



Single Electricity Market

MODIFICATIONS COMMITTEE MEETING MINUTES

MEETING 106

CONFERENCE CALL

7TH SEPTEMBER 2021

10.00AM – 2.00PM

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Document History

Version	Date	Author	Comment
1.0	14th Sept 2021	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	21 st Sept 2021	Modifications Committee Secretariat	Committee and Observer review complete

Distribution List

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

Reference Documents

Document Name
Balancing Market Rules – Trading and Settlement Code & Agreed Procedures
Mod_07_21 Dispatchable Demand Generator Unit 2021
Mod_08_21 Removing the 10MW limit for some Demand Sites to enable Demand Sites that include, or are, an individual Battery Storage Unit > 10MW to participate as part of a Demand Side Unit (DSU)
Mod_14_21 Extension of System Service Flag to include units providing Replacement Reserve in line with the detailed design
Mod_15_21 Alter CDIFF Section F.18.7.2

In Attendance

Name	Company	Position
Modifications Committee (voting members)		
Philip Carson	Power NI	Supplier Member
Sean McParland	Energia	Generator Alternate
Eamonn Boland	WEI (Orsted)	Supplier Alternate
Adelle Watson	NIE Networks	MDP Member
Paraic Higgins (Chair)	ESB GT	Generator Member
Ian Mullins	Bord Gais Energy	Supplier Member
Stacy Feldmann	SSE	Generator Member
Robert McCarthy	Electricity Exchange	DSU Member

David Gascon	Bord na Mona	Generator Alternate
Katia Compagnoni	SEMO	MO Member
Anne Trotter	EirGrid	SO Member
Paul McGuckin	Moyle Interconnector Ltd	Flexible Participant Member
Sam Matthews	SONI	SO Alternate
Patrick Larkin	ElectroRoute	Assetless Alternate
Modifications Committee (Non-Voting Members)		
Grainne Black	CRU	RA Member
Catherine McHale	ESB GT	Generator Alternate
Karen Shiels	UR	RA Alternate
David Gascon	Bord na Mona	Generator Alternate
Nick Heyward	Energy Storage Ireland	Flexible Participant Alternate
Gina Kelly	CRU	RA Alternate
Andrew Burke	IWEA (Enerco)	Supplier Member
Secretariat		
Sandra Linnane	SEMO	Secretariat
Esther Touhey	SEMO	Secretariat
Observers		
Sinead O'Hare	Power NI	Observer
Thomas O'Sullivan	Aughinish	Observer
Edel Leddin	EirGrid	Observer
Paul Hutchinson	EPUKI	Observer
Patrick O'Hagan	SSE	Observer
Connor Powell	SSE	Observer
Christopher Goodman	SONI	Observer

1. SEMO UPDATE

The Secretariat welcomed all to Modifications Committee Meeting 106. The new Flexible Participant Members were welcomed to the Committee. The minutes for Meeting 105 were read and approved.

Secretariat briefed the Committee on the Programme of Work noting that there a number of decisions in August which are all detailed in the Programme of Work and each decision is published online.

Market Development Update

An update was provided on the release program with confirmation given that Release G was successfully deployed in June. It was noted that Release H was scheduled for October 2021 which would contain 4 CRs and 15 defects. Assurance was given that Release H was progressing well and UAT would be looked at in September. Release I would be scheduled for April 2022 and at present was going through governance checks. It was advised that the CRs were currently being assessed and would be moved later in the year.

A question was raised on the 15 defects and where they could be viewed. It was advised that they are all logged in the Known Issues Report with the inclusion of the relevant release.

An action was taken by the presenter to confirm updates to the report would be added.

RA Update

The RAs provided a brief update on the remaining decisions. It was noted that Mod_13_19 was awaiting an impact assessment. The RAs advised that they were aware of queries raised with regards to one of the reasons given in the rejection decision for Mod_01_21 and an update would be provided on this at Meeting 107. It was highlighted that this was only one aspect of the reasons for the decision and it is expected that the outcome of that review will not change the decision.

Secretariat advised that version 24 of the Code will be published shortly. A reminder was given that the deadline for nominations for the upcoming election to the Panel was Friday, 10th September and all nominations would be reviewed the following week. The RAs confirmed that the proposal for the decision on the appointment of the Renewable seat would happen shortly align with the election timelines.

