



Ex-Ante Markets

SEMOPX EXCHANGE COMMITTEE MEETING MINUTES

MEETING 4

CONFERENCE CALL

14 MAY 2020

10.30 – 12.30

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Document History

| Version | Date | Author | Comment |
|---------|-------------|--------------------------------|---------------------------|
| 1.0 | 20 May 2020 | 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_03_20 Complex Orders inclusion in Intraday Auctions |

In Attendance

| Name | Company |
|-----------------------|----------------------|
| Ian Mullins | Bord Gais |
| Paraic Higgins | ESB |
| Robert McCarthy | Electricity Exchange |
| Sinead O'Hare | Power NI |
| Eoin Mooney | Naturgy |
| Sean McParland | Energia |
| John Casley | Tynagh |
| Nigel Thomson (VC) | SEMOpX |
| Andrew Burke | Enerco |
| Anne Trotter | EirGrid |
| Michael Kelly (Chair) | SEMOpX |
| Paddy O'Hagan | SSE |
| RA Observers | |
| Karen Shiels | UR |
| Leigh Greer | UR |
| Gina Kelly | CRU |
| Observers | |
| Joe Devlin | PPB |
| Stacy Feldmann | SSE |
| Peter Grogan | SSE |
| Connor Powell | SSE |
| Joe Craig | UR |
| Elaine Gallagher | EirGrid |
| Liam McAllister | SEMOpX |
| Secretariat | |
| Sandra Linnane | EirGrid |
| Esther Touhey | SONI |

1. SEMO UPDATE

Secretariat welcomed all to Exchange Committee meeting 4. It was confirmed that there were currently no Modifications in effect on the baseline rules and that Version 2.0 of the SEMOpx Rules was completely up to date. A review of the SEMOpx Rules would be completed in advance of Meeting 5 if there were any approved Modification Proposals.

Secretariat also noted that the election process would start mid-August with all Committee Members seats due to expire at the end of October 2020.

The Vice-Chairperson gave an update on behalf of SEMOpx confirming that operations continue to go well in the ex-ante markets even under the current exceptional circumstances related to COVID-19. It was noted that business continuity plans had been implemented to ensure operational risks are minimised by the creation of separate alternating teams to carry out functions. SEMOpx has begun providing monthly market statistical reports that are available from the SEMOpx website. The Vice-Chairperson also informed the Committee that enhancements to the ex-ante markets have been implemented during the last year including: variable NTC on Moyle, mandatory updates to EUPHEMIA file schemas, implementation of Intraday Auction GM multi-NEMO arrangements. Future enhancements include implementation of Intraday Auction Complex Orders and a mandatory EUPHEMIA file update.

2. REVIEW OF ACTIONS

| | |
|---|----------|
| SPX_01_19 - Proposer to update table of contents to include Schedule 6 and timelines for reports to be analyzed | Complete |
| SPX_01_19 - Secretariat to draft Submission Report | Complete |
| SPX_04_18 - Secretariat to check the code and procedure for an abstain vote | Open |

3. DEFERRED MODIFICATIONS PROPOSALS

SPX_01_18 SUBMISSION OF CROSS ZONAL CAPACITIES

The Secretariat delivered an update on the above proposal which was originally raised at SEMOpx Meeting 1 on 28th November 2018.

It was noted that this Modification Proposal SPX_01_18 had been deferred for 2 years as a result of complexities around Brexit. SEMOpx will be engaging with the Proposer in advance of Meeting 5 to explore next steps for this Modification Proposal. .

Outcome:

The proposal was deferred for consideration at the next meeting following which the proposal will be either advanced and voted on or withdrawn as applicable.

4. NEW MODIFICATIONS PROPOSALS

SPX_03_20 COMPLEX ORDERS INCLUSION IN INTRADAY AUCTIONS

The Proposer delivered a presentation on this Modification noting that this was originally a part of an I-SEM Go Live agreement. The Proposer advised that the cost to implement this would be minimal. The overall benefits of the Modification were outlined as well and the impacts on the SEMOpx Rules, systems and processes if members wished to utilise the new products.

It was noted that there would be legal changes to the Operating Procedures and Glossary section of the SEMOpx rules with the effective date for this Modification expected from the point of implementation at the end of June.

The views of the Committee are recorded below.

Outcome

Opinions of Exchange Committee Members

| Ian Mullins | Support |
|-----------------------|---------|
| Paraic Higgins | Support |
| Robert McCarthy | Support |
| Sinead O'Hare | Support |
| Eoin Mooney | Support |
| Sean McParland | Support |
| John Casley | Support |
| Nigel Thomson | Support |
| Andrew Burke | Support |
| Anne Trotter | Support |
| Michael Kelly (Chair) | Support |
| Paddy O'Hagan | Support |

Actions:

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

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

The Proposer went through the presentation and background details on Modification Proposal SPX_02_20. The proposal seeks to bring forward the publication time of the Bid/Ask curves which was the Proposer considered would allow more effective trading decisions in the intraday auctions.

The Committee expressed their opinions on the Proposal and there were a number of Members who were not in a position to vote as they required further clarifications on areas such as transparency and confidentiality.

The Committee agreed to defer this Modification Proposal pending completion of actions to clarify issues raised.

Outcome

The proposal was deferred for further decision.

Actions:

- Secretariat to attach a spreadsheet for clarification on issues raised with this Modification – **Open**
- Proposer to provide worked examples, or scenarios, for further clarity- **Open**
- Those Members not in a position to vote to provide more information in support of this opposition – **Open**
- Secretariat to convene a further conference call to discuss this Modification Proposal SPX_02_20 in more detail - **Open**

SPX_01_20 ENABLE BLOCK ORDERS IN THE IDA AUCTIONS (CONNOR POWELL SSE)

The Proposer went through the presentation and listed the advantages and disadvantages of this Modification Proposal, outlining the position of the Proposer that the current auctions are not providing the tools to manage the market structure and physical energy position. The Proposer noted that an introduction of IDA blocks could unlock more liquidity by allowing conventional production to assist re-optimize auctions.

The Proposer went on to note the benefits of Buy/Sell Order and options to manage shape risk. Illustrated examples were shown of how the Proposer considered IDA block orders could assist in certain market scenarios. The Proposer also considered that in looking forward to EU Intraday Auctions, block orders would also be compatible.

The Committee expressed their opinions on the Proposal and it was agreed that this Modification would be deferred addressing points for discussion on further data from Epex half-hour trial and the link to prioritisation discussion with SEMOpX. It was also agreed that a timeline would take into account the June system updates discussed in SPX_01_20.

Outcome

The proposal was deferred for further discussion.

Actions:

- SSE to provide more information of EPEX half hourly market results – **Open**
- SEMOpX to provide a view on how this may link in the prioritisation discussion – **Open**
- SEMOpX to see if it can find other examples of how low volume auctions perform in terms of price volatility – **Open**
- Secretariat to convene a further conference call to discuss this Proposal in more detail at the end of the summer (August) - **Open**

SEMOpX delivered a presentation on its market surveillance function summarising that this provides surveillance and assists in ensuring the SEMOpX Rules as well as REMIT obligations are met. The presenter outlined the process for identification, evaluation and where necessary escalation of potential market rule breaches.

A number of Members queried the process and how investigations are dealt with. SEMOpX provided assurance that if issues are discovered, communication is upfront with the Participant and corrective action can be sought following a discussion; where necessary investigations are escalated to the Regulatory Authorities Market Monitoring Unit.

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