



## Single Electricity Market

### MODIFICATIONS COMMITTEE MEETING MINUTES

MEETING 104  
CONFERENCE CALL  
28<sup>TH</sup> APRIL 2021  
10.30AM – 3.00PM

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**Document History**

Version	Date	Author	Comment
1.0	6 May 2021	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	17 May 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
<a href="#">Balancing Market Rules – Trading and Settlement Code &amp; Agreed Procedures</a>
<a href="#">Mod_01_21 Removal of Difference Charges where operational constraints are binding v2</a>
<a href="#">Mod_02_21 Setting of flag for specific interconnector actions v2</a>
<a href="#">Mod_04_21 Extension of System Service Flag to cover Cross Zonal Actions for System Security</a>
<a href="#">Mod_06_21 Proposing Invoice Improvements to reduce burden on Market Participants</a>
<a href="#">Mod_08_21 Removing the 10MW limit for some Demand Sites to enable Demand Sites that include, or are, an individual Battery Storage Unit &gt; 10MW to participate as part of a Demand Side Unit (DSU)</a>
<a href="#">Mod_10_21 Temporary Flexible Seat</a>
<a href="#">Mod_11_21 Generator, Supplier and Renewable Seat</a>
<a href="#">Mod_07_21 Dispatchable Demand Generator Unit 2021</a>
<a href="#">Mod_09_21 Housekeeping 2021</a>
<a href="#">Mod_12_21 Clarification of text regarding the Effective Date of a Modification</a>

**In Attendance**

Name	Company	Position
<b>Modifications Committee (voting members)</b>		
Robert McCarthy	Electricity Exchange	DSU Member
Stacy Feldmann	SSE	Generator Member

Eamonn Boland	IWEA (Brookfield Renewable)	Supplier Alternate
Sean McParland	Energia	Generator Alternate
Paraic Higgins(chair)	ESB GT	Generator Member
David Gascon	Bord na Mona	Generator Alternate
Ian Mullins	Bord Gais Energy	Supplier Member
Bryan Hennessy	Naturgy Limited	Supplier Member
Cormac Daly	Tynagh Energy	Generator Member
Alan Mullane	ElectroRoute	Assetless Member
Philip Carson	Power NI	Supplier Member
<b>Modifications Committee (Non-Voting Members)</b>		
Leigh Greer	Utility Regulator	RA Member
Gina Kelly	CRU	RA Alternate
Adelle Watson	NIE Networks	MDP Member
Vivienne Price	SONI	SO Alternate
Anne Trotter	EirGrid	SO Member
Grainne Black	CRU	RA Member
Karen Shiels	Utility Regulator	RA Alternate
Katia Compagnoni	SEMO	MO Member
James Long	ESB Networks	MDP Member
Julie Anne Hannon	Bord Gais Energy	Supplier Alternate
Brian Malone	Eirgrid	SO Alternate
<b>Secretariat</b>		
Sandra Linnane	SEMO	Secretariat
Esther Touhey	SEMO	Secretariat
<b>Observers</b>		
Thomas O'Sullivan	Aughinish	Observer
Rochelle Broderick	Budget Energy	Observer
Sinead O'Hare	Power NI	Observer

Eamon Garrigan	EirGrid	Observer
Edel Leddin	EirGrid	Observer
Darrell Thomas	SSE	Observer
Andrew Burke	Enerco (IWEA)	Observer
Martin Kerin	Eirgrid	Observer
Sean O'Rourke	Eirgrid	Observer
Conall Heusaff	CRU	Observer
Brian Sherwin	Eirgrid	Observer
Stephen McClure	SONI	Observer

## 1. SEMO UPDATE

The Secretariat welcomed all to Modifications Committee Meeting 104. The minutes for Meeting 103 were read and approved. The Secretariat briefed the Committee on the Programme of Work noting that 4 decisions were recently issued along with a withdrawal notification.

### Market Development

A brief update was provided on the release program similar to what was delivered in the MOUG in late March. It was advised that Release G was progressing well with 8 change requests currently in advanced testing. It was also noted that high level impact assessments had been published and a number of issues from the 'Known Issue Report' were also included.

