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## Phase II:

## Working Group 9 Report

## Mod\_18\_10

## Intra-Day Trading

29 June 2011

10.15am – 16.00pm

Clarion Hotel,

Dublin

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Attendees

|  |  |  |
| --- | --- | --- |
|  | **Name** | **Company** |
|  | Aisling O'Donnell | SEMO |
|  | Alan Wylie | ESB Electric Ireland |
|  | Andrew Burke | ESBI |
|  | Anne Ruddy | ESB |
|  | Bryan Hennessy | Vayu |
|  | Carole Devlin | ESB PG |
|  | Ciara Corby | EirGrid |
|  | Clive Bowers | CER |
|  | David McMorrow | ESB PG |
|  | Donald Murray | AES |
|  | Emeka Chukwureh | Airtricity |
|  | Gill Bradley | ESB |
|  | Jacqueline Mahon | Tynagh Energy |
|  | Jean Pierre Miura | NIAUR |
|  | John Bennett | Design and Implement |
|  | Jonathan Jennings | SEMO |
|  | Katia Compagnoni | SEMO |
|  | Kris Kennedy | SONI |
|  | Lynda Fitzpatrick | SEMO |
|  | Matthew Reid | ESB |
|  | Marian Troy | Endesa Ireland |
|  | Niamh Delaney | SEMO |
|  | Niall Fitzgerald | Bord Gais Energy |
|  | Nigel Thomson | SEMO |
|  | Nicola Calvert | SONI |
|  | Sherine King | SEMO |
|  | Simon Street | RA Consultant |
|  | Sinead O' Hare | NIE Energy |
|  | Sheenagh Rooney- Chair | CER |
|  | Stan Linehan | Bord Gáis |
|  | Tracy Matthews | Tynagh Energy |
|  | Wallace McKee | NIE Energy |
|  | William Steele | NIE Energy |

Summary

The second Working Group of Phase II of Intra-Day Trading, Working Group 9 focused on presentation by SEMO of the legal draftingfor ***Functional Group 3 (FG3): Settlement and Credit Management*** of Mod\_18\_10 Intra-Day Trading Modification Proposal.

The following Participant queries in relation to various modified sections of the Code were raised at the Working Group. SEMO agreed to provide updates on the following at the Working Group10:

* To provide a further example of Appendix P, incorporating effects of 10 PQ Pairs.
* To review remainder of the Code for unexpected implications of 2.355/2.358 (PED\_FG3\_3 and PED\_FG3\_4).
* To produce and issue comparisons of trading period and daily-average of ECP/EEP calculations.
* To add SRA Cancellation Report to AP6.
* To consider implications of amending CRM design to allow exclusion of exposure elements only when modifying PQ Pairs (currently the design excludes all export and then exposure in the bottom right hand quadrant).
* To consider expansion of Accepted definition to set Accepted for Interconnector Units = Offered Modified PQ Pairs.  Note: some Participants have indicated to the RAs after the WG that they would like the two concepts kept separate.
* To consider running the RCC report more often and report on the likely implications to Working Group 10.

The following actions were placed at the Meeting:

Participants to:

* Submit comments regarding FG3 Settlement and Credit Management **via issued spreadsheet by COB July 20th**

SEMO to:

* Address comments submitted by Participants both during and subsequent to Working Group 9 as part of the ongoing development, and provide an update at WG 10.

Secretariat to:

* Draft and circulate Working Group report.

Background

During Phase I of Intra-Day Trading, seven Working Groups were established to develop the Mod\_18\_10 *Intra-Day Trading* Modification Proposal submitted by the RAs in March 2010. These Working Groups saw development of the Intra-Day Trading High Level Design. Reports of the previous seven Working Groups and any other relevant materials can be found at:

<http://semoauth/MarketDevelopment/Modifications/Pages/Modifications.aspx?Stage=Active>.

At Meeting 32 on 25th November 2010, the High Level Design was Recommended for Approval, with SEM Committee recommendation that further work on the project should continue.

