

Single Electricity Market

|  |
| --- |
| Final REcommendation Report*Mod\_01\_12: Representation of demand side participants on the modifications committee*03 May 2012 |

COPYRIGHT NOTICE

All rights reserved. This entire publication is subject to the laws of copyright. This publication may not be reproduced or transmitted in any form or by any means, electronic or manual, including photocopying without the prior written permission of EirGrid plc and SONI Limited.

DOCUMENT DISCLAIMER

Every care and precaution is taken to ensure the accuracy of the information provided herein but such information is provided without warranties express, implied or otherwise howsoever arising and EirGrid plc and SONI Limited to the fullest extent permitted by law shall not be liable for any inaccuracies, errors, omissions or misleading information contained herein.

Document History

|  |  |  |  |
| --- | --- | --- | --- |
| **Version** | **Date** | **Author** | **Comment** |
| 0.2 | 26 April 2012 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 1.0 | 03 May 2012 | Modifications Committee Secretariat | Issued to Regulatory Authorities for final decision |

Reference Documents

|  |
| --- |
| **Document Name** |
| [Trading and Settlement Code](http://semopub/MarketDevelopment/MarketRules/TSC.doc)  |
| [Agreed Procedure 12](http://semopub/MarketDevelopment/MarketRules/AP12.doc) |
| [Mod\_01\_12: Representation of Demand Side Units on the Modification Committee](http://semopub/MarketDevelopment/ModificationDocuments/Representation%20of%20Demand%20Side%20Units%20on%20the%20Modification%20Committee.docx) |
| [Mod\_01\_12\_v2: Representation of Special Units on the Modification Committee](http://semopub/MarketDevelopment/ModificationDocuments/Mod_01_12_V2%20Representation%20of%20Special%20Units%20on%20the%20Modification%20Committee.docx) |
| [Mod\_01\_12\_v3: Representation of Demand Side Participants on the Modification Committee](http://semopub/MarketDevelopment/ModificationDocuments/Mod_01_12_v3.docx) |

Table of Contents

[1. MODIFICATIONS COMMITTEE RECOMMENDATION 3](#_Toc323205478)

[**Recommended for Approval – majority Vote** 3](#_Toc323205479)

[2. Background 3](#_Toc323205480)

[3. PURPOSE OF PROPOSED MODIFICATION 3](#_Toc323205481)

[**3A.) Justification for Modification** 3](#_Toc323205482)

[**3B.) Impact of not Implementing a Solution** 4](#_Toc323205483)

[**3c.) Impact on Code Objectives** 4](#_Toc323205484)

[4. Assessment of Alternatives 5](#_Toc323205485)

[5. Working Group and/or Consultation 5](#_Toc323205486)

[6. impact on systems and resources 5](#_Toc323205487)

[7. Impact on other Codes/Documents 5](#_Toc323205488)

[8. MODIFICATION COMMITTEE VIEWS 5](#_Toc323205489)

[**Meeting 40 – 31 January 2012** 5](#_Toc323205490)

[**Meeting 41 – 31 January 2012** 7](#_Toc323205491)

[9. Proposed Legal Drafting 8](#_Toc323205492)

[APPENDIX 1: Definitions and Abbreviations 13](#_Toc323205493)

[**Definitions** 13](#_Toc323205494)

[10. LEGAL REVIEW 13](#_Toc323205495)

[11. IMPLEMENTATION TIMESCALE 13](#_Toc323205496)

[Appendix 1: Mod\_01\_12 original version 14](#_Toc323205497)

[Appendix 2: Mod\_01\_12\_V2 alternative version 18](#_Toc323205498)

[Appendix 3: Mod\_01\_12\_V3 alternative version 22](#_Toc323205499)

[APPENDIX 1: Definitions and Abbreviations 27](#_Toc323205500)

[**Definitions** 27](#_Toc323205501)

# MODIFICATIONS COMMITTEE RECOMMENDATION

## Recommended for Approval – majority Vote

|  |
| --- |
| **Mod\_01\_12: Recommended for Approval by majority vote (subject to legal drafting)** |
| Julie-Anne Hannon | Supplier Alternate | Approve |
| Sean Doolin | Supplier Alternate | Reject |
| Ian Luney | Generator Member | Reject |
| William Steele | Supplier Member | Approve |
| Mary Doorly | Generator Alternate | Approve |
| Kevin Hannafin | Generator Member | Approve |
| Niamh Quinn | Generator Member | Reject |
| Iain Wright | Supplier Member | Approve |

# Background

This Modification Proposal was raised by Activation Energy and was received by the Secretariat on 12 January 2012. It proposed changes to Section 2 of the TSC. The proposal was raised by Activation Energy in order to introduce one seat for DSUs on the Modifications Committee. An alternative version of this proposal was received by the Secretariat on 17 January 2012. This version proposed the introduction of two seats for Special Units. Both proposals were presented at Meeting 40 on 31 January 2012, where they were deferred. A third version of the Modification Proposal was received by the Secretariat on 12 March 2012, which proposed changes to Section 2 and Agreed Procedure 12. The Modification Proposal was discussed at Meeting 41 on 27 March 2012 where it was voted on.

# PURPOSE OF PROPOSED MODIFICATION

## 3A.) Justification for Modification

Currently Demand Side Units are not represented on the Modifications Committee. It is unclear how they could be represented based on the existing rules. Furthermore they have different interests from both suppliers and generators.

The Modification Proposal proposes the introduction of 1 seat for DSU participants. As their interests are split between those of Suppliers (as they are licensed as such, contract directly with customers and in many cases are likely to be operated by suppliers) and Generators (as they are paid a capacity payment and have requirements under the Grid Code to assist with system security) the inclusion will not upset the current balance.

Note that as we do not wish to create undue challenges to committee operation, no change to AP12 (including Quorum) is propose

In 2011 CER and NIAUR published “DSV 2020”, a report which identified that demand side response could contribute to avoiding investment in peaking plant by delivering peak load reduction; avoiding the curtailment of wind by increasing demand in the off-peak periods, providing flexibility to mitigate the uncertainty of wind output, contributing to the provision frequency response and similar ancillary services at times when thermal generation does not run; and helping the mitigation of transmission and distribution network constraints.

