



Single Electricity Market

MODIFICATIONS COMMITTEE MEETING MINUTES

MEETING 76

DUBLIN – EIRGRID OFFICES

19 OCTOBER 2017

10.30 – 13.00

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Document History

Version	Date	Author	Comment
1.0	26 October 2017	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	2 November 2017	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
Trading and Settlement Code and Agreed Procedures: Version 20.0

In Attendance

Name	Company	Position
Modifications Committee		
Adele Watson	NIE Networks	MDP Member
Barry Hussey	CER	RA Member
Brian Mongan	AES	Generator Member
Clive Bowers	ESB	Generator Alternate
Chris Goodman	SONI	MO Member
Conor Powell	SSE	Supplier Member
David Gascon	Bordnamona	Generator Alternate
Derek Scully	Energia	Generator Alternate
Gary McCullough	SONI	SO Member
Jim Wynne	Electric Ireland	Supplier Member
Julie-Anne Hannon (Vice Chair)	Bord Gais	Supplier Member
Marc Senouci	Eirgrid	SO Member
Sheena Byrne	CER	RA Alternate
Sean Doolin	Electric Ireland	Supplier Alternate
Kenny Dane	UREGNI	RA Alternate
Gerry Halligan	ESB Networks	MDP Member
Philip Carson	Power NI	Supplier Alternate
Secretariat		
Esther Touhey	SEMO	Secretariat
Observers		
Lois Wares	SSE	Observer
Cormac Daly	Tynagh Energy	Observer
Peter Wibberley	Yellow Wood	Observer
Laura Plunkett	SEMO	Observer
Martin Kerin	Eirgrid	Observer

John Bennett	Design & Implement	Observer
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1. SEMO UPDATE

The Minutes from Meeting 75 were read and approved by the Secretariat. The final version of the Minutes is available [here](#).

Programme of Work

Secretariat presented the Programme of Work and a review of previous meeting actions.

2. REVIEW OF ACTIONS

<i>Actions recorded at previous meeting</i>	
Mod_02_16 Unsecured Bad debt	<ul style="list-style-type: none"> Secretariat to draft Final Recommendation Report – Closed
Mod_03_17 Treatment of Transmission Losses for Contiguous Trading Sites with Autoproducers in I-SEM	<ul style="list-style-type: none"> SEMO Member to progress impact assessment and advise of progress at meeting 75 – Closed SEMO Member to follow up with ISEM registration team with regards pre validation for Maximum Import and Export Capacities and inclusion of values and their validation in Registration Pack/Agreed Procedure if required (depending on system implementation) – Closed Proposer to liaise with ISEM project to correct typo and submit a second version of the proposal – Closed Secretariat to draft Final Recommendation Report - Closed

<p>Mod_05_17 Amendment to the Part B Form of Authority for the Purpose of Removing the Restricted Authority Provision</p>	<ul style="list-style-type: none"> • RAs to revert with regards to potentially removing the requirement to provide authorisation for the Capacity Market Code in general – Open • MO Member to follow up and ensure that details are circulated to Participants as soon as practicable and the administrative burden is minimised – Closed • Secretariat to draft Final Recommendation Report - Closed
<p>Mod_04_17 Solar in the SEM</p>	<ul style="list-style-type: none"> • MO Member to ensure that list of solar units is published – Closed • MO Member to update General Publication Update Document to reflect inclusion of solar forecast volumes within wind forecast publication – Closed • MO Member to follow up to ensure that provision for solar for ISEM is made in Part B of the Code – Closed • Secretariat to draft Final Recommendation Report – Closed

3. NEW MODIFICATIONS PROPOSALS

MOD 06_17 TRANSITIONAL CREDIT COVER PROVISIONS

Proposer delivered a [presentation](#) summarising the requirement for this proposal.

The proposer discussed the background to why the modification was being raised and the need for it - specifically the need to have transitional arrangements in place for credit cover requirements in the transition from SEM to I-SEM. They described how the modification had developed further since submission on 5th October - in order to further mitigate concerns about duplication of collateral, administrative burdens of the transition, and concerns over treatment of posted collateral in bad debt scenarios. The proposer then provided details of the 'enhanced' modification and how it improved the original modification proposal. The proposer then requested the modifications committee to confirm the modification was developing, in principle, in the right direction before undertaking the detailed legal drafting. Next steps were to provide the updated modification, with the enhanced details and the legal text drafting, before the next modifications committee meeting in November.

Chair confirmed that the committee felt the proposal was being developed in the right direction with all members welcoming a reduction in collateral requirements but asked if the issue of due diligence could be further clarified. It was noted that a week review period would be sought for the revised proposal and all members were asked to take the proposal in house and discuss with a view to progressing the proposal at the next meeting.

