



Single Electricity Market

MODIFICATIONS COMMITTEE MEETING MINUTES

MEETING 105
CONFERENCE CALL
17TH JUNE 2021
10.30AM – 3.00PM

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Document History

Version	Date	Author	Comment
1.0	23 rd June 2021	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	1 st July 2021	Modifications Committee Secretariat	Committee and Observer review complete

Distribution List

Name	Organisation
Modifications Committee Members	SEM Modifications Committee
Modification Committee Observers	Attendees other than Modifications Panel in attendance at Meeting
Interested Parties	Modifications & Market Rules registered contacts

Reference Documents

Document Name
Balancing Market Rules – Trading and Settlement Code & Agreed Procedures
Mod_06_21 Proposing Invoice Improvements to reduce burden on Market Participants
Mod_07_21 Dispatchable Demand Generator Unit 2021
Mod_08_21 Removing the 10MW limit for some Demand Sites to enable Demand Sites that include, or are, an individual Battery Storage Unit > 10MW to participate as part of a Demand Side Unit (DSU)
Mod_09_21 Housekeeping 2021
Mod_11_21 Generator, Supplier and Renewable Seat
Mod_12_21 Clarification of text regarding the Effective Date of a Modification
Mod_13_21 Interest Modification

In Attendance

Name	Company	Position
Modifications Committee (voting members)		
Sean McParland	Energia	Generator Alternate
Bryan Hennessy	Naturgy	Supplier Member
Robert McCarthy	Electricity Exchange	DSU Member
Stacy Feldmann	SSE	Generator Member
Paraic Higgins(chair)	ESB GT	Generator Member
David Gascon	Bord na Mona	Generator Alternate

Ian Mullins	Bord Gais Energy	Supplier Member
Cormac Daly	Tynagh Energy	Generator Member
Eoin Murphy	ElectroRoute	Assetless Alternate
Philip Carson	Power NI	Supplier Member
Andrew Burke	WEI	Supplier Member
Modifications Committee (Non-Voting Members)		
Gina Kelly	CRU	RA Alternate
Adelle Watson	NIE Networks	MDP Member
Anne Trotter	EirGrid	SO Member
Grainne Black	CRU	RA Member
Karen Shiels	Utility Regulator	RA Alternate
Katia Compagnoni	SEMO	MO Member
Stephen McClure	SONI	SO Member
Secretariat		
Sandra Linnane	SEMO	Secretariat
Esther Touhey	SEMO	Secretariat
Observers		
Thomas O'Sullivan	Aughinish	Observer
Rochelle Broderick	Budget Energy	Observer
David Horan	Aughinish	Observer
Rioch Mangan	Aughinish	Observer
Sinead O'Hare	Power NI	Observer
Conall Heusaff	CRU	Observer
Edel Leddin	EirGrid	Observer
Mairead Cousins	Enel X	Observer
John Tracey	EirGrid	Observer
Christopher Goodman	SEMO	Observer
Andrew Waghorn	Deloitte	Observer

Rachel Strong	CRU	Observer
Jamie Schmidt	Deloitte	Observer
Paul McGuckin	Mutual Energy	Observer
Paul Hutchinson	EPUKI	Observer
Eamon Garrigan	EirGrid	Observer

1. SEMO UPDATE

The Secretariat welcomed all to Modifications Committee Meeting 105. The minutes for Meeting 104 were read and approved. The Secretariat briefed the Committee on the Programme of Work noting that there were 7 Modifications on the baseline.

Audit Update

Deloitte delivered a [presentation](#) on the Market Audit Report for 2020 noting that last year the audit was conducted on a procedure basis but this year it had reverted back to the normal reporting standard with a set of tests undertaken.

The process for the audit was explained noting that audit materiality threshold was used throughout to classify the findings. It was advised that there were 2 material issues which exceeded the €2.2 million materiality value and 2 significant issues over €220k. Further information on all issues was provided in the slide pack.

It was questioned if there were any issues prior to the audit for 2020. It was advised that there had been Interconnector issues in place since market go-live and those issues are currently the subject of scheduled Resettlement.

Market Development Update

An update was provided on the release program with assurance given that Release G was progressing successfully in the final stages of testing and was close to be deployed into production. It was advised that factory acceptance testing had started on Release H with resources from business teams and the vendor working together. It was noted that Change Requests for approved Mods were currently being discussed for Release I and the scope was being finalized.

An update was provided on Mod_02_21 with assurance given that the CR has been drafted and is currently with the vendor to be assessed.

RA Update

The RAs advised that there were 4 Modifications with them awaiting decision.