The report also sets a next step that the Modifications Committee Chair be asked to consider any barriers to DSM identified through current modifications and to consider the implications for demand side participation in relevant future modifications brought before the Modifications Committee. As DSUs are not currently represented on the Modifications committee it will be extremely challenging to comply with this request. Furthermore the issues highlighted here themselves clearly represent a barrier to Demand Side Participation. The report also sets out the intension of the RAs to request that the TSOs consider if/how the current retail demand reduction schemes in ROI will fit within the harmonising and further review of Ancillary Services currently proposed by the TSOs. It is the SEM Committees view that this review should also include an examination of the pricing of Ancillary Services with a view to promoting demand response.

EirGrid and SONI are currently facilitating the DS3 project which is considering numerous options to increase the provision of ancillary services. Included in the proposals is the inclusion of Demand Response and other services provided by Demand Side Customers. For this to be facilitated, it seems likely that the market will need to facilitate DSUs and consider their interests in future modifications.

## 3B.) Impact of not Implementing a Solution

Non-implementation of this modification will result in:

* Retaining the discrimination against Special Units in the market
* A reduction in the potential competition of the market, avoiding potential savings to the customers
* Not utilising a potential carbon saving available
* A reduction in the potential security of the grid

## 3c.) Impact on Code Objectives

1. Trading & Settlement Code Objective 1.3.3 “to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market”

Having unrepresented parties in the market is clearly likely to act as a barrier to participation in this area.

2. Trading & Settlement Code Objective 1.3.4 “to promote competition in the single electricity wholesale market on the island of Ireland”

Unrepresented parties will clearly struggle to compete

3. Trading & Settlement Code Objective 1.3.6 “to ensure no undue discrimination between persons who are parties to the Code”.

As these units are not represented, they are clearly discriminated against.

4. Trading & Settlement Code Objective 1.3.7 “to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.

This Modification Proposal should have no impact on central market systems, and consequentially should have negligible impact on the cost to consumers. Therefore, any improvement brought by competition will have immediate short-term and long-term gains for the consumers on the island of Ireland.

5. Environmental Concerns

Many of these unit types have low carbon footprints, therefore assisting Ireland and Northern Ireland’s carbon reduction targets

6. Distributed Generation

An increased involvement of DSUs, AGUs and Auto-generators in the market will act to strengthen the grids resilience considerably as distributed generation has been demonstrated to be more reliable

# Assessment of Alternatives

Three versions were considered over the lifecycle of the proposal, all raised by Activation Energy. See the appendices of this report for all three versions of the proposal.

# Working Group and/or Consultation

N/A

# impact on systems and resources

N/A

# Impact on other Codes/Documents

N/A

# MODIFICATION COMMITTEE VIEWS

## Meeting 40 – 31 January 2012

**Mod\_01\_12 Version 1:**

Activation Energy submitted two proposals for the Meeting, Version 1 and Version 2. Proposer outlined the background of Version 1 outlining that DSUs fall between Supplier Units and Generator Units, thus they are not currently represented on the Modifications Committee. Further noting that it is unclear how they could be represented as they have different interests from both suppliers and generators. Version 1 proposed the introduction of 1 seat for DSUs. Proposer clarified that no change to the quorum would be intended as a consequence of the proposal. Proposer advised that Version 1 is the preferred proposal to be progressed.

**Mod\_01\_12 Version 2:**

Proposer outlined background of Version 2 advising that Special Units are currently not suitably represented on the TSC Modifications Committee, as their interests do not align with those of Thermal Generator Units or Traditional Supplier Units. The Modification Proposal proposes the introduction of 2 seats for Special Units.

**General Committee discussion**

SEMO Member advised that although DSUs are defined as Generator Units, they are not defined as Generation Participants. SEMO Member also raised the issue that Version 1 of the proposal would change the number of members on the committee to an odd number so that a casting vote would no longer apply, and queried as to whether the elections process for electing a DSU representative onto the Committee would be different to the usual annual election process.

Supplier Member was of the opinion that both proposals were too ambiguous to be approved, further stating that it is not explicitly clear as to what the constituency would be, the proposal doesn’t state what DSUs would be eligible to vote on, and advised that the biggest concern is that the Modifications Committee panel may be unbalanced as a result of implementation of Version 1 of the proposal.

Supplier Member was in agreement that the proposals were not detailed enough to be voted on at Meeting 40, however stated that more discussion on broadening out representation to non-standard Participants would be desirable. Supplier Member further stated that it is important to have a means for representing views of the market that currently are not represented. SEMO Member reminded the Committee that Participants are elected in order to represent their constituents, and should be doing so. Endesa Ireland representative queried as to what was the justification for originally imposing Committee Membership limitations.

SEMO Member advised that anyone has the opportunity to raise a Modification Proposal and that it would be difficult for the Committee to work as effectively as it currently does, with an infinite number of members. SEMO Member further added that it is imperative that a structure is maintained, as important issues are voted on with the current structure allowing for efficient decision making.

SEMO Alternate queried as to whether the proposer is satisfied with the representation that DSUs have received to date from the Modifications Committee. Proposer agreed that all in attendance at the Meetings are free to speak and accepted that Activation Energy’s previous proposal, Mod\_36\_10 Removal of Connection between Supplier Units and DSUs had been Recommended for Approval by the Committee. However, proposer voiced concern that no representative on the Committee had queried as to why the proposal had not yet been RA Decision approved (at the time of Meeting 40 Mod\_36\_10 was unapproved, the proposal has since been RA Decision Approved). Secretariat clarified that once a vote is taken at a Meeting, the FRR is drafted and sent to the RAs for decision, thus the Committee do not have further dealings with proposals when they reach that stage.

CER Member advised that as per Section 2.153 of the Code, the RAs can if they so wish, nominate a representative that is not currently represented on the Modifications Committee. CER Member advised that currently the RAs do not believe that it is necessary to seek nominations for the appointment of an additional voting member of the Modifications Committee. CER Member advised that the elections process is a democratic process and works efficiently. CER Member also advised that the Modifications Committee is currently awaiting a letter relating to Demand Side Vision which will ask the Modifications Committee to discuss issues that arise in this workstream.

Supplier Member advised that establishing a broad Working Group may be an appropriate way of discussing the various issues surrounding both versions of the proposals, and the wider issue of the Demand Side Vision workstream.