<p>MOD_13_19 Payment for Energy Consumption in SEM for non-energy Services Dispatch</p>	<ul style="list-style-type: none"> Market Operations to progress request for Impact Assessment – Open
<p>MOD_17_19 DSU State Aid Compliance Interim Approach</p>	<ul style="list-style-type: none"> 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 - Long Term Action
<p>MOD_02_21 Setting a Flag for Interconnector actions above 500/Mwh</p>	<ul style="list-style-type: none"> SEMO to provide impact assessment – Closed

<p>Mod_06_21 Proposing Invoice improvements to reduce burden on Market Participants</p>	<ul style="list-style-type: none"> Proposer to consider if the trial addresses concerns at the centre of their Modification and potentially withdraw or engage with an updated version to address the issues raised by the MO – Closed
<p>Mod_07_21 Dispatchable Demand Generator Unit 2021</p>	<ul style="list-style-type: none"> SEMO to include this proposal into overall Working Group on the progression of batteries – Open
<p>Mod_08_21 Removing the 10MW limit for some Demand Sites to enable Demand Sites that include, or are, an individual battery storage unit > 10MW to participate as part of a Demand Side Unit (DSU)</p>	<ul style="list-style-type: none"> Secretariat and Proposer to work with new contact for batteries and SEMO for alternative solutions – Open

SEMO provided an update on the outstanding actions above. It was advised that implementation on Mod_13_19 had been delayed as changes are needed to be carried out to the wind dispatch tool that was separate to the Market System. Assurance was given that the change request had been completed with an assessment scheduled to be in before Meeting 107. It was noted that although there was no impact assessment yet, every effort was being made to move this forward.

A brief update was provided on the long term action for Mod_17_19. It was noted that this Modification first came into play in November when the first price events happened. A defect was identified and fixed in Release G which now allows for the assessment of this action to take place. It was confirmed that this would be aimed to be completed before Meeting 107.

2. DEFERRED MODIFICATION PROPOSALS

MOD_07_21 DISPATCHABLE DEMAND GENERATOR UNIT 2021

The Proposer updated the Committee on this Modification Proposal noting there was not much movement since Meeting 106. It was advised that Aughinish had been backed by the EU New Innovation Fund for the project described in this proposal and this was a positive step in the process. The Proposer queried when a Working Group would take place and SEMO provided assurance that Flextech would get involved with providing a timetable for this to cover all work streams.

The Proposer reminded the Committee that one of the initial questions raised with this Modification was if this was acceptable to be seen as a generator unit in the system noting that investors would require this vital piece of information. A Supplier Member suggested if it could be treated like pump storage as they already have a generator status. The Proposer agreed with the similarities but noted that this unit would never give power back and will only consume power for the system and would need to be treated as either battery or pump storage always in their negative status.

The Chair questioned the Proposer on the outcome he was looking for with this Proposal. It was the Proposer's preference to hold a Modifications Working Group and a vote that would be in support of this technology. There was a concern that if the proposal was moved with Flextech a lot of work could be done but then be rejected by the Committee. SEMO provided assurance that Flextech worked in parallel with the Modifications process and a number of Committee Members would also be involved in it including MO representatives. The Proposer added that he would be satisfied if the minutes highlighted the support in principle for this Modification and that the project would be exempt from supplier's imperfection charges and tariffs.

A number of Members noted their support for the new technology but that the fundamental details of this Modification needed to be discussed and agreement for it in principal would just be a goodwill gesture

without the technical aspect and assessment. Assurance was provided to the Proposer that this was a project of interest and worth investigation.

A Supplier Member advised that in order to give backing to this proposal more details would need to be provided on the avoidance of charges, the imperfection piece and the overall net costs and net benefit to the Market. The Proposer agreed that this makes sense and an effort would be made to get approval to share a recent report by consultant firm Beringa highlighting all of this.

A DSU Member noted that this proposal states that the kit requires new type of exemptions. It was suggested that if this could fit into a demand side unit or storage unit model the levy system and charges would be dealt with as a result.

Flexible Member Alternate agreed with the above point noting the Modification highlights a problem which is already seen with batteries in the market i.e. that they can't use the negative range. It was noted that it did not appear clear whether this needed a new type of unit. The overall principle of consumption that is dispatchable was agreed with and the Modification Proposal was welcomed for this reason.

The Chair summarized the points and views made with SEMO providing assurance that the Flextech project was designed to conclude in a number of Modifications to change the Grid Code, T&SC or other as appropriate. The Proposer gave support to Flextech and what they are trying to achieve but was concerned that they could be taking on too much for too long. Secretariat highlighted that a greater understanding Flextech was needed and the process for this Modification. Assurance was given that an action would be taken by SEMO to come back to the Committee with an overview of Flextech operations and a process of how this proposal would be addressed and the project moved forward.

