Single Electricity Market

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| Final REcommendation Report*Mod\_18\_11: Definition of availability*Version 1.008 September 2011 |

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Document History

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| **Version** | **Date** | **Author** | **Comment** |
| 0.3 | 31 August 2011 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 1.0 | 08 September 2011 | 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.doc)  |
| [Mod\_18\_11 *Definition of Availability*](http://semopub/MarketDevelopment/ModificationDocuments/Mod_18_11.docx)  |

Relevant Sections

| **In accordance with Section 2.215 of the Trading & Settlement Code, the sections marked applicable will be included in the FRR** |
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| **Modifications Committee Recommendation** | **Applicable** |
| **Development Process**  | **Applicable** |
| **Purpose of Proposed Modification**a.) Justification for Modificationb.) Impact of not implementing a solutionc.) Impact on Code Objectives | **Applicable** |
| **Assessment of Alternatives** | **N/A** |
| **Working Group and/or Consultation** | **N/A** |
| **Impact on other Codes/Documents** | **Applicable** |
| **Impact on Systems and Resources** | **N/A** |
| **Modifications Committee Views** | **Applicable** |
| **Proposed Legal Drafting** | **N/A** |
| **Legal Review**  | **Applicable** |
| **Implementation Timescale, Costs and Resources** | **Applicable** |

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# 1 MODIFICATIONS COMMITTEE RECOMMENDATION

## Recommended for approval – Unanimous Vote

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| **Recommended for Approval by the Modifications Committee as follows:** |
| Generator Alternate | Brian Mongan | AES |
| Generator Alternate | Mary Doorly | IWEA |
| Generator Member | Andrew Burke | ESBI |
| Generator Member | Kevin Hannafin | Viridian Power & Energy |
| Supplier Member | William Steele | NIE Energy Supply |
| Supplier Member | Jill Murray | Bord Gáis Energy Supply |
| Supplier Alternate | William Carr | ESB Electric Ireland |
| Supplier Member  | Iain Wright | Airtricity |

# 2 DEVELOPMENT PROCESS

The Modification Proposal was raised by Endesa Ireland and proposed changes to the T&SC Glossary. It was received by the Secretariat on 26 May 2011 and initially presented at Meeting 36 on 09 June 2011. At the Meeting, the proposal was deferred and an action was placed on Participants to read the EirGrid Consultation Paper and to bring their views on the Paper to the next Meeting. The proposal was discussed again at Meeting 37 on 09 August 2011 where it was voted on.

# 3 PURPOSE OF PROPOSED MODIFICATION

## 3A.) Justification for Modification

The current definition of Availability leaves room for ambiguity in interpretation. This raises concerns around certainty and transparency; it is preferable for the Trading and Settlement Code definition to be amended to provide certainty. This Modification will align the Trading and Settlement Code definition of ‘Availability’ with the Grid Code definition, which deems a generator to be available where it is capable of delivering electricity to the Connection Point.

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

If this Modification is not implemented, there will continue to be ambiguity in the definition of Availability.

## 3c.).) Impact on Code Objectives

This Modification Proposal furthers Code objectives 2, 3, 5 and 6 in clarifying the definition of ‘Availability’:

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

3. to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market

5. to provide transparency in the operation of the Single Electricity Market

6. to ensure no undue discrimination between persons who are parties to the code

# 4 MODIFICATION COMMITTEE VIEWS

## 4A Meeting 37 – 09 August 2011

SO Member provided outline of EirGrid Outturn Availability consultation paper advising that a wide-ranging variety of responses had been received, further stating that an all-island consultation would be preferable in order to attain views other than those solely from the ROI. RA Member advised that it is likely that the consultation paper will be consulted on again as a SEM Committee matter. RA Member stated that any decisions made will have to be consistent; due to the fact that it is not cohesive to issue one decision on one basis for the Code and another decision regarding the consultation paper.

