

Single Electricity Market

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| Modifications Committee Meeting Minutes  Meeting 48  Clarion hotel,  11 april 2013  10:15 – 13:00 |

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Document History

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| **Version** | **Date** | **Author** | **Comment** |
| 1.0 | 18 April 2013 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 2.0 | 26 April 2013 | Modifications Committee Secretariat | Review of content by Modifications Committee complete, published track changed version on SEMO website and notified Market Participants. |
| 3.0 | 14 June 2013 | Modifications Committee Secretariat | Approved by Modifications Committee at Meeting 49 |

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** |
| [Trading and Settlement Code](http://semopub/MarketDevelopment/MarketRules/TSC.docx) and Agreed Procedures: Version 12.0 |
| [CMS Slides](http://semopub/Publications/General/CMS%20slides%20Meeting%2048.pptx) |
| [Mod\_11\_12 *Proposal to extend the definition of Special Units to include Compressed Air Energy Storage*](http://semopub/MarketDevelopment/ModificationDocuments/Mod_11_12%20Gaelectric.docx) |
| [Mod\_11\_12 WG3 Report](http://semopub/MarketDevelopment/ModificationDocuments/WG3%20Report.zip) |
| [Mod\_25\_12 Suspension of interconnector unit on instruction of interconnector owner due to breach of access rules](http://semopub/MarketDevelopment/ModificationDocuments/Mod_25_12%20Suspension%20of%20IUs.docx) |
| [Mod\_30\_12\_V2 Improved Efficiencies in Unit Registration Process](http://semopub/MarketDevelopment/ModificationDocuments/Mod_30_12_v2.docx) |
| [Mod\_02\_13 Registration of Charges](http://semopub/MarketDevelopment/ModificationDocuments/Mod_02_13%20Registration%20of%20Charges%20Submitted.doc) |
| [Mod\_04\_13 Process for changing VAT jurisdiction of an Interconnector Unit](http://semopub/MarketDevelopment/ModificationDocuments/Mod_04_13%20Vat%20Jurisdiction.docx) |

In Attendance

|  |  |  |
| --- | --- | --- |
| **Name** | **Company** | **Position** |
| **Modifications Committee** | | |
| Andrew McCorriston | UREGNI | RA Alternate |
| Aodhagan Downey | SEMO | MO Alternate |
| Brian Mongan | AES Kilroot | Generator Alternate |
| Derek Scully | Viridian Power & Energy | Generator Alternate |
| Elaine Gallagher | CER | RA Alternate |
| Emeka Chukwureh | Airtricity | Supplier Alternate |
| Gerry Halligan | ESB Networks | MDP Member |
| Iain Wright-Chair | Airtricity | Supplier Member |
| Julie-Anne Hannon | Bord Gáis | Supplier Alternate |
| Karen Meneely | NIE T&D | MDP Alternate |
| Karen Vickery | EirGrid | SO Alternate |
| Mary Doorly | IWEA | Generator Alternate |
| Michael Preston | SONI | SO Member |
| Niamh Delaney | SEMO | MO Member |
| Paul Killian | EirGrid | SO Member |
| Patrick Liddy | Activation Energy | DSU Member |
| Sheenagh Rooney | CER | RA Member |
| William Carr | Electric Ireland | Supplier Member |
| William Steele | Power NI | Supplier Member |
| **Secretariat** | | |
| Aisling O'Donnell | SEMO | Secretariat |
| Sherine King | SEMO | Secretariat |
| **Observers** | | |
| Andrew Waghorn | Deloitte | Observer |
| Brian Kennedy | Gaelectric | Observer |
| Brían McAuley | SEMO | Observer |
| David Boyle | Deloitte | Observer |
| David Stevens | SEMO | Observer |
| Eamonn O’ Donoghue | ElectroRoute | Observer |
| Mignonne Smith | UREGNI | Observer |
| Nicola Calvert | SONI | Observer |
| Nuala Dunne | SEMO | Observer |
| Paul McGuckin | Mutual Energy | Observer |
| Peter Lantry | EirGrid Interconnector Ltd (EIL) | Observer |
| Sinead O’Hare | Power NI | Observer |
| Walter Carlton | Deloitte | Observer |

# Market Audit Results

Market Audit Results were presented by Deloitte representatives. The [presentation slides](http://semopub/Publications/General/SEM%20Market%20Audit%20Report%202012.pdf) are available for download from the SEMO website.