Proposer advised of preference to abstain from getting involved in the wider question of DSU representation and reiterated preference to proceed with Version 1 of the proposal.

NIE Energy PPB representative advised of satisfaction with the Committee process, and feels adequately represented as an observer at Modifications Committee Meetings. NIE Energy PPB representative further stated that there is ample opportunity for observers to voice their views and struggled to see the benefit of the proposal.

SEMO Member l said that it needs to be clear to potential Participants in the market how they can get elected onto the Committee and that there should be a means for them to be elected. Supplier Member reiterated the central issue being that realistically there is no tangible method for DSUs gaining a seat on the Committee.

Proposer expressed the view that there is currently a fundamental advantage to Generators and Suppliers as they are entitled to four seats each on the panel, whereas Version 1 of the proposal is seeking one seat for DSUs.

CER Member stated that not all of the issues are specifically related to Generators and Suppliers and that representatives do not always revert to type for the vote. Secretariat commented that Elexon the UK Market Operator is a closed forum with only Committee Members having an opportunity to voice their views, as distinct from the Trading & Settlement Code Committee where observers are free to engage the Committee.

Proposer highlighted the fact that three other operators are proposing to start operating DSUs, further advising that one of the aims of the proposals is to create awareness around the issue of DSUs having the ability to input into future decisions.

An action was placed on SEMO to work with proposer on content of proposal for next Meeting.

## Meeting 41 – 31 January 2012

Proposer presented slides outlining background to proposal, and provided an overview of the changes proposed in the third version of the proposal. Proposer drew attention to Demand Side Vision 2020 paper issued by the RAs. MDP Member queried as to why the proposal is solely restricted to DSUs and doesn’t address representation of Special Units? Proposer advised that Special Units are largely comprised of Suppliers and Generators and that the issues facing large Generators and Suppliers resemble those facing smaller Generators and Suppliers, which is not the case for DSUs. MDP Member was in agreement with the introduction of DSU representation on the Committee, however felt that there are other smaller players that may also require representation. Generator Member queried as to how many DSUs are in the market? Proposer advised that currently there are none, however Activation Energy have applied for registration and are aware of up to five other DSUs that are seeking applications during the year. Generator Member queried as to whether the voting process during the annual election would be changed if approved? Secretariat advised that the voting process for DSUs would align with the process for Suppliers and Generators. Generator Member queried as to what would happen if there was a tied vote in the election? Secretariat advised that a re-vote would occur, and the RAs would be reverted to in the event of a subsequent tie. Chair advised of agreement with the sentiment of the proposal however does not feel that DSUs have been discriminated against in the past by the Modifications Committee. Generator Member advised that DSUs (or any Participant) have the opportunity to raise proposals and actively attend the meetings. Generator Member expressed the opinion that until more DSUs are in the market, it isn’t necessary to broaden Committee. Generator Member advised that the introduction of a seat for DSUs would be more appropriate if there was competition for the seat. Generator Member advised that other units could be established in the future which may require Modifications Committee representation and raised the issue of future-proofing. Proposer advised to review the situation when it arises and that future possibilities should not be stall the progression of the proposal.

Chair reiterated concerns regarding the lack of competition for the seat. Supplier Member voice agreement with proposer that the proposal should be considered at the Meeting and that other units that may need representation should be addressed as the demand arises. Generator Member queried as to what the definition of Demand Side Unit is? Secretariat advised that in the Code Participant is defined as “one or more demand sites which comply individually or collectively as appropriate with the criteria set out in paragraph 5.151 and is so registered by a Participant. A Demand Side Unit is classified as a Generator Unit under the Code”.

MO Alternate advised that if a definition of Special Units as opposed to Demand Side Participant was to be included, it may cause issues across the code, whereas Demand Side Participant should not.

NIAUR Member drew reference to the RA Demand Side Vision letter advising that any barriers to DSUs may be alleviated by a Demand Side Working Group, if it were to be established by the Committee. Chair was not agreeable to this and felt that the issue may be revisited if not addressed at the Meeting.

Chair referenced Section 2.150 of the Code and queried as to why the Committee constituency drafting was increased from fifteen members to no more than sixteen members when space for further members on the Committee exists currently? MO Alternate advised that it was deemed prudent to retain the existing space for further Members in the event that the RAs deemed it necessary to appoint new Members.

MO Alternate advised that no modifications to the minimum number or the quorum are proposed, therefore there will be no possibility of the Meeting being disbanded if the DSU representative was absent from a Meeting.

Chair commented that in Section 2.176 of the Code, the wording should be changed from less to fewer as it is more grammatically correct.

# Proposed Legal Drafting

Constitution of the Modifications Committee and Voting Rules

2.150 The Modifications Committee shall consist of:

1. one member appointed by the Commission and one member appointed by NIAUR;

2. at least nine (9) and no more than sixteen (16) further members appointed as follows, such persons to include at all times:

(a) at least three (3) members nominated by or elected in respect of Generation Participants;

(b) at least three (3) members nominated by or elected in respect of Supply Participants;

(c) one member appointed by the Market Operator;

(d) one member appointed by each of the System Operators;

(e) one member appointed by each of the Meter Data Providers (to the extent not already represented); and

(f) at least one (1) member nominated by or elected in respect of Demand Side Participants.

2.153 If the Regulatory Authorities determine at any time that any particular type of party is not adequately represented on the Modifications Committee, the Regulatory Authorities may seek nominations from relevant persons and appoint a person from such nominations, or otherwise to represent that type of person. Such a person shall be a voting member of the Modifications Committee and shall be appointed for an initial term of two years. A member appointed in accordance with this paragraph 2.153 shall not be deemed to be a representative of Generation Participants, Supply Participants or Demand Side Participants for the purposes of paragraph 2.150 or 2.154.

2.154 The Regulatory Authorities may from time to time stipulate the minimum or maximum representation for Supply Participants, Generation Participants or Demand Side Participants.

2.155 The total number of members of the Modifications Committee shall be not fewer than eleven (11) persons and not more than eighteen (18) persons.

