

SEM

committee



Forward Work Programme

October 2023 –
September 2024

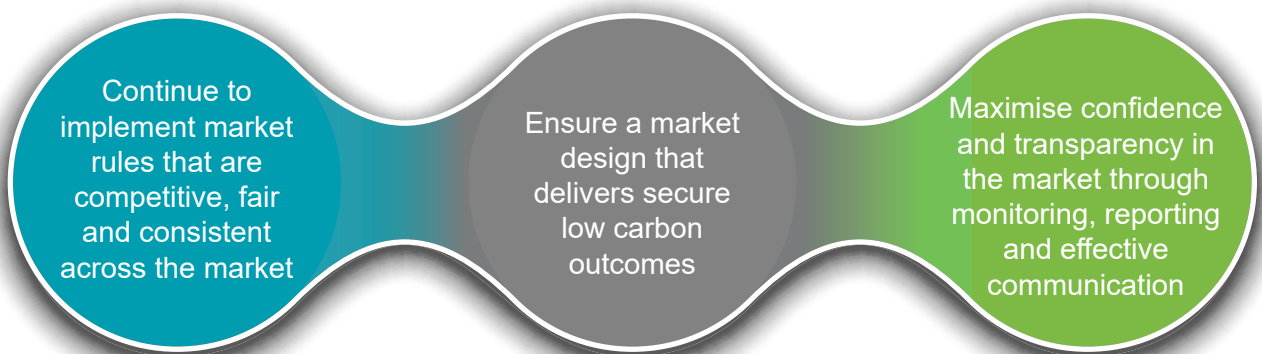
About the SEM Committee

The Single Electricity Market Committee (SEMC) is the decision-making authority for all Single Electricity Market (SEM) matters. Established in 2007 following the introduction of the SEM, legislation required the establishment of SEM governance in the form of a SEM Committee.

Our principal objective is to protect the interests of consumers of electricity wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with the sale or purchase of electricity through the SEM.

The Committee consists of three parties, Commission for Regulation Utilities (CRU), Utility Regulator (UR) and an Independent member. There are three representatives from CRU (currently only two) and three from UR along with an independent and a deputy independent member. On 25th February 2014 the CRU and UR signed a Memorandum of Understanding that outlines how the two organisations will maintain and facilitate effective and beneficial co-operation and collaboration. This signifies the ongoing commitment of both regulatory authorities to work together to ensure the effective delivery of both joint and separate statutory remits and for the customers of the energy and water sectors they regulate.

During 2020, we set our strategic direction by committing to the delivery of three key strategic objectives:



These objectives aim to protect consumers in the SEM by ensuring an effective, competitive and sustainable electricity market that delivers for electricity consumers in Northern Ireland and Ireland today and tomorrow. This aim complements the strategic direction of the UR and CRU as set out in their respective strategic plans.

We publish an annual report which summarises key market metrics that help indicate performance. Alongside our market monitoring reports, this allows interested stakeholders to understand market performance more clearly. This is the third of our published annual forward work programmes that provides further insight into our work and projects that will enhance market performance.

Forward Work Programme Delivery

This plan details some of the most significant projects that will ensure the continued effective operation of the Single Electricity Market and will help us deliver our strategic objectives. These projects will be undertaken during the period October 2023 – September 2024, however some will span beyond this timeframe and will be heavily influenced by activity in the market.

High wholesale fuel costs continue to have a significant impact on market outcomes in the SEM and across global markets. It is critical that we remain flexible and responsive to emerging issues to ensure the market continues to operate efficiently and in the interests of consumers. We may, therefore, need to adapt our work programme in-year in response to external market impacts or other priority issues.

As we move through the energy transition and we see the development of new generation, we must ensure our capacity auctions and market rules are able to adapt. To ensure security of supply, we will continually monitor and respond to market challenges as older plant retires, the system develops to accommodate higher levels of renewables and older technologies compete in the market with newer generation. This ongoing work will remain a key priority for the Committee as we work with the Regulatory Authorities to respond to security of supply challenges across the island.

This workplan does not include all of the wide breadth of core activities carried out to ensure the ongoing operation of the market. Our governance and stewardship of market codes, rules and procedures help to ensure the market runs as it should. Our market monitoring work helps to identify and resolve market issues effectively and efficiently, ensure fairness and prevent the abuse of market power. This work area continues to take much of our focus as we take on more investigations and take steps to ensure all participants are acting in accordance with the market rules. Our in-depth market analysis also helps to contribute to the ongoing understanding of the operation of the market, enhancing transparency. This work continues and will help to deliver the positive consumer outcomes through the SEM. We publish both monthly and weekly market monitoring reports and continue to expand on our reporting of market outcomes.

Our team

This workplan will be delivered through the collaborative working relationship of the regulatory authorities. Together our teams will work to deliver these projects and report regularly to us on progress.

The teams are broadly structured across the areas of:

- Market modelling

- Market monitoring

- Capacity remuneration mechanism

- Market operation

- Audit

- European relations

- System Services

Corporate support is also provided for communications, procurement, legal and administrative matters to ensure we are able to discharge our duties effectively.

The teams are guided by the Oversight Committee, led by the Director of Wholesale Markets in the UR and Director of Security of Supply and Wholesale in the CRU. The Oversight Committee supports us in delivering our Strategy and this workplan, helping us achieve our objectives.