Finally it was advised that there was a ramp up on integration testing and there would be more intense testing expected for May.

A Generator Member pointed out that with Release G and Release H both fully booked up there would not be a chance of a quick turnaround for system changes for a long time. The Market Operator provided assurance that if there was an urgent Modification it would be looked at in line with the prioritization process for any Release where the scope was still open. It was agreed that lengthy timelines were caused by vendor restrictions and an improvement in lead times was unlikely to be possible at this point.

Assurance was given that there would be investigations carried out, including the vendor, to see if anything could be done to improve timelines and the response would be provided back.

MOD_13_19 Payment for Energy Consumption in SEM for non-energy Services Dispatch	<ul style="list-style-type: none"> <li>Proposer to provide clarity on when batteries will be reviewed and which work stream will do this – <b>Closed</b></li> <li>Market Operations to progress request for Impact Assessment – <b>Open</b></li> </ul>
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MOD_15_19 Clarification to the description of the role of the Dispute Resolution Board under the TSC	<ul style="list-style-type: none"> <li>• RAs to submit a version 3 or consider a possibility of 2 Modifications to progress the Transparency provisions before the next meeting – <b>Closed</b></li> </ul>
MOD_17_19 DSU State Aid Compliance Interim Approach	<ul style="list-style-type: none"> <li>• 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 - <b>Long Term Action</b></li> </ul>
MOD_06_20 Removing the Requirement for a Monthly Load Forecast	<ul style="list-style-type: none"> <li>• Participants to review this Modification Proposal at the end of the year to consider whether the Monthly Load Forecast should be retained for forecast assessment in Secondary Trading – <b>Closed</b></li> </ul>

## 2. DEFERRED MODIFICATION PROPOSALS

### MOD\_01\_21 REMOVAL OF DIFFERENCE CHARGES WHERE OPERATIONAL CONSTRAINTS ARE BINDING V2

The Proposer provided a background on this Modification Proposal advising that a small piece of wording was required to avoid any conflict with the previously implemented Mod\_09\_19 'Removal of Locational Constraints from Imbalance Pricing Calculation'.

An update was given on version 2 of this proposal noting that a further sentence was added to the legal drafting as agreed in the Working Group.

The RAs stated they understood there had been extensive discussion on this Modification, which was also the subject of a previous consultation, and that analysis provided by SEMO showed no impact on the socialization fund for the dates affected by the issue in January. The RAs requested that the FRR would need to go to the SEM Committee with a good level of justification, in addition to what was provided in the Mod form, on why units should not be exposed to difference payments and in which circumstances. It would also be beneficial to address the arguments that were given in the previous consultation, for not implementing the Mod at that time. Finally the RAs asked for comments, in response to the statement, that the most appropriate way for a unit to avoid difference Payments, would be to have an ex-ante position and whether all opposing arguments have been carefully considered, such as the comment raised at meeting 103, that the risk that units incur, should be mitigated by appropriately factoring them into their bidding.

Secretariat advised they would provide support to the Proposer in updating the justification piece of the Modification.

A Supplier Member noted that questions were raised in the last meeting regarding the socialization fund and if it would be affected. SEMO gave assurance that it would not be impacted in the examples of the affected dates in January but this may not be guaranteed under different circumstances.

The RAs noted that some of the concerns raised at the SEM Committee on Mod\_09\_19 will be raised again with this Modification. A Generator Member noted the benefit of having the Working Group report included with the FRR to the SEM Committee. Secretariat gave assurance that a link for this Working Group Report

would be included in the FRR together with the minuted discussion of all meetings where the issue had been discussed.

An Assetless Member noted his opposition to the all 3 related Modifications discussed in the Working Group. It was stated that CRM is one of the most generous of its kind in Europe and paying money back is part of the design of a Market with these features and the potential of Price events well known. Repaying back money is part of the design and that risk should be factored in by Generators. It was added that this change did not take account of the impact that these exemptions would have on consumers' costs, who would ultimately pay for them. The unexpected scenarios should be well covered by the high premiums allowed in CRM.

Generator Member replied that at go-live certain scenarios were not envisaged and those have created unfair consequences for Generators. The Proposer gave assurance to the RAs that more rationale would be provided on the justification of the Modification.

