

Response to SEM-20-056
Capacity Market Code Working Group 14
CMC_10_20 and CMC_11_20

EirGrid and SONI Response
14 September 2020



1 Introduction

1.1 EirGrid and SONI

EirGrid holds licences as independent electricity Transmission System Operator (TSO) and Market Operator (MO) in the wholesale trading system in Ireland, and is the owner of the System Operator Northern Ireland (SONI Ltd), the licensed TSO and MO in Northern Ireland. The Single Electricity Market Operator (SEMO) is part of the EirGrid Group, and operates the Single Electricity Market on the island of Ireland.

Both EirGrid, and its subsidiary SONI, have been certified by the European Commission as independent TSOs, and are licenced as the transmission system and market operators, for Ireland and Northern Ireland respectively. EirGrid also owns and operates the East West Interconnector, while SONI acts as Interconnector Administrator for both of the interconnectors that connect the island of Ireland and GB.

EirGrid and SONI, both as TSOs and MOs, are committed to delivering high quality services to all customers, including generators, suppliers and consumers across the high voltage electricity system and via the efficient operation of the wholesale power market. EirGrid and SONI therefore have a keen interest in ensuring that the market design is workable, will facilitate security of supply and compliance with the duties mandated to us and will provide the optimum outcome for customers.

EirGrid and SONI have duties under licence to advise the CRU and UR respectively on matters relating to the current and expected future reliability of the electricity supply. We have also been allocated responsibility for administering the Capacity Market Code through our TSO licences. This response is on behalf of EirGrid and SONI in their roles as TSOs for Ireland and Northern Ireland.

2 EirGrid and SONI views on the Consultation Topics

EirGrid and SONI in our role as System Operators have considered the points raised during the Working Group¹ and in the SEM-20-056 consultation paper².

2.1 CMC_10_20 – Change to determinations made in F.4.1.1

This proposal seeks to add additional information on previously Awarded Capacity for areas which are subject to a Locational Constraint to F.4.1.1. This information is available, has been provided to the Regulatory Authorities on foot of ad hoc requests for previous auctions, and is likely to be useful in making it easier to determine the volume of additional capacity which would have to be procured to satisfy a given Locational Capacity Constraint for each auction. As such, EirGrid and SONI agree that it is logical to codify the provision of this information. We also support the alignment of the timing detail in F.4.1.1 so that it is consistent with the analogous process detailed in F.3.1.1.

In relation to the question of inclusion of this information in Final Auction Information Packs (FAIP), it is possible to include this detail, without the need for any system change, via a relatively straightforward process change and we are happy to facilitate this to enhance transparency for Participants. With that said, we are conscious that the timing of FAIP publication is different from the proposed timing of the determinations detailed in F.4.1.1 so would suggest that this is considered if including legal drafting changes to add this detail into the set of information to be included in each FAIP.

2.2 CMC_11_20 – Providing greater flexibility for the current Interim Secondary Trading Notification (ISTN) process

EirGrid and SONI support the intent of the changes outlined in CMC_11_20 to provide greater flexibility in the current ISTN process, which will have clear benefits in terms of the accuracy of the ISTNs in terms of alignment to outages etc. This would in turn bring benefits in the efficient application of Reliability Options (ROs) both for RO holders in terms of limiting unnecessary exposure to Difference Charges and the appropriate application of Capacity Charges, and for Suppliers, in terms of the benefits associated with the hedge as funded via Difference Charges.

Whilst we wish to facilitate as much flexibility in this process as is practically possible, we must reiterate concerns raised at Workshop 14 in terms allowing time for the necessary

¹ <https://www.sem-o.com/events/capacity-market-modificat-15/Capacity-Modifications-Committee-Workshop-14-Report-2.0.pdf>

² <https://www.semcommittee.com/sites/semc/files/media-files/SEM-20-056%20WG14%20Consultation%20Paper.pdf>

checks and process steps to be carried out. The initial proposal indicated a one Working Day turnaround for amendments to ISTNs and the second version indicates a three working day turnaround. We would like to restate our position that this is not practically implementable. This is due to the fact that it is not possible to amend a Trade Registry entry, so that an amendment to a trade requires the manual insertion of a new entry. As such, the timeline for amendments must be the same five Working Days as is proposed for a new entry in order to ensure that the necessary process steps can be completed. To codify an obligation to carry this out in a shorter period would result in placing an obligation on the TSOs which it is not practically possible to comply with. Whilst we are eager to facilitate as much flexibility as is possible, this is necessarily limited by the constraints of what is practically achievable.

We are hopeful that as we work towards a more enduring approach, that the systemisation of the secondary trading arrangements will allow for shorter turnaround times and we remain committed to facilitating further enhancements to flexibility once as this is practically achievable.

In terms of the question of whether a sculpted outage could be achieved with a single ISTN or would require multiple notifications, we can confirm that this would currently require multiple notifications. We would suggest that a single ISTN approach could be considered for the enduring solution to secondary trading. If this is then considered a more optimal approach, and is practically implementable, it could then be pursued following appropriate investigation into what is involved.

In relation to the question around whether or not M.7.2.6 (b) is sufficiently clear that a secondary trade will end whenever a unit returns to service, we are of the view that whilst this could be interpreted as being the implication, it is not currently as clear and unambiguous as it could and should be. As such, we would suggest adding detail specifying that an end date should be included along with the submission of all trades to ensure clarity and certainty, either as part of the decision on this proposal or via a separate proposal if necessary.