

Single Electricity Market

|  |
| --- |
| Modifications Committee Meeting Minutes  Meeting 90  dublin – eirgrid Conference Centre  11 April 2019  10.30 – 3.00pm |

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](#_Toc6495297)

[2. Review of Actions 5](#_Toc6495298)

[1. Urgent Modification Proposals 7](#_Toc6495299)

[mod\_09\_19 removal of locational constraints from imbalance pricing calculation 7](#_Toc6495300)

[2. Deferred Modifications Proposals 9](#_Toc6495301)

[mod\_03\_18 autoproducer Credit Cover 9](#_Toc6495302)

[mod\_32\_18 Removal of Exposure for In Merit Generator Units against BOA 9](#_Toc6495303)

[mod\_33\_18 update to unit under test process 9](#_Toc6495304)

[mod\_04\_19 Running indicative settlementon all days 10](#_Toc6495305)

[mod\_38\_18 Limitation of capacity market difference payments to metered demand v2 10](#_Toc6495306)

[mod\_03\_19 Amended application of the market back up price if AN IMBALANCE PRICE(S) FAILS TO CIRCULATE 11](#_Toc6495307)

[mod\_06\_19 DETERMINATION OF THE MARGINAL ENERGY ACTION PRICE WHERE NO ENERGY IS AVAILABLE IN THE NET IMBALANCE VOLUME 2 11](#_Toc6495308)

[4. New Modifications Proposals 12](#_Toc6495309)

[mod\_07\_19 Correction to no load cost – “and” vs “or” doc 12](#_Toc6495310)

[mod\_05\_19 aMENDMENT TO UNINSTRUCTED IMBALANCE CHARGE (CUNIMB) TO CORRECT FOR NEGATIVE PRICE SCENARIOS 13](#_Toc6495311)

[mod\_08\_19 Clarification to intraday quantity and payent 14](#_Toc6495312)

[5. AOB/Upcoming Events 14](#_Toc6495313)

[Appendix 1 – Programme of Work as Discussed at Meeting 90 15](#_Toc6495314)

Document History

|  |  |  |  |
| --- | --- | --- | --- |
| **Version** | **Date** | **Author** | **Comment** |
| 1.0 | 18 April 2019 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 2.0 | 24 April 2019 | 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](https://www.sem-o.com/rules-and-modifications/balancing-market-modifications/market-rules) |
| [Mod\_09\_19 Removal of locational constraints from Imbalance Pricing calculation](https://www.sem-o.com/documents/market-modifications/Mod_09_19/Mod_09_19RemovaloflocationalconstraintsfromImbalancePricingcalculation.docx) |
| [Mod\_03\_18 Autoproducer Credit Cover](https://www.sem-o.com/documents/market-modifications/Mod_03_18%20Autoproducer%20Credit%20Cover.docx) |
| [Mod\_32\_18 Removal of Exposure for "in merit" generator units against BOA](https://www.sem-o.com/documents/market-modifications/MOD_32_18/Mod_32_18RemovalofexposureforinmeritgeneratorunitsagainstBOA.docx) |
| [Mod\_33\_18 Update to Unit Under Test Process v2](https://www.sem-o.com/documents/market-modifications/Mod_33_18/Mod_33_18UpdatetoUnitUnderTestProcess2.0.docx) |
| [Mod\_04\_19 Running indicative settlement on all days](https://www.sem-o.com/documents/market-modifications/MOD_04_19/MOD_04_19Runningindicativesettlementonalldays.docx) |
| [Mod\_38\_18 Limitation of Capacity Market Difference Payments to Metered Demand v2](https://www.sem-o.com/documents/market-modifications/Mod_38_18/Mod_38_18-LimitationofCapacityMarketDifferencePaymentstoMeteredDemandV2.docx) |
| [Mod\_03\_19 Amended application of the Market Back Up Price if an imbalance Price(s) fails to circulatev2](https://www.sem-o.com/documents/market-modifications/MOD_03_19/MOD_03_19-AmendedapplicationoftheMarketBackUpPriceifanImbalancePrice(s)failstocalculate-Version2.docx) |
| [Mod\_05\_19 Amendment to Uninstructed Imbalance Charge (CUNIMB) to correct for negative price scenarios v2](https://www.sem-o.com/documents/market-modifications/MOD_05_19/Mod_05_19_V2_AmendmenttoUninstructedImbalanceCharge(CUNIMB)CalculationVersion2.docx) |
| [Mod\_06\_19 Determination of the marginal Energy Action Price where no energy is available in the NET Imbalance Volume v2](https://www.sem-o.com/documents/market-modifications/MOD_06_19/MOD_06_19DeterminationoftheMarginalEnergyPricewherenoenergyisavailableintheNetImbalanceVolumeDirectionv2.docx) |
| [MOD\_07\_19 Correction to No Load Cost - "and" vs "or" doc](https://www.sem-o.com/documents/market-modifications/MOD_07_19/Mod_07_19_CorrectiontoNoLoadCost-andvsor.docx) |
| [MOD\_08\_19 Clarification to Intraday Quantity and Payment](https://www.sem-o.com/documents/market-modifications/MOD_08_19/Mod_08_19-ClarificationtoIntradayQuantityandPayment.docx) |
| [Mod\_09\_19 Presentation](https://www.sem-o.com/documents/market-modifications/Mod_09_19/Mod_09_19-BOSslides.pptx) |
| [Mod\_07\_19 Presentation](https://www.sem-o.com/documents/market-modifications/MOD_07_19/Mod_07_19CorrectiontoNoLoadCost-andvsor.pptx) |
| [Mod\_05\_19 Presentation](https://www.sem-o.com/documents/market-modifications/MOD_05_19/Mod_05_19AmendmenttoUninstructedImbalanceCharge(CUNIMB)tocorrectfornegativepricescenarios.pptx) |
| [Mod\_06\_19 Presentation](https://www.sem-o.com/documents/market-modifications/MOD_06_19/MOD_06_19DeterminationoftheMarginalEnergyPricewherenoenergyisavailableintheNetImbalanceVolumeDirection.pptx) |
| [Mod\_33\_18 Presentation](https://www.sem-o.com/documents/market-modifications/Mod_33_18/Mod_33_18UpdatetoUnitUnderTestProcess2.0.pptx) |
|  |
|  |
|  |