**Nominations of Other Members**

2.169 At least 8 weeks prior to the expiry of any person’s membership of the Modifications Committee, the existing Modifications Committee shall:

where that person is a member appointed by the Commission, NIAUR, Market Operator, a System Operator or a Meter Data Provider, notify the relevant party that is required to appoint a new member and new alternate member;

where that person is a member appointed in respect of Generation Participants, Supply Participants or Demand Side Participants, request the Secretariat to arrange an election in accordance with paragraph 2.170;

where that person is a member appointed by the Regulatory Authorities in accordance with paragraph 2.153, inform the Regulatory Authorities of the pending expiry of the member’s term.

2.170 Prior to the expiry of membership of any Nominating Participant member, or where a member is removed, resigns or retires from the Modifications Committee and the Modification Committee agrees that an election is required, the Secretariat shall arrange a Nominating Participant Election to fill that vacancy in accordance with such of the following steps as are necessary:

1. relevant Nominating Participants shall be requested to propose new nominees and alternates for election;
2. each Nominating Participant shall be entitled to vote to elect members from the Participant nominees in accordance with paragraphs 2.171 to 2.176;
3. Nominating Supply Participants shall be entitled to vote to elect a member from the persons nominated by them;
4. Nominating Generation Participants shall be entitled to vote to elect a member from the persons nominated by them;
5. Nominating Demand Side Participants shall be entitled to vote to elect a member from the persons nominated by them;
6. the number of nominees with the most votes from Supply Participants but not exceeding three nominees in number, shall be appointed to the Modifications Committee to replace any retiring, terminated or removed Supply Participant member;
7. the number of nominees with the most votes from Generation Participants, but not exceeding three nominees in number, shall be appointed to replace any retiring, terminated or removed Generation Participant member;
8. the number of nominees with the most votes from Demand Side Participants, but not exceeding one nominee in number, shall be appointed to replace any retiring, terminated or removed Demand Side Participant member;
9. the constitution of the Modifications Committee shall, unless agreed otherwise by the Regulatory Authorities, continue to comply with paragraphs 2.150 to 2.155;
10. initial members of the Modification Committee shall be appointed for terms in accordance with paragraph 8.51. Thereafter each member shall be appointed for a maximum term of two years, subject to the exception contained in Section 2.170 (11); and
11. where an ad-hoc election has taken place to fill a vacancy, whereby a member has been removed, resigned or retired from the committee, the newly elected member shall be appointed in principle for a maximum term of two years, and this term will expire in accordance with the annual election date which is closest to the term expiry date.

2.173 The Modifications Committee may at any time stipulate that an outgoing member who is a nominee of Generation Participants, Supply Participants or Demand Side Participants must be replaced in any election with a nominee of Generation Participants, Supply Participants or Demand Side Participants respectively in order to preserve the requisite constitution of the Modifications Committee in accordance with paragraph 2.150 or as may be stipulated from time to time by the Regulatory Authorities pursuant to paragraph 2.152 or 2.154.

2.176 Without prejudice to paragraph 2.175, membership of the Modifications Committee shall automatically terminate at the end of a member’s term unless such termination would leave the Modifications Committee with fewer than 11 members, in which case the term of membership may be extended until a replacement member is appointed or elected to the Modifications Committee.

**Resignation and Removal of Members of the Modifications Committee**

2.177 Any member may be removed during his or her term by the majority decision of the Modifications Committee (subject to veto by the Regulatory Authorities) if that person:

1. ceases to be in a position to represent those Supply Participants, Generation Participants or Demand Side Participants from which the member was nominated;
2. is or becomes of unsound mind or is, or otherwise becomes incapable of performing the functions of a member of the Modifications Committee;
3. has been, or is, in the reasonable opinion of the majority of the other members of the Modifications Committee, engaged in conduct which is inconsistent with or detrimental to being a member of the Modifications Committee; or
4. fails to discharge the obligations of a member of the Modifications Committee.

**Glossary**

|  |  |
| --- | --- |
| Demand Side Participant | means a Participant who has registered Demand Side Units. |
| Generation Participant | means Participants who have registered Generator Units other than Interconnector Error Units, Interconnector Residual Capacity Units or Demand Side Units. |
| **Nominating Participant** | means, for the purposes of paragraphs 2.150 to 2.182 in relation to the Modifications Committee, a Party which is a Participant excluding the System Operators and is allowed to nominate Participant nominees to the Modifications Committee. |
| **Nominating Generation Participants** | means, for the purposes of paragraphs 2.150 to 2.182 in relation to the Modifications Committee, a Party which is a Generation Participant and is allowed to nominate and vote for Generation Participant nominees to the Modifications Committee. |
| **Nominating Supply Participants** | means, for the purposes of paragraphs 2.150 to 2.182 in relation to the Modifications Committee, a Party which is a Supply Participant and is allowed to nominate and vote for Supply Participant nominees to the Modifications Committee. |
| **Nominating Demand Side Participants** | means, for the purposes of paragraph 2.150 to 2.182 in relation to the Modifications Committee, a Party which is a Demand Side Participant and is allowed to nominate and vote for Demand Side Participant nominees to the Modifications Committee. |
| **Nominating Participant Election** | means the election process for the appointment of Nominating Participant members to the Modifications Committee, as outlined in paragraph 2.170. |
|  |  |
| Supply Participant | means a Participant who has registered Supplier Units except Error Supplier Units. |

**Agreed Procedures 12**

**3.7 Nominating Participant Annual Election Procedure**

| **#** | **Procedural Step** | **Timing** | **Method** | **From/By** | **To** | **Linkage** |
| --- | --- | --- | --- | --- | --- | --- |
| 6 | Votes are cast as follows:* Nominating Generation Participants cast one vote per Participant, in relation to Generation Participant Members vacancy
* Nominating Supply Participants cast one vote per Participant, in relation to Supply Participant Members vacancy
* Nominating Demand Side Participants cast one vote per Participant, in relation to Demand Side Participant Members vacancy

Voting Rules: * In the event of only 1 candidate nomination for the relevant Participant Member position, this candidate will be automatically deemed the successful candidate in an uncontested election.
* In the event of 2 or more candidate nominations for 1 relevant Participant Member position, voters have one vote only, and election is by a simple majority; the successful candidate is the candidate with the highest number of votes. In the event of a tie, another round of voting may occur.
* If 2 or more candidates are put forward for nomination for multiple Participant member positions, each voter is asked to rank the candidates in order of preference. The candidates with the least amount of the highest preference votes will be eliminated, and the candidates with the majority of highest preference votes will be elected.
 | Within 4 weeks of expiry of all members terms (ballot paper due date) | Email | Participants | Secretariat | n/a |

