

MEETING:	System Services Code Working Group Meeting #3 December 2024
DATE AND TIME:	11 th December 2024 09:30-11:00
PARTICIPANTS:	<p>Andrew Burke (AB), WEI</p> <p>Brian Mongan (BM), FERA</p> <p>Cian Fitzgerald (CF), Energia</p> <p>Harry Molloy (HM), EPUKI</p> <p>Helen Stack (HS), Bord Gais Energy / ESI</p> <p>Jon Sedgick (JS), Viotas</p> <p>Paraic Higgins (PH), ESB</p> <p>Patrick Liddy (PL), DRAI</p> <p>Paul McGuckin (PMcG), Mutual Energy</p> <p>Peter Brett (PB), Eco Power Supply Ltd.</p> <p>Peter Frampton (PF),</p> <p>Bronagh McKeown (BMcK), UR</p> <p>Gavin Millar (GM), CRU</p> <p>Aidan Byrne (ABy), EirGrid</p> <p>Andrew Crawford (AC), EirGrid</p> <p>Brendan O’Sullivan (BOS), EirGrid</p> <p>Carole Devlin (CD), EirGrid</p> <p>Javier Prieto Sans (JPS), EirGrid</p> <p>Joe Deegan (JD), EirGrid</p> <p>Kasra Haji Bashi (KHB), EirGrid</p> <p>Niamh Delaney (ND), EirGrid</p> <p>Sarah Friedel (SF), SONI</p> <p>Catherine Swanson (CS), FASS Programme Team</p> <p>David Clark (DC), FASS Programme Team</p> <p>Eoin Farrell (EF), FASS Programme Team</p> <p>Daniel Marshman (DMa), Market Reform</p> <p>Brendan Ring (BR), Market Reform</p>
ABSENT:	<p>Jessica Branigan (JBr), Matheson / IESA</p> <p>Salim Temtem, PSC Consulting</p> <p>Donna Maye (DM), UR</p>
PREPARED BY:	Catherine Swanson & David Clark

Meeting Context

FASS SS Code Working Group Meeting was held virtually. Meeting facilitated by Carole Devlin.

Agenda:

- Welcome and Introduction
- DASSA Mechanics
- Secondary Trading
- Actions from Previous Working Group Meeting
- AOB

Minutes

1. Welcome and Introduction
 - CD taking the voicing over the scope, table of contents, Market Rules & Code Development PIR extract. (slides 3-5)
2. DASSA Mechanics

DASSA

- CD gives overview on auction format of DASSA (slide 7).
- On Products slide (8), PH queries pricing of implicit bundles with further discussion on how payment for bundles will differ from individual services procured. BM also requested clarity on the differences between explicit and implicit bundles. The TSOs agreed to provide further clarification in the PEV of the Code with regards to the definition of bundles and the Premium Price associated with these.
- JD states that implicit bundles will be ready for DASSA Go Live in December 2026. BM inquires how the volumes for implicit bundling will be determined; JD clarifies that the TSOs will set the volume of implicit bundles as part of the Volume Forecasting Methodology workstream. The bundle volume setting process will be transparent and treated in clearing of auction as a constraint.
- On zones slide (9), CD states there will be 2 zones, Northern Ireland and Republic of Ireland for reserve services.
- HM raises query on possibility of more than 2 zones. JD confirms that for reactive power TSOs may have more zones and different zone arrangements for different reserve service.
- BM asks who and how the zones are defined. JD clarifies that the current 2 zones are defined as Northern Ireland and Republic of Ireland because operational requirements. JD adds TSOs may change zones in the future with the North-South interconnector or if operational requirements change. ND offers to investigate process for adding/removing zones and TSOs will revert.
- PH queries that if volume insufficiency occurs in the DASSA, will the TSOs have to buy at scarcity price less bid price in secondary trading market. JD confirms and the TSOs' understanding from SEMC Decision Paper (SEM 24-066) is that the intent is to default to the scarcity price less the bid price to keep the price as low as possible. Other participants also requested clarity on the intention behind this.
- HM concerned that scarcity trading may cost providers more to provide the services than they will receive. JD highlights that the parameters and scalars consultation will provide industry the opportunity to give feedback on scarcity pricing.
- PH queries if a unit would receive its full DASSA revenue in the event it did not fulfil its DASSA order and JD clarified that no payment will be processed if service providers do not fulfil the order.
- Timing slide (10), CD runs through DASSA timings section - no further discussion.
- Bidding format slide (11), CD gives overview of Bidding Format. AB asking about zero volume bids. It was clarified that in the absence of FAM, this is unclear. ND highlights RAs have asked TSOs to present on the upcoming project panel (16th Dec 24) on status of FAM alternatives which will be shared with industry in the next Future Power Market Industry Workshop in January 2025.
- PL queries if providers bid twice or just one bid, JD clarifies service providers can bid in the DASSA and again during the secondary trading window.
- PH would like to see more information on Sequential Filling Guarantee (SFG). The TSOs took an action to include more detail in the current PEV of Code.
- Validation of bids slide (12). BM asked if different volumes being offered for different products, would cause frequency issues for the TSOs. JD stating Future Operations team did

