



18 June 2020

Withdrawal Notification

Mod_07_20 - Balancing Modifications Committee Composition and constitutions definitions

1 MODIFICATIONS COMMITTEE MEETING 99 MINUTES

The Proposer provided a background on this Modification noting that it arose out of concerns raised by Mod_14_19 and subsequent Working Groups. The Proposer advised that this Modification would not come into effect until the new Modifications Committee had been elected.

The Proposer highlighted some small errors on the Modifications and made reference to B.17.7.4 which would be corrected. The slides were delivered and it was confirmed that the option to provide a dedicated renewable seat did not receive overall support. The Committee was briefed on the second part of the Modification which related to changing definitions for Generator Participants categories to include representation of Interconnector Owners and changing also to the definition of Supplier Participants to make sure that Suppliers with end consumers would be represented.

A Supplier Member voiced concerns that this Modification did not represent what was discussed in both Working Groups and there was disagreement that Interconnectors should be included with Generators as it restricts industry representation.

The Proposer reminded the Committee that a comments forum had been created following the Working Groups and there were no suggestions received from the Committee on where Interconnectors should be placed as currently they are not represented by any of the Members on the Panel. It was also noted that there was no clear outcome from the Working Groups.

A number of Members expressed their unease with this Modification noting that what is proposed was not one of the recommendations from the Working Groups. An Observer expressed his satisfaction with this Modification advising that Members now have a mandate to represent Interconnectors allowing their interests to be voiced even without having a dedicated seat.

A Generator Member expressed their opinion that Generators interests are not necessarily the same as Interconnectors and therefore they could not represent them without conflict with their current mandate. A discussion ensued with a point raised by the Proposer that according to the T&SC Members must represent all those in their constituency.

An Observer voiced their concerns about Interconnectors being included within the definition of Generator Participants as this may compress the Generator group too tightly. Their understanding was for a renewable seat to be included not an Interconnector on top of that. There was further agreement from another Generator Alternate that this Modification would not improve the situation and cause less of a balance by trying to group different types in the same category.

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The Chair asked for views from Suppliers for the other element of the modification with regards to the definition of Supplier which was broadly welcomed by a number of Supplier Members. A number of Supplier Members and Alternates agreed that Interconnectors should not have a seat noting that they can still be represented without one. One Generator Member agreed that the outcome of the Working Groups was not clear and accepted that finding a solution would be challenging. It was noted that Generators do have some of the same interests as Interconnectors but it was advised that if there a change to include Interconnector representation within the Generator Members they would likely not get elected due to the proportion of Generators voting relative to the number of Interconnector Owners. The view that if Generators have to consider Interconnectors as a constituency this would cause a conflict with their primary constituents who are Generators and therefore lead to an imbalance was also put forward.

The RAs reminded the Committee that Mod_14_19 was rejected unanimously and following this a solution needed to be found on how Interconnectors should be represented. It was felt that more focus seemed to be given on ways in which they shouldn't be represented and as a result there was not a strong argument against the basis of this proposal in terms of representation being appropriate and not currently being in place.

Another Generator Member suggested that Interconnectors and Assetless Members have stronger similarities and could be put together. The Assetless Alternate disagreed advising that if a vote was to occur their interests would not necessarily be aligned.

The SEMO Member stated that since there had not been consensus from the Working Groups, with attendees disagreeing on a number of points, that it was unlikely to be possible to reflect everyone's view of the Working Group outcome in a Modification Proposal since these were at times contradictory. They noted that some Working Group attendees had stated that they felt that Interconnector Owners interests were already represented by Generator Members as an argument against the need a dedicated Interconnector Seat on the Committee. They also noted that Members are already at times obliged to represent interests which are not necessarily their own citing examples of Generator Members whose organisations only operate Dispatchable Generator Units being obliged to represent the interests of non Dispatchable Generator Units.

A DSU Alternate addressed another part of this Modification where there was a change in the definition of Supplier Members. A question was raised if the new definition was leaving Trading Site Supplier Units (TSSUs) without representation and therefore creating a new problem similar to the one the Interconnector Owners are trying to solve. The Proposer acknowledged this point and advised that it was not their intention to preclude such representation and as such they would consider ways to address via revised legal drafting.

A discussion ensued around definitions for Suppliers, Generators and Renewables and how to define renewable. A Supplier Member indicated that fuel types could potentially be used for a renewables definition and noted that these are published on the SEMO website. A SEMO Member noted that aside from the issue of how to define a renewable Member there was the question of whether or not it was appropriate to ring fence one Generator Type noting that there are other Generator types such as storage which do not have dedicated seat. They noted that it could be considered discriminatory to ring-fence one Generator Member type and not others. The Chair advised that there was a risk of re-visiting previous discussions and not focusing on how to move this Modification forward. The Secretariat agreed and also noted that action arising from the Working Group was for the RAs to draft a Proposal taking feedback received into consideration.

A Supplier Alternate noted that renewables held over 30% of generation and asked if they were very different to conventional generators. It appeared, in their view, that guidelines were missing on materiality and a test was needed to see if they were represented already. The RAs noted that it was very clear renewables were being represented by a Supplier Alternate when raising this point and stressed that they felt that this was not appropriate given the obligations taken on as a Supplier Members on the Modifications Committee under the Code to represent their constituency. This was why clarifying the issue of what

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interests must be represented by Supplier Members was included in the proposal. A Supplier Member noted that the Supplier Alternate had indicated that they were representing a particular organisation prior to making the comment and that they were therefore commenting in a different capacity to that of a Supplier Alternate. The RAs indicated that the Supplier Alternate was obliged to represent Supplier Participants at the Modifications Committee.

A suggestion was made by a Generator Member to separate out the number of changes in this Modification into separate Modifications. There was a general agreement on this with the RAs agreeing it will help to move some issues forward. Secretariat reiterated that this Modification would be withdrawn with 2 new Modifications to be raised addressing the below issues with the Proposer to consider whether any consolidation of issues is appropriate prior to raising them:

- Increase in number of seats
- Supplier definitions – all categories
- Interconnector representation
- Renewable Generator seat

RA Member also wished it to be noted that the Proposal would be withdrawn begrudgingly and expressed their disappointment at the sentiment expressed by Members who it would appear were acting on behalf of their respective organisations rather than their elected member types.

A Supplier Member expressed their concern at the RAs sentiment and assured of their best endeavours. The Secretariat noted the importance of working on progressing these issues between Committee meetings advising that little or no responses were received following calls for comments after the Working Groups and subsequent minutes from Meeting 98 between the proposal being circulated and the meeting itself. The RAs expressed that splitting the items would be done for pragmatic reasons as there were some concerns raised on the balance of the Committee. The RAs also noted that they did not feel that the arguments against their proposals were strong enough to dissuade them from pursuing the changes they had presented. The Chair advised that these Modifications should highlight the elements above so that a more constructive conversation could happen on each.

Decision

- The proposal was withdrawn