### *Decision*

This Proposal was Recommended for Approval.

Recommended for Approval by Majority 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	Reject
Philip Carson	Supplier Member	Abstain

### **Actions:**

- Secretariat to draft a Final Recommendation Report - **Open**
- Secretariat to engage with Proposer to provide more rationale on the justification of the Modification – **Open**

**MOD\_02\_21 SETTING A FLAG FOR INTERCONNECTOR ACTIONS ABOVE 500/MWH V2**

The Proposer gave an update on this Modification noting that the version 2 was submitted to put in place the agreed removal of the originally proposed threshold of 500 MWh. It was also pointed out that in the explanatory section there was a mention of an interim effect, which cannot be done if this is not a temporary change, as indicated by SEMO. The Proposer suggested that this sentence could be removed.

SEMO explained that this would take time to process this complex high impact change and therefore it would be preferable not to have such an investment, for a change that would be only temporary and advised that the change to the line in the explanation section of the Modification Proposal could be done through the FRR.

A Supplier Member voiced concerns over the impact on Imperfections and questioned if any analysis had been done. System Operator advised that a numeric analysis had not been completed but noted that this was a specific Modification trying to flag out actions and although it will not directly impact Imperfections, it does impact the Imbalance Price and hence all of settlement including Imperfection settlement. For example, any reduction in Imbalance Price can yield reduced Discount Component Payments to units dispatched down from their FPN because of a system constraint. Since there is no direct Imperfection impact, the TSOs are unable at this time to quantify exact Imperfection outcomes from Mod\_02\_21; however the TSO expect that any impact would be small.

A Supplier Member queried if the removal of the threshold would cause a bigger impact? The System Operator advised that if flagging out it would have an impact but the expectation would be that it wouldn't be large and would depend on the final imbalance price.

A Generator Member noted that in 2017/18 before the ISEM market go-live, flagging and tagging was looked at. At this stage it was clear from the Flagging and Tagging documentation, that cross zonal trades were non energy actions and SO -SO trades would not set the price. This had not been transposed into the rules and it was felt that this Modification went in the right direction for what the market should be like. It was queried why this was not been put in place in 2017?

An EirGrid Observer made reference to the Balancing Market Principle Statement noting that there is a difference between scheduling actions and dispatch actions. Interconnector trades are based on dispatch actions while the SO Flagging of units is based on the published operational constraints included in the schedulers. The distinction between energy and non-energy actions is not made in the scheduling and dispatch process as described in the BMPS (section 2.5).

EirGrid Observer also spoke of the difficulty of implementing this change since we don't optimize Interconnector schedules as part of the Scheduling process. It was advised that Interconnector trades, and the resulting modified Interconnector Schedules, are not optimized like other Units in the Market Management System (MMS) Scheduling Application. Interconnector trades are executed as dispatch actions and then included in the scheduling runs as they are fixed agreed schedules as part of the overall optimization. The flagging of all interconnector trades (including trades executed for interconnector frequency response) based on dispatch actions outside of the scheduling process creates complications in terms of implementing Mod\_02\_21, and may require complex changes to the systems, and it was not clear at this point in time how this could be implemented.

An Assetless Member spoke of his opposition to the 3 Modifications discussed in the Working Group but reiterated that he was most opposed to Mod\_02\_21 as he believed an increase in flagging is going in the wrong direction and interferes with price formation. Generator Member agreed that the Market shouldn't be over-flagged, however, the reasons for the trades are all non-energy and this was seemingly supported by the TSO interpretation of CACM and EBGL rules. Assetless Member replied that trades are not carried out for Reactive Power but for balancing MW and energy reasons. Generator Member stated that he sees it as problematic that flags are created from a theoretical RTD schedule and the impact of this has been evident



since the beginning of the I-SEM, with events occurring in the first week of the Market and that it is not clear how these actions could be anything else but non-energy.

