



Single Electricity Market

FINAL RECOMMENDATION REPORT

MOD_09_23 CORRECTION TO THE CALCULATION OF SDPIMB

19 OCTOBER 2023

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Document History

Version	Date	Author	Comment
1.0	9 th Nov 2023	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	16 th Nov 2023	Modifications Committee Secretariat	Issued to Regulatory Authorities for final decision

Reference Documents

Document Name
Trading and Settlement Code
Modification Proposal Form

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1. MODIFICATIONS COMMITTEE RECOMMENDATION

RECOMMENDED FOR APPROVAL– UNANIMOUS VOTE

Recommended for Approval by Unanimous Vote		
Stacy Feldmann (Chair)	Generator Member	Approve
Eoin Murphy	Assetless Member	Approve
Nick Brown	Supplier Alternate	Approve
David Caldwell	Supplier Member	Approve
Sean McParland	Generator Member	Approve
Robert McCarthy	DSU Member	Approve
Eoghan Cudmore	Supplier Alternate	Approve
Andrew Burke	Renewable Generator Member	Approve
David Hargadon	Flexible Participant Member	Approve
John Paul McFeely	Supplier Member	Approve
Richard Crowley	Generator Alternate	Approve
Bryan Hennessy	Supplier Member	Approve
Paraic Higgins	Generator Member	Approve

2. BACKGROUND

This Modification Proposal was raised by SEMO and received by the Secretariat on 29th September 2023. The Proposal was raised and voted on at Meeting 119 on 19th October 2023.

During some routine analysis regarding the Credit Assessment Price (PCA), it was discovered there is an incorrect subscript in the calculation of SDPIMB in subsection G.14.2.4.

The formula is calculation the standard deviation of the PIMB as an such it should be using the same subscript within both determinants of the numerator of the formula as per below.

Currently, the formula is using the summing based on two separate time spans, namely the undefined exposure period (UEP; g) and historical assessment period (HAP; H). These should both be the HAP.

The Settlement system is currently calculating the SDPIMB as per the updated formula provided in the legal drafting of the Modification Proposal.

3. PURPOSE OF PROPOSED MODIFICATION

3A.) JUSTIFICATION OF MODIFICATION

This modification has been raised to correct an incorrect formula in the Code in relation to the calculation of SDPIMB and subsequently the PCA.

3B.) IMPACT OF NOT IMPLEMENTING A SOLUTION

An incorrect formula will remain in the Code and the Settlement system will need to be updated to reflect this incorrect formula and consequently the PCA will be calculated incorrectly.

3C.) IMPACT ON CODE OBJECTIVES

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

(e) to provide transparency in the operation of the Single Electricity Market;

4. WORKING GROUP AND/OR CONSULTATION

N/A

5. IMPACT ON SYSTEMS AND RESOURCES

N/A

6. IMPACT ON OTHER CODES/DOCUMENTS

N/A

7. MODIFICATION COMMITTEE VIEWS

MODIFICATIONS MEETING 119 – 19TH OCTOBER 2023

The Proposer gave a [presentation](#) on this Modification Proposal and an overview of the issues since go-live. It was advised that the main issue was the formula calculation of SDPIMB in the T&SC and this Modification was drafted to ensure it is corrected. The proposal highlighted an update to the subscript and assurance was given that the system is currently doing the calculation correctly, but the Code needed to be aligned with this.

8. PROPOSED LEGAL DRAFTING

As per Appendix 1.

9. LEGAL REVIEW

N/A

10. IMPLEMENTATION TIMESCALE

It is recommended that this Modification is implemented on a Settlement Day basis following implementation of Market System's changes.

1 APPENDIX 1: MOD_09_23 CORRECTION TO THE CALCULATION OF SDPIMB

Proposer <i>(Company)</i>	Date of receipt <i>(assigned by Secretariat)</i>	Type of Proposal <i>(delete as appropriate)</i>	Modification Proposal ID <i>(assigned by Secretariat)</i>
SEMO	29 th September 2023	Standard	Mod_09_23
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Gavin O'Brien		balancingmodifications@sem-o.com	
Modification Proposal Title			
Correction to the calculation of SDPIMB			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of T&SC or Agreed Procedure used in Drafting	
T&SC Part B	G.14.2.4	V28	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>During some routine analysis regarding the Credit Assessment Price (PCA), it was discovered there is an incorrect subscript in the calculation of SDPIMB in subsection G.14.2.4.</p> <p>The formula is calculation the standard deviation of the PIMB as an such it should be using the same subscript within both determinants of the numerator of the formula as per below.</p> <p>Currently, the formula is using the summing based on two separate time spans, namely the undefined exposure period (UEP; g) and historical assessment period (HAP; H). These should both be the HAP.</p> <p>The Settlement system is currently calculating the SDPIMB as per the updated formula below.</p>			
Legal Drafting Change			

<p><i>(Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate best estimate of potential changes)</i></p>	
$SDPIMB_g = \sqrt{\frac{NDAPIMB_g \times \sum_{d \text{ in } gH} (DAPIMB_d)^2 - (\sum_{d \text{ in } H} DAPIMB_d)^2}{NDAPIMB_g \times (NDAPIMB_g - 1)}}$	
<p>Modification Proposal Justification <i>(Clearly state the reason for the Modification)</i></p>	
<p>This modification has been raised to correct an incorrect formula in the Code in relation to the calculation of SDPIMB and subsequently the PCA.</p>	
<p>Code Objectives Furthered <i>(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)</i></p>	
<p>(b) to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;</p> <p>(e) to provide transparency in the operation of the Single Electricity Market;</p> <p>By correcting an incorrect formula in the Code.</p>	
<p>Implication of not implementing the Modification Proposal <i>(State the possible outcomes should the Modification Proposal not be implemented)</i></p>	
<p>An incorrect formula will remain in the Code and the Settlement system will need to be updated to reflect this incorrect formula and consequently the PCA will be calculated incorrectly.</p>	
<p>Working Group <i>(State if Working Group considered necessary to develop proposal)</i></p>	<p>Impacts <i>(Indicate the impacts on systems, resources, processes and/or procedures; also indicate impacts on any other Market Code such as Capacity Market Code, Grid Code, Exchange Rules etc.)</i></p>
<p>N/A</p>	<p>N/A</p>

Please return this form to Secretariat by email to balancingmodifications@sem-o.com