



## Single Electricity Market

### MODIFICATIONS COMMITTEE MEETING MINUTES

MEETING 108

CONFERENCE CALL

2<sup>ND</sup> DECEMBER 2021

10.00AM – 2.00PM

---

#### 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.

---

# Table of Contents

1.	SEMO UPDATE.....	5
2.	DEFERRED MODIFICATION PROPOSALS.....	6
	<b>MOD_14_21 EXTENSION OF SYSTEM SERVICE FLAG TO INCLUDE UNITS PROVIDING REPLACEMENT RESERVE IN LINE WITH THE DETAILED DESIGN.....</b>	<b>6</b>
	<b>MOD_15_21 ALTER CDIFF SECTION F.18.7.2.....</b>	<b>8</b>
3.	NEW MODIFICATION PROPOSALS.....	8
	<b>MOD_19_21 MODIFICATION RE PUBLICATION OF INFORMATION BY SEMO.....</b>	<b>8</b>
	<b>MOD_20_21 UNDO INSTRUCTION SCENARIO 2.....</b>	<b>9</b>
	<b>MOD_21_21 UNDO INSTRUCTION SCENARIO 4.....</b>	<b>11</b>
4.	AOB/UPCOMING MODIFICATIONS.....	12
	APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT MEETING 108.....	13

Version	Date	Author	Comment
1.0	9 <sup>th</sup> December 2021	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	16 <sup>th</sup> December 2021	Modifications Committee Secretariat	Committee and Observer review complete

### Distribution List

Name	Organization
Modifications Committee Members	SEM Modifications Committee
Modification Committee Observers	Attendees other than Modifications Panel in attendance at Meeting
Interested Parties	Modifications & Market Rules registered contacts

### Reference Documents

Document Name
<a href="#">Balancing Market Rules – Trading and Settlement Code &amp; Agreed Procedures</a>
<a href="#">Mod_14_21 Extension of System Service Flag to include units providing Replacement Reserve in line with the detailed design</a>
<a href="#">Mod_15_21 Alter CDIFF Section F.18.7.2</a>
<a href="#">Mod_19_21 Modification re Publication of Information by SEMO</a>
<a href="#">Mod_20_21 Undo Instruction Scenario 2</a>
<a href="#">Mod_21_21 Undo Instruction Scenario 4</a>

### In Attendance

Name	Company	Position
<b>Modifications Committee (voting members)</b>		
Ian Mullins	Bord Gais	Supplier Member
Robert McCarthy	Electricity Exchange	DSU Member
Patrick Larkin	ElectroRoute	Assetless Alternate
Brigid Reilly	PrePay Power	Supplier Alternate
Stacy Feldmann	SSE	Generator Member
Paraic Higgins (Chair)	ESB	Generator Member
Nick Heyward	Energy Storage Ireland	Flexible Participant Member
Rochelle Broderick	Budget Energy	Supplier Member
David Caldwell	Power NI	Supplier Alternate

Eamonn Boland	WEI	Renewable Generator Alternate
Cormac Daly	Tynagh	Generator Member
Bryan Hennessy	Naturgy Limited	Supplier Member
Kevin Hannafin	VPower	Generator Member
<b>Modifications Committee (non-voting members)</b>		
Paul McGuckin	Moyle Interconnector	Flexible Participant Member
Andrew Burke	WEI	Renewable Generator Member
David Gascon	Bord na Mona	Generator Alternate
Adelle Watson	NIE Networks	MDP Member
Stephen McClure	SONI	SO Member
Leigh Greer	Uregni	RA Member
Katia Compagnoni	SEMO	MO Member
Martin McCarthy	SEMO	MO Alternate
Karen Shiels	UR	RA Alternate
Conall Heussaff	CRU	RA Alternate
Grainne Black	CRU	RA Member
James Long	ESB Networks	MDP Member
Aoife Mills	EirGrid	SO Alternate
<b>Secretariat</b>		
Sandra Linnane	SEMO	Secretariat
Esther Touhey	SEMO	Secretariat
<b>Observers</b>		
Thomas O'Sullivan	Aughinish	Observer
David Quinlan	Aughinish	Observer
Mairead Cousins	Enel X	Observer
Martina Asserto	Enel X	Observer
Christopher Goodman	SEMO	Observer
Paul Hutchinson	EPUKI	Observer