A discussion ensued on cross zonal actions and whether they could be energy or non-energy. The RAs agreed that this was a grey area and requested that the justification of this Modification should be more focused on the nature of the actions and why they should all be considered non-energy and even in the TSO documentation the RAs understanding is that the reference to non-energy was in relation to coordinated cross zonal trades. TSO alternate noted that cross zonal actions could be taken for energy or non-energy and Interconnectors are not seen against certain constraints. EirGrid observer highlighted that the intention in the original market design was that the normal process of flagging and tagging would take care of that differentiation and if that is not happening there could be scope to add those drivers and include them in the process.

The Proposer requested for more clarification from the RAs regarding the additional justification and looked for a steer on how the Modification should be drafted. The Proposer questioned that if this Modification cannot address the underlying issues is there anything that can? The RAs replied that the change proposed doesn't seem to reflect the nuances so far discussed and Version two of the Modification was focused on the impact on RO holders.

An EirGrid Observer suggested that from an implementation point of view there could be a need to add a further constraint and to include Interconnectors, while changing the upper and lower limits, in contrast with what is done currently. There is also a need to continually optimize interconnectors in RTD. The question was raised again if, according to the TSO, these actions are energy or non-energy. EirGrid Observers once again advised that this is a grey area and if units go into constraint groups then SO flags are assigned to them. It was noted that there was no clear view in the control room, as they would focus on the constraints at hand. TSO noted that from experience of trading the actions are taken in the dispatch domain with multiple constraints on the system, including constraints such as demand and reserves. These are usually only configured a couple of hours ahead. It was advised that actions are usually based on the number of constraints in the system. The main focus in the control room is to secure the system and whether its energy or non-energy is not relevant.

The Proposer stated that if these reasons are not considered in the control room, that should not prevent this Modification, because the TSO documentation alludes to Trades being non-energy and if this is not implemented then this Modification is trying to rectify this grey area and suggests that these complexities need to be looked at or else the terminology in those documents should be updated.

Another Generator Member stated that he fails to think of energy reasons that would drive an interconnector trade, and even if it were the case was that 99% of the time trades were done for non-energy reasons, it seems clear that the current implementation is wrong most of the time and this should be addressed sooner rather than later. Further support for the Mod came from another Generator stating that the issue of the TSO documentation was raised in a previous meeting and there have been no comments to refute this. Also, alluding to the interpretations that non-energy should only apply to coordinated cross zonal trades, the trades that occurred in January 2021 were in fact coordinated cross zonal trades and on that basis the Mod should still apply, to correct the outcome going forward. Another generator added that it is not the intent of removing volatility for the sake of removing volatility, but they do not see how these prices give an accurate price signal, when there are cheaper units available, they do however, introduce a risk that the generator cannot forecast and is not able to mitigate. The proposer asked to go for a vote based on the inclusion of further justifications in the FRR and removal of a line referencing the mod being temporary in the explanation.

During the vote, a Supplier Member asked the TSO about an action from the working group regarding the impact on imperfections. The TSO member said that based on assessment of historical trades the TSOs' opinion is that the impact of the mod, on imperfections costs, would be small.

SEMO reminded Participants that a vote on such a complex change, would have to be subject to vendor Impact Assessment and that a decision on the matter would have to be put on hold, until this is received.

### Decision

This Proposal was Recommended for Approval on basis of impact assessment report.

Recommended for Approval by Majority 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	Reject
Philip Carson	Supplier Member	Approve

### Actions:

- Secretariat to draft a Final Recommendation Report - **Open**
- Proposer to amend justification section in Final Recommendation report and identify section to be removed from explanation– **Open**
- SEMO to provide impact assessment report - **Open**

### MOD\_04\_21 EXPANSION OF SYSTEM SERVICE FLAG TO INCLUDE CROSS-ZONAL ACTIONS FOR SYSTEM SECURITY REASONS

The RAs firstly provided an update on the actions assigned to them, from the recent Working Group. Responses to the questions raised were circulated before the meeting. In the responses the RAs specified that the detailed design from CRM was looked at very closely and there were no explicit incentives for flexibility, or provision of system services, set out in the decision, which appear to have not been reflected. Statements in relation to system services in the Detailed Design Decisions were reviewed and further slides from the Rules Working Group were reviewed.

The Proposer then provided a brief background on this Modification and expressed that he wished to defer and have further engagement with the RAs following a review of the response.

### Decision

This Proposal was deferred.