At Meeting 33 on 01 February 2011, the RAs advised that a paper would be brought to the SEM Committee Meeting on the 2nd March, where it was to be decided whether or not the Modification would be progressed further. At Meeting 33, an action was placed on SEMO, following SEM Committee approval, to develop one final Intra-Day Trading Modification Proposal, and to utilise Working Groups to translate detailed design into legal text. The SEM Committee approved progression of the Modification Proposal and SEMO commenced work on legal drafting of the proposal.

At the first Working Group of Phase II of Intra-Day Trading, Working Group 8 on ***Functional Group 1 (FG1): Registration and Participant Data Submission***, an action was placed on Participants to submit comments regarding FG1. These comments were subsequently dealt with by SEMO, with responses to the comments presented by SEMO at Working Group 9.

Working Group 9 on ***Functional Group 3: Settlement and Credit Management*** is the second Working Group held during Phase II of Intra-Day Trading.

Presentation

SEMO representatives presented the following sets of slides:

* Objectives of Working Group 9 - Introduction to combined drafting of FG1 & FG3
* FG1 changes- Participant responses & resulting changes
* FG3 changes:

Prior to Gate Window Closure

* + Prioritisation of Interconnector Units in Commercial Offer Data
  + Calculation of Estimated Capacity Price for Interconnectors
  + Calculation of Required Credit Cover
  + Daily Credit Cover Member Private Report
  + SRA Cancellation Member Private Report
  + Post Gate Window Closure
  + Calculation of Offered Credit Exposure
  + Calculation of Available Credit Cover
  + Available Credit Cover Sufficiency Check
  + Exclusion of PQ Pairs / Calculation of Offered Modified PQ Pairs
  + Excluded Bids Member Private Report
  + Post MSP Software Run or Cancellation
  + Affected Commercial Offer Data Publications
  + Calculation of Traded Credit Exposure
  + Available Credit Cover Information Provision
  + Effects of MSP Software Run Cancellation
  + Effects of MSP Software Run re-run
  + Glossary
* Overview of FG3 changes (PED & Drafting)
  + Appendix P
* Overview of FG3 changes (PED & Drafting)
  + Sections 2,4,5,6, Appendix E
* Overview of FG3 changes (PED & Drafting)
  + Agreed Procedures 6,9,10

Discussion Summary and Key Issues

Secretariat advised of new [Intra-Day Trading page](http://www.sem-o.com/MarketDevelopment/Pages/Modifications%20Projects.aspx) on the SEMO website which contains background information on the modification proposal with all documentation from Phase I. The page will be consistently updated with documentation regarding Phase II as it progresses. The Secretariat also asked Participants to ensure to utilise the provided spreadsheet for comment submission regarding any of the functional groups.

The Chair provided an update on developments since Working Group 8. An information [workshop](http://www.allislandproject.org/en/TS_Decision_Documents.aspx?article=e1b1a504-c299-40bd-8925-e4e8682da193&mode=author) on the emerging target model for a European Energy Market was held at Ballymascanlon House Hotel on June 3rd. The Chair advised that at the workshop, the RAs committed to engaging with stakeholders to develop a project work plan dealing with RA, TSO and MO legislative responsibilities regarding SEM compliance with the European Target Model, which will be brought to the SEM Committee Meeting on July 26th and will thereafter be published on the All Island Project website. The Chair advised of plans for two separate consultations and of three industry engagements on the work plan.

At Ballymascanlon the RAs advised attendees of the response that the SEM Committee was proposing to input into the Framework Guidelines on Capacity Allocation and Congestion Management. The closing date for response submission was June 10th. The [response](http://www.allislandproject.org/en/TS_Decision_Documents.aspx?article=c67daa67-ab4a-4ff8-8098-32a8edbdf91e) to the framework guidelines was subsequently published on the All Island Project website. Chair vocalised appreciation that other SEM stakeholders submitted comments to the first draft of the framework guidelines. Chair advised that the framework guidelines are currently being finalised, and that the next key milestone is to produce a terms of reference for the target model.

