



Ex-Ante Markets

SEMOPX EXCHANGE COMMITTEE MEETING MINUTES

MEETING 5
CONFERENCE CALL
3 SEPTEMBER 2020
10.30 – 13.00

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Table of Contents

1.	Semo Update.....	5
2.	Review of Actions	5
3.	New Modifications Proposals	5
	SPX_04_20 OPERATIONAL TIMINGS AMENDMENT IN MRC AUCTION.....	6
4.	Deferred Modifications Proposals.....	7
	SPX_01_18 SUBMISSION OF CROSS ZONAL CAPACITIES	7
	SPX_02_20 AMENDMENT To PUBLICATION SCHEDULE OF EX-ANTE AUCTIONS Bid/ASK CURVES	7
	SPX_01_20 ENABLE BLOCK ORDERS IN THE IDA AUCTIONS	8
	AOB	9

Document History

Version	Date	Author	Comment
1.0	10/09/20	Exchange Committee Secretariat	Signed off by Chairperson

Distribution List

Name	Organisation
Exchange Committee Members	SEMOpx Exchange Committee Members

Reference Documents

Document Name
SEMOpx Exchange Committee Procedures
SEMOpx Rules
SPX_01_18 Submission of Cross Zonal Capacities
SPX_01_20 Enable Block Orders in the IDA Auctions
SPX_02_20 Amendment to publication schedule of ex-ante auctions Bid/Ask curves
SPX_04_20 Operational Timings Amendment in MRC Auction

In Attendance

Name	Company
Michael Kelly (Chair)	SEMOpX
Nigel Thomson	SEMOpX
Sean McParland	Energia
John Casley	Tynagh Energy
Eoin Mooney	Naturgy
Paraic Higgins	ESB
Sinead O'Hare	Power NI
Ian Mullins	Bord Gais
Robert McCarthy	Electricity Exchange
Andrew Burke	Enerco
Paul McGuckin	Moyle Interconnector
Patrick O'Hagan	SSE
RA Observers	
Karen Shiels	UR
Leigh Greer	UR
Observers	
John Rooney	SEMOpX
Connor Powell	SSE
Peter Grogan	SSE
Liam McAllister	SEMOpX
Joe Devlin	Power NI
Cuauhtemoc.Lopez-Bassols	SEMOpX
Secretariat	
Sandra Linnane	EirGrid
Esther Touhey	SONI

1. SEMO UPDATE

Secretariat welcomed all to Exchange Committee Meeting 5. The Secretariat detailed the election process for 2020 noting that an email would be circulated shortly calling for nominations. It was advised that diversity of interest must be complied with.

The Secretariat also discussed the role of Observers at Exchange Meetings advising that if an Observer wished to attend a meeting they must comply with the Observer registration process as set out in the Exchange Committee procedures. Secretariat advised that this was a detailed process requiring documents to be submitted in advance and that increasingly this process was not being adhered to. Secretariat advised that this process would be enforced at future meetings with only registered attendees participating.

The Vice Chair advised that SEMOpx had released a statement of charges which covers October 2020 to September 2021. This has been approved by the Regulatory Authorities and was published in late August. The key change from the previous year being a ~25% reduction in the volume based fees. An update on the Intraday Complex Order implementation was also provided by the Vice Chair. This functionality is due to go live on the 30th September 2020.

2. REVIEW OF ACTIONS

SPX_01_18 Submission of Cross Zonal Capacities	SEMOpx to follow up with Proposer in advance on Meeting 5 - Ongoing
SPX_04_18 SEMOpx DPUG	Secretariat to check the code and procedure for an abstain vote - Open
SPX_01_20 Enable Block Orders in the IDA Auctions	<p>SSE to provide more information of EPEX half hourly market results – Ongoing</p> <p>SEMOpx to provide a view on how this may link in the prioritisation discussion – Closed</p> <p>SEMOpx to see if it can find other examples of how low volume auctions perform in terms of price volatility – Closed</p> <p>Secretariat to convene a further conference call to discuss this Proposal in more detail at the end of the summer (August) - Closed</p>
SPX_02_20 Amendment to publication schedule of ex-ante auctions' Bid/Ask curves	<p>Secretariat to attach a spreadsheet for clarification on issues raised with this Modification – Closed</p> <p>Proposer to provide worked examples, or scenarios, for further clarity- Closed</p> <p>Those Members not in a position to vote to provide more information in support of this opposition – Closed</p> <p>Secretariat to convene a further conference call to discuss this Modification Proposal SPX_02_20 in more detail - Closed</p>
SPX_03_20 Complex Orders Inclusion in Intraday Auctions	Secretariat to draft Submission report – Closed

3. NEW MODIFICATIONS PROPOSALS

The Proposer delivered a presentation on this Modification which is required due to MRC implementing a change in allowable solve times for the EUPHEMIA algorithm used by MRC and changes to the submission timings for cross zonal capacities. The modification looks to align the day-ahead market timings in the SEM with those being implemented in MRC.

It was advised that the first change to the cross zonal capacity timings would take effect from the 25th August 2020. SEMOpx Rules will not be affected with two changes to be made to SEMOpx Operating Procedures under E.1.1.4 and E.1.2. The Proposer advised that the final deadline to update CZCs was moving from 10.45am to 10.00am as of the 25th August.