3.8 Nominating Participant Ad-Hoc Election Procedure

| **#** | **Procedural Step** | **Timing** | **Method** | **From/By** | **To** | **Linkage** |
| --- | --- | --- | --- | --- | --- | --- |
| 4 | Send notice inviting candidate membership nominations for the election to* all Generation Participants, in the event of a Generator election,
* all Supplier Participants, in the event of a Supplier election,
* all Demand Side Participants, in the event of a Demand Side election

The notice should specify:* Membership Duties
* Membership Nominations Due Date

The notice should request:* Candidate job-title, company and Descriptions

Go to Step 2 to 6 of Nominating Participant Annual Election Procedure in section 3.7 | Immediately following Modification Committee Meeting or as soon as is practicable  | Email | Secretariat | Participants | n/a |

**APPENDIX 1: Definitions and Abbreviations**

**Definitions**

|  |  |
| --- | --- |
| **Ad-hoc Nominating Participant Election** | means an ad-hoc election for the replacement of members appointed in respect of Generation Participants, Supply Participants or Demand Side Participants who have resigned, retired or been removed outside of the annual election timeframe. |
| **Annual Nominating Participant Election** | means an election for the replacement of members appointed in respect of Generation Participants, Supply Participants or Demand Side Participants whose terms are due to expire on the annual membership expiry date.  |

#  LEGAL REVIEW

Complete

# IMPLEMENTATION TIMESCALE

The proposed implementation date is the 01 June 2012 to align with the annual 2012 elections of the Modifications Committee. It is proposed that this Modification is made on a Settlement Day basis.

# Appendix 1: Mod\_01\_12 original version

|  |
| --- |
| **MODIFICATION PROPOSAL FORM** |
| **Proposer***(Company)* | **Date of receipt***(assigned by Secretariat)* | **Type of Proposal***(delete as appropriate)* | **Modification Proposal ID***(assigned by Secretariat)* |
| Activation Energy Ltd | 12 January 2012 | Standard | Mod\_01\_12 |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| Patrick Liddy | 0879601725/014428801 | Patrick.liddy@activationenergy.ie |
| **Modification Proposal Title** |
| **Representation of Demand Side Units on the Modification Committee** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| T&SC | 2.150, 2.152, 2.155 | V10.0 |
| **Explanation of Proposed Change***(mandatory by originator)* |
| Currently Demand Side Units are not represented on the TSC modification committee. Furthermore it is unclear how they could be represented as they have different interests from both suppliers and generators. The modification proposed straight forwardly proposes the introduction of 1 seat for DSUs.  |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| Constitution of the Modifications Committee and Voting Rules2.150 The Modifications Committee shall consist of:one member appointed by the Commission and one member appointed by NIAUR;at least ten (10) and no more than sixteen (16) further members appointed as follows, such persons to include at all times:(a) at least three (3) members nominated by or elected in respect of Generation Participants;(b) at least three (3) members nominated by or elected in respect of Supply Participants;(c) one member appointed by the Market Operator;(d) one member appointed by each of the System Operators; (e) one member appointed by each of the Meter Data Providers (to the extent not already represented); and(f) one (1) member nominated by or elected in respect of Demand Side Units.2.152 Unless directed otherwise by the Regulatory Authorities and subject to paragraphs 2.154 and 2.155, there shall at all times be an equal number of persons nominated by or elected in respect of Generation Participants and persons nominated by or elected in respect of Supply Participants on the Modifications Committee.2.152a For the avoidance of doubt with respect to paragraphs 2.150 and 2.152, Demand Side Units shall not be regarded as either Generation Participants or as Supply Participants.2.155 The total number of members of the Modifications Committee shall be not less than twelve (12) persons and not more than eighteen (18) persons. |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| Currently Demand Side Units are not represented on the TSC modification committee. Furthermore it is unclear how they could be represented as they have different interests from both suppliers and generators. The modification proposed straight forwardly proposes the introduction of 1 seat for DSUs. As their interests are split between those of Suppliers (as they are licensed as such and in many cases are likely to be operated by suppliers) and Generators (as they are paid a capacity payment and have requirements under the Grid Code to assist with system security) the inclusion will not upset the current balance.Note that as we do not wish to create undue challenges to committee operation, no change to AP12 (including Quorum) is proposed |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| BackgroundThe harmonised provisions of the Ireland and Northern Ireland Grid Codes allow for an entity known as a Demand Side Units (DSUs) which are Demand Sites which offer demand reduction. The Trading and Settlement Code links these units to Supplier Units, while the Grid Code treats them in a similar way to Generators. We feel that this modification furthers code objectives in the following ways.1.Trading & Settlement Code Objective 1.3.3 “to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market”Having unrepresented parties in the market is clearly likely to act as a barrier to participation in this area.2. Trading & Settlement Code Objective 1.3.4 “to promote competition in the single electricity wholesale market on the island of Ireland”Many demand sites would be happy to offer their demand reduction capabilities to the market, increasing competition in the market significantly. Once the market facilitates their entry and listens to their views through this seat, this is more likely to happen.3. Trading & Settlement Code Objective 1.3.6 “to ensure no undue discrimination between persons who are parties to the Code”.As these units are not represented, they are clearly discriminated against.4. Trading & Settlement Code Objective 1.3.7 “to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.This Modification Proposal should have no impact on central market systems, and consequentially should have negligible impact on the cost to consumers. Therefore, any improvement brought by competition will have immediate short-term and long-term gains for the consumers on the island of Ireland. 5. Environmental ConcernsOnsite electricity generation regularly has a lower carbon footprint, therefore assisting Ireland and Northern Ireland’s carbon reduction targets6. Distributed GenerationAn increased involvement of DSUs in the market will act to strengthen the grids resilience considerably as distributed generation has been demonstrated to be more reliable7. An increase in market diversityAs most likely DSUs are not affiliated with existing market parties, their inclusion will represent an increase in the diversification of control of Generator Units within the market, a stated objective of government at the time of market opening8. An increase in fuel diversityAs most likely DSUs will not be utilising Natural Gas to generate electricity, their inclusion will represent an increase in the diversification fuel supply to the market.9. Market interestNumerous customers have shown an interest in partaking in such a scheme.  |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| Non-implementation of this modification will result inRetaining the discrimination against DSUs in the market, which has to date, prevented most Demand sites from taking partA reduction in the potential competition of the market, avoiding potential savings to the customersNot utilising a potential carbon saving availableA reduction in the potential security of the grid |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| No | Minimal |
|  |
| ***Please return this form to Secretariat by email to*** *modifications@sem-o.com* |