The RA Member commended SEMO on the outcome of the Market Audit and its positive reflection on the work put in by SEMO, this view was supported by the Chair.

# SEMO Update

The Minutes from Meeting 47 were read and approved. The final approved version of the Minutes is now published on the SEMO website.

The Secretariat Programme of Work was acknowledged, see appendix 1 for further detail. Secretariat advised of the following Committee Membership changes:

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| --- | --- | --- |
| **Position** | **New Member/Alternate** | **Replaces** |
| RA Alternate (NIAUR) | Andrew McCorriston | Jody O’ Boyle |

MO Member presented the CMS update advising that the following scope for the May 2013 release (SEM R2.2.0) to has been approved. The proposed deployment date is 10th May.

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| --- |
| **SEM R2.2.0 - April 2013 Release – Approved Modification Proposals** |
| Mod\_17\_11 Clarifying the requirement to provide Dispatch Instruction for Generator Units |
| Mod\_03\_12 Alignment of TSC with revised VAT arrangements |
| Mod\_17\_12 Report on Offered Capacity in Implicit Auctions |

MO Member advised that all key milestones of SEM R2.20 are complete.

MO Member advised that there are no approved Modification Proposals for SEM 2.3.0 (Oct 2013).

Supplier Alternate queried as to whether prioritisation over change requests raised by SEMO and those raised by Participants, exists within the Change Control Forum (CCF). MO Member said that all proposals were considered and there was no prioritisation of SEMO’s proposals. Supplier Alternate further stated that SSE had raised a proposal at the previous CCF which had been rejected. Observer advised that Participants at the CCF had rejected the change.

Chair queried as to what would happen in the case of release hours that were not utilised.

MO Member advised that it is intended to purchase a number of hours from ABB, which if unused, would be rolled over to a subsequent release.

RA Member further clarified that in a presentation to the Modifications Committee at Meeting 46, it was advised by SEMO IT that there will continue to be 2 releases; however, half the number of hours would be purchased i.e. 3,000 as opposed to the current 6,000 hours.

MO Member advised that the cut-off date for the April 2014 release to the Central Market Systems is Friday 27th September 2013. All approved Modification Proposals will be allocated to this release (subject to available capacity).

Actions

* SEMO to seek clarity as to why SSE change request was rejected at the CCF

# Review of Actions

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| Actions recorded at Meeting 47 | |
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| [Mod\_01\_13](http://semopub/MarketDevelopment/ModificationDocuments/Mod_01_13_IC%20Point%20of%20Connection.docx) Enduring Provisions for Interconnector Point of Connection | * RAs to set up meeting to discuss the broader issue of losses-**Closed Meeting scheduled to take place in CER offices on April 15th** * Secretariat to prioritise FRR as Urgent**-Closed** |
|  |  |
| deferred Modifications Proposals | |
|  |  |
| [Mod\_11\_12](http://semopub/MarketDevelopment/ModificationDocuments/Mod_11_12%20Gaelectric.docx) Proposal to extend the definition of Special Units to include Compressed Air Energy Storage | **Working Group 3 Actions:**   * SEMO to provide approximate information on the likely timescale involved in implementing the changes **-Closed**: **Delivery in this case would be pre-SEMO testing; 6 months from approval date + SEMO testing** * TSO to procure RCUC IA; WG Members & Committee to be notified when received -**In Progress: See deferred section for further detail.**   **Meeting 47 Actions:**   * Secretariat to seek extension following discussion with TSO regarding timing to procure an Impact Assessment**-Closed. Extension Requested until 30th May 2014.** * RAs to request TSO to discuss proposal with Grid Code**-Closed. RAs have requested TSOs consult with the Grid Code panel. SO Member advised that the TSO are procuring the RCUC IA prior to discussion of the proposal at the Grid Code** |
| [Mod\_25\_12](http://semopub/MarketDevelopment/ModificationDocuments/Mod_25_12%20Suspension%20of%20IUs.docx): Suspension of Interconnector Unit on instruction of Interconnector Owner due to breach of Access Rules | * Participants to submit comments or issues related to proposal. Comments due back by 26th February**-Closed.** |
| [Mod\_02\_13](http://semopub/MarketDevelopment/ModificationDocuments/Mod_02_13%20Registration%20of%20Charges%20Submitted.doc) Registration of Charges | * Modifications Committee to seek legal support regarding the implications of the proposal-**In Progress: McCann Fitz to include NI firm Pinsent Mason for NI advice. See deferred section for further detail.** * Secretariat to circulate questions to be addressed by legal support for review by the Committee prior to issue to legal advisors**-Closed** |