**Actions:**

- Proposer to engage further with the RAs on this Modification and provide an update at Modifications Meeting 105 - **Open**

**3. NEW MODIFICATION PROPOSALS****MOD\_06\_21 PROPOSING INVOICE IMPROVEMENTS TO REDUCE BURDEN ON MARKET PARTICIPANTS**

The Proposer gave a background on this Modification noting there were 2 reasons for its submission. Firstly it was noted that there was an administrative burden on their resources and it was also to reduce transactional bills on paying an invoice especially when values are small. The Proposer explained that if the invoice value was below a certain amount it would be beneficial to have the amount rolled over by the Market Operator which would reduce the number of invoices and time and effort. It was noted that before I-SEM there was a process that allowed small invoices to be paid via the cash collateral account and this functionality is now no longer in place in I-SEM.

SEMO advised that the previous functionality could not be retained in I-SEM due to the changes in the cash collateral calculations and the different set up of collateral accounts and Market Operator's Account. There were also a number of challenges with how the proposal was drafted in particular in relation to payments of invoices with different VAT rates and rolling over across month and year end. SEMO asked if they could propose an alternative solution to be implemented as a process rather than a change to the system. Advisors from EirGrid Finance were also present to provide details of this alternative solution.

The proposal was to defer issuing Initial invoices until they align with the next MO Resettlement. The invoices would be aggregated in one document as long as the same VAT rate would apply. This could be trialed as early as May and SEMO gave assurance that communications would be issued and an assessment would be done to verify the impact on PTs before and after the trial.

A EirGrid Observer noted that they intended in any given month to run this process on a Tuesday or in any case on a different day from when the Settlement Documents would be issued. The MO invoicing would be targeted for the second Tuesday of the month and adjusted if necessary.

SEMO assured the Committee that, being the T&SC non prescriptive in the timelines for issuing the MOC invoices, there was flexibility in putting this in place should there be any issue identified by Participants, such as templates to be updated etc. An adjustment to internal processes was all that was needed for this proposal. They advised that Market Participants would be informed via Market Messages with request for feedback.

An Aughinish Observer supported the solution and asked if paying out of the cash collateral account could be simpler? SEMO advised that this would not be good practice as MO operator charges Accounts and Cash Collateral Accounts are separate and mixing funds between the two accounts could be inappropriate.

The Proposer of the Modification asked if SEMO could provide a draft of this alternative solution and if everyone was happy to proceed, they would withdraw Mod\_06\_21 after the trial. SEMO agreed to issue a Market message with the proposal and would invite comments from Market Participants.

**Decision**

This Proposal was deferred pending the review of MO trial of alternative solution.

**Actions:**

- SEMO to issue a Market message with the proposal attached and invite comments from Market Participants – **Open**
- Market Participants to review the process -- **Open**
- Proposer to consider if the trial addresses concerns at the center of their Modification and potentially withdraw or engage with an updated version to address the issues raised by the MO – **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)**

The Proposer delivered a presentation on this Modification noting that this proposal focused on Battery Storage units and the size limitation of 10 MW ~~for~~ for an individual demand site that is part of a DSU. It was advised that this Modification is representative of the potential for development, in reference to Battery Storage units and the rules they are required to follow. It was suggested that the current route was unnecessarily limited to the size of Battery Storage units within a DSU and this also limited the range of system services DSUs could offer.

The Proposer highlighted that under the Clean Energy Package Member States must consider eliminating any identified regulatory distortions to demand side participation. Under the current restrictions as identified above (i.e. 10MW limit for individual demand sites in a DSU) encouragement is reduced and it can also undermine the potential for DSU to contribute to system services. It was also advised that when a Battery Storage unit can be incorporated into a DSU, it allows for better operational optimization within the DSU.

DSU Member agreed with the Proposer that including batteries in demand sites was generally positive but had concerns about batteries larger than 10 MW. It was felt that this Modification was just about aggregation rules and should not be based on a perceived barrier to entry from participating in the market. DSU Member stated that Battery Storage units greater than 10MW can still participate as a stand-alone units and voiced concerns about opening up aggregation terms for one technology type only and in one setting only.