# Appendix 2: Mod\_01\_12\_V2 alternative version

|  |
| --- |
| **MODIFICATION PROPOSAL FORM** |
| **Proposer***(Company)* | **Date of receipt***(assigned by Secretariat)* | **Type of Proposal***(delete as appropriate)* | **Modification Proposal ID***(assigned by Secretariat)* |
| **Activation Energy Ltd** | **17 January 2012** | **Standard** | **Mod\_01\_12\_V2** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Patrick Liddy** | **0879601725/014428801** | Patrick.liddy@activationenergy.ie |
| **Modification Proposal Title** |
| **Representation of Special Units on the Modification Committee** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC** | **2.150, 2.152, 2.155, AP12** | **V10.0** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| Currently Special Units are not represented suitably represented on the TSC modification committee as their interests do not align with those of Thermal Generator Units or Traditional Supplier Units. Furthermore it is unclear how some of these units could be represented. The modification proposed straight forwardly proposes the introduction of 2 seats for Special Units.  |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| Constitution of the Modifications Committee and Voting Rules2.150The Modifications Committee shall consist of:one member appointed by the Commission and one member appointed by NIAUR;at least eleven (11) and no more than seventeen (17) further members appointed as follows, such persons to include at all times:(a) at least three (3) members nominated by or elected in respect of Generation Participants;(b) at least three (3) members nominated by or elected in respect of Supply Participants;(c) one member appointed by the Market Operator;(d) one member appointed by each of the System Operators; (e) one member appointed by each of the Meter Data Providers (to the extent not already represented); and(f) at least two (2) members nominated by or elected in respect of Special Units as set out in Section 5.2.152 Unless directed otherwise by the Regulatory Authorities and subject to paragraphs 2.154 and 2.155, there shall at all times be an equal number of persons nominated by or elected in respect of Generation Participants and persons nominated by or elected in respect of Supply Participants on the Modifications Committee.2.152aFor the avoidance of doubt with respect to paragraphs 2.150 and 2.152, Special Units shall not be regarded as either Generation Participants or as Supply Participants.2.155 The total number of members of the Modifications Committee shall be not less than thirteen(13) persons and not more than nineteen (19) persons.Agreed Procedures 122.1 Quorum and VotingThe Modifications Committee Quorum is ten Members and the Secretariat. To form a Quorum, the following membership is required:* At least five of the ten Members must be voting Members:
	+ At least two Supplier Unit registrant representatives;
	+ At least two Generator Unit registrant representatives;
	+ At least one Special Unit registrant representatives.
* The remaining Members must comprise:
	+ At least one Regulatory Authorities appointee;
	+ At least one System Operator appointee;
	+ The Market Operator appointee; and
	+ At least two Meter Data Provider appointees, where one of the Meter Data Provider appointees is not a System Operator.
 |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| Currently Special Units are sufficiently represented on the TSC modification committee. In some cases it is unclear how they could be represented as they have different interests from both suppliers and generators. The modification proposes the introduction of 2 seats for these units. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| 1.Trading & Settlement Code Objective 1.3.3 “to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market”Having unrepresented parties in the market is clearly likely to act as a barrier to participation in this area.2. Trading & Settlement Code Objective 1.3.4 “to promote competition in the single electricity wholesale market on the island of Ireland”Unrepresented parties will clearly struggle to compete3. Trading & Settlement Code Objective 1.3.6 “to ensure no undue discrimination between persons who are parties to the Code”.As these units are not represented, they are clearly discriminated against.4. Trading & Settlement Code Objective 1.3.7 “to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.This Modification Proposal should have no impact on central market systems, and consequentially should have negligible impact on the cost to consumers. Therefore, any improvement brought by competition will have immediate short-term and long-term gains for the consumers on the island of Ireland. 5. Environmental ConcernsMany of these unit types have low carbon footprints, therefore assisting Ireland and Northern Ireland’s carbon reduction targets6. Distributed GenerationAn increased involvement of DSUs, AGUs and Auto-generators in the market will act to strengthen the grids resilience considerably as distributed generation has been demonstrated to be more reliable |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| Non-implementation of this modification will result inRetaining the discrimination against Special Units in the marketA reduction in the potential competition of the market, avoiding potential savings to the customersNot utilising a potential carbon saving availableA reduction in the potential security of the grid |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| No | Minimal |
|  |
| ***Please return this form to Secretariat by email to*** *modifications@sem-o.com* |