In Attendance

|  |  |  |
| --- | --- | --- |
| Name | Company | Position |
| **Modifications Committee** | | |
| Jim Wynne | Electric Ireland | Supplier Member |
| Sean McParland | Energia | Generator Alternate |
| Karen Shiels | Utility Regulator | RA Alternate |
| Julie Anne Hannon | Bord Gais Energy | Supplier Member (Chair) |
| Sinead O’Hare | Power NI PPB | Generator Member |
| William Steele | Power NI | Supplier Member |
| Cormac Daly | Tynagh | Generator Member |
| Adele Watson | NIE Networks | MDP Member |
| Chris Goodman | SEMO | MO Member |
| Katia Compagnoni | SEMO | MO Alternate |
| Siobhan O’Neill | ElectroRoute | Interconnector Member |
| William Carr | ESB | Generator Alternate |
| Marc Senouci | Eirgrid TSO | SO Alternate |
| Rochelle Broderick | Budget Energy | Supplier Alternate |
| James Long | ESB Networks | MDP Member |
| Barry Hussey | CRU | RA Member |
| Robert McCarthy | Electricity Exchange | DSU Alternate |
| **Secretariat** | | |
| Sandra Linnane | SEMO | Secretariat |
| Esther Touhey | SEMO | Secretariat |
| **Observers** | | |
| David Gascon | BNM | Generator Alternate |
| Thomas Quinn | CRU | RA Alternate |
| Gina Kelly | CRU | Observer |
| Thomas O’Sullivan | Aughinish | Observer |
| Maeve McSparron | AES | Observer |
| Connor Powell | SSE | Observer |
| Andrew Burke | Enerco | Observer |
| Nichola Westlake | Bord Gais | Observer |
| Emeka Chukwureh | Enel X | Observer |
| Andrew Clarke | Bord Gais | Observer |
| Francis Mallon | Energia | Observer |
| Elaine Gallagher | SEMO | Observer |
| Martin Kerin | SEMO | Observer |
| Brendan O’Sullivan | SEMO | Observer |
| Patrick O’Neill | Eirgrid | Observer |
| Stacy Feldman | SSE | Observer |
| Joe Devlin | PPB | Observer |

# Semo Update

The minutes for Meeting 89 were acknowledged and approved.

The RAs provided an update on the RA decision for outstanding modifications Mod\_01\_19 and Mod\_02\_19. It was communicated that Mod\_01\_19 was approved and Mod\_02\_19 had been rejected. Decision letters will be issued shortly.

Secretariat welcomed Rochelle Broderick to the Committee as the Supplier Alternate for Budget Energy, replacing Maurice McHugh. Secretariat also expressed heartfelt thanks to Julie-Anne Hannon, Chair of the Committee who will be taking a period of extended leave shortly. Secretariat thanked the Chair for the immensurable support given during her tenure. This sentiment was also echoed by the RAs. The Committee wished her well.