Philip Blythe	ESB	Observer
Edel Leddin	EirGrid	Observer
Eamon Garrigan	EirGrid	Observer
Lauren Skillen Baine	SONI	Observer

**1. SEMO UPDATE**

Secretariat welcomed all to Modifications Committee Meeting 108. Congratulations were given to Paraic Higgins on his re-election as Chairperson and also Andrew Burke as Vice-Chairperson. Thanks were also expressed for their support given to both the Committee and the Secretariat.

It was advised that the meeting schedules for 2022 would be published shortly.

Secretariat advised that V25 of the Code Update would be hopefully published in advance of the Christmas holidays and no later than in advance of February’s meeting. It was noted that a decision had been published approving Mod\_17\_21 and a Withdrawal Notification was issued for Mod\_07\_21.

Market Development Update

An update was provided on Release I with notification given that there were 2 Participant affecting Change Requests; however, none of them linked to approved Modifications. It was also advised that a release for Mod\_02\_21 initially scheduled for the end of November was now planned for the end of January due to issues post Release H that needed to be rectified by the vendor pushing the deployment of the additional patch post-Christmas. Confirmation was given that the Release H main deployment date was the 9<sup>th</sup> of November 2021.

It was noted that factory testing for Release I was taking place at the moment and would continue in 2022. The scope for Release J would be looked at with defects for Release I after that.

Members looked for confirmation that CR-244 for Mod\_02\_21 would not impact the next scheduled release. Assurance was given that these were happening in parallel and the timelines would not be impacted. It was queried why notification of the rescheduling of the release date was delayed if there was already previous knowledge there would be a code freeze pre-Christmas. It was advised that there were a number of unforeseen problems with Release H and further planning would not have changed the outcome.

<p>Mod_27_18 Interim arrangements in Appendix O for instruction profiling and Bid Offer Acceptance Quantity Outcomes in a subset of Undo Scenarios</p>	<ul style="list-style-type: none"> <li>SEMO to circulate more detail on the scenarios which arose from the implementation of this Modification - <b>Closed</b></li> </ul>
--	---

<p>MOD_13_19 Payment for Energy Consumption in SEM for non-energy Services Dispatch</p>	<ul style="list-style-type: none"> <li>Market Operations to progress request for Impact Assessment – <b>Open</b></li> </ul>
<p>MOD_17_19 DSU State Aid Compliance Interim Approach</p>	<ul style="list-style-type: none"> <li>SEMO take a long term action to undertake mid tariff year (summer 2020) review of the cost of the change on Imperfections Charges post implementation to track any substantial increase in costs - <b>Long Term Action</b></li> </ul>
<p>Mod_07_21 Dispatchable Demand Generator Unit 2021</p>	<ul style="list-style-type: none"> <li>SEMO to include this proposal into overall Working Group on the progression of batteries – <b>Closed</b></li> </ul>
<p>Mod_14_21 Extension of System Service Flag to include units providing replacement reserve in line with the detailed design</p>	<ul style="list-style-type: none"> <li>SEMO to provide further explanation on how the flag is currently set for replacement reserve – <b>Closed</b></li> <li>Proposer to consider legal drafting to include a limb 3 in the clause – <b>Closed</b></li> <li>Proposer to draft a version 2 of this Modification for Meeting 108 - <b>Closed</b></li> </ul>

## 2. DEFERRED MODIFICATION PROPOSALS

### MOD\_14\_21 EXTENSION OF SYSTEM SERVICE FLAG TO INCLUDE UNITS PROVIDING REPLACEMENT RESERVE IN LINE WITH THE DETAILED DESIGN

The Proposer delivered a [presentation](#) on this Modification giving thanks to Members for accepting V2 of this proposal at short notice and appreciated that there was only a short amount of time to review it.