# Appendix 3: Mod\_01\_12\_V3 alternative version

|  |
| --- |
| **MODIFICATION PROPOSAL FORM** |
| **Proposer** | **Date of receipt** | **Type of Proposal** | **Modification Proposal ID** |
| **Activation Energy Ltd** | **12 March 2012** | **Standard** | **Mod\_01\_12\_V3** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Patrick Liddy** | **0879601725/014428801** | Patrick.liddy@activationenergy.ie |
| **Modification Proposal Title** |
| **Representation of Demand Side Participants on the Modification Committee** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC** | **Section 2, AP12** | **V10.0** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| Currently Demand Side Units are not represented suitably represented on the TSC modification committee as their interests do not align with those of Generator Units or Supplier Units. Furthermore it is unclear how some of these units could be represented. Finally if they were provided elected to a seat as a Generator or a Supply they would be unable to fulfil their obligation to represent their constituency as their interests do not align. The modification proposed straight forwardly proposes the introduction of 1 seats for Demand Side Units.  |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| T&SC Section 2Constitution of the Modifications Committee and Voting Rules2.150 The Modifications Committee shall consist of:one member appointed by the Commission and one member appointed by NIAUR;at least nine (9) and no more than sixteen (16) further members appointed as follows, such persons to include at all times:(a) at least three (3) members nominated by or elected in respect of Generation Participants;(b) at least three (3) members nominated by or elected in respect of Supply Participants;(c) one member appointed by the Market Operator;(d) one member appointed by each of the System Operators; (e) one member appointed by each of the Meter Data Providers (to the extent not already represented); and(f) at least one (1) member nominated by or elected in respect of Demand Side Participants.2.153 If the Regulatory Authorities determine at any time that any particular type of party is not adequately represented on the Modifications Committee, the Regulatory Authorities may seek nominations from relevant persons and appoint a person from such nominations, or otherwise to represent that type of person. Such a person shall be a voting member of the Modifications Committee and shall be appointed for an initial term of two years. A member appointed in accordance with this paragraph 2.153 shall not be deemed to be a representative of Generation Participants, Supply Participants or Demand Side Participants for the purposes of paragraph 2.150 or 2.154.2.154 The Regulatory Authorities may from time to time stipulate the minimum or maximum representation for Supply Participants, Generation Participants or Demand Side Participants.2.155 The total number of members of the Modifications Committee shall be not less than eleven (11) persons and not more than eighteen (18) persons.**Nominations of Other Members**2.169 At least 8 weeks prior to the expiry of any person’s membership of the Modifications Committee, the existing Modifications Committee shall:where that person is a member appointed by the Commission, NIAUR, Market Operator, a System Operator or a Meter Data Provider, notify the relevant party that is required to appoint a new member and new alternate member; where that person is a member appointed in respect of Generation Participants, Supply Participants or Demand Side Participants, request the Secretariat to arrange an election in accordance with paragraph 2.170;where that person is a member appointed by the Regulatory Authorities in accordance with paragraph 2.153, inform the Regulatory Authorities of the pending expiry of the member’s term.2.170 Prior to the expiry of membership of any Nominating Participant member, or where a member is removed, resigns or retires from the Modifications Committee and the Modification Committee agrees that an election is required, the Secretariat shall arrange a Nominating Participant Election to fill that vacancy in accordance with such of the following steps as are necessary:1. relevant Nominating Participants shall be requested to propose new nominees and alternates for election;
2. each Nominating Participant shall be entitled to vote to elect members from the Participant nominees in accordance with paragraphs 2.171 to 2.176;
3. Nominating Supply Participants shall be entitled to vote to elect a member from the persons nominated by them;
4. Nominating Generation Participants shall be entitled to vote to elect a member from the persons nominated by them;
5. Nominating Demand Side Participants shall be entitled to vote to elect a member from the persons nominated by them;
6. the number of nominees with the most votes from Supply Participants but not exceeding three nominees in number, shall be appointed to the Modifications Committee to replace any retiring, terminated or removed Supply Participant member;
7. the number of nominees with the most votes from Generation Participants, but not exceeding three nominees in number, shall be appointed to replace any retiring, terminated or removed Generation Participant member;
8. the number of nominees with the most votes from Demand Side Participants, but not exceeding one nominee in number, shall be appointed to replace any retiring, terminated or removed Demand Side Participant member;
9. the constitution of the Modifications Committee shall, unless agreed otherwise by the Regulatory Authorities, continue to comply with paragraphs 2.150 to 2.155;
10. initial members of the Modification Committee shall be appointed for terms in accordance with paragraph 8.51. Thereafter each member shall be appointed for a maximum term of two years, subject to the exception contained in Section 2.170 (11); and
11. where an ad-hoc election has taken place to fill a vacancy, whereby a member has been removed, resigned or retired from the committee, the newly elected member shall be appointed in principle for a maximum term of two years, and this term will expire in accordance with the annual election date which is closest to the term expiry date.

2.173 The Modifications Committee may at any time stipulate that an outgoing member who is a nominee of Generation Participants, Supply Participants or Demand Side Participants must be replaced in any election with a nominee of Generation Participants, Supply Participants or Demand Side Participants respectively in order to preserve the requisite constitution of the Modifications Committee in accordance with paragraph 2.150 or as may be stipulated from time to time by the Regulatory Authorities pursuant to paragraph 2.152 or 2.154.2.176 Without prejudice to paragraph 2.175, membership of the Modifications Committee shall automatically terminate at the end of a member’s term unless such termination would leave the Modifications Committee with less than 11 members, in which case the term of membership may be extended until a replacement member is appointed or elected to the Modifications Committee.**Resignation and Removal of Members of the Modifications Committee**2.177 Any member may be removed during his or her term by the majority decision of the Modifications Committee (subject to veto by the Regulatory Authorities) if that person:1. ceases to be in a position to represent those Supply Participants, Generation Participants or Demand Side Participants from which the member was nominated;
2. is or becomes of unsound mind or is, or otherwise becomes incapable of performing the functions of a member of the Modifications Committee;
3. has been, or is, in the reasonable opinion of the majority of the other members of the Modifications Committee, engaged in conduct which is inconsistent with or detrimental to being a member of the Modifications Committee; or
4. fails to discharge the obligations of a member of the Modifications Committee.

**Glossary**

|  |  |
| --- | --- |
| Demand Side Participant | means a Participant who has registered Demand Side Units. |
| Generation Participant | means Participants who have registered Generator Units other than Interconnector Error Units, Interconnector Residual Capacity Units or Demand Side Units. |
| **Nominating Participant** | means, for the purposes of paragraphs 2.150 to 2.182 in relation to the Modifications Committee, a Party which is a Participant excluding the System Operators and is allowed to nominate Participant nominees to the Modifications Committee. |
| **Nominating Generation Participants** | means, for the purposes of paragraphs 2.150 to 2.182 in relation to the Modifications Committee, a Party which is a Generation Participant and is allowed to nominate and vote for Generation Participant nominees to the Modifications Committee. |
| **Nominating Supply Participants** | means, for the purposes of paragraphs 2.150 to 2.182 in relation to the Modifications Committee, a Party which is a Supply Participant and is allowed to nominate and vote for Supply Participant nominees to the Modifications Committee. |
| **Nominating Demand Side Participants** | means, for the purposes of paragraph 2.150 to 2.182 in relation to the Modifications Committee, a Party which is a Demand Side Participant and is allowed to nominate and vote for Demand Side Participant nominees to the Modifications Committee. |
| **Nominating Participant Election** | means the election process for the appointment of Nominating Participant members to the Modifications Committee, as outlined in paragraph 2.170. |
|  |  |
| Supply Participant | means a Participant who has registered Supplier Units except Error Supplier Units. |

