

## APPENDIX A RESPONSE TEMPLATE

### SUMMARY INFORMATION

<b>Respondent's Name</b>	Moyle Interconnector Ltd
<b>Type of Stakeholder</b>	Interconnector
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### Covering Remarks

Moyle Interconnector Ltd welcomes the opportunity to comment on this draft I-SEM Trading and Settlement Code (TSC). We recognise the huge effort that has been involved in drafting the code and appreciate the necessary complexity. In this response we offer comments on a small number of aspects that are relevant to Moyle as an Interconnector Owner.

One theme that arises in these comments is that of balance responsibility, the Interconnector Error Unit (IEU) and the Interconnector Owner's (IO) relationship with the Interconnector Administrator (IA). We note that separate discussions are underway on balance responsibility for interconnectors and that ultimately arrangements will need to be approved by the Regulatory Authorities/SEM Committee. However, some parts of the draft Trading and Settlement Code do interact with that issue and we have highlighted some such aspects.

In SEM today, the small error volumes on the IEU resulting from a difference between the scheduled and metered quantities are ultimately assigned to the imperfections charges. The IO has no means to reduce these volumes. System Operator (SO) trades are also detected in the IEU and are removed manually.

Should an Interconnector Owner become ultimately liable in I-SEM for any imbalance that is manifest in the Interconnector Error Unit, the owner will be expected to take steps to manage its exposure. It is important to note that any ex-ante scheduled interconnector flow will be accompanied by payment of congestion rent to the IO, which will form part of the IO's management of its exposure. SO trades, which as presented this draft may also result in

error volumes, will not similarly result in additional congestion rent to the IO, which is inequitable.

When one considers the effect of ramp rate restrictions, which are imposed by the SO and are not a limitation of the interconnector itself, on interconnector error volumes this imbalance exposure is potentially of greater significance.

Similarly, discussions are ongoing around the detail of the treatment of losses on interconnectors and the TSC will need to reflect the outcome of these discussions to ensure that interconnector imbalance is not artificially created due to the losses approach.

While we continue to discuss issues such as imbalance and losses with the SOs and Regulatory Authorities, we note that the outcome of those discussions and any SEM Committee decisions may have an impact on some aspects of the TSC we have commented on.

**I-SEM TSC COMMENTS**

ID	I-SEM TSC Reference	Short Title	Commentary / Explanation	Suggested Drafting Change to the TSC	Relevant Cross-Reference for any impacted section
1	B8	SEM NEMOs and Shipping Agents	<p>Section B.8.1 lists NEMO responsibilities, which include all the responsibilities also listed under B.8.2. For example B.8.2.2 specifies that the scheduling agent of the shipping agent for each interconnector shall submit the information contemplated by paragraph F.2.2.7. In practice this is already covered by B.8.1.2(c), which already requires the NEMO to perform the tasks in F.2.2. There appears to be some conflict in these sections as to whether the SEM NEMO performs the role of scheduling agent of the shipping agent or whether a party needs to be appointed.</p> <p>Therefore we recommend these sections could be streamlined.</p>	Potentially B.8.2 could be deleted.	B.9.1.3, F.2.2.8, F.5.2.2, F.5.2.6, F.5.2.7, F.5.2.10
2	B.10.1.3	Interconnector	This section states attempts to define a	Delete B.10.1.3(b)	N/a.

ID	I-SEM TSC Reference	Short Title	Commentary / Explanation	Suggested Drafting Change to the TSC	Relevant Cross-Reference for any impacted section
		registration	<p>relationship between the IA and IO. While we accept B.10.1.3(a), which is similar to the SEM requirement for the IO to ensure the IA carries out its functions, we note that the proposed B.10.1.3(b) ‘the acts and omissions of the Interconnector Administrator in that capacity are taken to be those of the Interconnector Owner’ is a significant change from the SEM TSC and attempts to define a relationship between IA and IO. That relationship should be beyond the scope of the TSC and therefore B.10.1.3(b) should be omitted.</p> <p>There are live discussions on the subject of balance responsibility for interconnectors. B.10.1.3(b) does not assist those discussions, since one interpretation is that interconnector owners will be liable for the any imbalance assigned to the IEU, volumes which are due, in part, to factors beyond the control of the IO. Such arrangements should not be within the</p>		

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			scope of the TSC.		
3	D.6.5.4 and D.6.5.5	Interconnector Capacity Market Availability	In these sections 'relevant agreement' is a rather vague term. We assume that for consistency with the rest of the section 'relevant agreement' would not include the SO's operational constraints. We also assume that it would not include the outcome of the capacity calculation methodology.	Clarify what would be 'relevant agreements', especially if particular items are intended to be included.	N/a.
4	D.6.5.5	Interconnector Capacity Market Availability	We are unable to determine why Maximum Export Capacity Market Availability is a relevant measure.	Delete section D.6.5.5.	No other references.
5	F.5.2.3, F.5.2.8, F.5.2.9	Imbalance Component Payments and Charges	In these sections the calculations of ex-ante volumes for interconnectors, ICRU and IEU, use a summation of DA and ID trades. However, it is our understanding that the interconnectors will be dispatched to a single MW quantity (qFPN) that is the result of the EUPHEMIA algorithm in each ISP.	Ensure QEX for the interconnector units is exactly aligned with the EUPHEMIA output and interconnector dispatch.	N/a.

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			<p>We would be concerned that different approaches for determining interconnector ex-ante quantities – a single MW dispatch quantity vs summing ex-ante trades - have the potential to deliver different ex-ante volumes, which could in turn lead to inaccurate error volumes.</p> <p>The interconnector ex-ante quantity should exactly match the EUPHEMIA cross-border quantity, on which congestion rent is payable to the IO.</p>		
6	F.6.6	Calculation of Undelivered Quantities	<p>F.6.6.11 moves undelivered SO interconnector trades to the IEU and F.6.7.12 does the same for biased quantities.</p> <p>We recognise that there are ongoing discussions regarding balance responsibility on the interconnectors. However, should an IO, through the IA, which has registered the Interconnector Unit, become liable for the error volume, then is inappropriate for SO trades to be considered in</p>	None suggested at this time. This section might need to be changed later to align with RA, SEM Committee decisions.	N/a.

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			<p>that volume.</p> <p>While an exposure to imbalance relating to non-delivery of an ex-ante (DA, ID) scheduled quantity can be managed by the IO to an extent through receipt of a congestion rent for that ex-ante quantity, the SO trades represent an additional non-delivery risk which is not subject to any commensurate reward to the IO. Therefore any error associated with these SO trades should be handled separately.</p>		
7	Agreed Procedure 1	Registration	Typo under 'Interconnector' in table at 2.6.4, p12.	Transmission System Operator confirms that the relevant Registration Data and Technical Offer Data of <del>Generator</del> <u>Interconnector</u> Unit matches the equivalent data held by the System Operator	N/a.