The Proposer responded noting that this Modification was targeted specifically at Battery Storage Units in DSUs so as not to impact on current considerations of aggregation or AGUs because it aimed at optimizing system service offerings by the DSUs. The Proposer stated this was an opportunity for increasing provision of system service and the Clean Energy package guidelines were supporting. It was an alternative route to Market for the Battery Storage Units being proposed (i.e. above 10MW). However, DSU Member stated that this route would not be available to any other technology and even for the DSU itself a single site would still not be allowed to be greater than the De Minimis level.

SEMO advised that a number of issues had been considered in relation to this proposal and these had been related back to the proposer. In particular the fact that the De Minimis level is not an arbitrary limit but it had been carefully calculated in relation to the size of the Irish Market and that calculation was reviewed in detailed as part of the I-SEM market design and then as part of the Network Code implementation under which it was consulted on as recently as 2020. That consultation also led to an approval by the relevant EU bodies of our De Minimis level in consideration of the specific characteristics of the Irish Market which are unique in the European context and have been recognized as such. The Control Centre needs to be able to directly ~~Dispatch-dispatch~~ any unit greater than 10MW and while in the UK the limit was 100MW and on the European continent even much higher than that, this was not possible in Ireland. While a battery storage unit over 10MW within a DSU would not be seen by the control centre, the loss of a single 10MW unit would be noticeable in terms of stabilizing the system and the risk associate with it was higher than for multiple small units totaling 10MW. The Proposer noted that ~~batteries~~ battery storage units are enhancing

DSUs performance and the current limitation of 10 MW is going to exclude new technologies which are there ~~purely-mainly~~ as service providers rather than energy provider. SEMO added that the 10 MW limit does not prevent technologies from entering the market should they wish to do so and it is also enshrined in the Grid Codes, which take precedence over the Balancing Market Code. SEMO also noted that if a 10MW unit is registered it would not be possible to distinguish between the unit being solely service or energy provider, the potential ~~are-is~~ there for both regardless of the intentions.

TSO member agreed noting that the limit of 10 MW was not arbitrary but rather proportional for the size of our synchronous system and questioned if this Modification was the right approach.

The Chair noted that there were a number of big issues to review at this time and asked the RAs to comment in view that this topic had come up for review multiple times in the consultation for the I-SEM Market Design in 2017, in the consultation in relation to Aggregation for Intermediary arrangements in 2020 and in relation to similar Modifications (CMC\_04\_20 and CMC\_06\_20) raised on the Capacity Market in which modifications were both rejected in summer 2020. The Capacity Modifications had a wider more generic scope while this present Modification on the T&SC is re-proposing a similar solution for a subset of units. The RAs

noted that they were aware of those decisions and that they would take all comments back and discuss them with the relevant team behind those consultations. A Supplier Alternate advised that this modification is in response to the advice by the RAs in the Aggregation Decision Paper that market participants are reminded of the provisions in the various market codes providing for Modifications to be raised and discussed at industry level.

A Supplier Alternate posed the question to the Committee as to whether ~~batteries-battery storage units~~ were really a big threat to the security of the system and ~~by-refusing~~ if a number of small demand sites ~~were lost~~ collectively, a lot of megawatts would be lost which could be of a similar effect to the loss of a single battery storage unit site >10MW. TSO noted that there was an advantage to have an aggregation of smaller DSUs or Battery Storage Units ~~ies~~ compared to a single large unit, as it was very unlikely everything would be lost concurrently and in the event of one participant failing to provide a service the impact would be lower. A Supplier Alternate suggested that if the issue is with "seeing" the larger battery storage unit that sits within a DSU in terms of grid code issues and instructions, then consideration should be given to the fact that these individual battery storage unit sites within DSUs could possibly also provide the TSO with the grid code requirements.

SEMO questioned if anything else could be done with regard to facilitating demand response and provision of system services. The Proposer agreed it was a ~~much-specifically~~ targeted Modification so as to have affecting as little as possible minimal effect on aggregation or AGUs. The Assetless Member questioned whether this was the only technology that could improve system services and whether these units should use the alternative routes to market which are currently available to them. The limits of the De Minimis level were acknowledged but also recognized that it was there for good reasons and there was a risk that this open Modification could be a back door to allow any very large ~~Batteries-Battery Storage Units~~ to come in this way. A Supplier Alternative also outlined that the benefits of what the battery unit can add dissipate as the battery gets bigger so the risk of much larger batteries coming into the market is slim.