Actions :

- Members to review the additional detail provided in the presentation and submit any questions or feedback to modifications@sem-o.com for inclusion in the development of version 2.0 of the proposal – **Open**
- Proposer to develop version 2.0 of the proposal and issue to the committee for a 1 week review in advance of the next meeting - **Open**

MOD 07_17 CREDIT ASSESSMENT VOLUME FOR GENERATOR UNITS

Proposer delivered a [presentation](#) summarising the requirement for this proposal. Proposer indicated that the Modification aims to correct a drafting error in relation to the Credit Assessment Volume for Generator Units (VCAG), which relates to the volume of balancing market exposure for New Participants in respect of their Generator Units. Drafting currently states that this should be a forecast of Metered Generation where the policy decision in this area is that it should be a forecast of Imbalance only.

Proposer reiterated that the change would align the Trading and Settlement Code with decision taken during the market rules development process and stated that not making the change would result in credit cover requirements in the applicable scenario being higher than intended.

Committee were in agreement to vote on this proposal.

Decision

The proposal was Recommended for Approval.

Recommended for Approval

Recommended for Approval by Unanimous Vote		
Conor Powell	Supplier Member	Approved
Derek Scully	Generator Alternate	Approved
Clive Bowers	Generator Alternate	Approved
Jim Wynne	Supplier Member	Approved
David Gascon	Generator Alternate	Approved
Brian Mongan	Generator Member	Approved

Philip Carson	Supplier Alternate	Approved
Julie-Anne Hannon	Supplier Member (Chair)	Approved

Actions :

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

MOD 08_17 DECREMENTAL PRICE QUANTITY PAIR SUBMISSION

Proposer delivered a [presentation](#) summarising the requirement for this proposal. Proposer indicated that the Modification aims to make submission of Decremental Prices mandatory for Participants who submit Commercial Offer Data. Based on the current drafting, submission of Decremental Prices is optional and where they are not submitted these are to be set based on Incremental Prices and Quantities. Proposer indicated that the reason for this change is that it is not currently clear which set of Incremental data would be applied as Decremental data in terms of complex or simple offers. In addition, the validation of a composite bid curve where Decremental data is inferred from incremental data is not possible based on the current system build. Proposer stated that in their view this change would enhance clarity and avoid ambiguity in terms of which Commercial Offer Data applies.

Proposer indicated that the Modification also aims to amend drafting which currently states that Decremental Prices submitted by Dispatchable, Priority Dispatch zero marginal cost units, which are non-zero, will be deemed to be zero. The Modification would state that such Decremental Prices must be submitted as zero which aligns to the current system functionality which rejects non-zero submissions in this area. Proposer indicated that the change aligns with the current system functionality and could be considered the more appropriate treatment since the submitted data would have to be zero, rather than allowing non zeros to be submitted but still deeming this as zero.

Committee were in agreement to vote on this proposal.

Decision

The proposal was Recommended for Approval.

Recommended for Approval

Recommended for Approval by Unanimous Vote		
Conor Powell	Supplier Member	Approved
Derek Scully	Generator Alternate	Approved
Clive Bowers	Generator Alternate	Approved

Jim Wynne	Supplier Member	Approved
David Gascon	Generator Alternate	Approved
Brian Mongan	Generator Member	Approved
Philip Carson	Supplier Alternate	Approved
Julie-Anne Hannon	Supplier Member (Chair)	Approved

Actions :

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

MOD 09_17 SOLAR IN I-SEM

Proposer delivered a [presentation](#) summarising the requirement for this proposal. Proposer indicated that this Modification seeks to make provision for Solar Powered Units in the ISEM. Proposer indicated that the approach was the same as that taken in Part A for the SEM in that the intention was to set the fuel type for Solar units to Wind. This is because a more bespoke treatment which results in separate treatment of Wind and Solar would not be available for the cutover to ISEM. Proposer indicated that there were a number of things which would need to be in place for an enduring and bespoke treatment including market system changes to consume and publish separate datasets and also some additional System Operator system updates in relation to forecast data etc. Proposer indicated that an enduring approach would be considered for implementation after the cutover to ISEM and that this would be considered as part of the Day 2 project. Proposer noted that delivery for Day 2 would be investigated and pursued but could not be guaranteed at this stage. Proposer indicated that SEMO would manually publish a list detailing which unit IDs relate to Solar Powered Units so that Participants can disentangle the data if necessary. Proposer also indicated that data on Solar Power Units only could also be requested from the market helpdesk if this was required.

Proposer noted that the Modification also seeks to remove the obligation on SEMO to publish outage adjusted Wind and Solar forecast data. Proposer stated that this data was originally considered for use in the Aggregator of Last Resort (AOLR) process but that it is no longer needed for that purpose and is also not available either for the current SEM or for ISEM post cutover. Proposer indicated that, since this data is not needed for AOLR and is not currently available, they considered it likely that it was no longer required in general.

Concerns were expressed in relation to the provision within the proposal to remove the outage adjusted wind and solar forecast data in I-SEM. It was agreed that the committee were happy to approve the Solar in I-SEM content of the approval but would not approve the outage adjusted forecast section. It was agreed that the committee would vote subject to legal drafting resulting in Mod_09_17 solely relating to Solar in I-SEM and that a new modification would be raised for the next meeting on the area of outage adjusted forecast provision.

Committee were in agreement to vote on this proposal subject to legal drafting.