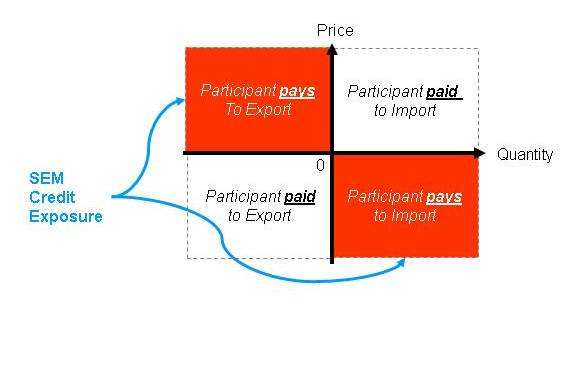
SEMO Member advised that the documentation for FG3 inclusive of FG1 changes was circulated to Participants on 16th June. SEMO Member presented slides on the objectives and deliverables of Working Group 9 and queried as to whether Participants were content with July 20th as a final submission date for comments on FG3. This date was agreed and an action was placed on Participants.

SEMO Member advised that on the 22nd June the spreadsheet of comments and responses was issued, with text being modified in many instances; however in some cases the comments were not implemented as they were not deemed appropriate. Reasons for not implementing some of the comments are outlined in the spreadsheet. There were no further issues regarding the FG1 changes.

SEMO Member stated that FG1 and FG3 have been incorporated into Version 8.0 of the Code due to the drafting changes being developed in parallel. SEMO Member advised that for FG2, SEMO will endeavour incorporate v8.0 to v9.0 changes to the Code prior to issue to Participants of the FG1,2 and 3 changes.

SEMO representative recapped on the established principle of the SEM to keep the market as collateralised as possible. The IDT high-level design principle is that the existing use of the Undefined Exposure for Interconnectors is no longer relevant and that limiting Interconnectors bids to their available credit cover at the Gate Window close is more appropriate.

SEMO representative outlined the four different types of bids and potential exposure in the SEM, in particular when a Participant pays to export and pays to import (i.e. where they represent a credit exposure in the SEM). SEMO representative advised that it is not only what the Participant submits as PQ pairs that is taken into account, but also the implications of what the Participant submits.



SEMO outlined that the bids submitted are considered against the available credit cover a Participant has at Gate Closure, to determine whether there needs to be an exclusion of bids to prevent market exposure.

Supplier Alternate queried as to whether the bids would be excluded or modified? SEMO advised that if there is insufficient credit cover, the bids would always be excluded unless it is an exceptional case (in which case an additional PQ Pair is required at a price of zero.).

* **Prior to Gate Window Closure:**

SEMO advised that having multiple ICs in single jurisdictions is likely to occur in the future. SEMO stated that when there is more that one IC in a jurisdiction, the Commercial Offer Data (COD) will be considered as part of the credit cover assessment in the order as defined by Participants; thus the onus is on Participants to choose which IC Unit’s COD should receive priority.

Participant questioned whether priority is defaulted to after the first submission? SEMO clarified that it is set every time a bid is submitted. SEMO reiterated that this is not an issue for when EWIC goes live, as the ICs are in different jurisdictions with different Participants and different credit cover requirements. Supplier Alternate questioned as to how the IC bids are time stamped? SEMO clarified that when SEMO accepts a bid, it is time stamped and that Participants receive a response message for that bid.

SEMO outlined the calculation of Estimated Capacity Price (ECP) for Interconnectors stating that the High Level Design defines that a Forecast Capacity Payments Generation Price (CPGP) will be used to calculate the capacity offered exposure and Capacity Traded Exposure for Interconnector Units. As part of the design process, this has been given the name “Estimated Capacity Price for Interconnectors” - ECPI.