DSU Member re-iterated that the Modification would create a two-tier system for DSUs with batteries and DSUs without batteries. There was a concern raised about extending a rule to one class of technology to one form of aggregation only. A Supplier Alternative stated that the modification was focused on demand side as opposed to generation because of the CEP and the modification is aimed at progressing the objectives of the CEP.

A Supplier Member questioned how many units there were likely to be and how many potential projects there are with batteries of these sizes. The Proposer advised he was not in a position to answer this but they were more preparing the market for this type of DSU, which was already seen in other markets across the EU and this Modification was seen as preparing for the future.

A Working Group was suggested to discuss further but SEMO suggested that a Working Group would not be appropriate given the cross functional impact this Modification would have not limited to the T&SC. It would be advisable to continue this worthwhile discussion in a more holistic fashion to see what is the future of Battery Storage in the Irish Market from an Operational, Dispatching and Settlement point of view. Without creating a duplicate work stream, this is already happening as part of the Flextech project. SEMO took the occasion to remind people that as part of the discussion in relation to Mod\_13\_19 a request was made to provide a referent for Batteries and due to a number of delays this had not been possible so far. The project is now gaining much traction due to a new lead appointed in Eirgrid (John Carnwath @ [John.Carnwath@Eirgrid.com](mailto:John.Carnwath@Eirgrid.com) ) who will also oversee the development of Battery Storage units in all aspects including, but not limited to, Grid Code, System Services and Balancing Market. A suggestion was made to follow up with the SME for further info on the next stages of the project.

The Proposer asked that this Modification should be deferred to June to consider the next steps and to give consideration to the point raised during the debate. SEMO reminded that the first port of call should be the Grid Code as it contains the same limitation as the T&SC but takes precedence over the T&SC.

### *Decision*

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This Proposal was deferred.

### **Action**

- Proposer to work with John Carnwath ([John.Carnwath@Eirgrid.com](mailto:John.Carnwath@Eirgrid.com) ), as the new lead for Flextech and Battery Storage Units to consider the next steps for this proposal - **Open**

### **MOD\_10\_21 TEMPORARY FLEXIBLE SEAT**

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 favorably 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 question 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 type of storage such as CAES etc. the RAs Alternate replied that they had to refer to unit type 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 ecc) 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 a 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.

### Decision

This Proposal was Recommended for Approval.

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

### Actions:

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



- RAs to include a comment in the Final Recommendation Report to add a control to ensure no bias in selection of new Member seat - **Open**

### MOD\_11\_21 GENERATOR, SUPPLIER AND RENEWABLE SEAT

The Proposer gave a background on this Modification noting that it stemmed from the same discussion that led to Mod\_10\_21 'Temporary Flexible Seat'. It was advised that this Modification would be raised as an enduring solution with an intention that Participant with a Renewable Generator would be able to be represented as part of the Generator's allocation.

A Supplier Member advised that the same controls requested in Mod\_10\_21 would need to be in place here also. It was suggested that there was a risk that one entity could take over and there is not an opportunity for extra representation for some of the Committee. SEMO advised that protection against inappropriate use of the Membership role is already included in the T&SC in B.17.3.2 which states that a Member has to represent the interest of the parties that appointed him/her and asked what other form of protection could be added other than maybe sending nominations to the Regulators for review in order to provide that extra control.

A Generator Member gave support for the Modification and did not see any conflict occurring as a separate group was not being created. There was further support given for the Modification with an Assetless Member noting that the Committee needed to be pragmatic in its approach and it was not feasible to exclude utilities. The concern was raised that there could be multiple seats for the same commercial interests but as long as each unit type was represented there would be a good balance and it was up to all Members to keep that in check.

The RAs also explained that Nominations happen at party registration level you would have to choose one position or other so there would not be any conflict or duplication. Secretariat advised that this would depend on how the entities were structured. Some choose to separate different side of their business in different Parties other to have that separation at Participant level and that will affect how they can nominate for seats.

