

| MODIFICATION PROPOSAL FORM | | | |
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| 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> |
| EirGrid/SONI/SEMO | 21 st November 2023 | Standard | Mod_13_23 |
| Contact Details for Modification Proposal Originator | | | |
| Name | Telephone number | Email address | |
| Grace Burke | | Grace.Burke@EirGrid.com | |
| Modification Proposal Title | | | |
| SDP_01 – Treatment of Non-Priority Dispatch Renewables | | | |
| 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 Appendices Part B Glossary Part B | D.3.2.2, D.3.2.3, D.4.2.1, D.4.2.15, D.4.3.3, F.2.1.10, F.2.4.1, F.2.4.4, F.3.2.3, F.3.2.5, F.9.1.2, F.9.2.4. Appendix E – Table 2. Appendix I – 4(e), 11(e), Table 2. Appendix K – Table 30. Appendix O – 2, 8, Table 2, Table 3, 18, Table 8, 37(e). Glossary Part B Definitions and List of Variables and Parameters. | V28.0 | |
| Explanation of Proposed Change <i>(mandatory by originator)</i> | | | |
| <p>The Clean Energy for all Europeans Package (CEP) Regulation (EU) 2019/943 entered into force in July 2019 with the majority of the articles applying from January 2020. Article 12, ‘Dispatching of generation and demand response’, and Article 13, ‘Redispatching’, of this Regulation were identified by the SEM Committee as areas to be addressed. These articles set out new rules with respect to the treatment of renewable generators in energy markets, including requirements that TSOs provide for the inclusion of certain renewable generators in energy markets without Priority Dispatch.</p> <p>Following consultation, the SEM Committee published SEM-21-027, ‘Proposed Decision on Treatment of New Renewable Units in the SEM’. This proposed decision stated that controllable, non-dispatchable generators without priority dispatch should be treated in the balancing market like dispatchable units for energy balancing (‘dispatch’) and like other controllable, non-dispatchable renewable generators for constraint and curtailment (‘redispatch’).</p> <p>With the publication of SEM-21-027, the TSOs and SEMO began the process of impact assessing current arrangements in the context of the changes included in Regulation (EU) 2019/943 and in the proposed decision paper. The changes to the Trading and Settlement Code identified through that work are as follows:</p> <ul style="list-style-type: none"> • Controllable, non-dispatchable generators without Priority Dispatch will be required to submit Commercial Offer Data (COD) similarly to dispatchable generators, as set out in SEM-21-027. As is the case for dispatchable generators this will include at least default Complex COD and may also include Simple COD. <ul style="list-style-type: none"> ○ Start-Up and No-Load to be mandated to be submitted as zero as these are concepts relating to the synchronisation of thermal generators to the grid, and these units will be permanently energized except when on outage. • Controllable, non-dispatchable generators without Priority Dispatch will be required to submit Technical Offer Data (TOD) similarly to dispatchable generators, as set out in SEM-21-027. • Controllable, non-dispatchable generators without Priority Dispatch will be required to submit Physical | | | |

Notifications (PNs) reflecting their ex-ante position as set out in SEM-21-027.

- Final Physical Notifications used for settlement to be based on participant submitted Physical Notifications as they are for dispatchable generators, rather than being set to availability as they are for controllable, non-dispatchable generators with Priority Dispatch.
- Controllable, non-dispatchable generators without Priority Dispatch will be required to submit Forecast Availability, Minimum Output and Minimum Stable Generation as set out in SEM-21-027.
 - Forecast Minimum Stable Generation to be mandated to be submitted as zero. This is to reflect that these units will be considered 'on' when Forecast Availability is greater than zero, and can be scheduled to anywhere in the range between zero and Forecast Availability.
- Bid Offer Acceptances resulting from redispatch (constraint or curtailment) will have a deemed decremental price of zero applied to mirror the existing treatment of controllable, non-dispatchable generators with Priority Dispatch as set out in SEM-21-027.
- Bid Offer Acceptances resulting from dispatch (energy balancing) will have Commercial Offer Data prices applied to mirror the existing treatment of dispatchable generators as set out in SEM-21-027.
- The Engineering Tolerance Uninstructed Imbalance parameter (TOLENG) will be redefined as a per-unit parameter so that a suitable value can be applied to controllable, non-dispatchable generators only, as provided for in SEM-21-027.