# Review of Actions

|  |  |
| --- | --- |
| Mod\_03\_18 Autoproducer Credit Cover | * Secretariat to request extension for this modification to be placed on to D+2 – **Closed** |
| Mod\_24\_18 Use of Technical Offer Data in Instruction Profiling / QBOA | * Proposer to explore the proposition for VTOD sets changing at other times during the day as part of the options for implementing the enduring text – **Frozen until review in Dec 2019** |
| MOD\_30\_18 Market Back Up Price Amendment | SEMO to investigate what is involved in including the Intraday Market trades in the manual Market Backup Price calculation and to present this analysis at a future modifications panel meeting once real data is available so that consideration can be given as to whether there would be merit in proposing a further change Approach that is currently in operation to be re-assessed in approximately 12 months to determine whether there has been a material increase in intraday traded volumes and if such an increase justifies their inclusion in the PMBU calculation at that point – **Frozen until review in Dec 2019** |
| MOD\_32\_18 Removal of exposure for “in merit” generator units against BOA | * Secretariat to draft and circulate Terms of Reference **- Closed** * Secretariat to establish a timeframe for a Working Group – **Closed** |
| MOD\_33\_18 Update to Unit Test Process | * Proposer to draft Version 2.0 with updated legal drafting – **Closed** * Secretariat to circulate this proposal when available - **Closed** |
| MOD\_34\_18 Removal of MWPs for biased quantities and negative imbalance and clarifications to determination of Start Up Costs Final | * SEMO to provide an estimated value to date for impact on Imperfection Tariff (SEMO will endeavour to have an estimate before the decision however a final assessment may require longer) - **Closed** * SEMO to provide details on the potential template that can be used to forecast the issue going forward (required prior to decision) - **Open** * SEMO to organise a Q&A session for all participants in relation to the use of the template (not required prior to decision but intended to be held in a timely manner after decision) – **Open** |
| MOD\_38\_18 Limitation of Capacity Market Difference Payments to Metered Demand | * Proposer to draft Version 2.0 with QLMF removed and more examples provided for MIN /MAX individually and QMLF with less extreme values – **Closed** * Proposer to investigate the application of a tolerance factor to MGLF - **Open** |
| MOD\_01\_19 Negative Interest Rates in the SEM | * Secretariat to draft Final Recommendation Report - **Closed** |
| MOD\_02\_19 Removal of Difference Charges for Generators During non RO Event Periods | * Secretariat to draft Final Recommendation Report - **Closed** * SEMO to confirm if this has been factored into Socialisation Fund - **Open** * Proposer to provide detailed analysis demonstrating the materiality impact - **Open** |
| MOD\_03\_19 Amended Application of the Market Back Up Price if an Imbalance Price (s) fails to circulate | * Impact assessment to be done by SEMO to inform decision - **Open** |
| MOD\_04\_19 Running Indicative Settlement on all Days | * SEMO to confirm if there is currently a credit report on non-working days which are weekdays – **Closed** * SEMO to investigate potential alternative of catching up indicative settlement prior to credit report calculations to inform next steps - **Open** |
| MOD\_05\_19 Amendment to Uninstructed Imbalance Charge (CUNIMB) to Correct for Negative Price Scenarios | * SEMO to submit a version 2 of this proposal - **Closed** |
| MOD\_06\_19 Determination of the Marginal Energy Action Price Where No Energy is Available in the NET Imbalance Volume | * Secretariat to Issue Version 2.0 and presentation material to Modifications Committee Members – **Closed** |

# urgent Modification Proposals

## mod\_09\_19 removal of locational constraints from imbalance pricing calculation

The proposer delivered a [presentation](https://www.sem-o.com/documents/market-modifications/Mod_09_19/Mod_09_19-BOSslides.pptx) explaining the rationale for this proposal and the prudent reason for the urgency.

After the publication of high prices affecting January 24th, there were conference calls with industry as soon as January 25th to advise what drove up the prices. From these calls, SEMO committed to produce a detailed report on the event which was published on Feb 21st with a follow-up Special Topic Market Operator meeting (MOST) on Feb 27th. Following from this work and the feedback received, SEMO began a review of the imbalance price calculation through a series of workshops including the SEM RAs and the TSOs. From these, a list of design items was created for further consideration.

The proposer went through the slides noting design changes that could be considered but also highlighting what SEMO could complete in the short term. It was decided at this time to focus on what could be done quickly. The proposer confirmed that by putting this modification through it would remove the risk that local constraints can drive the price across the island.

The proposal solves one problem but doesn’t address all design items that were considered. It can be considered a step on the road to refinement, focussed on what needs to be done immediately. The key theme was that this constraint could become binding again tomorrow and have further impact on the pricing calculation.

A concern was raised that not enough supporting analysis was put forward and that the short review period left Members unable to fully assess the implications of this proposal. Concern was also raised as to whether this proposal could trigger unforeseen occurrences or implications in the market. The proposer confirmed that he could provide the data used to develop the presentation in order to facilitate further analysis from Participants as, due to time constraints, detailed analysis could not have been carried out by SEMO. This would contain five minute and half hour prices calculated as per the original rules and how they would have been determined if locational constraints were removed from the tagging and flagging process. This data would cover a period of up to 5 months. It was queried if there would be a change to the level of flagging, what would be the net effect on the Imbalance price. It was noted that some of this could and will be derived from the additional data to be provided; however, flagging and tagging information used was based on the publicly available 5min Imbalance Pricing Supporting Information Reports.

RA Member was keen to stress how concerned the RAs were that this issue remained unaddressed so far. It was advised that such an event could occur at any time and that this proposal aims to specifically provide immediate action to rectify this issue. RA analysis had also been undertaken on this data and they were satisfied that there would be no significant unintended consequences. The SEMC had been presented with a number of potential ways to address issues regarding the evolution of Imbalance Prices since Go-Llive and SEMC have endorsed the approach which this Modification is based on, in addition to a consultation process on other potential solution.