Bill Emery

SEM Committee Chairperson | December 2023

Forward Work Programme

In pursuit of our strategic objectives, outlined below is a list of significant projects that will be our focus during the FWP October 2023 – September 2024 period

	Project title	Scope and outcomes	Timing
1	Strategic overview of the SEM and delivery of Market Operator/System Operator functions	Establish appropriate forums with industry and governance mechanisms to consider multi-year work planning in context of EU/UK legislative and policy developments.	Across year
2	All island tariff reviews	Annual review of testing, GTUoS, OSC, TLAFs, capacity charges, SEMO and SEMOpX tariffs.	Q2 – Q3 2024
3	Implementation and monitoring of DSU energy payments solution	Work with industry to aid implementation of DSU energy payments solution.	Q4 2023 – Q1 2024
4	National Resource Adequacy Assessment implementation	Work with TSOs on methodology for NRAA and manage transition from Generation Capacity Statement process.	Q4 2023 - Q3 2024
5	Decision on Administered Scarcity Pricing review	Publish decision and progress work on any Trading and Settlement/ Capacity Market Code modifications as required.	Q4 2023-Q1 2024
6	SEM GB Trading	Continued consideration of potential changes to SEM GB trading arrangements.	Across year
7	Reintegration of SEM into the Internal Energy Market	Reintegration work package including ex ante markets, balancing market platforms and system operation\ capacity calculation. EBG compliance assessment.	Multi-year with work progressing across reporting year
8	T-4 2027/2028 capacity auction	Complete preparation and auction for T-4 2027/2028 capacity year.	Q4 2023
9	T-1 2024/2025 capacity auction	Complete preparation and auction for T-1 2024/2025 capacity year.	Q4 2023
10	T-4 2028/2029 capacity auction	Complete preparation for T-4 2028/2029 capacity auction.	Across year
11	CRM governance and next steps in enhancing the performance of the CRM	Ongoing review of TSO and RA operational processes, methodologies and policies, to enhance efficiency and the delivery of the CMC objectives.	Across year
12	Monitor and respond to capacity delivery	Monitor delivery of capacity through the CRM and respond to market outcomes including relevant changes to CMC.	Across year

	Project title	Scope and outcomes	Timing
13	Capacity Market/new State aid application	Commence the next phase of the Capacity Market/new State aid application.	Across year
14	SEMO Price Control	Consult and determine the SEMO Price Control.	Q4 2023 – Q3 2024
15	Market queries and investigations	Effectively respond to and action market queries. Carry out investigations where necessary.	Across year
16	Fuel Mix disclosure All-island	Publish Annual report on fuel mix disclosure. Consider arrangements in relation to Guarantees of Origin.	Q2 – Q3 2024
17	Generator Financial Performance Report 2022	Collect data and publish report for 2022	Q1 2024
18	Clean Energy Package - decision on priority dispatch	Consultation and decision on priority dispatch hierarchy	Q2 2024
19	15-minute derogation assessment	Cost benefit analysis and engagement with ACER	Across year
20	Consultation and Decision on SO reporting requirements under Art.13.4	Consultation on sundry articles relating to market design	Q4 2024
21	Trading and settlement code market audit 2023	Final market audit completed with report produced and published	Q2 2024
22	Trading and settlement code market audit 2024	Publish audit terms of reference for consultation	Q3 2024
23	Scheduling and dispatch audit 2023	Final audit completed with report produced and published	Q1 – Q2 2024
24	Scheduling and dispatch audit 2024	Publish audit terms of reference for consultation	Q3 2024
25	Phased Implementation Roadmap for System Services	Decision on the system services roadmap	Q4 2023
26	Progression of day-ahead system services auction	Design of daily system services auctions, development of system services code, volume methodology, supplier tariff and product review.	Across year
27	TSO operational changes to reduce carbon emissions	Oversight of TSO projects, LCIS Phase 1 and LCIS Phase II	Across year
28	Directed Contracts Modelling	Complete quarterly Directed Contracts modelling for rounds 20, 21, 22, 23	Across year
29	Imperfections Tariff	Assess, consult on and then publish the imperfections charges for tariff year 2023-24.	Q1 – Q3 2024

	Project title	Scope and outcomes	Timing
30	SEMOpX streamlined regulatory revenue approach	Consult on and determine SEMOpX streamlined regulatory revenue approach.	Across year
31	Scheduling and Dispatch programme	Progress Scheduling and Dispatch programme along with TSOs	Multi-year with work progressing across reporting year

Glossary

	Acronym	Explanation
1	ACER	The European Union Agency for the Cooperation of Energy Regulators
2	CMC	Capacity Market Code
3	CRM	Capacity Remuneration Mechanism
4	CRU	Commission for Regulation of Utilities
5	DSU	Demand Side Unit
6	EBG	Electricity Balancing Guidelines
7	EU	European Union
8	FWP	Forward Work Programme
9	GB	Great Britain
10	GTUoS	Generator Transmission Use of System
11	LCIS	Low Carbon Inertia Services
12	NRAA	National Resource Adequacy Assessment
13	OSC	Other System Charges
14	SEM	Single Electricity Market
15	SEMC	Single Electricity Market Committee
16	SEMO	Single Electricity Market Operator
17	SO	System Operator
18	TLAF	Transmission Loss Adjustment Factors
19	TSO	Transmission System Operator
20	UK	United Kingdom
21	UR	Utility Regulator