

Single Electricity Market

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| Final REcommendation ReportMod\_05\_14: Update of AGU and DSU registration provisions 6 march 2014  |

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Document History

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| **Version** | **Date** | **Author** | **Comment** |
| 1.0 | 26 February 2014 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 2.0 | 6 March 2014 | Modifications Committee Secretariat | Issued to Regulatory Authorities for final decision |

Reference Documents

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| **Document Name** |
| [Trading and Settlement Code](http://semopub/MarketDevelopment/MarketRules/TSC.docx) |
| [Mod\_05\_14 Update of AGU and DSU registration provisions](http://semopub/MarketDevelopment/ModificationDocuments/Mod_05_14%20%20%28%20Update%20of%20AGU%20and%20DSU%20Provisions%20Mod%29.docx) |

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# MODIFICATIONS COMMITTEE RECOMMENDATION

## Recommended for Approval– unanimous Vote

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| **Recommended for Approval by Unanimous Vote**  |
| Aine Doran | Generator Alternate | Approved |
| Brian Mongan | Generator Alternate | Approved |
| Connor Powell | Supplier Alternate | Approved |
| Jill Murray | Supplier Member | Approved |
| Kevin Hannafin | Generator Member | Approved |
| Mary Doorly | Generator Alternate | Approved |
| Patrick Liddy | DSU Member | Approved |
| Philip Carson | Supplier Alternate | Approved |

# Background

This Modification Proposal was raised by the RAs and was received by the Secretariat on 23 January 2014. The purpose of the proposal is to update the TSC provisions relating to the registration of Aggregated Generator Units (AGU) and Demand Side Units (DSU) to clarify the requirements for Parties seeking to register such Units and to enable the two Regulatory Authorities to impose obligations on such Parties through mechanisms which are consistent with the differences in their statutory positions. The proposal also seeks to clarify and simplify the provisions in the TSC regarding such registration. It is noted that these proposals cannot affect any Party that has already received RA consent for the registration of a DSU or of an AGU.

The Modification Proposal was discussed at Meeting 53 on 06 February 2014 where it was voted on.

# PURPOSE OF PROPOSED MODIFICATION

## 3A.) justification of Modification

The Code provisions related to the registration of Demand Side Units and Aggregated Generator Units are unduly complex and difficult to understand. This is in part the result of the differences in statutory provisions in relation to licensing in the two Jurisdictions. The RAs wish to clarify the provisions and to ensure that any movement towards the licensing of related activities, which are not currently subject to licence will be enabled without further amendment to the provisions of the Code.

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

If this Modification Proposal is not implemented, the Code provisions will continue to confuse potential registrants of AGUs and DSUs and further changes to the Code will be required as a result of any regulatory move towards the licensing of either AGUs or DSUs.

## 3c.) Impact on Code Objectives

This modification aims to further Code Objective:

5. “to provide transparency in the operation of the Single Electricity Market” in the simplification of the relevant Code provisions

6. “to ensure no undue discrimination between persons who are parties to the Code” in the assurance that all Generator Units are subject to the same relevant obligations under licenses or agreements.

# Working Group and/or Consultation

N/A

# impact on systems and resources

N/A

# Impact on other Codes/Documents

N/A

# MODIFICATION COMMITTEE VIEWS

## Meeting 53 – 06 february 2014

RA Alternate outlined proposal advising that the intention is to update the TSC provisions relating to the registration of Aggregated Generator Units (AGU) and Demand Side Units (DSU) to clarify the requirements for Parties seeking to register such Units and to enable the two Regulatory Authorities to impose obligations on such Parties through mechanisms which are consistent with the differences in their statutory positions.

The proposal also seeks to clarify and simplify the provisions in the TSC regarding such registration.

Proposer advised that the proposal is seeking to future proof the T&SC in an effort to ensure that the relevant sections are clear.

Discussion arose around the necessary licenses and whether a consultation would be required. Proposer advised that the intention of the proposal is to allow for consistency between North and South in relation to registration of AGUs and DSUs.

Chair queried as to what the differences were between section 2 and section 5. MO Member advised that the legal drafting proposed sits more logically in section 2.

Secretariat drew attention to a typo in Section 2 of the proposal, incorrectly referencing Section 2.34A, as opposed to Section 2.34.

# Proposed Legal Drafting

As set out below:

Section 2:

2.34 A Party (or Applicant, as applicable) shall, on registration of a Generator Unit, specify if the Unit is:

1. a Wind Power Unit;
2. an Energy Limited Generator Unit;
3. a Pumped Storage Unit;
4. a Demand Side Unit provided the Party has the approval of the Regulatory Authorities in accordance with paragraph 2.34B;
5. an Aggregated Generator Unit provided the Party has the approval of the Regulatory Authorities in accordance with paragraph 2.34C;
6. a Netting Generator Unit;
7. an Interconnector Unit or
8. A Dual Rated Generator Unit, provided the Party has the approval of the Regulatory Authorities in accordance with paragraph 2.34A.

2.34A A Party (or Applicant, as applicable) may register a Generator Unit as a Dual Rated Generator Unit provided that the Regulatory Authorities have given their written consent for the registration of the relevant Generator Unit by the Party (or Applicant) as a Dual Rated Generator Unit.

2.34B A Party (or Applicant, as applicable) may register a Generator Unit as a Demand Side Unit provided that the Regulatory Authorities have given their written consent for the registration of the relevant Generator Unit by the Party (or Applicant) as a Demand Side Unit.