- Mod_02_21 – Awaiting results of an impact assessment
- Mod_01_20 – Linked to EBGL consultation, waiting for that consultation process to conclude
- Mod_13_19 – Impact assessment in process
- Mod_01_21 – FRR with RAs, urgency to progress is noted

<p>MOD_13_19 Payment for Energy Consumption in SEM for non-energy Services Dispatch</p>	<ul style="list-style-type: none"> • Proposer to provide clarity on when batteries will be reviewed and which work stream will do this – Closed • Market Operations to progress request for Impact Assessment – Open
<p>MOD_17_19 DSU State Aid Compliance Interim Approach</p>	<ul style="list-style-type: none"> • SEMO take a long term action to undertake mid tariff year (summer 2020) review of the cost of the change on Imperfections Charges post implementation to track any substantial increase in costs - Long Term Action
<p>MOD_02_21 Setting a Flag for Interconnector actions above 500/Mwh</p>	<ul style="list-style-type: none"> • SEMO to provide impact assessment - Open
<p>Mod_04_21 Expansion of System Service Flag to include Cross-Zonal Actions for System Security reasons</p>	<ul style="list-style-type: none"> • Proposer to engage further with the RAs on this Modification and provide an update at Modification Meeting 105 - Closed
<p>Mod_06_21 Proposing Invoice improvements to reduce burden on Market Participants</p>	<ul style="list-style-type: none"> • Proposer to consider if the trial addresses concerns at the centre of their Modification and potentially withdraw or engage with an updated version to address the issues raised by the MO - Closed
<p>Mod_08_21 Removing the 10MW limit for some Demand Sites to enable Demand Sites that include, or are, an individual battery storage unit > 10MW to participate as part of a Demand Side Unit (DSU)</p>	<ul style="list-style-type: none"> • Secretariat and Proposer to work with new contact for batteries and SEMO for alternative solutions - Open
<p>Mod_11_21 Generator, Supplier and Renewable Seat</p>	<ul style="list-style-type: none"> • SEMO to issue a number of options of different unit types and how they would nominate and vote with a request for comments back from Members - Closed

2. DEFERRED MODIFICATION PROPOSALS

MOD_07_21 DISPATCHABLE DEMAND GENERATOR UNIT 2021

The Proposer provided a [presentation](#) on this Modification Proposal. A brief background was given on Aughinish noting the efficiency of its alumina production. It was noted that carbon emissions had already been reduced by 40% and the next switch would require them to move from gas to electricity or decarbonized gas. In order to achieve this, the Proposer advised that electrode boilers or thermal energy storage would have to be installed.

Going through the presentation the Proposer advised that this Modification was devised in 2018 but it was too early for this type of technology but now there was more traction for renewable energies and it is more

affordable and sustainable. Carbon leakage was noted as one of the big push factors for this with a concern raised that industry will leave Europe if a viable and economical alternative fuel cannot be found.

The Proposer explained that as renewable presence increases, a number of measures would be required to avoid dispatching large volumes down and this could be part of a fast and achievable way of mitigating re-dispatch.

A description of electric boilers was given noting that other European countries already have them in place in particular for frequency response and it will lead to a reduction of Imperfection overall. It was advised that it would be simple to put these boilers in and they can be dispatched by EirGrid. The Proposer noted that there would be efficiency of 98-99% and these boilers could be used by breweries and farmers also. It was advised that standard Generators, DSUs or Batteries at present do not allow input of negative generation or negative TODS. The unit would only consume power but unlike Suppliers it would give full dispatch control and flexibility to TSO and would not require any back up generation. It would behave like a battery in charging mode.

The Proposer noted that this code Modification was not easy but the first step was to seek agreement from the Panel that the concept of a consuming dispatchable unit should be set up as a generator. The justification for this Modification was discussed along with the implications for not putting it through.

A Generator Alternate noted that a Demand Site unit has flexibility when prices are negative and increased loads would increase electricity. It was advised that there was already a contract in place for this and a question was raised if this could not be accommodated with what already exists in the market. The Proposer advised they may not be able to go into the ex-ante market and believed it wouldn't work as a Demand Site Unit.

A DSU Member agreed that more clarity was required around the idea of Electric Boilers and their benefits. A concern was raised that the changes were quite detailed and likely to be expensive and more discussion was suggested to fit it into something that already exists and would only require minor adjustments.

Generator Member asked if DSUs could only decrease consumption or in fact increase demand. An observer replied that it is all seen as demand reduction by Eirgrid.

Other main questions regarded whether the unit should take part in the Capacity Market and if Capacity Charges should apply if this unit does not require new capacity to be set up and operate. Also should imperfection charges apply if this unit is not contributing to an increase in imperfection but actually improves it? Further work would be needed to come to a conclusion on TUOS charges but that would fall onto a regulatory decision rather than a Panel recommendation.

