risk which Brexit presented to the scope and delivery of a Day 2 Project, their immediate concern is on ensuring that contingency arrangements had been considered, and were ready to be implemented in the event that they are needed come next March. They also requested that those contingency arrangements be communicated to market participants as soon as possible, so that they are informed and can make their own contingency preparations.

Any Other Business

The TSOs noted that this was the final meeting of the Project Managers' Group. Participants were thanked for their participation in the PMG meetings throughout the duration of the I-SEM Project. Their input was valued and had proven most useful in the delivery of the central project.

In preparation for the establishment of liaison groups to support the delivery of a Day 2 Project, the TSOs noted

that they are keen to seek market participants' views on the value and operation of the PMG, noting potential areas of improvement. As such, participants are kindly encouraged to share their views on the value of the PMG via info@sem-o.com.

Appendix I: Attendee List

Name	Company
In Person	
Andrew Burke	Enerco
Bryan Hennessy	Naturgy
Catherine Joyce-O'Caollai	Indaver
Chris Doherty	Viridian
Cormac Daly	Tynagh Energy
David Gascon	Bord na Mona
Deidre Fitzpatrick	Cenergise
Denis McBride	AES
James Long	ESBN
John Heffernan	BGE Ltd
John Hickey	ESB
John Ryan	Aughinish
Julie-Ann Mitchell	AES
Paraic Higgins	ESB GT
Paul McNamara	ESB
Raj Satwah	Flogas Natural Gas Ltd.
Rioch Magan	Aughinish
Siobhain O'Neill	ElectroRoute
Helen Mounsey	Ras
Kevin Hagan	RAs
Aidan Short	RAs
Simon Grimes	TSOs
Ray Porter	TSOs
Liam Ryan	TSOs
Severin Garanzuay	TSOs
Morris Lyness	TSOs
Lenka Peskova	TSOs
William Clancy	TSOs
Via Lync	
Adelle Woods	Bord na Mona
Alyssa Chen	iPower
Hugh Mullany	PrePayPower
Maxine Allen	iPower
Rochelle Broderick	Budget Energy
Sinead O'Donoghue	Brookfield Renewable