Decision

This Proposal was deferred.

Actions:

- SEMO to provide the Committee with more information on the Flextech process - **Open**
- Proposer to review withdrawal of Modification at Meeting 107 following assurance provided by completion of above action - **Open**

MOD_08_21 REMOVING THE 10 MW LIMIT FOR SOME DEMAND SITES TO ENABLE DEMAND SITES THAT INCLUDE, OR ARE, AN INDIVIDUAL BATTERY STORAGE UNIT > 10MW TO PARTICIPATE AS PART OF A DEMAND SIDE UNIT (DSU)

The Proposer gave an update on this Modification noting conversations with Flextech and SEMO. It was advised that there was a need for a direct communication between the Control Centre and dispatchable sites greater than 10 MW. Currently a battery above 10 MWs within a DSU may not be able to get that visibility and this is outside the remit of the Trading and Settlement Code. As a result it was agreed that this Modification Proposal would be withdrawn.

Decision

This Proposal was withdrawn.

Actions:

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

3. NEW MODIFICATION PROPOSALS

MOD_14_21 EXTENSION OF SYSTEM SERVICE FLAG TO INCLUDE UNITS PROVIDING REPLACEMENT RESERVE IN LINE WITH THE DETAILED DESIGN

The Proposer gave a background on this Modification noting that following positive engagement with the RAs this Modification would be a replacement for [Mod_04_21](#). This Modification highlighted that the design was not delivering and this had unintended consequences.

The Proposer went through the slides advising that flexible peaker plants were not always covered by System Service Flags all the time and another step was needed. It was explained that the peakers are able to deliver power when needed but end up not necessarily dispatched. It was noted that this Modification would have been a subset of Mod_01_21 but focused more on low utilization plants.

A Flexible Participant Alternate commented that this Modification highlights an issue with the implementation of the detailed design which states it didn't expect to disadvantage any provider directed to provide operating reserve or other DS3 System Services when acting on instruction of the TSO. It was advised that a lot of available batteries did not get dispatched either noting there was a disparity also with other types of units. The Proposer agreed that the Modification had a narrow focus and it would be specifically targeted. A suggestion was made that TSOs could look at batteries continually dispatched down. An SO Alternate advised that the operation of batteries is a separate subset, which is still evolving.

A Generator Member noted that the Modification was about the high level design ensuring that flexible units providing replacement reserve would not be exposed.

A Supplier Member stated that there was limited consideration on the consequences of this Modification and advised that there should be no undue consequences from putting this Modification forward. It was queried if an action should be taken to look at actions and price stacks and think about how units are dealt with overall. It was advised that this Modification won't change that but it is trying to address units that have replacement reserve applied to then and the system already has all levels of constraints taken into account.

A discussion ensued on the Amber Alert which occurred on the 6th of September. The TSO expressed empathy for peaking plants, in the event that they are available but not run and get exposed to RO difference charges, but questioned for an event, such as an amber alert, where a peaker fails to synchronize when dispatched on, should they be zeroed at the time of that event or for a longer time period (peakers may only be dispatched on for peak) and what would happen if they declared available after the event – how should the TSO treat that? The Proposer responded advising that the unit should declare when it is available and if the unit trips it is subject to a charge. If the unit comes back, the Proposer believed this should be a question for the control room. There was agreement that this was a legitimate question.

A DSU Member voiced a concern there was some ambiguity with the Modification and asked for clarity if it was in relation to reserves or provision of other system services. A minor drafting of the clause was also pointed out with a suggestion of inclusion of limb 3 in the paragraph.

A Supplier Alternate advised there were a couple of points to note with this Modification. The first was to be aware of the overarching security of supply, the second was a concern around dispatchable units being unduly exposed and thirdly if the Capacity Market Code needed to be updated in line with this.

The Secretariat and SEMO gave assurance that relevant parties on the Capacity team would be liaised with in relation to any sections which may affect them.

A discussion on the Socialization Fund took place and how it would be affected. A Supplier Member voiced a concern that although Mod_01_21 or Mod_04_21 may not affect it in isolation in accumulation it could make an impact we never expected.

SEMO advised that Mod_01_21 did not go through and Mod_02_21 did not have any impact on the socialization fund. It was advised that the new Modification Mod_15_21 would require new analysis along with this one.

RAs gave their perspective on the Modification noting that the central issue was around the unit System Service Flag not being applied and a need to understand why this is not happening. A question was raised if the System Service Flag was operating correctly?