For the second change related to the extended solve times for EUPHEMIA, It was communicated that the date of implementation of this change was yet to be confirmed but it was targeted for the end of November 2020.

A number of Members agreed with the principles of this Modification noting that the change was driven at MRC level so there was a need to have these changes incorporated.

A question was raised around the uncertainty of the implementation timeline and the exact date being unknown. The Chair assured the Committee that if a vote was taken on this Modification, timelines and effective dates would be included as appropriate in the submission report and SEMOpx Operating Procedures will reflect current reality at all times.

The views of the Committee Members are recorded below.

Outcome

Opinions of Exchange Committee Members

Michael Kelly (Chair)	Support
Nigel Thomson	Support
John Casley	Support
Eoin Mooney	Support
Paraic Higgins	Support
Sinead O'Hare	Support
Ian Mullins	Support
Robert McCarthy	Support
Andrew Burke	Support
Paul McGuckin	Support
Patrick O'Hagan	Support
Sean McParland	Support

Actions:

- Secretariat to draft Submission Report – **Open**

4. DEFERRED MODIFICATIONS PROPOSALS

SPX_01_18 SUBMISSION OF CROSS ZONAL CAPACITIES

The Proposer delivered an update on this Modification which was originally raised at SEMOpX Meeting 1 on 28th November 2018. The background to the Modification was summarised and an update on discussions that the Proposer had with SEMOpX regarding the Modification were also communicated.

The Proposer advised that this Modification would be withdrawn and that they had agreed with SEMOpX to look at the current operational procedures to see if the Modification could be addressed in another way.

Outcome

The Proposal was withdrawn.

Actions:

- Secretariat to issue a Withdrawal Notification for this Modification – **Open**

SPX_02_20 AMENDMENT TO PUBLICATION SCHEDULE OF EX-ANTE AUCTIONS BID/ASK CURVES

SEMOpX provided an update on the actions that were assigned to them from the previous meeting. It was confirmed that there had been discussion with relevant parties and an impact assessment had been completed. SEMOpX advised that a “SEMOpX update” had been circulated by the Secretariat in early August providing the relevant details.

SEMOpX provided a summary of the main points from the “SEMOpX update”, including an outline of the design and the constraints/assumptions on the design of the new aggregate bid/ask curve, details of the realistic timelines for implementation and the impact on the available budget for SEMOpX related capital projects.

The key messages were that the design was possible, but was more complex than first thought, the implementation would not be possible until Q2 2021 at the earliest due to competing priorities for ex-ante trading system releases and that implementation of this Modification would use a significant proportion of the “unpredictable” budget available to SEMOpX during the price control valid to Sept 2022.

The Proposer was satisfied that SEMOpX had covered all the relevant follow up points.

Outcome

The views of the Committee Members are recorded below.

Opinions of Exchange Committee Members

Michael Kelly (Chair)	Support
Nigel Thomson	Support
John Casley	Support

Eoin Mooney	Support
Paraic Higgins	Support
Sinead O'Hare	Support
Ian Mullins	Support
Robert McCarthy	Support
Andrew Burke	Support
Paul McGuckin	Support
Patrick O'Hagan	Support
Sean McParland	Support

Actions:

- Secretariat to draft Submission Report – **Open**

SPX_01_20 ENABLE BLOCK ORDERS IN THE IDA AUCTIONS

SEMOpX provided an update on the actions that were assigned to them from the previous meeting. SEMOpX noted that there were actions to investigate other similar markets that use blocks as a comparison and provide an impact assessment of introducing IDA blocks. SEMOpX advised that a "SEMOpX update" had been circulated by the Secretariat in early August providing the relevant details.

SEMOpX briefly summarised the investigations on similar market noting the limited availability of information available.

SEMOpX also summarised the considerations that EPEX provided based on their extensive experience of the implementation of new block products to existing markets.

SEMOpX's impact assessment, as provided in the "SEMOpX update", confirmed that implementation was possible, but that SEMOpX still had reservations about the stability of the prices upon inclusion of blocks into the low liquidity IDAs. SEMOpX recommended that simulation testing should be included with any IDA block order implementation plan.

Several Members provided the view that any product development that improves liquidity or trading opportunities was good but that perhaps the decision to implement blocks should be left until after the impacts of Brexit and implementation of IDA complex orders could be seen.

It was suggested that this Modification could be placed on the Programme of Work in order to revisit it in 2021 when historical information of market trading could be analysed after the conclusion of Brexit and complex orders had been implemented in the Intraday Auctions.

The Secretariat advised that if the Modification was deferred it would remain on the agenda as an open item. It was recommended that the Modification be withdrawn and an item added to the Programme of Work stating that this Modification would be revisited in due course.

The Proposer confirmed they were amenable to withdrawing the Modification and instead would request it be included on the Programme of Work.

Outcome

This proposal is to be withdrawn.

Actions:

- Proposer to formally withdrawal the Modification and request inclusion of a checkpoint in the Programme of Work to revisit this in 2021 – **Open**
- Secretariat to issue a Withdrawal Notification and include the review checkpoint on the Programme of Work to highlight that this Modification will be reviewed and discussed in due course – **Open**

AOB

The Secretariat thanked all for attending and noted that the next meeting is scheduled for 5th November 2020.