ECPI is a statistical calculation, which uses – currently - a 95th percentile statistical calculation(i.e a value of 1.96). The basic calculation of ECPI being based on a sample of historical CPGP values:

ECPI = mean CPGP + (1.96 x Standard Deviation of CPGP sample)

Supplier Alternate queried as to what the Historical Assessment Period will be?

SEMO clarified that the period of sample is approximately 90-100 days. SEMO stated that it is proposed to use the daily average values as the sample, resulting in 90-100 samples. Generator Member queried as to whether that this is statistically significant? SEMO stated that it is more significant than taking a years average as it is avoiding any cyclical/seasonal effects. SEMO advised that this is the same calculation as currently used for both ECP and EEP in the market systems.

Participant questioned whether there will be a separate Supplier price and Generator price if the capacity price is different? SEMO clarified that ICs under the Code are classed as Generation Units thus it is not possible to only take the CPDP, only the CPGP as this is what the IC will pay. Participant queried in terms of export which capacity payment has to be paid? SEMO stated as ICs are classed as Generator Units and when exporting will pay a capacity charge.

SEMO representative advised that the daily calculation of Required Credit Cover identifies where a Credit Cover Increase Notice (CCIN) is required and determines various inputs to the calculation of Available Credit Cover. Each day, the credit exposure will be calculated, taking account of traded amounts for IC units rather than future predictions (undefined exposure).

RA consultant queried if a Participant does not have IC units is there an effect on their Credit Cover requirements? SEMO clarified that there will be no change if a Participant has no IC units.

There was a query as to whether Participants would receive three sets of reports on Credit Cover? SEMO clarified the Code will oblige SEMO to provide one Required Credit Cover Report by 14:30 each Working Day (currently this is provided by 17:00).

After each MSP Software Run, Participants will also receive an update in the form of an Available Credit Cover report stating what is left to trade in the next window.

Supplier Alternate queried as to how this information will be displayed? SEMO stated that after Gate Closures a report will be published with Participants informed of how much they have available to trade.

Participant raised a query regarding the timing of SRA validity. SEMO clarified that currently for an SRA to be made effective, it must be submitted by lunchtime the day before the run. Participant questioned whether it is possible for the SRA to be submitted at 08:00 on the day of the run? SEMO clarified that if this was implemented, it would be necessary to re-run all calculations more than once a day. SEMO further stated that in the High level design it has been established that calculations will be done once a day with a report provided at 14:30.

Participants further queried whether it was possible for SEMO to explore the option of submitting SRAs at 08:00 on the day of the run, due to the fact of BETTA and SEM being brought closer together and the rise of capacity payments along with increasingly volatile markets. Supplier Alternate voiced disagreement with this as SRAs are irrelevant within the same jurisdiction. Participant stated that it may be useful for SEMO to provide a template for Participants to utilise when translating to PQ Pairs to ensure correctness. SEMO noted that once Credit Cover is in place ahead of time, there will be no consequences or negative implications for Participants. The RAs advised that they are not contemplating a revisit of the High Level Design unless absolutely necessary and that Participants will be receiving a daily report regarding their Required Credit Cover.

SEMO provided details of an automated SRA cancellation report that will be issued at the same time as the Required Credit Cover Report to allow Participants to see the SRAs that may have been cancelled during daily credit cover calculation process. This automated report was part of the measures required to meet the 14:30 hours Required Credit Cover report publishing deadline.

A Participant queried with the report would be provide with each Required Credit Cover Report. SEMO confirmed that the SRA cancellation report will only be published where cancellation of SRAs has occurred.

* **Post Gate Window Closure**

SEMO recapped the high-level design relating to offered exposure.

SEMO defined Offered Energy Exposure as:

* Maximum Energy Market potential exposure is the area under the PQ curve for all values where the calculated area is negative, taking the higher and lower volume limits for the relevant MSP Software Run into account,

And;

Offered Capacity Exposure as:

* The maximum Capacity Market potential exposure is the maximum quantity taking the lower volume limits into account for the relevant MSP Software Run, multiplied by the ECPI.