Decision

The proposal was Recommended for Approval.

Recommended for Approval – subject to legal drafting

Recommended for Approval by Unanimous Vote		
Conor Powell	Supplier Member	Approved
Derek Scully	Generator Alternate	Approved
Clive Bowers	Generator Alternate	Approved
Jim Wynne	Supplier Member	Approved
David Gascon	Generator Alternate	Approved
Brian Mongan	Generator Member	Approved
Philip Carson	Supplier Alternate	Approved
Julie-Anne Hannon	Supplier Member (Chair)	Approved

Actions :

- MO Member and SO Member to review provision of outage adjusted forecast data in I-SEM – **Open**
- SO Member to identify whether any outages are reflected in existing wind and solar forecast data – **Open**
- MO Member to highlight committee views on solar unit refined enduring provision inclusion in D+2 project – **Open**
- MO Member to draft second version of proposal which omits references to removing publication of outage adjusted forecast data – **Open**
- MO Member to draft separate proposal in relation to outage adjusted forecast data provision and publication – **Open**
- Secretariat to draft Final Recommendation Report - **Open**.

MOD 10_17 EX-ANTE QUANTITIES DEFERRAL

Due to time constraints this proposal was not discussed. This proposal will be discussed at the next meeting in November.

MOD 11_17 DEFERRAL OF INFORMATION IMBALANCE CHARGES

Proposer delivered a [presentation](#) summarising the requirement for this proposal. Proposer indicated that the Modification seeks to defer the obligation on SEMO, to include publication of Information Imbalance Charges in Settlement Documents, until Day 2. Proposer briefly described the Information Imbalance Charge and advised that this will be zero at ISEM go live due to the decision to set the Information Imbalance Price to zero for go live. Proposer advised that the charge relates to potential future mitigation against abuse of market power via variation of Physical Notifications.

Proposer stated that, since the charge will be zero for go live so that it has no material impact, deferral of this functionality would allow for prioritisation of more material functionality in the market systems for go live, thus reducing material delivery risk. RA alternate asked whether this could be reinstated prior to D+2. MO Member indicated that this may be possible but would have to be investigated at a the time.

Committee were in agreement to vote on this proposal.

Decision

The proposal was Recommended for Approval.

Recommended for Approval

Recommended for Approval by Unanimous Vote		
Conor Powell	Supplier Member	Approved
Derek Scully	Generator Alternate	Approved
Clive Bowers	Generator Alternate	Approved
Jim Wynne	Supplier Member	Approved
David Gascon	Generator Alternate	Approved
Brian Mongan	Generator Member	Approved
Philip Carson	Supplier Alternate	Approved
Julie-Anne Hannon	Supplier Member (Chair)	Approved

Actions :

- Secretariat to seek clarity from I-SEM project relating to D+2 provision - **Open**
- Secretariat to draft Final Recommendation Report - **Open**.

4. DEFERED MODIFICATIONS PROPOSALS

NO DEFERRED MODIFICATIONS ONGOING

5. AOB/UPCOMING EVENTS

Committee Membership & Housekeeping

Secretariat welcomed Cormac Daly, David Gascon and Gary McCullough to the committee.

Secretariat advised that the 2018 schedule of meetings would be planned as a monthly occurrence rather than bi-monthly so as to be able to efficiently progress an anticipated increase in new proposals that may be received.

An additional meeting in November was discussed with broad agreement that this should be a face to face meeting. Secretariat will communicate the meeting details to the committee shortly.

Calendar updates

- Mods Meeting 77 – 21st November 2017
- Mods Meeting 78 – 7th December 2017 – to be confirmed – location and date may change due to addition of November meeting – secretariat to advise

APPENDICES

APPENDIX 1 - SECRETARIAT PROGRAMME OF WORK AS DISCUSSED AT MEETING 76

Status as at 19th October 2017		
Modification Proposals 'Recommended for Approval' without System impacts		
Title	Sections Modified	Sent
N/A	N/A	N/A
Modification Proposals 'Recommended for Approval' with System impacts		
N/A	N/A	N/A
Modification Proposals 'Recommended for Rejection'		
Mod_02_17 Unsecured Bad Energy Debt and Unsecured Bad Capacity Debt Timelines	T&SC Section 6.5 AP15	25 August 2017
RA Decision 'Further Work Required'		
N/A	N/A	N/A
RA Decision Approved Modifications with System Impacts		
Mod_03_17 Treatment of Transmission Losses for Trading Sites with Contiguous Autoproducers in I-SEM	I-SEM TSC F.4	17 October 2017
RA Decision Approved Modifications with no System Impacts		
Mod_04_17 Solar in the Single Electricity Market	Noted in proposal form	17 October 2017
Mod_5_17 Amendment to Part B Form of Authority for the purpose of removing the Restricted Authority provision	Appendix C – Form of Authority	17 October 2017
RA Decision Rejected		
N/A	N/A	N/A
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

- **Meeting 77 – 21st November : tbc**
- **Meeting 78 – 7th December : Dublin**
Deadline for new proposals – 23rd November