It was also noted that Dispatch Balancing Costs (and consequently Imperfection) would be expected to increase with this modification – high level analysis completed by the TSOs showed simple bids will be used more often. On the flip side, less exposure to extreme imbalance price event is expected.

It was agreed that this proposal would be discussed at Extraordinary Meeting 91 to be convened on Thursday 18th April via conference call.

Decision

This Proposal was deferred.

**Actions:**

* Proposer to circulate supporting data to the committee - **open**
* Proposer to do analysis on the net effect on imbalance pricing - **open**
* Proposer to review the change to the level of flagging – **Open**
* Secretariat to schedule Extraordinary Meeting 91, Thursday 18th April via conference call **- Open**

# Deferred Modifications Proposals

## mod\_03\_18 autoproducer Credit Cover

Working Group Meeting 1 report has been circulated to the committee for information. The proposer is currently developing version 2.0 of this proposal with a view to bringing this the Modifications Committee Meeting 92 in June 2019. Working Group Meeting 2 will be held in early May via conference call.

## mod\_32\_18 Removal of Exposure for In Merit Generator Units against BOA

RA Member advised that the issue raised by this proposal had been discussed by the SEM Committee as part of a broader discussion on the options available. Three options were highlighted:

1. Removal of locational constraints as proposed under Mod\_09\_19
2. Simple NIV Tagging
3. SEMO Proposal drafting from Working Group

It was confirmed that options 2 and 3 were being considered further as part of the upcoming RAs consultation. The RAs are going to issue a consultation in the coming weeks and it was felt that the Working Group process had delivered its requirements in arriving at this juncture. It was advised that whilst the consultation is in progress, there would be little value in a third Working Group and it would be efficient to close out on the Working Group process and that the proposer of Mod\_32\_18 could withdraw their proposal if they were happy to do so. SEMO Member noted that the SEMO proposal discussed at the working group would be formally submitted if required after the Consultation. The proposer of Mod\_32\_18 indicated their agreement with this approach.

**Actions:**

* Proposer to withdraw Mod\_32\_18 - **open**
* Secretariat to draft final report of outcome from the WG culminating in the RAs consultation - **open**
* RAs to issue consultation – **Open**

## mod\_33\_18 update to unit under test process

The proposer delivered a [presentation](https://www.sem-o.com/documents/market-modifications/Mod_33_18/Mod_33_18UpdatetoUnitUnderTestProcess2.0.pptx) on the version 2 of this proposal confirming that changes were incorporated based on the feedback provided. References to the System Operator were removed as were some references to the Grid Code. Also some typos were addressed in the presentation that will need to be incorporated in the FRR.

It was queried why unit under test does not apply to non dispatchable non controllable unit types and the proposer confirmed that is was intentional because the System Operators have no control over units which are not dispatchable so that it is not necessary for them to formally request testing and submit a test profile.

Decision

This Proposal was Recommended for Approval.

|  |
| --- |
| **Recommended for Approval** |

|  |  |  |
| --- | --- | --- |
| **Recommended for Approval by Unanimous Vote** | | |
| Siobhan O’Neill | Interconnector Member | Approve |
| Jim Wynne | Supplier Member | Approve |
| Robert McCarthy | DSU Alternate | Approve |
| Cormac Daly | Generator Member | Approve |
| Rochelle Broderick | Supplier Alternate | Approve |
| William Carr | Generator Alternate | Approve |
| Sean McParland | Generator Alternate | Approve |
| Sinead O’Hare | Generator Member | Approve |
| William Steele | Supplier Member | Approve |
| Julie Anne Hannon | Supplier Member (Chair) | Approve |

**Actions:**

* Secretariat to draft Final Recommendation Report - **Open**

## mod\_04\_19 Running indicative settlementon all days

SEMO confirmed that this modification is being worked on and progressed with the proposers. The proposers were present and agreed that this would be discussed again in June.

Decision

This Proposal was deferred.

## mod\_38\_18 Limitation of capacity market difference payments to metered demand v2

The modification was deferred.

Decision

This Proposal was deferred.

## mod\_03\_19 Amended application of the market back up price if AN IMBALANCE PRICE(S) FAILS TO CIRCULATE

Proposer discussed the changes made to version 2.0. There was a discussion on whether a vote could take place without the impact assessment and SEMO noted that since there was little or no impact on the delivery timeline and the change could be significant their preference would be to wait for the impact assessment. The committee were in agreement on waiting for the IA also.

SEMO Member noted that recent system changes had been introduced to improve the performance of pricing and noted that there was therefore a benefit in waiting until the level of reduction in Market Back Up Price use could be contrasted with the impact assessment in order to make an informed recommendation.

It was agreed that the vote would not take place at this time and the proposal will be discussed at Meeting 92 in June 2019.

Decision

This Proposal was deferred.