SEMO presented examples of Calculating Offered Energy and Capacity Exposure.

Discussion arose as to whether SEMO could investigate further the possibility of the trader retaining a portion of the Trading Period while cancelling part of the exposure. SEMO advised that they looked at other options however it was decided that removing all exposure was the preferred option. SEMO agreed to consider the option of amending the design to allow exclusion of exposure elements only when modifying PQ Pairs.

SEMO defined the Available of Credit Cover (ACCp) as the calculation that utilises the latest information on the following items, as calculated for the latest Required Credit Cover Report (each Working Day):

* + Posted Credit Cover PCCpr
  + Required Credit Cover for Generator Units RCCGpr
  + Required Credit Cover for Supplier Units RCCSpr
  + Total Fixed Credit Requirement(Gen Units + Sup Units)TFCRpr

The ACC value will be recalculated following each MSP Software Run, updating Traded Exposure based on the outputs from the MSP Software Run (e.g. MIUNs, MSQs).

* Sum of ETE values where Initial Energy Settlement not completed ETEuph
* Sum of CTE values where Initial Capacity Settlement not completed CTEuph



SEMO reiterated that if the Available Credit Cover is sufficient the PQ pairs will not be modified however, they will be modified if insufficient. Discussion ensued around example diagram below. Supplier Alternate queried as to why D cannot be netted off against A, B and C? SEMO advised that it is possible only to look at maximum exposure, as the net position of a Participant cannot be confirmed until after EP2. Supplier Alternate questioned as to whether the MIUN is fixed in EA1 or EA2? SEMO advised that D+4 is the last point to fix the exposure (i.e. when the EP2 MSQ is set).



SEMO advised that if D were to be netted off against A,B and C it would result in 11 PQ pairs which are temporary points. SEMO advised that it is a principle of the High Level Design to prevent exporting if there is credit exposure, and that all quantities below zero will be excluded.

Supplier Alternate voiced concern that this is frustrating trade by excluding points A,B and C, and introduces the fact that the market can influence traders. SEMO reiterated that if Participants submit sufficient credit cover for their trades then they will not fall into this position.

SEMO advised that an Excluded Bids Report will be calculated at Gate Closure advising that the report will include:

* All submitted PQ Pairs by Trading Period, with flag indicating whether each submitted PQ Pair was excluded or not.
* No additional points (QACP, PACP, HLQ,, LLQ, additional PQ Pair) will be included.
* PQ Pair indices will be as submitted.

SEMO advised that a query process for querying the results of the Excluded Bids Report is being explored and SEMO will endeavour to implement as practical a solution as possible for the facilitation of queries. This will be addressed in ***FG2:***

***Other Data Transactions & MSP Software***.

Participant questioned as to whether Accepted bids will be renumbered in the report? SEMO clarified that the excluded bids will be included in the report as original numbers, and the COD that SEMO publish will be renumbered.

* **Post MSP Software Run**

SEMO advised that the Commerical Offer Data (or in the case Interconnectors the Offered Modified Bids) will continue to be published after each MSP software run.

SEMO advised that regarding the Calculation of Traded Credit Exposure all runs excluding EP2 will be on a maximum exposure basis (ie. not netted). Only EP2 would have the net exposure calculated for traded exposure. Supplier Alternate queried as to whether the net exposure calculation for EP2 is hard coded? SEMO verified that it is hard coded.

SEMO advised that an Available Credit Cover Report shall be produced after completion of each MSP Software Run. ***FG2: Other Data Transactions & MSP Software*** will cover the cancellation of runs in more detail.