Support for this Modification was given by a Supplier Member who noted that this would be very useful for TSOs and good for society. An inclusion into planned Working Groups for Battery Storage was suggested to discuss this and longer term solution for Batteries. SEMO advised that there were so many similarities here with other discussions already held with regards to batteries in terms of negative PNs, negative generation, negative TODS etc. It was advised that this Modification could be included as part of the ongoing work stream that will set up Working Groups to discuss the progression of Battery Storage as an enduring solution.

The Proposer agreed with this approach and was happy with the feedback given. There was overall agreement that this Modification was a positive move but more discussion would be needed on the many issues raised.

Decision

This Proposal was deferred.

Actions:

- SEMO to include this proposal into overall Working Group on the progression of Batteries - **Open**

MOD_09_21 HOUSEKEEPING 2021

The Proposer gave an update on this Modification noting that it deals with 2 minor changes to the Trading & Settlement Code regarding the glossary and updated reference in the Intermediary Forms of Authority following a SEM Committee decision on the matter. The Proposer provided a [slide](#) which detailed an updated change to be included into the Final Recommendation report to remove direct reference to a decision and instead refer to the latest SEMC Decision on Intermediary Arrangements.

A Supplier Member questioned if the existing Form of Authority would remain in effect whilst these amendments were in progress. The Proposer provided assurance that only the template for future Intermediary Arrangements would be updated.

The RAs requested if possible to update another section in point 1 of the Form of Authority containing an outdated reference to CER instead of CRU. The Proposer agreed to update the Final Recommendation Report with this additional minor change plus the revised text presented in the slide pack.

Decision

This Proposal was Recommended for Approval.

Recommended for Approval by Unanimous Vote		
Eoin Murphy	Assetless Alternate	Approve
Ian Mullins	Supplier Member	Approve
Stacy Feldmann	Generator Member	Approve
Paraic Higgins (Chair)	Generator Member	Approve
Robert McCarthy	DSU Member	Approve
Sean McParland	Generator Alternate	Approve
Cormac Daly	Generator Member	Approve
Bryan Hennessy	Supplier Member	Approve
Philip Carson	Supplier Member	Approve
Andrew Burke	Supplier Member	Approve

Actions:

- Secretariat to draft a Final Recommendation Report including changes provided by Proposer – **Open**
- Proposer to update reference to RAs in Point 1 of the Form of Authority – **Open**

MOD_12_21 CLARIFICATION OF TEXT REGARDING THE EFFECTIVE DATE OF A MODIFICATION

The Proposer provided a brief background on this Modification advising that the rationale for raising this was linked to the judicial challenge on Mod_10_19 concerning the specification of an implementation date for a Modification. It was advised that there would be no further decision on Mod_10_19 until the conclusion of a number of consultation processes related to EBGL, Articles 12 and 13 of the Electricity Regulation and Articles 3, 6 and 10 of the Electricity Regulation.

Assurance was given that Mod_12_21 was trying to ensure clarity in the Code and was aiming to target Modifications with system impact changes.

A question was raised in relation to the current wording and if it should refer to working days. The Proposer advised that this was not needed as the effective date of a system change might be dictated by many factors such as release implementation, legislation that requires it on a set date (as it happened on Mod_17_19 on DSU state aid effective from the 1st of October) or practical consideration such as trading period during regular working hours.

Decision

This Proposal was Recommended for Approval.

Recommended for Approval by Unanimous Vote		
Eoin Murphy	Assetless Alternate	Approve
Ian Mullins	Supplier Member	Approve
Stacy Feldmann	Generator Member	Approve
Paraic Higgins (Chair)	Generator Member	Approve
Robert McCarthy	DSU Member	Approve
Sean McParland	Generator Alternate	Approve
Cormac Daly	Generator Member	Approve
Bryan Hennessy	Supplier Member	Approve
Philip Carson	Supplier Member	Approve
Andrew Burke	Supplier Member	Approve

Actions:

- Secretariat to draft a Final Recommendation Report – **Open**

MOD_04_21 EXPANSION OF SYSTEM SERVICE FLAG TO INCLUDE CROSS-ZONAL ACTIONS FOR SYSTEM SECURITY REASONS

The Proposer delivered a [presentation](#) on this Modification Proposal and provided an overview of the problem and prospected solution. It was advised that an action identified there was an issue with the calculated system reserve and units were held back for replacement reserve. An example of a price event was illustrated and the aim was to look for a solution that supported the TSOs requirements as well as being fair to Generators.