A brief discussion around flags ensued with a query raised if there is an action that a flag can go against. SEMO agreed to look into the current implementation and further details to be provided at the next meeting. There was a need to understand how the System Service Flag is created and if a change is required, what will the change do.

There was agreement from the Proposer that a version 2 of this Modification should be submitted.

Decision

This Proposal was deferred.

Actions

- Proposer to submit a version 2 of this Modifications for Modifications Meeting 107 and include a limb 3 to the clause – **Open**
- SEMO to provide further explanation on how the flag is currently set for replacement reserve – **Open**

MOD_15_21 ALTER CDIFF SECTION F.18.7.2

The Proposer delivered a short [presentation](#) on this Modification Proposal noting that it seeks to alter the Calculation of Non-performance Difference Quantities for units which are not Autoproducers to include the outturn availability quantity and dispatch quantity of the unit.

The Proposer noted that there was currently an assumption that these units were not performing and this Modification would look at things in a different way by looking at the economics and efficiency. The Proposer went through the slides and looked at example where a unit may be available to deliver 15 MW but only delivers 10 MW.

It was advised that without this Modification there will continue to be a burden on units that are available to generate and an assumption of non-performance.

A Supplier Member questioned whether this issue has arisen as the Code could have been written incorrectly. It appeared that there was a deliberate intention to punish units that do not deliver. The Proposer did not believe it was an oversight on part of the Code but more that there is an assumption similar to System Service Flag that does not reflect reality. It was also noted that industry has grown and the Code needed to better reflect exposure on delivery.

Another Supplier Member agreed with the unfair burden on units but noted precision was required here as the result of a change could affect the Market in negative ways. There was a request to be more precise on what available means in order for requirements to be met.

The Proposer supported the requirement for more clarity on what availability means and agreed that undue burden needs to be considered with the need to be fair.

An SO Alternate advised that a lot of time was spent on the high level design and the consequences would have to be considered if a change like this was put through. The recent amber alert on the 6th of September was highlighted and there was concerns raised that instead of reducing financial exposure, it needed to be the opposite of this.

A Generator Member advised that pricing conditions were not right for peaking units during the alert and a number of units did not get a position on the ex-ante market and therefore these units should not be liable to difference charges.

It was agreed that this Modification would be designed to address some of these issues but there was a risk that by fixing this issue a free pass would be given in some scenarios. A discussion on the amber alert ensued with a point made that there was a risk to viability if units are heavily penalized and this may do further damage on the long term.

A DSU Member noted some concern about this Modification advising that it was more focused on availability than delivery of power. It was felt that it was interfering with market pricing signals and there was a concern about how this aligns with the detailed design. The Committee was reminded that in the Working Group for Mod_32_18 and further consultation, the RAs affirmed that state aid approval of the scheme is tied to the delivery of power and if this was changed this could have legal implications with EU state aid legislation.

A number of other Members voiced concerns that this Modification did not give enough consideration to commercial aspects and market price signals. It was echoed that this was more of a design issue than a fundamental change but it could still have unintended consequences. A Supplier Alternate advised that security of supply was paramount and noted that there were already a number of Modifications put through that tidied up reliability.

The RAs stated that their interpretation was that this Modification linked RO to availability and not delivery and a request was made for more clarity to be given if that was not the intention; also further details required on what the difference was between this Modification, Mod_01_21 and Mod_32_18.

A Generator Member asked for the commercial aspects on the Socialization Fund to be looked at and also for a check around units that might have a price in the system if getting exemption and the price is above the strike price. A focus would need to be placed on units below the strike price to make sure there is fairness.

The Proposer noted the comments made above and gave assurance that the Socialization Fund should be barely affected here but further analysis is required. A request was made for a Working Group to be held. Secretariat confirmed there was no availability before the Modifications Meeting 107 for a Working Group and suggested that an Industry Call be convened by the proposer.

Decision

This Proposal was deferred.

Actions:

- Proposer to consider organizing an Industry Call to discuss concerns and comments raised at the Meeting 106 (impact of State Aid legislation, clarification of this Mod to be delivery rather than availability based, impact on socialization fund, difference of the intent from previous Mod_01_21 and Mod_32_18) – **Open**
- Proposer to submit a version 2 of this proposal before Meeting 107 and consider the use of different variables in the legal drafting – **Open**

4. AOB/UPCOMING MODIFICATIONS

SEMO provided an update on issues raised in Mod_27_18 which was submitted during I-SEM market trials. It was advised that there were a number of scenarios with undo actions where the implementation on the system does not align the T&SC. These 4 scenarios, although affecting the QBOA calculations, are quite infrequent. These were originally raised as defects but after a lengthy assessment with the vendor they were updated to Change Requests.