**Actions:**

* SEMO to progress Impact Assessment - **open**

## mod\_06\_19 DETERMINATION OF THE MARGINAL ENERGY ACTION PRICE WHERE NO ENERGY IS AVAILABLE IN THE NET IMBALANCE VOLUME 2

The proposer delivered a [presentation](https://www.sem-o.com/documents/market-modifications/MOD_06_19/MOD_06_19DeterminationoftheMarginalEnergyPricewherenoenergyisavailableintheNetImbalanceVolumeDirection.pptx) on this modification explaining that this was prompted by events which occurred on January 24th. Their analysis showed that there were a few days where the system is heavily constrained and this issue is happening more frequently than anticipated.

There was a comparison done on the GB cash out regime. The results of this comparison indicated that there was bias in I-SEM towards taking a short position relative to GB. The proposer suggested that, based on their analysis, there were a lot of periods where the system is short and Participants are rewarded for being short. People responding to asymmetry – 60% of the time the systems were short and a signal was being given to add more energy where there is already too much energy. Conversely, there were penalties for being long and these were fairly extreme.

This modification will use the Market Back Up Price to set the Marginal Energy Action Price (PMEA) if no energy actions are available in the system direction to set the PMEA. The proposer stated that the analysis showed the system was long for a substantial period on the 24th and used a very expensive unit and replacement prices were used which resulted in high prices. This modification will reduce structural asymmetry and participants will be incentivised more appropriately. The pros and cons of using the market back up price were also discussed with some committee members and observers expressing concern that this was not the correct replacement and would inappropriately dampen volatility.

The implications of the pending RA consultation were discussed as this could produce further proposals related to this issue. SEMO also raised concerns about the potential impact on DBC costs. It was agreed that this proposal would be deferred to Meeting 92 while, the proposer would complete further analysis and while monitoring the progress and direction of the RA consultation.

Decision

This Proposal was deferred.

**Actions:**

* Proposer to provide additional data analysis, ie more than one week including views on impact to DBC costs– **Open**

# New Modifications Proposals

## mod\_07\_19 Correction to no load cost – “and” vs “or” doc

The proposer delivered a [presentation](https://www.sem-o.com/documents/market-modifications/MOD_07_19/Mod_07_19CorrectiontoNoLoadCost-andvsor.pptx) on this modification to paragraph F.11.2.3, which stemmed from the analysis on the testing results on a number of issues affecting No Load Costs. SEMO highlighted error in the legal drafting of the text of code which has been reflected in the systems. Between 2 conditions where no load costs should be set to zero the logical connector is ‘and’ instead of ‘or’. The first condition is when final Physical Notification is not zero and the second condition where Metered Quantity is zero.

The proposer explained that one or the other can be true and shouldn’t happen simultaneously for the No Load Cost to be set to zero. The error only affected that one paragraph. SEMO are satisfied that it seems to be an isolated case although they will carry out a review of all similar constructions in the T&SC.

Conditions need to be looked at individually while currently both conditions have to be met. If not a No Load Cost occurs it is being over estimated and over recovered through Make Whole Payments.

The proposer presented the financial impact of this Mod in conjunction with related Mod\_34\_18 for the last 9 weeks showing a steep increase in previously estimated costs. This was due to the effects of a deployment in the system which had fixed issues on this set of calculations amplifying the impact of both Mods. The normal cost started to increase as it wasn’t calculated in all instances.

It was highlighted that a query arose in the last few days, after figures were presented at the MOUG, leading to a belief that the calculations were not correct. The amount that participants will have to pay back is believed to be 38% less than what is being proposed and will differ with each participant based on one week of revised impact assessment. It will still be a very material modification but less than previously announced. Mod\_07\_19 is also of similar materiality of Mod\_34\_18.

SEMO confirmed that the error in the materiality was due to a short cut only looking at increased amounts resulting in some items feeding into the Make Whole Payments not being correctly accounted for. SEMO is going to build on the template prepared for Mod\_34\_18 to incorporate Mod\_07\_19. This should be completed by next week.

SEMO confirmed that there will be no retrospective resettlement as per the code however the question was asked if in these circumstances there was a benefit in looking at retroactive implementation as the Initial Settlement did not calculate No Load Costs in the Majority of cases due to defects. The error was masked by the lack of outputs and the other issues affecting this section of the Code and if sped up it could be in place before M+4 is issued. However there was general consensus from Participants that this is not the conventional approach for Modifications as the Code explicitly precludes modifications from having an effective date prior to the decision. SEMO is of the opinion that this Mod should be effective as soon as possible without having to wait for the System deployment because of the high material impact.

It was asked by a generator if there should be a certification process in such instances to prevent defects occurring with such frequency. SEMO confirmed it is not on their remit to obtain a 3rd party certification on Settlement; however, it could be considered that the external audit is, in fact, an ex post certification. Core audit would cover all settlement data and calculations. The RAs confirmed that the Terms of Reference for the SEM audit will be released shortly.

Generator Member asked if the same issue also affected a related algebra for No Load Cost Recovery in F.11.2.5. A brief explanation was attempted at the meeting however the raising party agreed to send further details of their analysis to SEMO to be addressed separately.

The proposer also highlighted another potential issue F.11.3.1 for which a modification will be raised in due course. There is much less of an impact than the others and it only happens in limited circumstances where a unit is dispatched down in last half hour period.