The Proposer advised that there was frequent engagement with Participants and various comments were taken on board. A number of adjustments were made to the legal drafting and this proposal would intend to ensure the System Service Flag is applied to the resources identified as providing Replacement Reserves in the TSO Operational Constraints publication when they are available and in merit.

A Supplier Member recognized that the intention of this Modification was a positive one with most of the problems focused on one area. It was suggested that if this were to become an enduring provision that better governance should be placed onto the Operational Constraint document which currently was not a codified publication in the T&SC. An SO Alternate advised that the document was mentioned in the Balance Market Principle Statement but it was something that would need to be reviewed further. A discussion ensued about other documents referred by the Code but with governance outside of the Code.

SEMO noted that documents that are not under the control of market governance were not codified and under the responsibility of the relevant body in this case the TSO. A reference to it would be sufficient and they were satisfied with that. TSO agreed to take an action to find where the obligation for the publication of the Operational Constraints document comes from.

A Supplier Member voiced a concern that if this was not published then it could go unnoticed. TSO agreed to take an action to review this. A Generator Member noted that this was a crucial document that they receive

once a week and it is not expected to vanish without appropriate replacement. Also the new legal drafting provides a stronger and more detailed requirement than the original one which was very generic.

A Generator Member stated that there was insufficient time to review the PINC algebra and clarity was requested on whether it covered all simple or complex offers. The Proposer confirmed PINC referred to Simple Offers and agreed that the Final Recommendation Report could make some reference to it.

A Generator Member asked if the Modification addressed issues regarding gaming. SEMO explained that the requirements to avoid gaming were linked to assurances with regards to the application of the availability up to the Obligated Quantity and for the unit to be in merit. The Proposer had demonstrated that both were satisfied in the current drafting.

An error in the meeting agenda classified this Proposal incorrectly as an Agreed Procedure Proposal when in fact it was a Code modification. Due to this the vote also included TSO/MDP/SO Members. At the earliest point available the Secretariat brought this to the Committee's attention and advised that as a Code Proposal it would follow the process requiring a Final Recommendation Report and RA Decision rather than an Agreed Procedure Notification. The vote was corrected to voting Members only as per a Code Modification and an additional vote process was not required as the original vote was unanimous. The Secretariat offered its sincere apologies for this error and thanked the Members for their patience.

**Decision**

---

This Proposal was Recommended for Approval subject to clarification of PINC in FRR.

Recommended for Approval by Unanimous Vote		
Kevin Hannafin	Generator Member	Approve
Patrick Larkin	Assetless Alternate	Approve
Robert McCarthy	DSU Member	Approve
Paraic Higgins (Chair)	Generator Member	Approve
David Caldwell	Supplier Alternate	Approve
Ian Mullins	Supplier Member	Approve
Bryan Hennessy	Supplier Member	Approve
Brigid Reilly	Supplier Alternate	Approve
Eamonn Boland	Renewable Generator Alternate	Approve
Rochelle Broderick	Supplier Member	Approve
Stacy Feldmann	Generator Member	Approve
Cormac Daly	Generator Member	Approve
Nick Heyward	Flexible Participant Alternate	Approve

**Actions:**

- Secretariat to draft a Final Recommendation Report – **Open**
- SEMO will liaise with Proposer to agree how clarifications will be captured in the FRR– **Open**
- TSO to find where the obligation for publishing the Weekly Operational Constraints Report comes from - **Open**

**MOD\_15\_21 ALTER CDIFF SECTION F.18.7.2**

The Proposer provided an update on this Modification noting their decision to withdraw the Modification. It was advised that it may be looked at again in the future with a different approach.

**Decision**

This Proposal was withdrawn.

- Secretariat to draft a Withdrawal Notification - **Open**

**3. NEW MODIFICATION PROPOSALS****MOD\_19\_21 MODIFICATION RE PUBLICATION OF INFORMATION BY SEMO**

The Proposer of this Modification gave a brief summary of the proposal noting that this relates to one of the follow up actions from the SEMO price control consultation and the removal of a KPI related to publications timeliness.