SEMO advised that only EA2 and WD1 MSP Software Runs may be cancelled. Participant queried as to what the effect is on Credit Cover if a run is cancelled? SEMO advised that there will be no effect as that particular window hasn’t been traded so Credit Cover will remain the same at the start and finish. Participants will be informed that the run has been cancelled, hence will be aware not to expect an Available Credit Cover Report. If an MSP Software Run is re-run (e.g. EP2 re-pricing), the traded Credit Cover will be re-calculated with the Traded Exposure updated and a new Available Credit Cover Report issued to Participants. Dependent on whether the re-pricing falls within the current traded not settled period of credit cover or not will determine whether the re-pricing effects Available Credit Cover.

* **Overview of FG3 changes: PED and Drafting**

Functional Group 3 covers the following sections of the Code:

* Section 2 (minor edits)
* Section 4 (calculation of some settlement amounts)
* Section 5 (clarification of treatment of Offered Modified PQ Pairs for Interconnector Units)
* Section 6 (settlement calculations plus minor edits)
* Appendix E (CRM or settlement-related publications)
* Appendix P (new Appendix to describe modification of PQ Pairs for Interconnector Units and calculation of Available Credit Cover)
* Agreed Procedure 6 (CRM reports and publications)
* Agreed Procedure 9 (Clarifications in respect of the processes for the management of Credit Cover)
* Agreed Procedure 10 (settlement reallocation)
* **Code Changes- Appendix P**

SEMO walked through the key steps in the Appendix P calculations for assessing and modifying interconnector commercial offer data based on available caredit cover.

SEMO discussed Appendix P18 as a key section as it outlines the procedure for bid exclusion for IC Participants if they have insufficient credit cover.

SEMO advised that in Appendix P39 and Appendix P40 Cancellation of Runs, the wording will be changed from “cancel” in order to avoid confusion as this already been used in other clauses.

* **Code Changes-section 2,4,5,6 Appendix E**

Regarding Section 2, SEMO advised of the change to send Participant notice by email rather than fax as this is more efficient channel of communication. Participant voiced concern that an email may not be as relevant as a fax and the drafting changes may have unintended consequences. Participant queried as to when the Credit Cover Increase Notice is issued? SEMO advised that the Required Credit Cover is calculated and if it is not sufficient, the notice is sent out.

Regarding Section 6, SEMO highlighted an inconsistency between the Code and the system implementation of the calculation of EEP and ECP. The Code currently defines the standard deviation to be based on trading period prices, while the system implementation is based on daily-average prices. SEMO provided evidence that the system implementation is a more appropriate approximation and should be incorporated into the Code as part of IDT. A Participant stated that it would be useful for SEMO to provide a worked example to provide more clarity on the subject. SEMO advising that a comparison of the two calculations would be provided. SEMO confirmed that these calculations will only affect new Participants who do not have historical information to use as a forecast; this affects only the first 90 days of participation in the market..

* **Agreed Procedures Changes-AP6, AP9 and AP10**

Regarding AP6, SEMO advised that it will change more substantially with FG2. Regarding FG3, the changes relate to the provision of the RCC (required credit cover) report each Working Day and ACC (available credit cover) report after every run.

Regarding AP9 there is a substantial amount of change as this AP relates most to credit cover. SEMO advised of a number of changes in the APs which are not directly related to IDT however as stated at WG8, SEMO and the RAs believe it to be a prudent use of time to include these clarifications as the legal drafting is developed. SEMO further stated that changes to AP9 has not changed the process, moreover it is simply a clarification of the process and removal of ambiguity. Participant stated that clarification from SEMO’s point of view may not necessarily be the same as clarification from a Participant’s point of view.

SEMO advised it is not their intention to re-write sections of the Code, however it is difficult to integrate changes when certain processes are outlined incorrectly. SEMO requested Participants to review the changes proposed and if they had any strong reservations to the clarifications then make these know as part of the review process and SEMO will raise these changes as a separate Modification Proposal.

Regarding AP 10 there will be an SRA cancellation notification via the new SRA Cancellation Report..

