



Single Electricity Market

FINAL RECOMMENDATION REPORT

MOD_10_21 TEMPORARY FLEXIBLE SEAT

21 MAY 2021

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Document History

Version	Date	Author	Comment
1.0	21 st May 2021	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	28 th May 2021	Modifications Committee Secretariat	Issued to Regulatory Authorities for final decision

Reference Documents

Document Name
Trading and Settlement Code
Modification Proposal

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1. MODIFICATIONS COMMITTEE RECOMMENDATION

RECOMMENDED FOR APPROVAL– UNANIMOUS VOTE

Recommended for Approval by Unanimous Vote		
Eamonn Boland	Supplier Alternate	Approve
Robert McCarthy	DSU Member	Approve
Sean McParland	Generator Alternate	Approve
Ian Mullins	Supplier Member	Approve
David Gascon	Generator Alternate	Approve
Stacy Feldmann	Generator Member	Approve
Paraic Higgins (Chair)	Generator Member	Approve
Bryan Hennessy	Supplier Member	Approve
Alan Mullane	Assetless Member	Approve
Philip Carson	Supplier Member	Approve

2. BACKGROUND

This Modification Proposal was raised by CRU & UR and was received by the Secretariat on 14th April 2021. The proposal was raised and voted on at Meeting 104 on 28th April 2021.

This Modification aims to introduce a new Flexible Participant Seat on the Modifications Committee to be appointed by the Regulatory Authorities under Section B.17.3.4. Following a number of discussions concerning the overall composition of the Modifications Committee, it was identified that Interconnector Owners, Pumped Storage Units and Battery Storage Units are not adequately represented on the Modifications Committee at present.

Using the provision under B.17.3.4, the Regulatory Authorities intend to seek nominations from relevant persons for these unit types in order to appoint a voting member of the Modifications Committee for an initial term of two years. Following this period, the seat will be reviewed with a view to more enduring changes being made.

In order to appoint a new voting member as a Flexible Participant, this temporary Modification introduces a Flexible Participant and Nominating Flexible Participant to the Glossary for the purposes of Section B.17 in relation to the Modifications Committee. This includes;

1. A Battery Storage Unit
2. A Pumped Storage Unit
3. An Interconnector Owner

This also amends the Generation Participant Glossary term on a temporary basis to account for this change.

3. PURPOSE OF PROPOSED MODIFICATION

3A.) JUSTIFICATION OF MODIFICATION

This temporary Modification will allow the Regulatory Authorities to appoint a Flexible Participant voting member to the Modifications Committee for a two-year period, in order to assess how well this structure works.

3B.) IMPACT OF NOT IMPLEMENTING A SOLUTION

If this Modification is not implemented, there will continue to be unit types that are not clearly represented under the current Modifications Committee structure.

3C.) IMPACT ON CODE OBJECTIVES

- (a) 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;

This change is intended to allow for wider participation in the Modifications Committee by interested market participants.

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

MEETING 104 – 28 APRIL 2021

Secretariat noted that a meeting was held with the RAs to look at the proposals and how any approved change might impact the timelines for the upcoming election and advised that a suggestion was made so that the elections could be moved back by one term with the August meeting being the last one of the term rather than the June meeting, with the Chair election then following. This would also remove the pressure on the two Modifications that have also been submitted. The suggestion was favourably received by the Panel.

The Proposer advised that this Modification introduces a new flexible seat by the RAs. Following 2 industry calls they identified 3 classes which were not represented on the Committee. In order to appoint this Member, temporary changes to the T&SC will need to be made.

An Assetless Member provided support for the Modification but asked the rationale behind the inclusion of Pump Storage. It was felt that the likelihood of getting other pump storage units was extremely unlikely, these are legacy units that have been represented so far and it would give them a disproportionate weight. The RAs responded advising that they were the right fit for the type of grouping that was being defined but that they had no strong opinions on it and were flexible in considering the Panel views on the matter.

A Generator Observer questioned the fact that this was limited to Battery Storage and given the development of new technologies it would be better to refer to energy storage instead to encompass different types of storage such as CAES etc. The RAs Alternates replied that they had to refer to unit types that are defined in the Code and at the moment there are no other energy storage, other than Battery, and there is no such unit of undefined type waiting to be registered. New unit types are being looked at as part of Flextech and they'll be added as needed.

A Supplier Member also provided support noting that the direction it was going in made sense. It was queried what kind of controls were in place to stop bias with other companies of similar parentage. The RAs provided assurance that an existing mechanism was being used with Regulatory supervision and after 2 years of the appointment they would check if it was working. In this particular circumstance the new Member were appointed by the regulators directly and they would make sure that no bias occurred.

Another Generator Member also agreed with the Modification noting that there was comfort there knowing that the RAs would select the Participants. A concern was voiced that perhaps the consumer are getting less represented in the Committee with the increase of corporate representation and questioned how their voice could be heard. The RAs reminded the Committee that they shared the same concerns and that is why the next Modification on the agenda would propose to add an additional Supplier seat although mindful that there was less competition for seats on the Supplier side.