The Proposer advised that feedback was given from Industry which was concerned with removal of the KPI and wanting to ensure that a Modification Proposal was submitted to cover the void. B.13 and the obligations to the Market Operator were reviewed and changes would be made to ensure complete, accurate and timely information from the Market Operator.

A discussion ensued on whether the legal drafting should make a reference to timeliness in a more precise way to increase the incentives on the MO. The Proposer advised that the responses were more focused on accuracy and correct information, but timeliness was something that could be looked at. SEMO provided assurance that publications timelines were already covered in detail in the Code and errors or issues with accuracy were communicated through different recognized and well-established channels such as Market Participants calls, MOUGs and Market Messages.

It was queried if there was an existing obligation on SEMO to provide details of issues and errors and if not, should it be codified?

A discussion ensued with SEMO advising that there wasn't an explicit obligation in place, but that SEMO have the ability to raise queries and relate issues and errors.

It was suggested that generic statements regarding timeliness could be included in the legal drafting and anything market effective with a trading day timeframe on a weekly or monthly basis would be published within a day. SEMO felt that this would be overly prescriptive and not always feasible.

SEMO proposed to include additional wording to provide assurance that timeliness would be better recognized in the text with the addition of "and without undue delay". Also, further suggestions would include 'best endeavours' and maintain consistency between the two sections of the drafting

by repeating 'information or data' in both parts. The updates that were suggested by SEMO were accepted by Members.

**Decision**

This Proposal was Recommended for Approval subject to minor legal drafting to be captured in FRR.

Recommended for Approval by Unanimous Vote		
Kevin Hannafin	Generator Member	Approve
Patrick Larkin	Assetless Alternate	Approve
Robert McCarthy	DSU Member	Approve
Paraic Higgins (Chair)	Generator Member	Approve
David Caldwell	Supplier Alternate	Approve
Ian Mullins	Supplier Member	Approve
Bryan Hennessy	Supplier Member	Approve
Brigid Reilly	Supplier Alternate	Approve
Eamonn Boland	Renewable Generator Alternate	Approve
Rochelle Broderick	Supplier Member	Approve
Stacy Feldmann	Generator Member	Approve
Cormac Daly	Generator Member	Approve
Nick Heyward	Flexible Participant Alternate	Approve

**Actions:**

- Secretariat to draft a Final Recommendation Report – **Open**
- Proposer to confirm legal drafting changes - **Open**

**MOD\_20\_21 UNDO INSTRUCTION SCENARIO 2**

The Proposer delivered a [presentation](#) on this Modification noting that a number of scenarios were identified in Market trial and were not rectified due to the constraints of go-live, other priorities emerging and a disagreement with the vendor on whether they were defects or change requests. The scenarios were considered to be quite infrequent and of mixed material value. It was advised that the vendor disputed they were defects and they were reclassified as change requests needing a high level impact assessment which was delivered in September 2021 stating that a detailed impact assessment would be needed for each

---

scenario at a considerable cost between 150 and 200 hours each. Also given the resources needed and the risky approach of changing the instruction profiler, the vendor could only implement changes in staggered releases leading to long implementation timelines. Following a review of the cases affected and their materiality, the SEMO proposal would require 1 change to the T&SC where there was no event identified in the live data, while the remaining scenarios (3 No.) would require system changes with the option, subject to vendor approval, of considering scenario 4 a subset of scenario 1 and therefore dealing with them as a single change request and implementation. The Proposer noted that they were open to alternative approaches and highlighted what those could be.

The Proposer went through the presentation detailing what is the intention of the rules as currently drafted and what is happening in the system with an indication of the impacted areas. The scenarios were uniformed for ease of comparison and simplified to show the raw issue without having to add further layers of complexity. That was achieved by keeping the Final Physical Notifications to zero and concentrating the profile in a single period so that the boundary Pseudo Instruction (PISP) would not have to be considered.

A discussion ensued around the likelihood of introducing new errors by fixing the systems, especially in light of lost expertise in the area by the vendor, MO and Participants alike. Also a question was raised on whether affected Participants had been informed.