# Deferred Modification Proposals

## [Mod\_11\_12](http://semopub/MarketDevelopment/ModificationDocuments/Mod_08_12%20MIUNs.docx) Proposal to extend the definition of Special Units to include Compressed Air Energy Storage

*Proposer: Gaelectric*

SO Member advised that the TSO have met with GES regarding the procurement of the impact assessment on RCUC and are in the process of producing a functional specification for ABB in order for them to carry out the work.

Supplier Alternate queried as to whether the proposal will appear on the agenda at subsequent meetings. Secretariat advised that at Meeting 47, Committee consensus was for a status of Deferred Dormant, therefore the proposal will only be discussed at a Meeting when there is a relevant update.

Actions

* N/A

Decision

* The proposal was Deferred (Dormant)

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| **Deferred Dormant** |

## Mod\_25\_12 suspension of interconnector unit on instruction of interconnector owner due to breach of access rules

*Proposer: Mutual Energy*

Secretariat advised that the action placed on Participants at Meeting 47 was closed and that the feedback from SSE had been circulated to the Modifications Committee. EirGrid representative provided an update on the progress of the proposal, advising that there has been discussion between EirGrid and SSE on the submitted feedback.

Proposer provided an overview of the proposal advising that currently the Access Rules for both ICs allow the IC Owner to suspend a Unit from nominating explicitly acquired capacity if the Access Rules are breached. Proposer advised that the aim of the proposal was to allow the IC Owner to request that SEMO would suspend the relevant IC unit. Proposer advised that SSE feedback had recommended that alternative options should be considered. SSE feedback had advised that there is no legal precedent for the IC Owner to instruct the MO to take action, as proposed in the modification. Proposer sought views on next steps from the Committee.

EirGrid Interconnector Limited (EIL) representative drew attention to the SSE feedback, where a request is raised to consult on the adjustment of the Credit Cover in the Access Rules to reflect potential Intra-Day Capacity Congestion charges, whilst in parallel agreeing a proposal to the T&SC to allow the IC Owner to request that SEMO issue the default notifications for suspension to an IC user.

Or alternatively, to agree a proposal to handle the IDT capacity credit cover charge within the SEM. EirGrid representative expressed the view that an impact assessment may be necessary to fully assess which approach should be adopted.

RA Member advised that adjusting the Credit Cover arrangements in the access rules is not an ideal solution. RA Member also emphasised necessity of consistency of Access Rule across Europe.

MO Member advised that the suspension process in the Code is quite extreme and requires Regulatory Approval. MO Member further advised that a parallel process (as proposed for the SEM) would be required in the Auction Management Platform (AMP). MO Member advised that managing the Credit Cover related to AMP in the SEM systems would be rather expensive. MO Member reiterated the financial risk and emphasised that the likelihood of this happening should be assessed before any type of impact assessment is carried out.

Chair summarised the discussion advising that the general consensus was that the modification as proposed is not entirely fit for purpose. Chair further advised that the proposal introduces 3rd parties into the T&SC and imposes an obligation on SEMO to act on behalf of them, which goes beyond the ambit of the Code.

Chair advised that there is agreement regarding the existence of a gap around the area of monitoring Participants and their compliance with obligations.

Chair advised that the proposal is attempting to address a significant issue, however the materiality of the issue within the current market is relatively minor.