The Chair also asked if there were any issues given that Battery Storage units are being registered as Multifuel due to the current problem in the SEMO systems. SEMO replied that this is limited to the registration system limitations and does not impact otherwise. Also a record is kept separately of all Batteries that are registered in such a way so that any other reporting (such as fuel mix, remit etc) would be adjusted accordingly and provide the correct fuel type. These records would be available for identifying Battery Storage and validating expression of interest.

A Supplier Member raised again the issue of controlling the units up for nomination and how this could be handled. RAs suggested that a comment could be included in the Final Recommendation Report in the section under B17 and an enduring Modification would be raised in 2 years' time.

8. PROPOSED LEGAL DRAFTING

As per legal drafting section of Appendix 1.

9. LEGAL REVIEW

N/A

10. IMPLEMENTATION TIMESCALE

It is recommended that this Modification should be made effective from the first Settlement Date following publication of the SEM Committee decision.

1 APPENDIX1: MOD_10_21 TEMPORARY FLEXIBLE SEAT**MODIFICATION PROPOSAL FORM**

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>
CRU and UR	14 th April 2021	Standard	Mod_10_21
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Gina Kelly	01 4000 800	gkelly@cru.ie	
Modification Proposal Title			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of T&SC or AP used in Drafting	
T&SC Part B Glossary Part B	New Temporary Section H.16	3 November 2020	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>This Modification aims to introduce a new Flexible Participant Seat on the Modifications Committee to be appointed by the Regulatory Authorities under Section B.17.3.4. Following a number of discussions concerning the overall composition of the Modifications Committee, it was identified that Interconnector Owners, Pumped Storage Units and Battery Storage Units are not adequately represented on the Modifications Committee at present.</p> <p>Using the provision under B.17.3.4, the Regulatory Authorities intend to seek nominations from relevant persons for these unit types in order to appoint a voting member of the Modifications Committee for an initial term of two years. The RAs will monitor the functioning of the seat during this time. Following this period, the seat will be reviewed with a view to more enduring changes being made. Section B.17.3.4 of the Code states;</p> <p style="text-align: center;"><i>'B.17.3.4 If the Regulatory Authorities determine at any time that any particular type of</i></p>			

party is not adequately represented on the Modifications Committee, the Regulatory Authorities may seek nominations from relevant persons and appoint a person from such nominations, or otherwise to represent that type of person. Such a person shall be a voting member of the Modifications Committee and shall be appointed for an initial term of two years. A member appointed in accordance with this paragraph shall not be deemed to be a representative of Generation Participants, Supply Participants, Demand Side Participants or Assetless Participants (as the case may be) for the purposes of paragraph B.17.3.1 or B.17.3.5.'

In seeking nominations and appointing a voting member of the Modifications Committee on a temporary basis under this provision, the Regulatory Authorities will take into account the current membership of the Modifications Committee and the ownership of already represented companies in order to ensure that no bias is introduced to the Committee.

In order to appoint a new voting member as a Flexible Participant, this temporary Modification introduces a Flexible Participant and Nominating Flexible Participant to the Glossary for the purposes of Section B.17 in relation to the Modifications Committee. This includes;

1. A Battery Storage Unit
2. A Pumped Storage Unit
3. An Interconnector Owner

This also amends the Generation Participant Glossary term on a temporary basis to account for this change.

Legal Drafting Change

*(Clearly show proposed code change using **tracked** changes, if proposer fails to identify changes, please indicate best estimate of potential changes)*

This implements a new Section H.16 to the Code;

H.16 Temporary Glossary Changes to introduce a Flexible Participant Seat to the Modifications Committee

H.16.1 These Glossary Definitions will apply for a two-year period from the date of appointment of a Flexible Participant to the Modifications Committee.

Flexible Participant	Means, for the purpose of Section B.17 in relation to the Modifications Committee, a Participant which has registered one or more Battery Storage Units, Pumped Storage Units or which is an Interconnector Owner
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<p>Nominating Flexible Participant</p>	<p>Means, for the purpose of Section B.17 in relation to the Modifications Committee, a Party which is a Participant which has registered one or more Battery Storage Units, Pumped Storage Units or which is an Interconnector Owner and is allowed to nominate and vote for Flexible Participant nominees to the Modifications Committee</p>
<p>Generation Participant</p>	<p>means a Participant which has registered one or more Generator Units other than Interconnector Error Units, Interconnector Residual Capacity Units, Demand Side Units or Assetless Units. For the purpose of Section B.17 in relation to the Modifications Committee this does not include Units included in the Glossary definition of Flexible Participants.</p>
<p style="text-align: center;">Modification Proposal Justification <i>(Clearly state the reason for the Modification)</i></p>	
<p>This temporary Modification will allow the Regulatory Authorities to appoint a Flexible Participant voting member to the Modifications Committee for a two-year period, in order to assess how well this structure works.</p>	
<p style="text-align: center;">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 participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market;</p> <p>This change is intended to allow for wider participation in the Modifications Committee by interested market participants.</p>	
<p style="text-align: center;">Implication of not implementing the Modification Proposal <i>(State the possible outcomes should the Modification Proposal not be implemented)</i></p>	
<p>If this Modification is not implemented, there will continue to be unit types that are not clearly represented under the current Modifications Committee structure.</p>	

Working Group <i>(State if Working Group considered necessary to develop proposal)</i>	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>
	N/A
Please return this form to Secretariat by email to balancingmodifications@sem-o.com	