A Generator Member queried if Mod_02_21 was accepted would that make this Modification redundant. The Proposer said that there are overlapping areas but this Modification is broader and affects more units. The Chair asked if the meeting with the RAs clarified the need of a new Modification or if the presentation was to provide further clarity to vote on the existing Modification. The Proposer replied that their new approach would include cross-zonal actions and target a subset of units so their intention is to withdraw the existing Modification and raise a new one.

A Supplier Member asked for more clarification on what this Modification means to difference payments. It was noted that there was an action outstanding for Mod_01_21 and it would be worthwhile to include this also.

SEMO confirmed that this Modification would apply to a subset of units and the impact wouldn't be any worse than what was supplied initially. Assurance was given that no negative impact was expected.

RA alternate also reiterated that as per comments in previous meeting, it would be essential to define with clarity what it actually means to provide System Services and would there be interactions between Replacement Reserve and other conditions in the Grid Code. The TSO Member also advised that they would be willing to work with the Proposer in the development of their revised Modification proposal.

The Proposer confirmed that this Modification would be withdrawn and a new proposal submitted that would have further work completed on the legal drafting resulting in a targeting of the units affected.

Decision

This Proposal was withdrawn.

Actions:

- Secretariat to issue a Withdrawal Notification – **Open**
- Proposer to submit a new Modification with updated legal drafting - **Open**

MOD_06_21 PROPOSING INVOICE IMPROVEMENTS TO REDUCE BURDEN ON MARKET PARTICIPANTS

Secretariat provided an update on this Modification Proposal noting that following engagement with the Proposer it was confirmed that having reviewed invoicing measures put in place by SEMO, the Proposer was happy to withdraw the Modification and that the issue had significantly improved.

Decision

This Proposal was withdrawn.

Action

- Secretariat to issue a Withdrawal Notification – **Open**

MOD_08_21 REMOVING THE 10 MW LIMIT FOR SOME DEMAND SITES TO ENABLE DEMAND SITES THAT INCLUDE, OR ARE, AN INDIVIDUAL BATTERY STORAGE UNIT > 10 MW TO PARTICIPATE AS PART OF A DEMAND SIDE UNIT (DSU)

Secretariat provided a brief update on this Modification Proposal noting there was no detailed update to allow progressing the discussion and therefore this Modification would be deferred.

Decision

This Proposal was deferred.

3. NEW MODIFICATION PROPOSALS**MOD_11_21 GENERATOR, SUPPLIER AND RENEWABLE SEAT***Decision*

The Proposer gave a background on this Modification noting that it had been discussed over a number of meetings with an agreement to add a new Renewable and Supplier seat. The Committee was reminded of the spreadsheet which SEMO had circulated providing different Nominating and voting options and asking the question if the new Renewable seat should be allowed to nominate for both Renewable and Generator parties.

The Proposer advised that it would be easier to track and more transparent if the Renewable Generators only could vote for the Renewable seat. It was noted that there would only be one change required in the glossary section and the justification of the Modification would be updated to remove the second sentence allowing Renewables to choose which party they nominated.

The implementation timeline was also brought up as a point to discuss as this Modification had been active for some time and there was urgency to get this through in time for the next elections.

A discussion ensued around flexibility of the new Renewable seat to vote for a Generator seat also, in accordance with either option 5 and 6 of SEMO's spreadsheet. A number of Members believed more flexibility should be allowed. SEMO advised that currently DSU and Assetless are also Generator Units but don't have the flexibility to vote for Generator seats so this would be a break from the normal process. It was also noted that if renewables can only vote for renewables it would be more transparent and cut out strategic maneuvers in the voting process.

The Secretariat agreed with SEMO's points highlighting that if flexibility is given it would be the same as adding another Generator seat, without the need of a new definition. It also made no difference from an administration point of view which solution would be preferred by the Panel. An increase in the administrative workload was acknowledged due to the increase of the Members to the Panel over the years

and an increase in the elections rounds needed. A Supplier Member echoed these points advising that if flexibility was given to this seat there would not be clarity on which party was being represented, notwithstanding that an elected Member is mandated to represent the category he/she was voted into.

A Generator Member expressed concerns that if Generators were being broken up by type it would open the door to the need of having many other representatives for each individual type and it would dilute the voice of Generators. Further comments were provided on the need of a separate seat if there was interchanging voting rights indicating that standard generators could represent both types. If the need for a separate seat has been recognized then it is because there are individual needs that would not be covered under the current arrangements and therefore it would be more appropriate to consider them separately for both nominating and voting.