2.34C A Party (or Applicant, as applicable) may register a Generator Unit as an Aggregated Generator Unit provided that the Regulatory Authorities have given their written consent for the registration of the relevant Generator Unit by the Party (or Applicant) as an Aggregated Generator Unit.

2.34D The Regulatory Authority concerned may, as a condition of its consent to the registration of a Demand Side Unit or an Aggregated Generator Unit, require the relevant Party (or Applicant as applicable) to enter into a form of Licence or other agreement with the Regulatory Authority; such Licence or agreement having the objective of ensuring that the registrant of the Unit concerned shall be subject to all of the relevant obligations faced by other Generator Units operating in the Single Electricity Market.

Section 5:

5.195 An Aggregated Generator may only be registered as an Aggregated Generator Unit in accordance with the participation procedure in paragraphs 2.30-2.52.

5.196 Intentionally blank.

5.197 The Market Operator shall Deregister any Generator Unit that is an Aggregated Generator Unit where that Unit comprises less than two Generators.

#  LEGAL REVIEW

Complete

# IMPLEMENTATION TIMESCALE

It is proposed that this Modification is implemented on a Trading Day basis with effect from one Working Day after an RA Decision is made.

# Appendix 1: Mod\_05\_14 Update of agu and dsu registration provisions

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| **MODIFICATION PROPOSAL FORM** |
| **Proposer** | **Date of receipt** | **Type of Proposal** | **Modification Proposal ID** |
| **Regulatory Authorities** | **23 January 2014** | **Standard**  | **Mod\_05\_14** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Tanya Hedley** | **048 90311575** | **tanya.hedley@uregni.gov.uk** |
| **Modification Proposal Title** |
| **Update of AGU and DSU registration provisions** |
| **Documents affected** | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC** | **Section 2 and Section 5** | **14** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| The purpose of the proposal is to update the TSC provisions relating to the registration of Aggregated Generator Units (AGU) and Demand Side Units (DSU) to clarify the requirements for Parties seeking to register such Units and to enable the two Regulatory Authorities to impose obligations on such Parties through mechanisms which are consistent with the differences in their statutory positions. The proposal also seeks to clarify and simplify the provisions in the TSC regarding such registration. It is noted that these proposals cannot affect any Party that has already received RA consent for the registration of a DSU or of an AGU.  |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| Section 2:2.34A A Party (or Applicant, as applicable) shall, on registration of a Generator Unit, specify if the Unit is: 1. a Wind Power Unit;
2. an Energy Limited Generator Unit;
3. a Pumped Storage Unit;
4. a Demand Side Unit provided the Party has the approval of the Regulatory Authorities in accordance with paragraph 2.34B;
5. an Aggregated Generator Unit provided the Party has the approval of the Regulatory Authorities in accordance with paragraph 2.34C;
6. a Netting Generator Unit;
7. an Interconnector Unit or
8. A Dual Rated Generator Unit, provided the Party has the approval of the Regulatory Authorities in accordance with paragraph 2.34A.

2.34A A Party (or Applicant, as applicable) may register a Generator Unit as a Dual Rated Generator Unit provided that the Regulatory Authorities have given their written consent for the registration of the relevant Generator Unit by the Party (or Applicant) as a Dual Rated Generator Unit. 2.34B A Party (or Applicant, as applicable) may register a Generator Unit as a Demand Side Unit provided that the Regulatory Authorities have given their written consent for the registration of the relevant Generator Unit by the Party (or Applicant) as a Demand Side Unit.2.34C A Party (or Applicant, as applicable) may register a Generator Unit as an Aggregated Generator Unit provided that the Regulatory Authorities have given their written consent for the registration of the relevant Generator Unit by the Party (or Applicant) as an Aggregated Generator Unit.2.34D The Regulatory Authority concerned may, as a condition of its consent to the registration of a Demand Side Unit or an Aggregated Generator Unit, require the relevant Party (or Applicant as applicable) to enter into a form of Licence or other agreement with the Regulatory Authority; such Licence or agreement having the objective of ensuring that the registrant of the Unit concerned shall be subject to all of the relevant obligations faced by other Generator Units operating in the Single Electricity Market. Section 5:5.195 An Aggregated Generator may only be registered as an Aggregated Generator Unit in accordance with the participation procedure in paragraphs 2.30-2.52.5.196 Intentionally blank.5.197 The Market Operator shall Deregister any Generator Unit that is an Aggregated Generator Unit where that Unit comprises less than two Generators. |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| The Code provisions related to the registration of Demand Side Units and Aggregated Generator Units are unduly complex and difficult to understand. This is in part the result of the differences in statutory provisions in relation to licensing in the two Jurisdictions. The RAs wish to clarify the provisions and to ensure that any movement towards the licensing of related activities, which are not currently subject to licence will be enabled without further amendment to the provisions of the Code. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| This Modification Proposal better facilitates the achievement of objective 5: “to provide transparency in the operation of the Single Electricity Market” in the simplification of the relevant Code provisions and objective 6: “to ensure no undue discrimination between persons who are parties to the Code” in the assurance that all Generator Units are subject to the same relevant obligations under licenses or agreements.  |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| If this Modification Proposal is not implemented, the Code provisions will continue to confuse potential registrants of AGUs and DSUs and further changes to the Code will be required as a result of any regulatory move towards the licensing of either AGUs or DSUs. |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| Not expected to be necessary. | No impact on Central Market Systems or Participants’ systems or on any Agreed Procedures is expected. |
| ***Please return this form to Secretariat by email to*** *modifications@sem-o.com* |