Discussion ensued around the possibility of having a Working Group (WG) on the matter. EIL representative advised that a WG may be onerous at this stage and advised that the proposers will monitor the issue and report back to the Committee in 6 months.

Actions

* Proposer to monitor the issue and revert to Committee in six months
* Deferred Dormant for subsequent 3 meetings

Decision

* The proposal was Deferred (Dormant)

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| **Deferred Dormant** |

## Mod\_30\_12 improved efficiencies in unit registration process

*Proposer: SEMO*

*AP Only*

Proposer presented alternative version of proposal. Proposer advised that a MOST had been held and that relevant Participant feedback had been incorporated into the alternative version. Proposer advised that the swimlanes presented differed aesthetically from those in the published proposal, however the content of the swimlanes was not modified.

Chair queried as to the current volume of registrations. Proposer advised that there was an increase in registrations due to IDT, however this increase has subsided and that there are approximately 15-20 registrations currently ongoing.

Chair expressed support in relation to the clarification of the registration process.

Proposer advised that flexibility around the timeframe will remain.

Actions

* N/A

Decision

* The proposal was Recommended for Approval

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| **Recommended for Approval by Unanimous Vote (subject to swimlanes presented at Meeting replacing those in v2 of proposal)** | | |
| Brian Mongan | Generator Alternate | Approved |
| Derek Scully | Generator Alternate | Approved |
| Gerry Halligan | MDP Member | Approved |
| Julie-Anne Hannon | Supplier Alternate | Approved |
| Iain Wright-Chair | Supplier Member | Approved |
| Karen Meneely | MDP Alternate | Approved |
| Mary Doorly | Generator Alternate | Approved |
| Michael Preston | SO Member | Approved |
| Niamh Delaney | MO Member | Approved |
| Patrick Liddy | DSU Member | Approved |
| Paul Killian | SO Member | Approved |
| William Carr | Supplier Member | Approved |
| William Steele | Supplier Member | Approved |

## IV. Mod\_02\_13 registration of charges

*Proposer: EirGrid*

Secretariat provided an update advising that part of the advices will be subcontracted to NI firm Pinsent Masons. Secretariat advised that an update should be available for the next meeting. Committee were in agreement that the proposal ought to be deferred.

Actions

* N/A

Decision

* The proposal was Deferred

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| **Deferred** |

# 4. New Modification Proposals

## II. Mod\_04\_13 process for changing the vat jurisdiction of an interconnector unit

*Proposer: SEMO*

*AP Only*

Proposer presented proposal advising that the modification has been raised due to an issue with the implementation of Mod\_03\_12 Alignment of TSC with revised VAT arrangements, which is due to become effective on 10 May 2013. This Modification Proposal amends the T&SC to remove the requirement for companies to become VAT registered in the Jurisdiction in which the Unit is registered. These provisions apply to Interconnector Units as they are considered Generator Units for the purposes of the Code. As a result of this change, the Jurisdiction of the Interconnector Units of three existing Interconnector Users will change on 10th May, which is in the middle of a billing period for Capacity. (A fourth unit which may also be affected is in the process of registration.) The Central Market System is unable to process settlement for a portion of the month allocated to one VAT jurisdiction and the remaining portion allocated to another VAT jurisdiction. In order to account for this change, the affected Interconnector Units will be issued with new Account IDs and corresponding digital certificates. All relevant credit cover information will be transferred to the new Account IDs. This modification proposal aims to clarify the process for changing the VAT Jurisdiction of an Interconnector Unit. MO Member stressed that this is from a systems point of view to allow SEMO to accurately re-settle.

MO Member advised that what is proposed is the most straightforward method and that the alternative method of de-registering units would be far more arduous.

Observer expressed concern around the length of time given to incorporate the changes into internal systems, noting that there were 4 weeks until the release date.

Proposer advised that HMRC were adamant that from a VAT Authority perspective, this change must be implemented in May. Observer queried as to whether there is any potential of delaying the implementation of the change until August. MO Member reiterated that HMRC had emphasised an implementation date of May at the very latest and stressed that SEMO must be able to process settlement accurately.

Supplier Alternate queried as to whether it would be possible to apply different VAT rules. MO Member stated that this is not possible from a systems perspective as they are end dated and resettlement occurs based upon the previous VAT rules.