Recommendations and Action Items

**Actions:**

Participants to:

* Submit comments regarding FG3 Settlement and Credit Management **via issued spreadsheet by COB July 20th**

SEMO to:

* Address comments submitted by Participants both during and subsequent to Working Group 9 as part of the ongoing development, and provide an update at WG 10.

Secretariat to:

* Draft and circulate Working Group report.

**Next Steps:**

**Functional Group 2: Other Data Transactions & MSP Software - 06 September 2011**

**Appendix 1 –** **Working Group Agenda**

# 

# Working Group 9

Phase II

Mod\_18\_10: Intra-Day Trading

**Agenda**

**Wednesday 29 June 2011**

**The Clarion, IFSC, Dublin**

## 10.00am – 4.00pm

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | **Agenda Item** | | **Proposer** | **Time** | |
|  | | *Tea / Coffee / Pastries* | |  | *10.00 – 10.15am* | |
|  | | Introduction | | Secretariat | *5 mins* | |
|  | | RAs – Update since last Working Group | | Sheenagh Rooney | *10 mins* | |
|  | | Objectives of WG9  Introduction to combined drafting | | Niamh Delaney & Jonathan Jennings | *10 mins* | |
|  | | FG1 drafting - Participant Responses & resulting changes | | Niamh Delaney & Jonathan Jennings | *30 mins* | |
|  | | Presentation of Functional Group 3 changes | | Nigel Thomson & Jonathan Jennings | *60 mins* | |
|  | | Break | | All | *5 mins* | |
|  | | Overview of FG3 Changes (PED and Drafting)  *- Appendix P* | | Nigel Thomson & Jonathan Jennings  All | *40 mins* | |
|  | | Lunch | | All | *30 mins* | |
|  | | Overview of FG3 Changes (PED and Drafting)  *- Sections 2, 4, 5, 6, Appendix E* | | Nigel Thomson & Jonathan Jennings  All | *45 mins* | |
|  | | Break | | All | *5 mins* | |
|  | | Overview of FG3 Changes (PED and Drafting)  *- Agreed Procedures 6, 9, 10* | | Nigel Thomson & Jonathan Jennings  All | *45 mins* | |
|  | | Recap, Agreed Recommendations, Actions and Post Working Group Timetable | | Chair & Secretariat | *45 mins* | |
|  | | AOB / Approximate close time | |  | *3.45* | |
| ***Modification Working Group*** | | *means a group comprised of Modification Committee Members and Interested Parties formed for the purposes of working out the detail and implementation plans for Modification Proposal(s).* | | |

**Appendix 2 –Terms of Reference**

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**Terms of Reference: SEM Intra-Day Trading Modification Working Group**

**Background**

The Modifications Committee requested at Meeting 33 on 1 February 2011, that a Working Group be established to review the Modification Proposal drafting for SEM Intra-Day Trading. This drafting will be undertaken and managed by SEMO, with review input via the Working Group.

The High Level Design for SEM Intra-Day Trading has itself been the subject of a Working Group, leading to the design being recommended for approval by the Modifications Committee in November 2010 and the SEM Committee recommending that further work continue on the project. As a result, this Working Group will not address issues regarding the agreed design.

Due to the extensive legal drafting changes to the T&SC required. It is necessary to progress the development of the design in parallel to the drafting of the modification.

The proposed provisional schedule is as follows:

* Additional Meeting 1: 10 May (Belfast)
* Additional Meeting 2: 290 June (Dublin)
* Additional Meeting 3: 06 September (Belfast)
* Additional Meeting 4: 10 November (Dublin)

**Objectives**

The objectives of the SEM Intra-Day Trading Modification Working Group are:

1. to provide review and overview of the draft rules for SEM Intra-Day Trading produced by SEMO, ensuring that the resulting Modification Proposal aligns with the agreed High Level Design.
2. to identify and address areas of change to the Code that are not identified by the drafting provided by SEMO.
3. to discuss and address drafting issues raised by SEMO, where options on how the drafting could be structured occur.
4. to recommend to the Modifications Committee whether legal drafting produced aligns with the High Level Design.