SEMO advised that at go-live, the intention was to temporarily change the Code and align it to what the system was doing to achieve compliance. However this approach was rejected by the Panel requesting that full compliance could only be achieved by correcting the system. SEMO noted that the SEMC decision recognized this as less urgent items and allowed SEMO to postpone them due to other prioritizations. Now that a high level Impact Assessment has been received, all scenarios are considered high risk, resource intensive and high cost. Guidance from the Committee is needed on whether to pursue changes for all scenarios, some of them or none. Each scenario requires a further detailed Impact Assessment estimated to between 150/200 hours for each of the assessments alone, plus the cost of the system modifications. The changes are considered so impactful that if approved, the vendor will only accept to stagger the implementation across a number of releases and not bundle them together. SEMO assured the Committee that information will be circulated on all of the detailed scenarios and this would be further discussed in Meeting 107.

Secretariat thanked all for attending and advised that Modifications Committee Meeting 107 will take place on Thursday, 21st October 2021.

APPENDIX 1 – PROGRAMME OF WORK AS DISCUSSED AT MEETING 106**Status as at 7 September 2021****Modification Proposals 'Recommended for Approval' without System impacts**

Title	Sections Modified	Sent
Mod_01_20 PMEA No Energy Action Same Direction as NIV	E.3.4.2	Sent for RA Decision 26/03/21

Modification Proposals 'Recommended for Approval' with System impacts

Mod_13_19 Payment for Energy Consumption in SEM for non-energy Services Dispatch	F	Sent for RA Decision 26/03/21
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Modification Proposals 'Recommended for Rejection'

N/A	N/A	N/A
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RA Decision 'Further Work Required'

N/A	N/A	N/A
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RA Decision Approved Modifications with System Impacts

Mod_03_19 Amended application of the Market Back Up Price if an Imbalance Price(s) fails to circulate V2	E.2.2.4 and E.5.1.3	30 June 2021
Mod_20_19 Changing Day-ahead Difference Quantity to Day-ahead Trade Quantity in Within-day Difference Charge Calculations	F.18.5	1 July 2021
Mod_22_19 Correction of QUNDELLOTOL calculations to convert TOLUG and TOLOG to MWh	F	1 July 2021

RA Decision Approved Modifications with no System Impacts

Mod_13_21 Interest Modification	G.8.1.3 & Agreed Procedure 15	13 August 2021
Mod_12_21 Clarification of text regarding the Effective Date of a Modification	T&SC B.17.20.4	13 August 2021
Mod_11_21 Generator, Supplier and Renewable Seat	B.17.3 Glossary Part B Agreed Procedure 12	13 August 2021
Mod_10_21 Temporary Flexible Seat	H.16	18 June 2021
Mod_09_21 Housekeeping 2021	Part B Glossary; Part B Appendix C;	13 August 2021
Mod_05_21 Collateral exposure of Autoproducer and DSU	G & H	12 March 2021
Mod_03_21 Splitting CEADSU variable	H.14.1	18 June 2021
Mod_02_21 Setting a flag for Interconnector Actions above 500/Mwh	Appendix 2, F.2	Effective following delivery of required changes
Mod_13_20 Transparency of DRB decisions	B.19.10	12 March 2021
Mod_12_20 Amendments to DRB Process	B.19.6, B.19.10, B.19.14	12 March 2021

Mod_10_20 Rescind CCIN via email when indicative settlement is delayed and settlement team can verify meter volumes	Section G, AP 9 and Glossary	11 December 2020
Mod_06_20 Removing the requirement for a Monthly Load Forecast	D	12 March 2021
RA Decision Rejected		
Mod_01_21 Removal of Difference Charges where operational constraints are binding	Appendices Part B	13 August 2021
RA Direction		
Mod_08_20 Imbalance prices to reflect the real-time value of energy	D.4.4.12	Decision letter received – 29/10/20
AP Notifications		
N/A	N/A	N/A
Withdrawal Notifications		
Mod_04_21 Expansion of System Service Flag to include Cross-Zonal Actions for System Security reasons	N.2	8 th July 2021
Mod_06_21 Proposing Invoice Improvements to reduce burden on Market Participants	G.7.1	8 th July 2021
Modification Proposal Extensions		
N/A	N/A	N/A
<ul style="list-style-type: none"> Meeting 107 – 21 October 2021– Conference Call 		