A discussion ensued regarding the voting of renewable generators and whether they would have the right to vote for both Renewable and standard Generation Participants, or whether that distinction only applies on the year when the Renewable seat is up for election and on not on the alternate year. A Generator Member requested clarity on the voting process in this case. An example was given of a wind unit as it is seen as a Generator also could it vote for a generator seat and a renewable seat? SEMO suggested issuing a number of different scenarios that could occur to facilitate submission of comments from Member.

The Members also formally confirmed their support for the elections commencing after the Modifications Meeting in August.

### *Decision*

This Proposal was deferred.

### **Actions:**

- SEMO to issue a number of different scenarios that could occur on voting for a standard Generation Participant and a Renewable one - **Open**
- Members to send in comments to the scenarios – **Open**
- RAs to consider comments and clarify legal drafting in V3 if necessary - **Open**



#### **MOD\_07\_21 DISPATCHABLE DEMAND GENERATOR UNIT 2021**

Regrettably time did not allow for discussion of this Proposal. This Proposal will be added to the agenda for the next meeting taking place on Thursday, 17<sup>th</sup> June, 2021. Secretariat offered apologies and has requested that Members pro-actively engage with the Proposer in advance of the next meeting to convey questions and comments on this Proposal.

#### **MOD\_09\_21 HOUSEKEEPING 2021**

Regrettably time did not allow for discussion of this Proposal. This Proposal will be added to the agenda for the next meeting taking place on Thursday, 17<sup>th</sup> June, 2021. Secretariat offered apologies and has requested that Members pro-actively engage with the Proposer in advance of the next meeting to convey questions and comments on this Proposal.

#### **MOD\_12\_21 CLARIFICATION OF TEXT REGARDING THE EFFECTIVE DATE OF A MODIFICATION**

Regrettably time did not allow for discussion of this Proposal. This Proposal will be added to the agenda for the next meeting taking place on Thursday, 17<sup>th</sup> June, 2021. Secretariat offered apologies and has requested that Members pro-actively engage with the Proposer in advance of the next meeting to convey questions and comments on this Proposal.

#### **4. AOB/UPCOMING EVENTS**

Secretariat thanked all who attended Modifications Meeting 104 and gave a reminder that Modifications Meeting 105 is scheduled for Thursday, 17<sup>th</sup> June 2021.

**APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT MEETING 104**

<b>Status as at 28 April 2021</b>		
<b>Modification Proposals 'Recommended for Approval' without System impacts</b>		
<b>Title</b>	<b>Sections Modified</b>	<b>Sent</b>
Mod_03_21 Splitting CEADSU variable	H.14.1	Sent for RA Decision 26/03/21
Mod_01_20 PMEA No Energy Action Same Direction as NIV	E.3.4.2	Sent for RA Decision 26/03/21
<b>Modification Proposals 'Recommended for Approval' with System impacts</b>		
Mod_13_19 Payment for Energy Consumption in SEM for non-energy Services Dispatch	F	Sent for RA Decision 26/03/21
<b>Modification Proposals 'Recommended for Rejection'</b>		
N/A	N/A	N/A
<b>RA Decision 'Further Work Required'</b>		
N/A	N/A	N/A
<b>RA Decision Approved Modifications with System Impacts</b>		
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 QUNDELOTOL calculations to convert TOLUG and TOLOG to MWh	F	Effective on System Implementation
<b>RA Decision Approved Modifications with no System Impacts</b>		
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 Monthly Load Forecast	D	12 March 2021
<b>RA Decision Rejected</b>		
N/A	N/A	N/A
<b>RA Direction</b>		

Mod_08_20 Imbalance prices to reflect the real-time value of energy	D.4.4.12	Decision letter received – 29/10/20
<b>AP Notifications</b>		
N/A	N/A	N/A
<b>Withdrawal Notifications</b>		
Mod_15_19 Clarification to the description of the role of the Dispute Resolution Board under the TSC	B.19	19 February 2021
<b>Modification Proposal Extensions</b>		
N/A	N/A	N/A
<ul style="list-style-type: none"> <li><b>Meeting 105 – 17 June 2021 – Conference Call</b></li> </ul>		