



Forward Work Programme

October 2021 – September 2022

SEM-21-096



About the SEM Committee

We are the decision-making authority for all Single Electricity Market matters. Established in 2007 following the introduction of the SEM, legislation required the establishment of SEM governance in the form of a SEM Committee.

We consist of three Commission for Regulation of Utilities (CRU), three Utility Regulator (UR) representatives along with an independent and a deputy independent member appointed jointly by the Department for the Economy and Department of the Environment, Climate and Communications. In 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. This positive working relationship continues today to ensure that the wholesale electricity market on the island of Ireland operates in the best interest of consumers.

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 NI and Ireland today and tomorrow. This aim complements the strategic direction of the UR and CRU as set out in their respective strategic plans.

When developing our strategic objectives, we also committed to enhancing how we communicate. Following the introduction of the new market arrangements in October 2018, we have and will continue to publish an annual report which summarises key market metrics that help indicate performance. Alongside our quarterly market monitoring reports, this allows interested stakeholders to understand market performance more clearly. This is the second of our published annual forward work programmes that provides further insight into our work and projects that will enhance market performance. These should be read in conjunction with the work plans of both the UR and CRU which also reflect the key work projects that impact on the SEM.

Forward Work Programme Delivery

This plan details some of the most significant projects that will ensure the continued effective operation of the market and will help us deliver our strategic objectives. These projects will be undertaken during the period October 2021 – September 2022, however some will span beyond this timeframe and will be heavily influenced by activity in the market.

At the time of writing, economies are starting to recover from the COVID-19 pandemic and international wholesale fuel costs are at record highs. We are also proactively addressing short-term security of supply challenges and are working closely with governments to respond to the climate change agenda. Such external market conditions may require the reprioritisation of planned projects or the introduction of new work areas and are dependent on available resources. Identified in the project list are those projects which are particularly reliant on additional resource in the regulatory authority teams in order to progress and deliver.

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. 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.

Our team

This workplan will be delivered through the collaborative working relationship of the regulatory authorities. Together their 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 Energy Markets in the CRU. The Oversight Committee supports us in delivering our strategy and this workplan, helping us achieve our objectives.

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 2020 – September 2021 period.

	Project title	Scope and outcomes	Timing
1	PLEXOS Validation	Publish a report on backcast/validation exercise and public version of model	Q4 2021
2	Directed Contracts Modelling	Complete quarterly DC contracts modelling for rounds 18, 19 and 20	Across year
3	Market Power & Liquidity*	Progress market power and liquidity worstream including outcomes from SEM-20-045, SEM-21-065 and SEM-21-072	2022 - 2023
4	Imperfections Tariff	Assess, consult on and then publish the imperfections charges for tariff year 2022-23	Q1 - Q3 2022
5	BMPCOP implementation	Progress licence modification to implement BMPCOP	Q2 2022
6	MMU IT infrastructure - further enhancement	Progress further enhancement of software and IT capabilities to strengthen and widen scope of MMU monitoring activities	Across year
7	Reporting on the state of the market to internal and external stakeholders	Prepare and publish a range of reports on market performance including quarterly market monitoring reports	Across year
8	Market queries and Investigations	Effectively respond to and action market queries. Carry out investigations where necessary	Across year
9	System Services Future Arrangements	Publish High Level Design Decision Paper.	Q1 2022
10	System Services Future Arrangements*	Progress Phase III: Detailed Design	2022-2024
11	Testing Tariffs Methodology Review	Following TSO consultation, publish decision on Testing Tariffs methodology	Q2 2022
12	T-1 2022/23 capacity auction	Complete auction for T-2 2022/23 capacity year	Q4 2021
13	T-4 2025/26 capacity auction	Complete preparation for T-4 2025/26 capacity auction	Q1 2022
14	T-3 2024/25 capacity auction	Complete preparation for T-3 2024/25 capacity auction	Q1 2022
15	T-1 2023/24 capacity auction	Complete preparation for T-1 2023/24 capacity auction	Across year

	Project title	Scope and outcomes	Timing
16	T-4 2026/27 capacity auction	Complete preparation for T-4 2025/26 capacity auction	Across year
17	New capacity delivery and terminations	Monitor the delivery of new capacity in the market in line with milestones required under the CMC	Across year
18	Capacity Market Code Audit	Determine terms of reference, initiate and complete audit and publish final report of audit of the Capacity Market Code	Across year
19	Trading and Settlement Code Market Audit 2021	Final market audit completed with report produced and published	Q3 2022
20	Trading and Settlement Code Market Audit 2022	Terms of reference to be consulted on and decision published	Q4 2022
21	Scheduling and Dispatch Audit 2021	Final audit completed with report produced and published	Q2 2022
22	Scheduling and Dispatch Audit 2022	TSO's to procure new auditor for 3 year term. Terms of reference to be consulted on and decision published.	Q3-Q4 2022
23	Demand Side Management	Develop demand side management enduring solution for energy payments	Q4 2021 - Q3 2022
24	SEMO Tariffs	Approval and publication of SEMO tariffs for 2021/22	Q3 2022
25	SEMOpX Tariffs	Approval and publication of SEMOpX tariffs for 2021/22	Q3 2022
26	SEMO price control implementation	Implementation of arrangements in SEMO price control decision SEM-21-073 including establish focus groups	Q4 2021 - Q1 2022
27	NEMO designation (NI)	Designation of Nominated Electricity Market Operator (NEMO) for Ireland/ NI from October 2022	Q4 2021 - Q2 2022
28	SEMOpX Price Control	Consult on and determine SEMOpX price control	Q4 2021 - Q3 2022
29	Decision on EBGL compliance assessment	Decision following consultation on Compliance of the SEM Trading and Settlement Code with the EBGL	Q2 2022
30	CEP - Decision on Treatment of new Renewable Units	Decision following consultation on the treatment of new renewable units in SEM (SEM-21-026)	Q1 2022
31	CEP - Decision on Dispatch and Redispatch in SEM	Decision following consultation on Dispatch and Redispatch in SEM	Q1 2022
32	CEP - Decision on Priority Dispatch*	Consultation and decision on Priority Dispatch Hierarchy	Q1 - Q2 2022

	Project title	Scope and outcomes	Timing
33	Consultation on Sundry CEP articles*	Consultation on sundry articles relating to market design	Q3 2022
34	Review of applicability of RO difference charges to available units	Review how RO difference charges are applied and incentives on capacity providers	Q1 2022
35	Scarcity Pricing and Demand Response paper	Investigate whether interim measures could be introduced for Winter 21/22 to encourage appropriate price signals during scarcity, and demand response to those signals	Q4 2021
36	CEP adequacy work	Calculating new VoLL (followed by Reliability Standard). Inputting into ACER work in evaluating ERAA	Q2 2022
37	Generator Financial Performance Report	Publish 2020 report	Q1 2022
38	GB SEM Trading	Analyse and consider improvements for SEM and GB trading	Across year

* Project scope and delivery dependant on resources