It was agreed that this proposal would be deferred to the Extraordinary Meeting planned for Thursday 18th April, in order to get further clarity on the financial impact and the impact on CNLR. Also Members highlighted the urgency of getting the template for calculating differences.

Decision

This Proposal was deferred

**Actions:**

* SEMO and Generator Member to review the application of F.11.2.5 (No Load Cost Recovery) – **Open**
* Template to be issued to members to query individual data and assess materiality to template for Mod\_34\_18 – **Open**
* Proposer to provide updated Materiality figures - **Open**

## mod\_05\_19 aMENDMENT TO UNINSTRUCTED IMBALANCE CHARGE (CUNIMB) TO CORRECT FOR NEGATIVE PRICE SCENARIOS

The proposer delivered a [presentation](https://www.sem-o.com/documents/market-modifications/MOD_05_19/Mod_05_19AmendmenttoUninstructedImbalanceCharge(CUNIMB)tocorrectfornegativepricescenarios.pptx) referring to the original version 1 proposal relating to Uninstructed Imbalance Charges. They confirmed that version 2 of this proposal contains an additional fix to the charges where there is an Outside Tolerance Undelivered Accepted Bid Quantity. 34 scenarios were tested with various relative positions of Bid Offer Acceptance Prices and Imbalance Prices and Outside Tolerance Uninstructed Bid/Offer Acceptance Quantities to ensure that the proposed approach is robust. Proposer noted minor typos in the proposal form relating to the positioning of brackets for maximum/minimum functions.

The RAs raised an issue with the uninstructed imbalance adjustment variable the modification proposes introducing as it does not align with the drafting style for existing variables SEMO Member stated they would work to suggest an approach that is more in keeping with the drafting style used elsewhere and that this could be captured in the FRR if the committee were happy to proceed with the proposal. SEMO observer noted a similar construct elsewhere in the Code that could be replicated for this proposal and suggested making changes to that end.

Legal drafting changes were agreed for inclusion in the FRR to change the drafting approach for the adjustment variable and to address the issue with incorrectly placed brackets. The committee agreed to move to a vote subject to these changes being captured.

Decision

This Proposal was Recommended for Approval subject to legal drafting.

|  |
| --- |
| **Recommended for Approval** |

|  |  |  |
| --- | --- | --- |
| **Recommended for Approval by Unanimous Vote** | | |
| Siobhan O’Neill | Interconnector Member | Approve |
| Jim Wynne | Supplier Member | Approve |
| Robert McCarthy | DSU Alternate | Approve |
| Cormac Daly | Generator Member | Approve |
| Rochelle Broderick | Supplier Alternate | Approve |
| William Carr | Generator Alternate | Approve |
| Sean McParland | Generator Alternate | Approve |
| Sinead O’Hare | Generator Member | Approve |
| William Steele | Supplier Member | Approve |
| Julie Anne Hannon | Supplier Member (Chair) | Approve |

**Actions:**

* Proposer to provide updated drafting to Secretariat to capture the changes noted - **Open**
* Secretariat to draft Final Recommendation Report including agreed legal drafting changes - **Open**

## mod\_08\_19 Clarification to intraday quantity and payent

Due to time constraints, this modification was deferred.

Decision

This Proposal was deferred.

# AOB/Upcoming events

SEMO provided an update on the Day1+ and Day 2 process. There was an update on MOD\_34\_18 confirming it is being prioritised and being considered for deployments just like a defect. The RAs provided some information on the roadmap explaining there are a lot of requirements for system changes and expectations need to be realistic. A high level roadmap with timings etc is expected by end May 2019. The focus for at least the next 12-18 months is expected to be on “fixes” and thereafter optional extras may be in a position to be factored in. It was noted also that Day 1 and Day 2 are to be replaced by individual projects.

Secretariat thanked all for attending and confirmed that an invite will be issued shortly for Extraordinary Meeting 91 taking place on Thursday 18th April via conference call. Modifications Meeting 92 has been scheduled for Thursday, 27 June 2019 in Belfast.