This will allow for instantaneous ramp rates to be included in market systems as it is for controllable, non-dispatchable generators with priority dispatch, without penalising these generators for the difference between actual ramp rates and the assumed instantaneous rates. It will also allow for variations from Dispatch Quantity for these units caused by fluctuations in their underlying variable renewable resource (i.e. wind or solar irradiance).

- New and updated Instruction Profiling rules are required to allow for the profiling of concurrent energy balancing Dispatch Instructions ('MWOFS' and resulting Pseudo Instructions) and constraint and curtailment Dispatch Instructions ('LOCLs', 'CURLs', 'LCLOs', 'CRLOs').

Legal Drafting Change

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

Tracked changes attached.

Modification Proposal Justification

(Clearly state the reason for the Modification)

These changes will allow the TSOs and SEMO to accommodate controllable, non-dispatchable renewable generators without Priority Dispatch in energy markets as per the treatment outlined in SEM-21-027, as required under Clean Energy Package Regulation (EU) 2019/943.

This will also allow renewable participants greater control over their participation in energy markets and greater certainty around their outcomes.

Code Objectives Furthered

(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)

- c) to promote competition in the Single Electricity Market;
These changes will allow controllable, non-dispatchable generators without Priority Dispatch to participate competitively in energy markets.
- f) to ensure no undue discrimination between persons who are parties to the Code; and
These changes will ensure no undue discrimination as controllable, non-dispatchable generators without Priority Dispatch will have the ability to participate in energy markets similarly to dispatchable generators.
- g) to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.

These changes will promote the interests of consumers by creating more competition for energy balancing actions and reducing the need for non-market based redispatch for energy reasons, thereby reducing Dispatch Balancing Costs.

Implication of not implementing the Modification Proposal

(State the possible outcomes should the Modification Proposal not be implemented)

If this modification is not implemented it will not be possible to treat controllable, non-dispatchable generator units without Priority Dispatch differently to controllable, non-dispatchable generator units with Priority Dispatch, and the SEM will not be compliant with Clean Energy Package Regulation (EU) 2019/943. Controllable, non-dispatchable generators without Priority Dispatch will not be required to submit Commercial Offer Data, Technical Offer Data, or Physical Notifications. It will also not be possible to profile or apply the correct prices to energy balancing actions taken on these units, meaning that these units will not be settled using commercial prices for energy balancing actions. This will mean that market systems will not have the ability to include these units in scheduling, dispatch, pricing or settlement as per the treatment described in SEM-21-027.

| <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> |
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| <p>Yes, additional sessions to be organised by TSOs as required.</p> | <p>Large impact on MA in relation to updated instruction profiling logic. Medium impact on MI in relation to data submission requirements. Medium impact on participant processes and systems in relation to additional data submission requirements. Medium impact on System Operations and Market Operations systems and processes. Minor impact on Grid Codes.</p> |

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

Notes on completing Modification Proposal Form:

1. If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.
2. Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Modifications Committee.
3. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.
4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

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|------------------------|--|
| Agreed Procedure(s): | means the detailed procedures to be followed by Parties in performing their obligations and functions under the Code as listed in either Part A or Part B Appendix D "List of Agreed Procedures". The Proposer will need to specify whether the Agreed Procedure to modify refers to Part A, Part B or both. |
| T&SC / Code: | means the Trading and Settlement Code for the Single Electricity Market. The Proposer will also need to specify whether all Part A, Part B, Part C of the Code or a subset of these, are affected by the proposed Modification; |
| Modification Proposal: | means the proposal to modify the Code as set out in the attached form |
| Derivative Work: | means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal |

The terms "Market Operator", "Modifications Committee" and "Regulatory Authorities" shall have the meanings assigned to those terms in the Code.

In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section 2 of Part A or Chapter B of Part B of the Code (and Part A Agreed Procedure 12 or Part B Agreed Procedure 12) , which I have read and understand, I agree as follows:

1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:
 - 1.1 to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
 - 1.2 to the Regulatory Authorities, the Modifications Committee and each member of the Modifications Committee to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;
 - 1.3 to the Market Operator and the Regulatory Authorities to incorporate the Modification Proposal into the Code;
 - 1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.
2. The licences set out in clause 1 shall equally apply to any Derivative Works.
3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.
4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.
5. I hereby acknowledge that the Modification Proposal may be rejected by the Modifications Committee and/or the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.