SEMO confirmed that all cases identified had Settlement queries assigned to them therefore the affected Participant would have been aware of them, and with regards to the introduction of errors this would be the case for any system deployment but more so for an area of such complexity as this one. For that reason SEMO choose not to pursue all 4 scenarios but only those that appeared with more frequency and produced events of significant materiality.

The RA Member summarized their view by stating that they would prefer to have the system aligned to the rules at all times and if there were reasons to justify otherwise that they would clearly be supported with a cost benefit analysis. The hybrid approach proposed by SEMO seemed to balance the two requirements of avoid costly actions and fix those that had the largest impact. Changing the code to match the systems was never ideal but it had been useful to hear the Participant's point of view and they would consider the relevant practicalities of the case.

SEMO summarized that they were proposing to proceed with Mod\_20\_21 and get a detailed impact assessment for the other 3 scenarios by grouping together 2 of them therefore Mod\_21\_21 would be deferred until confirmation by the vendor that this could be done.

A discussion ensued around the cost for fixing these scenarios and the time it will take. A Generator Member queried if there was enough of a reason to do this and would the DRB consider these issues could be resolved 3 to 4 months down the line.

SEMO advised there were a number of other settlement calculations that depend on QBOA and that it wouldn't be easy to arrive at a definite final figure for each case. Some of these cases did not produce Instruction Profiles at all and therefore it would not be possible to assess them. As per the timelines SEMO advised that the earliest release these could be scheduled for would be Release K (Spring 2023) for the first possible scenario(s) followed by the second one in Release L (Autumn 2023). Given that some of the affected dates are in 2018, Market Participants should also consider if they wish to maintain 2018 settlement opened for that length of time, although this would not be an urgent decision but one that could be taken once clarity around the timelines of implementations are confirmed. A Generator Member made a point that once changes are made there would be a high risk of new issues. In relation to dispute resolution it was queried if SEMO could calculate the resettlement value and invoice it. SEMO advised that the calculated amount would be a best approximation and currently they could only produce invoices where the data is fed from the system. However, the facility of generating separate invoices was there if this was appropriately included in the Code. A number of Members agreed that although the DRB process could be a lengthy one this route would cause less of a financial loss than others. It was queried what would be required for SEMO to release invoices if they were made aware of an event. SEMO noted that this would be a new approach and a new invoice type it would need to be looked at as a separate Modification with a legal assessment required also.

Appreciation was given for clearly showing all 4 scenarios given the length of time elapsed since they first came to light and the lack of familiarity from most on the Committee.

A Supplier Member re-iterated the previous point made that preference should be given to an alignment between the code and systems and didn't believe it was good policy to change the Code to what the system was doing. It was noted that these issues were discovered and were not resolved straight away, and lessons should be learned from it. Going forward it was advised that something needed to be put in place to ensure this didn't happen again. The Proposer agreed with the points made and that lessons were learnt but the Committee is now faced with the reality of the situation as it stands.

Clarifications were asked on the materiality: Generator Member stated that they could understand how a Generator could be adversely affected but could not understand how it could benefit by those scenarios as some of the materiality analysis suggested. SEMO explained that the materiality could go either way depending on the position of the Generator's Physical Notifications and the Meter Generation which were excluded on purpose from the infographic to show the issue at its core. It was requested if possible, to have a generalized example of a case where the Generator had benefitted.

The Chair summarized the 4 possible options that could be progressed:

- Request a breakdown of the detailed cost for each scenario therefore proceeding with 4 change requests;
- Draft Modifications for each of the 4 scenarios so that the systems would be left unchanged;
- Leave all scenarios as they are in the Code and in the system as a non-compliance issue to be recognized in an updated RA's decision;
- Add amendments to the Code to provide a mandate to SEMO to add a new invoice type that could be used to remedy those scenario based on the MO analysis of materiality in out of market systems

It was advised that this Modification Mod\_20\_21 and related Mod\_21\_21 should be deferred to review the above options. SEMO cautioned that if a decision was delayed the risk was to miss the deadline for Release K. SEMO provided assurance that additional requirements for a new Modification of an additional Invoice type would be reviewed and an option would be progressed for Meeting 109 in February 2022.

Committee Members agreed that more time was needed for review of more options and further detail on scenarios.