**Agreed Procedures 12****3.7 Nominating Participant Annual Election Procedure**

| **#** | **Procedural Step** | **Timing** | **Method** | **From/By** | **To** | **Linkage** |
| --- | --- | --- | --- | --- | --- | --- |
| 6 | Votes are cast as follows:* Nominating Generation Participants cast one vote per Participant, in relation to Generation Participant Members vacancy
* Nominating Supply Participants cast one vote per Participant, in relation to Supply Participant Members vacancy
* Nominating Demand Side Participants cast one vote per Participant, in relation to Demand Side Participant Members vacancy

Voting Rules: * In the event of only 1 candidate nomination for the relevant Participant Member position, this candidate will be automatically deemed the successful candidate in an uncontested election.
* In the event of 2 or more candidate nominations for 1 relevant Participant Member position, voters have one vote only, and election is by a simple majority; the successful candidate is the candidate with the highest number of votes. In the event of a tie, another round of voting may occur.
* If 2 or more candidates are put forward for nomination for multiple Participant member positions, each voter is asked to rank the candidates in order of preference. The candidates with the least amount of the highest preference votes will be eliminated, and the candidates with the majority of highest preference votes will be elected.
 | Within 4 weeks of expiry of all members terms (ballot paper due date) | Email | Participants | Secretariat | n/a |

3.8 Nominating Participant Ad-Hoc Election Procedure

| **#** | **Procedural Step** | **Timing** | **Method** | **From/By** | **To** | **Linkage** |
| --- | --- | --- | --- | --- | --- | --- |
| 4 | Send notice inviting candidate membership nominations for the election to* all Generation Participants, in the event of a Generator election,
* all Supplier Participants, in the event of a Supplier election,
* all Demand Side Participants, in the event of a Demand Side election

The notice should specify:* Membership Duties
* Membership Nominations Due Date

The notice should request:* Candidate job-title, company and Descriptions

Go to Step 2 to 6 of Nominating Participant Annual Election Procedure in section 3.7 | Immediately following Modification Committee Meeting or as soon as is practicable  | Email | Secretariat | Participants | n/a |

**APPENDIX 1: Definitions and Abbreviations****Definitions**

|  |  |
| --- | --- |
| **Ad-hoc Nominating Participant Election** | means an ad-hoc election for the replacement of members appointed in respect of Generation Participants, Supply Participants or Demand Side Participants who have resigned, retired or been removed outside of the annual election timeframe. |
| **Annual Nominating Participant Election** | means an election for the replacement of members appointed in respect of Generation Participants, Supply Participants or Demand Side Participants whose terms are due to expire on the annual membership expiry date.  |

 |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| Currently Demand Side Units are not represented on the TSC modification committee. It is unclear how they could be represented based on the existing rules. Furthermore as they have different interests from both suppliers and generators. The modification proposed proposes the introduction of 1 seat for DSU participants. As their interests are split between those of Suppliers (as they are licensed as such, contract directly with customers and in many cases are likely to be operated by suppliers) and Generators (as they are paid a capacity payment and have requirements under the Grid Code to assist with system security) the inclusion will not upset the current balance.Note that as we do not wish to create undue challenges to committee operation, no change to AP12 (including Quorum) is proposeIn 2011 CER and NIAUR published “DSV 2020”, a report which identified that demand side response could contribute to avoiding investment in peaking plant by delivering peak load reduction; avoiding the curtailment of wind by increasing demand in the off-peak periods, providing flexibility to mitigate the uncertainty of wind output, contributing to the provision frequency response and similar ancillary services at times when thermal generation does not run; and helping the mitigation of transmission and distribution network constraints. The report also sets a next step that the T&SC Modifications Committee Chair be asked to consider any barriers to DSM identified through current modifications and to consider the implications for demand side participation in relevant future modifications brought before the T&SC Modifications Committee. As DSUs are not currently represented on the Modifications committee it will be extremely challenging to comply with this request. Furthermore the issues highlighted here themselves clearly represent a barrier to Demand Side Participation.The report also sets out the intension of the RAs to request that the TSOs consider if/how the current retail demand reduction schemes in ROI will fit within the harmonising and further review of Ancillary Services currently proposed by the TSOs. It is the SEM Committees view that this review should also include an examination of the pricing of Ancillary Services with a view to promoting demand response.Eirgrid and SONI are currently facilitating the DS3 project which is considering numerous options to increase the provision of ancillary services. Included in the proposals is the inclusion of Demand Response and other services provided by Demand Side Customers. For this to be facilitated, it seems likely that the market will need to facilitate DSUs and consider their interests in future modifications. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| 1.Trading & Settlement Code Objective 1.3.3 “to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market”Having unrepresented parties in the market is clearly likely to act as a barrier to participation in this area.2. Trading & Settlement Code Objective 1.3.4 “to promote competition in the single electricity wholesale market on the island of Ireland”Unrepresented parties will clearly struggle to compete3. Trading & Settlement Code Objective 1.3.6 “to ensure no undue discrimination between persons who are parties to the Code”.As these units are not represented, they are clearly discriminated against.4. Trading & Settlement Code Objective 1.3.7 “to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.This Modification Proposal should have no impact on central market systems, and consequentially should have negligible impact on the cost to consumers. Therefore, any improvement brought by competition will have immediate short-term and long-term gains for the consumers on the island of Ireland. 5. Environmental ConcernsMany of these unit types have low carbon footprints, therefore assisting Ireland and Northern Ireland’s carbon reduction targets6. Distributed GenerationAn increased involvement of DSUs, AGUs and Auto-generators in the market will act to strengthen the grids resilience considerably as distributed generation has been demonstrated to be more reliable |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| Non-implementation of this modification will result inRetaining the discrimination against Special Units in the marketA reduction in the potential competition of the market, avoiding potential savings to the customersNot utilising a potential carbon saving availableA reduction in the potential security of the grid |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| No | Minimal |
| ***Please return this form to Secretariat by email to*** ***modifications@sem-o.com*** |