# Appendix 1 – Programme of Work as Discussed at Meeting 90

|  |  |  |  |
| --- | --- | --- | --- |
| **Status as at 11 April 2019** | | | |
| **Modification Proposals ‘Recommended for Approval’ without System impacts** | | |
| **Title** | **Sections Modified** | **Sent** |
| MOD\_01\_19 Negative Interest in the SEM | Section 6.16-6.19 & 6.35  AP-17 Banking and Participant Payments  Section G.1.4.3 to G.1.4.5 & G.1.5.1  AP-17 Banking and Participant Payments | FRR sent for RA decision 27/03/19 |
| **Modification Proposals ‘Recommended for Approval ’ with System impacts** | | |
| MOD\_02\_19 Removal of Difference Charges for generators during non RO event periods | F.18.5.5 | FRR sent for RA decision 27/03/19 |
| **Modification Proposals ‘Recommended for Rejection’** | | |
| N/A | N/A | N/A |
| **RA Decision ‘Further Work Required’** | | |
| N/A | N/A | N/A |
| **RA Decision Approved Modifications with System Impacts** | | |
| Mod\_03\_17 Treatment of Transmission Losses for Trading Sites with Contiguous Auto producers in I-SEM | I-SEM TSC F.4 | 19 October 2017 |
| MOD\_34\_18 Removal of Make-Whole Payments for biased quantities and negative imbalance revenue, and small clarifications to determination of Start Up Costs incurred and saved | F.11.2, F.11.4. | 27 January 2019 |
| **RA Decision Approved Modifications with no System Impacts** | | |
| MOD\_36\_18 Settlement Document and Invoice Terminology Clarifications | Part B Appendix G Paragraphs 2 to 5  Part B Glossary “Settlement Document”  Part B Agreed Procedure 15 sections 2.11, 2.4 and 3.3 | 15 March 2019 |
| Mod\_02\_17 Unsecured Bad Energy Debt and Unsecured Bad Capacity Debt Timelines | T&SC Section 6.5  AP15 | 27 September 2018 |
| Mod\_04**\_**17 Solar in the Single Electricity Market | Noted in proposal form | 24 October 2017 |
| Mod\_5\_17 Amendment to Part B Form of Authority for the purpose of removing the Restricted Authority provision | Appendix C – Form of Authority | 24 October 2017 |
| Mod\_06\_17 Transitional Credit Cover Provisions | Part C Introduction, Part C Section 11, Part C Glossary and Part C Appendix | 26 February 2018 |
| Mod\_07\_17 : Credit Assessment Volume for Generator Units | T&SC Part B  Clause G.14.4.1  Glossary Part B  Definition - Credit Assessment Volume  Variable - VCAG | 6 February 2018 |
| Mod\_08\_17 : Decremental Price Quantity Pair Submission | T&SC Part B  D.4.1.1, D.4.4.2, D.4.4.10, D.4.4.11 | 6 February 2018 |
| Mod\_09\_17 : Solar in I-SEM | See Mod Proposal | 6 February 2018 |
| Mod\_10\_17 Ex-Ante Quantities Deferral | Section F  F.5.2.6  F.5.2.7  F.5.2.8  F.5.2.9  Section H.8  H.8.1  H.8.2  H.8.3  H.8.4 | 26 February 2018 |
| Mod\_11\_17 : Deferral of Information Imbalance Charges | Part B Section H.6  Part B Appendix G paragraph 14  Part B Glossary | 9 February 2018 |
| Mod\_12\_17Outage Adjusted Wind and Solar Forecast Reports | Part B Appendix E Table 4  Part B AP06 Appendix 2 | 29 March 2018 |
| Mod\_13\_17 Deferral of SEMO NEMO Credit Reports and Non Acceptance of Contracted Quantities | Part B clauses G.12.2, G.12.3, F.2.2.3, B.19.2.1, H.9 and H.10  Part B Agreed Procedure 09 sections 2.5.2 and 3.1  New Glossary Definition – Mod\_XX\_17 Deployment Date | 22 June 2018 |
| Mod\_14\_17 Part B Suspension When Suspended Under Part A | T&SC Part B Section B.18.3.1 | 29 March 2018 |
| Mod\_15\_17 Credit Treatment for Adjusted Participants | T&SC Part B;  G.12.4.3, G.14.1.2, G.14.1.3, G.14.3, G.14.3.1, G.14.3.2, G.14.3.3, G.14.4, G.14.4.1, G.14.4.2, G.14.5, G.14.5.1, G.14.5.2, G.14.6, G.14.6.1, G.14.8 and G.14.8.1  Glossary Part B;  Adjusted Participant, Credit Assessment Adjustment Factor and Variable FCAA  Agreed Procedures Part B;  2.11.2 | 29 March 2018 |
| Mod\_16\_17 Funding in Relation to Eirgrid/SONI Payment Obligations | T&SC Part B  Glossary Part B | 20 April 2018 |
| Mod\_17\_17 Recovery of Costs due to Invalid Ex-Ante Contracted Quantities in Imbalance Settlement | T&SC Part B  Section G | 20 April 2018 |
| Mod\_18\_17 Net Inter Jurisdictional Flow Submission | Appendices – Appendix L  Glossary  Agreed Procedure 16 – 1.2, 2.2, 2.3, Appendix 1 | 27 September 2018 |
| Mod\_04\_18 Reporting and Publication for Operational Schedules, Dispatch Instructions, Forecast Availability and SO Trades | Part B Appendix E Tables 4 and 8 new Table 10  Part B Agreed Procedure 6 Appendix A | 20 June 2018 |
| Mod\_05\_18 Clarification of Administered Scarcity Pricing function for scenarios not yet covered in rules | T&SC Part B  Section E.4.2, E.4.3 | 20 June 2018 |
