I-SEM Senior Stakeholder Forum

15 May 2015



Welcome & Introductions

Jenny Pyper, SEMC Chair





10.00	Welcome & Introductions	Jenny Pyper, SEMC Chair
10.10 10.30	I-SEM Project Update Market Participant Readiness	Laura Brien, CER Robin McCormick, EirGrid
10.50	The Spanish Market Experience	Maria Luisa Huidobro, Villar Mir Energia
11.30 11.40	Wrap-up & Key Themes Round Table Q&A session	Garrett Blaney, CER
13.00 13.30	Lunch Close	S



I-SEM Project Update

Laura Brien, CER



Key Events since Last Update

Overall

- EU CACM Guidelines adopted in December 2014, including Ireland/ Northern Ireland Derogation to end 2017
 - Non-market coupling components apply immediately CACM comes into force
- RA/TSO Agreed Approach Document published in January 2015
- Engagement with DG Energy and DG Competition

Project

- Work started on all RA led policy workstreams
- Rules Liaison Group established to get industry input into detailed design of energy markets
- On-going interactions with stakeholders via workshops and bilateral meetings
- Initial Euphemia Trials
- TSO procurement process initiated



Papers published

- Aggregator of Last Resort Consultation December 2014
- Energy Trading Building Blocks Consultation February 2015
- Forwards & Liquidity Discussion February 2015
- Roles and Responsibilities, including NEMO March 2015
- Market Power Discussion May 2015
- NEMO invite May 2015
- TSO obligation consultation May 2015



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Project Activities	High Level Tasks		F IV	1 A		2015 J J	A S	; o	N D	J	F A •		Z M J	2016			N E			ма		017	А		N D
Energy Trading Arrangements <mark>1</mark>	Building Blocks Consultation Markets Consultation Aggregator of Last Resort Rules Agreed Procedures Implementation									J	F M]											
Capacity Remuneration Mechanism 2	CRM Consultation 1 CRM Consultation 2 Consultation 3 (A,R) Auction Rules								-									•							
Market Power 3	Phase I Principles of MP Mitigation Phase II Scope/timelines published Licensing Changes Implementation																								
Governance & Licensing 4	I-SEM Institutional Arrangements Designation of NEMO Licensing Changes Modification of Codes																								
Forwards & Liquity 5	X Border Risk Hedging (FTRs) Internal Forward Contracting (CfDs)		_								•	L													
Central Systems & Services 6	Balancing Market (BM) PQQ BM RFP Development/Issue BM RFP Evaluation/Award BM System Design BM System Build & Factory Test Integration & User Acceptance Test Market Trial & Cutover Existing IT: Design, Build, Test										-								•					-	
Central	Other Market Systems (RFP, Build, Tes Euphemia Conceptual Trial	t)	_	-		-	H	-	~		-	-		-	H	-		T		-	H	+			
Arrangements 7	Euphemia Commerical Trial Rules & Agreed Procedures																								
Operational Capability <mark>8</mark>	Operational Change Operational Transitional Planning Operational Readiness Preparation Market Trial Planning Market Trial Preparation																								
Readiness 9	Participant Project Updates (Qtr) Participant Market Trail Readiness											F													
Legislation 10	Legislation Review Legislation Implementation																								

Planned Consultations and Decisions

Workstreams	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
	14	15	15	15	15	15	15	15	15	15	15	15	15	16	16	16	16	16	16	16	16	16
Energy Trading Arrangements																						
AoLR Consultation 1	С																					
AoLR Decision										D												
Building Blocks Consultation			С																			
Building Blocks Decision										D												
Markets Consultation					С																	
Markets Decision										D												
Capacity Remuneration Mechanism																						
Policy Area 1 Consultation	I						С															
Policy Area 1 Decision	I										D											
Policy Area 2 Consultation	I											С										
Policy Area 2 Decision																D						
Auction Rules Consultation	I																С					
Auction Rules Decision																						D
Market Power																						
Phase I - Broad Principles Consultation	I									С												
Phase I - Broad Principles Decision													D									
Phase II - Scope /Timelines (paper) published										Р												
Governance and Licensing																						
Roles and Responsibilities Consultation				С																		
TSO functions under CACM 1(3)						С																
Applications for NEMO Designation						Α																
Roles/Responsibilities & NEMO Designation Decison										D												
Forwards & Liquidity																						
Cross Border Risk Hedging (FTRs)							с			D												
Internal Forward Contracting (CfDs) - Indicative												С				D						1

Upcoming Engagement

- Engagement with NEMO applicants (June September)
- Workshops
 - CRM: May September
 - Market Power: September
 - Forwards & Liquidity: June
- Euphemia commercial trialing: Working group meetings May December 2015
- Detailed rules drafting Energy markets, to start post ETA decision paper



Key Themes – ISEM Implementation

- 1. How do we ensure the market is delivering for customers ?
- (Consideration to include efficiency of entry and exit signals and security of supply issues)
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- 2. What are the three major challenges for implementation of the I-SEM ?
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- 3. How do we achieve miminum cost of implementation ?
- (How and when do we engage with participants ?)