MO Member advised that the proposal requires no systems changes.

Observer expressed support in relation to the work that has been carried out by SEMO on the issue to date and advised that Electroroute appreciate that the change is necessary.

Actions

* N/A

Decision

* Recommended for Approval

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| **Recommended for Approval by Unanimous Vote** | | |
| Brian Mongan | Generator Alternate | Approved |
| Derek Scully | Generator Alternate | Approved |
| Gerry Halligan | MDP Member | Approved |
| Julie-Anne Hannon | Supplier Alternate | Approved |
| Iain Wright-Chair | Supplier Member | Approved |
| Karen Meneely | MDP Alternate | Approved |
| Mary Doorly | Generator Alternate | Approved |
| Michael Preston | SO Member | Approved |
| Niamh Delaney | MO Member | Approved |
| Patrick Liddy | DSU Member | Approved |
| Paul Killian | SO Member | Approved |
| William Carr | Supplier Member | Approved |
| William Steele | Supplier Member | Approved |

## AOB/Upcoming Events

Calendar updates

* 30th May 2013 - Mod Proposal submission deadline
* 13th June 2013 - Mods Meeting 49 Belfast

# Appendices

## Appendix 1 - Secretariat Programme of Work

|  |  |  |
| --- | --- | --- |
| **Status as at 11 April 2013** | | |
| **FRRs ‘Recommended for Approval’ without systems impacts awaiting RA Decision** | | |
| **Title** | **Sections Modified** | **Sent** |
| Mod\_18\_11 Definition of ‘Availability’ | T&SC Glossary | 08 September 2011 |
| Mod\_21\_12 Amendment to Available Transfer Capacity (ATC) definition | T&SC Section 5; T&SC Appendix K | 21 November 2012 |
| **RA Decision Approved Modifications with System Impacts** | | |
| **Title** | **Sections Modified** | **Effective Date** |
| Mod\_17\_11 Clarifying the requirement to provide Dispatch Instruction for Generator Units | T&SC Appendix O | May 2013 |
| Mod\_03\_12 Alignment of TSC with revised VAT arrangements | T&SC Section 6 | May 2013 |
| Mod\_17\_12 Report on Offered Capacity in Implicit Auctions | T&SC Section 1; Agreed Procedure 6 | May 2013 |
| **RA Decision Approved Modifications without System Impacts** | | |
| Mod\_16\_11 Credit Worthiness Test for SEM Bank and Credit Cover Provider banks | T&SC Section 6 & Glossary | 29 April 2013 |
| Mod\_22\_12 Setting of MIUNs in the case of General Systems Failure | T&SC Glossary | 06 February 2013 |
| Mod\_27\_12 Representation of Price Takers in the MSP Software | T&SC Appendix N | 11 February 2013 |
| Mod\_28\_12 Clarifications to Appendix N | T&SC Appendix N | 06 February 2013 |
| Mod\_29\_12 Dwell Time Up & Dwell Time Down Glossary Definitions. | T&SC Glossary | 06 February 2013 |
| Mod\_01\_13 Interconnector Data Submission Point | T&SC Section 5; T&SC Glossary | 05 March 2013 |
| Mod\_03\_13 Mods Process Clarification | T&SC Section 2; Agreed Procedure 12 | 20 March 2013 |
| Mod\_23\_12 Minimum Stable Generation | T&SC Appendix N; T&SC Glossary | 20 March 2013 |
| **AP Notifications** | | |
| Mod\_20\_12 Timelines in relation to the scheduling of Ad Hoc Resettlement following an upheld Query | Agreed Procedure 13 | 24 December 2012 |
| Mod\_24\_12 Amendments to the MIUN Calculator to address instances of Excess Area | Agreed Procedure 2 | TBC |
| Mod\_26\_12 Notification Time for updating Interconnector Technical Data | Agreed Procedure 2 | 21 December 2012 |
| **Modification Proposal Extensions** | | |
| Mod\_11\_12 Proposal to extend definition of Special Units to include Compressed Air Energy Storage | Extension Requested | 30 May 2014 (Current Extension granted until 30 May 2013) |