The RAs suggested that they had no set preference for one option or the other and if a resolution could not be found then this Modification could be raised as a temporary Modification for the first 2 year period. There was approval amongst some Members for this but following further discussion it was agreed that the Renewable seat could be appointed by the RAs similarly to the new Flexible Generator Member and the additional Supplier seat would be voted on as normal. This would be a temporary solution for the first 2 year period to allow for further review of the process.

The Proposer was in agreement that the Final Recommendation Report would be updated to reflect this.

Decision

This Proposal was Recommended for Approval.

Recommended for Approval by Unanimous Vote		
Eoin Murphy	Assetless Alternate	Approve
Ian Mullins	Supplier Member	Approve
Stacy Feldmann	Generator Member	Approve
Paraic Higgins (Chair)	Generator Member	Approve
Robert McCarthy	DSU Member	Approve
Sean McParland	Generator Alternate	Approve
Cormac Daly	Generator Member	Approve
Bryan Hennessy	Supplier Member	Approve
Philip Carson	Supplier Member	Approve
Andrew Burke	Supplier Member	Approve

Actions:

- Secretariat to issue Final Recommendation Report with an update to include temporary option for RAs to appoint the Renewable seat - **Open**

MOD_13_21 INTEREST MODIFICATION

The Proposer delivered a short [presentation](#) on this Modification Proposal noting that it was in relation to how interest was calculated in resettlement. The Proposer went through a calculations example advising that this was the most effective way to calculate interest as it uses daily interest rates for each day in the range instead of the single most recent interest rate applicable, therefore reducing the impact of sudden variations.

There was agreement amongst Members that this was a good Modification to progress.

Decision

This Proposal was Recommended for Approval.

Actions:

- Secretariat to draft a Final Recommendation Report - **Open**

4. AOB/UPCOMING EVENTS

Secretariat thanked all who attended Modifications Meeting 105 and gave a reminder that Modifications Meeting 106 is provisionally scheduled for Tuesday, 24th August 2021 with the final date confirmed on the invite.

APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT MEETING 105		
Status as at 17 June 2021		
Modification Proposals 'Recommended for Approval' without System impacts		
Title	Sections Modified	Sent
Mod_10_21 Temporary Flexible Seat	H.16	Sent for RA Decision 28/05/21
Mod_03_21 Splitting CEADSU variable	H.14.1	Sent for RA Decision 26/03/21
Mod_02_21 Setting a flag for Interconnector Actions above 500/Mwh	Appendix 2, F.2	Sent for RA Decision 28/05/21
Mod_01_21 Removal of Difference Charges where operational constraints are binding	Appendices Part B	Sent for RA Decision 28/05/21
Mod_01_20 PMEA No Energy Action Same Direction as NIV	E.3.4.2	Sent for RA Decision 26/03/21
Modification Proposals 'Recommended for Approval' with System impacts		
Mod_13_19 Payment for Energy Consumption in SEM for non-energy Services Dispatch	F	Sent for RA Decision 26/03/21
Modification Proposals 'Recommended for Rejection'		
N/A	N/A	N/A
RA Decision 'Further Work Required'		
N/A	N/A	N/A
RA Decision Approved Modifications with System Impacts		
Mod_03_19 Amended application of the Market Back Up Price if an Imbalance Price(s) fails to circulate V2	E.2.2.4 and E.5.1.3	Effective on System Implementation
Mod_20_19 Changing Day-ahead Difference Quantity to Day-ahead Trade Quantity in Within-day Difference Charge Calculations	F.18.5	Effective on System Implementation
Mod_22_19 Correction of QUNDELLOTOL calculations to convert TOLUG and TOLOG to MWh	F	Effective on System Implementation
RA Decision Approved Modifications with no System Impacts		
Mod_05_21 Collateral exposure of Autoproducer and DSU	G & H	12 March 2021
Mod_13_20 Transparency of DRB decisions	B.19.10	12 March 2021
Mod_12_20 Amendments to DRB Process	B.19.6, B.19.10, B.19.14	12 March 2021
Mod_10_20 Rescind CCIN via email when indicative settlement is delayed and settlement team can verify meter volumes	Section G, AP 9 and Glossary	11 December 2020
Mod_06_20 Removing the requirement for a	D	12 March 2021

Monthly Load Forecast		
RA Decision Rejected		
N/A	N/A	N/A
RA Direction		
Mod_08_20 Imbalance prices to reflect the real-time value of energy	D.4.4.12	Decision letter received – 29/10/20
AP Notifications		
N/A	N/A	N/A
Withdrawal Notifications		
N/A	N/A	N/A
Modification Proposal Extensions		
N/A	N/A	N/A
<ul style="list-style-type: none"> Meeting 106 – 24 August 2021– Conference Call 		