



Single Electricity Market

TERMS OF REFERENCE WORKING GROUP

MOD_32_18

REMOVAL OF EXPOSURE FOR “IN MERIT” GENERATOR UNITS AGAINST BOA

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Distribution List

Name	Organisation
Modifications Committee Members	Modifications Committee
Modifications Proposer	SSE

Reference Documents

Document Name
Trading and Settlement Code Part B
Mod_32_18 Removal of Exposure for "In Merit" Generator Units Against BoA
Mod_32_18 Presentation

1 INTRODUCTION

Modification Proposal Mod_32_18 Removal of Exposure for “In Merit” Generator Units Against BOA was presented by SSE at Meeting 88 of the Modifications Committee on 12th December 2018. The proposal attempted to address plant exposure to difference charges as a result of system constraints in the Balancing Market.

The RAs confirmed that they are aware of the concerns expressed by Generators around exposure and that a Working Group would probably be beneficial to discuss them. However, they would not be in favour of re-opening policy matters so early in the market and if the resulting Modification only seeks to adjust current rules instead of changing the market design it would have more chances to be considered favourably by the SEM Committee. Although it was agreed that the Panel would require further details on the Flagging and Tagging process it was also agreed that this would be a discussion that is much bigger than the issue the Mod is trying to address and that it should be discussed in a different forum. Flagging and Tagging context information necessary to inform the resolution of the issue this Modification is seeking to address can be included.

Concerns arose about rushing through a change that might not address the issue fully and a Working Group was agreed.

The Terms of Reference has been devised following consultation with Committee Members and the proposer.

2 OBJECTIVES

The objectives of the Modification Working Group are to:

- a) to provide an overview of the background as to why the proposal has been raised and to provide clarity on the purpose and function of Mod_32_18 as currently drafted
- b) to discuss Participant issues pertaining to the Modification Proposal as currently drafted
- c) to consider any alternatives to that of Mod_32_18
- d) to identify and suggest any necessary amendments to the legal drafting text of Mod_32_18
- e) to make a recommendation to the Modifications Committee

3 SCOPE

The scope of the Working Group will be limited to the assessment of the exposure for “In Merit” Generator Units against BOA as specified in the original Mod_32_18 in relation to:

- a) Generator Units impacted by this issue
- b) The Trading and Settlement Code rules for the ISEM (Part B)

4 DELIVERABLES

- a) Working Group report detailing the discussion and outcome of the meeting.
- b) Recommendation to the Modifications Committee of how to best proceed.
- c) Finalised drafting of the Modification Proposal (if necessary) for submission at next available Modifications Committee Meeting.

5 STAKEHOLDERS

Market Participants (including the Proposer SSE), potential new entrants to the market, Market Operator, System Operators and Regulatory Authorities.

6 ROLES AND RESPONSIBILITIES

- a) Working Group Chair – to be confirmed in advance of Meeting (as stated in section 7)
- b) Any stakeholders as outlined above to participate to achieve the objectives as per Section 2 and within the Scope specified in Section 3
- c) Proposer to look at the impacts of operating in the ISEM and the Market Rules as currently drafted
- d) Market Operator and System Operators to provide input on the current level of exposure in the ISEM
- e) Working Group to assess at high level the timing and implications of the various options.
- f) Secretariat to draft report and update Modifications Committee.
- g) Proposer to update and submit revised version of modification, if appropriate

7 RESOURCES

- Chair to be confirmed in advance of meeting
- Secretariat
- Proposer
- Market Participant representatives
- SO representatives
- MO representatives
- RA representatives
- Potential new entrants

8 WORK BREAKDOWN STRUCTURE

- a) Discussion of potential options and identification of potential TSC changes.
- b) Assessment of the various options in terms stated in the objectives.
- c) SEMO Secretariat to produce Working Group report to Modifications Committee.

9 SCHEDULE

An initial half day Working Group meeting is proposed for early February 2019 to address the objectives of the meeting.

If further meetings are required to address the objectives in full, the timeline for further engagement will be defined at the initial meeting.

10 RISKS AND RESTRAINTS

There is a risk that the Working Group may stray beyond the objectives set out above into wider issues. If such a discussion occurs, the Chairperson will refer parties to the objectives and the scope of the Working Group.

Any proposal requiring system changes needs to take into account the D1+ and D+2 projects in terms of implementation of system changes to future releases.