## *Decision*

---

This Proposal was deferred.

### **Actions:**

- Proposer to review an option to produce remedial out of market system invoices based on MO materiality assessments – **Open**
- Proposer to provide more detail on how Generators were over paid – **Open**

## **MOD\_21\_21 UNDO INSTRUCTION SCENARIO 4**

The Proposer's presentation on Mod\_20\_21 covered all scenarios including Scenario 4. It was noted that the discussion from Mod\_20\_21 also applied to this modification and it was deferred.

*Decision*

---

This Proposal was deferred.

#### 4. AOB/UPCOMING MODIFICATIONS

SEMO noted that there would be an upcoming Modification from a Participant to request some changes to the requirements for Credit Cover Providers. There may also be a clarificatory Modification from the Settlement Team.

Secretariat thanked all for attending Meeting 108 and noted the Meeting 109 would take place on Thursday, 10<sup>th</sup> February 2021.

<b>APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT MEETING 108</b>		
<b>Status as at 2 December 2021</b>		
<b>Modification Proposals 'Recommended for Approval' without System impacts</b>		
<b>Title</b>	<b>Sections Modified</b>	<b>Sent</b>
Mod_01_20 PMEA No Energy Action Same Direction as NIV	E.3.4.2	Sent for RA Decision 26/03/21
<b>Modification Proposals 'Recommended for Approval' with System impacts</b>		
Mod_13_19 Payment for Energy Consumption in SEM for non-energy Services Dispatch	F	Sent for RA Decision 26/03/21
<b>Modification Proposals 'Recommended for Rejection'</b>		
N/A	N/A	N/A
<b>RA Decision 'Further Work Required'</b>		
N/A	N/A	N/A
<b>RA Decision Approved Modifications with System Impacts</b>		
<b>Title</b>	<b>Sections Modified</b>	<b>Effective Date</b>
N/A	N/A	N/A
<b>RA Decision Approved Modifications with no System Impacts</b>		
<b>Title</b>	<b>Sections Modified</b>	<b>Effective Date</b>
Mod_17_21 Second Housekeeping 2021	F.18.7, G.12.4.2	16 <sup>th</sup> November 2021
Mod_16_21 Temporary use of the Market Backup Price where an Interconnector Trade Quantity and Price are submitted	E.3.6	29 September 2021
Mod_13_21 Interest Modification	G.8.1.3 & Agreed Procedure 15	13 August 2021
Mod_11_21 Generator, Supplier and Renewable Seat	B.17.3 Glossary Part B Agreed Procedure 12	13 August 2021
Mod_09_21 Housekeeping 2021	Part B Glossary; Part B Appendix C;	13 August 2021
Mod_02_21 Setting a flag for Interconnector Actions above 500/MWh	Appendix 2, F.2	Effective following delivery of required changes
<b>RA Decision Rejected</b>		
Mod_01_21 Removal of Difference Charges where operational constraints are binding	Appendices Part B	13 August 2021
<b>RA Direction</b>		
Mod_08_20 Imbalance prices to reflect the real-time value of energy	D.4.4.12	Decision letter received – 29/10/20
<b>AP Notifications</b>		

N/A	N/A	N/A
<b>Withdrawal Notifications</b>		
Mod_08_21 Removing the 10MW limit for some Demand Sites to enable Demand Sites that include, or are, and individual battery storage unit > 10MW to participate as part of a Demand Side Unit (DSU)	B	7 <sup>th</sup> July 2021
Mod_07_21 Dispatchable Demand Generator Unit 2021	B	1 <sup>st</sup> November 2021
Mod_04_21 Expansion of System Service Flag to include Cross-Zonal Actions for System Security reasons	N.2	8 <sup>th</sup> July 2021
Mod_06_21 Proposing Invoice Improvements to reduce burden on Market Participants	G.7.1	8 <sup>th</sup> July 2021
<b>Modification Proposal Extensions</b>		
N/A	N/A	N/A
<ul style="list-style-type: none"> <li>• <b>Meeting 109 – 10 February 2021– Conference Call</b></li> </ul>		