| Mod\_06\_18 Clarification of Marginal Energy Action Price calculation including scenario when all actions are flagged | T&SC Part B  E 3.4.2 | 21 June 2018 |
| Mod\_07\_18 Clarification of use of variable “b” in NIV and PAR tagging scenarios | Appendix N | 27 August 2018 |
| Mod\_08\_18 Clarification of rules used to determine the value of Price Average Reference Tag (TPAR) | Appendices Part B  Appendix N clauses 11,12 and 13 | 21 June 2018 |
| Mod\_09\_18 Interim Credit Treatment for Participants with Trading Site Supply Units | T&SC Part B  Glossary Part B  Section H | 27 August 2018 |
| Mod\_10\_18 Amendment to Capacity Settlement Publication from Monthly to Daily | Part B section G.2.5.2  Part B Agreed Procedure 15 section 3.2 (Table and Swimlanes) | 20 June 2018 |
| MOD\_11\_18 Correction of Minor Material Drafting Error | Sections F&G | 20 June 2018 |
| Mod\_13\_18 Calculating Obligated Capacity Quantities for Units Not Yet Commissioned | T&SC Part B  Section F | 27 August 2018 |
| Mod\_14\_18 Change to timing of publication of Trading Day Exchange Rate | T&SC Part B  Part B Appendix E  Agreed Procedures Part B  Glossary Part B | 27 August 2018 |
| Mod\_15\_18 Clarifications for Instruction Profiling | Appendix O | 27 August 2018 |
| Mod\_16\_18 Interim Suspension Delay Periods | Part B Section H Glossary | 27 August 2018 |
| Mod\_17\_18 Transitional Provisions for Cutover | Part C Sections 12 through 14 (new sections) | 27 September 2018 |
| Mod\_19\_18 Part B Housekeeping 1 | Part B Sections B, E, F and G  Part B Appendices E, H and I  Part B Glossary Definitions and List of Variables and Parameters | 27 September 2018 |
| Mod\_20\_18 Agreed Procedures Update V2 | Agreed Procedure 1 Section 2  Agreed Procedure 4 Section 2  Agreed Procedure 15 Section 2  Agreed Procedure 17 Section2 | 27 September 2018 |
| Mod\_21\_18 Application of Settlement Reallocation Agreements to Market Operator Charges & Settlement Document Definition & Usage | Section 5 of TSC, Part B | 27 September 2018 |
|  |  |  |
| Mod\_22\_18 Part B Credit Cover Signage and Subscript Correction | Part B Section G.14  Part B Glossary List of Subscripts | 27 September 2018 |
| Mod\_24\_18 Use of Technical Offer Data In Instruction Profiling / QBOA | Chapter H  Appendix O | 27 September 2018 |
| MOD\_25\_18 Part B Unsecured Bad Energy Debt & Unsecured Bad Capacity Debt Timelines & Correction | T&SC Part B Section G  Glossary Part B  Agreed Procedure 15 Sections 2 and 3 | 4 March 2019 |
| Mod\_26\_18 Market Back Up Price Reference Corrections | Part B Sections E and G | 27 September 2018 |
| Mod\_28\_18 Ordering of Pseudo Dispatch Instructions for QBOA with the same instruction Issue Time and Instruction Effective Time | Appendix O | 27 September 2018 |
| Mod\_29\_18 Part B Schedule Production Cost Definition | Definitions | 27 September 2018 |
| Mod\_30\_18 Market Back Up Price Amendment | Part B Section E | 27 September 2018 |
| Mod\_31\_18 Imbalance Pricing During Outages of the Imbalance Pricing System | Part B Section E.2.2.3 | 27 September 2018 |
| MOD\_35\_18 Clarifications to Dispute Process | B.19.3 and E.3.8 | 5 March 2019 |
| MOD\_37\_18 Housekeeping between V20 and V21 | Part A 2.35 and 6.50, Appendix M and O, AP04 – Part B F.2.2.1A, G.2.10.2, G.2.10.5, G.14.3.1, G.14.4.1, section H.6 to H.12, Glossary, AP09 and AP16 – Part C section 12 to 14 | 4 March 2019 |
| **RA Decision Rejected** | | |
| Mod\_27\_18 Interim arrangements in Appendix O for Instruction Profiling and Bid Offer Acceptance Quantity Outcomes in a Subset of Undo Scenarios | Chapter H | 27 September 2018 |
| **AP Notifications** | | |
| Mod\_01\_18 Notification of Suspension to SEM NEMOs | AP 18 Suspension and Termination  Section 3.3 – Issuing a Suspension Order | 5 April 2018 |
| Mod\_02\_18 Meter Data Publication Timing | AP06 Appendix 2 – Report Listing | 27 September 2018 |
| Mod\_12\_18 Modification to Part B Agreed Procedure 17 | Agreed Procedure 17 Part B | 27 September 2018 |
| MOD\_23\_18 Payment and Invoice Day Exchange for Part A Currency Costs Post Cutover | Part A Agreed Procedure 15 Appendix 1 | 27 September 2018 |
| **Withdrawal Notifications** | | |
| Mod\_18\_18 Transitional Regulatory Reporting | Part C section 16 (new section) | N/A |
| **Modification Proposal Extensions** | | |
| Mod\_03\_18 Autoproducer Credit Cover | G4 to G15 | N/A |
| * **Extraordinary Meeting 91 – 18 April 2019 – Conference Call** * **Meeting 92 – 27 June 2019 – Belfast** | | |