The objectives above are to be progressed such that a vote/recommendation on the SEM Intra-Day Trading Modification Proposal may occur at a meeting of the Modifications Committee in late 2011 (exact timing to be determined following further planning by SEMO).

In addition to the general objectives of the SEM Intra-Day Trading Modification Working Group, the initial meeting of the Working Group shall have the following additional objectives:

1. to review the content of the Plain English Documents (PED) to be produced by SEMO and provide comments to SEMO.
2. SEMO to present the delivery plan for the Modification Proposal, in order to meet the target timescale (late 2011) for production of a Modification Proposal for presentation and vote/approval by the Modifications Committee.

**Scope**

The SEM Intra-Day Trading Working Group will:

1. review and provide feedback on the content of Plain English Documents (PED) as produced by SEMO, each of which may address specific functional elements of the Code.
2. identify and address changes to the Code that are required but which have not been identified by SEMO.
3. review and provide feedback on the legal drafting provided by SEMO, in particular where the legal drafting is inconsistent with:
   1. Plain English Document (PED)
   2. High Level Design document
4. report to each Modifications Committee meeting on the progress of the development of the Modification Proposal drafting.
5. confirm to the Modifications Committee once the Modification Proposal is drafted, the alignment with the High level Design.

**Deliverables**

1. Plain English Documents (PED) describing the changes to the existing Code in respect of SEM Intra-Day Trading.
2. Modification Proposal covering all of the changes to the Code required for SEM Intra-Day Trading, aligning with the recommended High Level Design.
3. Working Group Reports to the Modifications Committee at each meeting from April 2011.

**Stakeholders**

Regulatory Authorities, Market Participants (Generators and Suppliers), End Users, other Market Participants, System Operators, Meter Data Providers, Market Operator, Interested Parties.

**Roles and Responsibilities**

In order to facilitate efficient development and consideration of a substantial change to the Code, a quorum of Modifications Committee members is required to oversee the development of the Modification Proposal.

1. Working Group Chair – Regulatory Authority representative
2. Quorum of Modifications Committee members
3. Other Stakeholders to provide input - review, issue identification, progress reporting and recommendations.

**Resources**

* Chair from the Regulatory Authorities
* SEMO Secretariat
* SEMO Market Development Team assigned to drafting of Plain English Documents/legal text.
* Analyst from each of the following:
  1. SEMO Market Operations
  2. EirGrid TSO
  3. SONI TSO
  4. Generators
  5. Suppliers
  6. Interested Parties from Industry

Resources will be expected to attend and participate in all scheduled meetings and carry out required preparation and follow up action on action items assigned (notably detailed review of Plain English Documents and legal drafting).

**Work Breakdown Structure**

1. SEMO to produce Modification Proposal development plan.
2. SEMO to draft Plain English Documents (PEDs).
3. SEMO to provide draft legal text based on the PEDs and High Level Design document.
4. Regulatory Authorities to chair Working Group meetings.
5. SEMO Secretariat to produce Working Group Reports to Modifications Committee.
6. Modifications Committee Members and other stakeholders to review PEDs and draft legal text provided and provide prompt review comments.

**Schedule**

Initially, a half day Working Group meeting is proposed for mid March 2011 to address the objectives of the initial meeting and to consider the first functional elements of the Modification Proposal.

**Risks and Restraints**

The SEM Intra-Day Trading Modification Proposal is a substantial change, which must be progressed as efficiently as possible to realise a target vote/recommendation at a Modifications Committee meeting in late 2011. Although a single modification will be presented to the Modifications Committee at the end of the process, each Working Group will cover a specific area of change which, once agreed, should not be re-opened in subsequent Working Groups unless subsequent work highlights the need to revisit.

**Appendix 3- Presentation Slides**

Presentation slides are available via the zip folder WG9 on the Intra-Day Trading page on the SEMO Website.