not identify any issues on frequency in their modelling but the TSOs agreed to take away as an action.

- PH queries if service provider can bid to provide the specified level of services that they are not qualified for. JD states that the provider's bid will not be validated if they are not qualified to provide a level/amount of service in the first instance.
- DASSA Clearing Overview slides (13,14) CD taking group through content.
- DASSA Prices slide (15), PH queries if it is possible to have volume insufficiencies in NI and not ROI and vice versa. JD states volume requirements is all Island and in secondary trading there will be zonal constraints.
- DASSA Outcomes slide (16), PH asks for clarity on DASSA Outcomes given the zones and different quality categories of products including bundles. JD and CD agree that TSOs will define a matrix for the DASSA Outcomes.

Secondary Trading

- CD takes group through secondary trading process (slides 19-25).
- BM asks if a service provider holds a DASSA order which is for an all-island service provision, would the secondary trade be for the same jurisdiction. JD replies that if participants trade or partially trade this order in secondary trading, once it does not violate a constraint. PH suggests if this is the case, it would be useful for the participants in secondary trading market to have visibility of remaining trade volume per product per zone. The TSOs agreed to take this away.
- JD clarifies for PH that participants can trade part of volume of bundle but not a component of the bundle and that integrity of the bundle must be maintained.
- PH queries how quickly will DASSA orders be validated. JD replies that feedback will be provided by TSOs as quickly as possible but will be dependent on IT vendor.
- PH queries why there is a limitation on number of purchasing service providers, as detailed in PEV- Section 7.3.2 Validation of Buy and Sell Orders. JD replies as with current arrangements, there is risk that too much reserve would land with only one or two providers.
- PH queries under Section 7.2.7- Commitment Obligation and Right to Payment, do service providers transact bi-laterally or do they transact with a platform or an exchange. JD clarifies that TSOs focus is on the value of the DASSA and service providers fulfilling the order.
- AB raises concern around a matched secondary trade being settled bilaterally and the subsequent collateral burden for participants. He asked about the possible use of participant central exchange-based trading for service providers to combat this. ND and JD clarified that Secondary Trading was only introduced at a late stage and could be complex to implement prior to DASSA Go Live in December 2026.
- CF adds that the collateral burden would affect smaller participants disproportionately compared with larger providers.

Queries from last meeting

- RAs will seek SEM Oversight Committee views mandatory accession to the code.
- TSOs and RAs discussed non-binding voting for Modification Committee members and concluded it is the most appropriate approach. This wording has been updated in the latest version of the SS Code PEV. PH considers that the Chairperson has too much powers but will respond on this to the SEM Consultation in relation to Code.
- RAs and TSOs have decided for now to keep Dispute Resolution Board fees in line with existing codes, this however will be subject to SEMC consultation on completion of the PEV on SS Code.
- New units not acceded to the code will have no grounds for dispute as there are no obligations in place for the participant. This will however be scope for a qualification dispute line with the Trading & Settlement Code.

General

- Next WG meeting will be held following the SEMC decision on SS supplier charge paper.
- Next WG meeting to be in person, likely in Belfast in February.

AOB

Discussion on wording of Section 3.3.4 on SS Code Committee Members. PH unsure on wording of committee chairperson but will raise in the future forum.

Actions:

1. The TSOs agreed to provide further clarification in the PEV of the Code with regards to the definition of bundles and the Premium Price associated with these.
2. The TSOs agreed to provide more clarity on determination and governance of zones.
3. The TSOs are to provide further detail on Sequential Filling Guarantee within an updated PEV Of Code.
4. The TSOs agreed to provide further clarification in relation to different products being offered at different volumes and the impact on frequency.
5. The TSOs are to define a matrix for the DASSA Outcomes.
6. The TSOs are to investigate if a remaining trade volume per zone can be available to participants in Secondary Trading.
7. The TSOs will provide clarity on its position in relation to collateral requirements for matched trades and will explore whether they can be managed on a central exchange.