Generator Member sought clarification on how this proposal is in conflict with the EirGrid consultation paper. SO Member clarified that the Modification Proposal is proposing to have a single definition for Outturn Availability, however different scenarios are accommodated for within the Code. Generator Member queried as to whether there is a best practice example in other markets. SO Member stated that BETTA is the same as the SEM, however there are no further examples. RA Member reiterated that this is a SEM matter, thus it should be consulted on as such. Discussion arose around the consistency of this proposal with the Grid Code and the Trading and Settlement Code. Generator Alternate advised that it should be seen as a clarification Modification Proposal as it is elucidating the point where availability is defined.

## 4B TSO View

The TSOs have impact assessed this Modification. While defining Availability as being in line with the definition in the Grid Code would be one possible approach to meet the objective of furthering transparency as set out in the Modification Proposal, we have concerns with the impact this change would have on the definition of Outturn Availability as it gives it a meaning that is not supported by the TSOs.  There are several scenarios when a generation unit’s ability to deliver power to the connection point does not de facto mean that it can deliver that quantity of Active Power to the SEM.  Therefore while a generator may be ‘available’ from a Grid Code perspective it may not always be ‘available’ from a SEM perspective.  Outturn Availability data provided by TSOs to SEMO is based on a unit’s ability to deliver active power to the SEM. It ought not to be aligned to a unit’s ability to export to the Connection Point. This would be the implication of the proposed modification on both Availability and Outturn Availability as well as having an impact on other definitions within the Code where Availability is referenced (such as Availability Profile), the implications of which may not have been fully considered. The TSOs would therefore not support this Modification.

# 5 LEGAL REVIEW

Complete

# 6 IMPLEMENTATION TIMESCALE, COSTS AND RESOURCES

The proposed implementation date is one working day after the day on which the Regulatory Authority decision is made. It is proposed that this Modification is made on a Settlement Day basis.

# Appendix 1: Modification Proposal – Mod\_18\_11

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| **MODIFICATION PROPOSAL FORM** |
| **Proposal Submitted by:** | **Date Proposal received by Secretariat:***(to be assigned by Secretariat)* | **Type of Proposal***(please delete as appropriate)* | **Number:***(to be assigned by Secretariat)* |
| Endesa Ireland | 26 May 2011 | **Standard** | 18\_11 |
| **Contact Details for Modification Proposal Originator** |
| **Name:****Marian Troy** | **Telephone number:**01 5228343/ 5228300 | **e-mail address:**marian.troy@endesaireland,ie |
| **Modification Proposal Title:** Definition of ‘Availability’ |
| **Trading and Settlement Code and/or Agreed Procedure change?**  | Trading and Settlement Code Change |
| **Section(s) affected by Modification Proposal:** | Glossary |
| **Version Number of the Code/Agreed Procedure used in Modification drafting:**  | Version 9.0 |
| **Modification Proposal Description***(Clearly show proposed code change using* ***tracked changes*** *& include any necessary explanatory information)*  |
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| Availability | means a Generator Unit’s capability in MW to deliver Active Power to the Connection Point or a Demand Side Unit’s capability of reducing the Active Power consumed on the Trading Site. |

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| **Modification Proposal Justification***(Clearly state the reason for the Modification & how it furthers the Code Objectives)*  |
| The current definition of *Availability* leaves room for ambiguity in interpretation. This raises concerns around certainty and transparency; it is preferable for the Trading and Settlement Code definition to be amended to provide certainty.This Modification will align the Trading and Settlement Code definition of ‘Availability’ with the Grid Code definition, which deems a generator to be available where it is capable of delivering electricity to the Connection Point.This Modification Proposal furthers Code objectives 2, 3, 5 and 6 in clarifying the definition of ‘Availability’:2. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner3. to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market5. to provide transparency in the operation of the Single Electricity Market6. to ensure no undue discrimination between persons who are parties to the code  |
| **Implication of not implementing the Modification***(Clearly state the possible outcomes should the Modification not be made , or how the Code Objectives would not be met)* |
| If this Modification is not implemented, there will continue to be ambiguity in the definition of Availability. |
| ***Please return this form to Secretariat by e-mail to*** *modifications@sem-o.com* |