

MEETING:	System Services Code Working Group Meeting #1 June 2024
DATE AND TIME:	26 th June 2024 10:00-15:00
PARTICIPANTS:	Andrew Burke (AB), WEI Brian Mongan (BM), FERA Cian Fitzgerald (CF), Energia Harry Molloy (HM), EPUKI Helen Stack (HS), Bord Gais Energy / ESI Jag Basi (JB), ESB GT [alternate delegate] Jessica Branigan (JBr), Matheson / IESA (until lunch) Patrick Liddy (PL), DRAI Paul McGuckin (PMcG), Mutual Energy Peter Brett (PB), Eco Power Supply Ltd. Niamh Delaney (ND), FASS Programme Team (EirGrid) Carole Devlin (CD), FASS Programme Team (EirGrid) Brendan O’Sullivan (BOS), EirGrid Kadija Duri (KD), EirGrid Rachel Plomp (RP), FASS Programme Team (Ext) Alex Bolster, FASS Programme Team (Ext)
ABSENT:	Pauric Higgins, ESB GT
PREPARED BY:	Alex Bolster

MEETING CONTEXT:
<p>FASS Programme Board Meeting held in EirGrid offices, The Oval.</p> <p>Meeting facilitated by Carole Devlin.</p> <p>Agenda:</p> <ul style="list-style-type: none"> • Welcome and Introductions • Ways of Working Overview • PEV Review: Background & Context • PEV Review: Legal & Governance • Lunch • PEV Review: Participation, Accession & Registration • PEV Review: Qualification <p>Announcements:</p> <p>N/A</p>

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Welcome & Introductions:

CD welcomed working group members and thanked them for their participation.

High-level overview of the FASS Programme presented, including timelines and components.

Context provided by way of scope for the System Services Code Working Group, referencing the SEMC HLD (SEM-22-012) and SEM-23-103, among others. It is not intended to reopen any previous SEMC Decisions.

Overview of System Services Code Table of Contents presented. It was noted that finalisation of the PEV is highly dependent upon timely progression of business design activities including SEMC Decisions.

Ways of Working Overview:

Overview of code development approach presented. CD explained the rationale behind a hybrid development approach i.e., some sections developed iteratively while others are developed in a one-draft format.

Provisional schedule for Working Group Meeting Agendas presented, noting that this is highly dependent on timely SEMC Decision making.

- PL clarified that there are 7 meetings proposed for the remainder of the year.
- CD noted that meetings will be scheduled as key decisions are made, but the intention is that they will be monthly and 10 business days notice will be given.
- 50% quorum will be required with in person attendance strongly encouraged.
- Proposed the potential to rotate between EirGrid and SONI offices, noting some working groups potentially needing to take place over 2 days.
- BOS introduced as chairperson for meetings

AB raised that FAM is the key area of concern for wind industry. CD noted that we will be addressing this at later meetings. ND reiterated that we won't be discussing the design today.

JB welcomed the proposal for 10 days notice and engagement in general. He noted the evolving nature of the code and that any placeholders for decisions, feedback and re-opened items should be clearly highlighted to working group members.

JB also noted disappointment that the Regulators were absent.

- AB noted that having the RAs in the room would help mitigate some frustrations with buy-in/lack of understanding.
- BM noted they're on the list for quorum. JB suggested this is changed.
- CD noted that we engage regularly with them on a weekly basis and will certainly be kept abreast of updates.
- PL agreed that everyone wants the RAs in the room, however capacity issues are a concern. He asked if there is a plan to issue minutes from the meeting to impress upon them the outcomes in order to use their time more efficiently.
- **Action:** ND & BOS noted that the TSOs will provide this feedback to the RAs.

[**Note:** The TSOs note there was some miscommunication with regard to the RA invite and the RAs have expressed their desire to attend future working groups.]

BM also noted the importance of having a representative from each TSO due to licence changes.

- ND noted that come July there will be a representative from SONI, but in the meantime the current TSO representatives are committed to representing both, also noting the programme team engage closely with SONI regulation on a regular basis.

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JB expressed his preference for rotating locations.

PEV Review: Background & Context

PL asked if we will have two documents for this code given the broader direction of travel.

- BOS noted it is a SEM based matter so will be governed the same as T&SC for now.

PL asked if the Code extends to all System Services or just DASSA?

- CD noted that the Code will cover all things in relation to FASS
- BM asked if DASSA only included reserve products
- JB referenced a certain number of products in the document, asking if we are only going to include some and add others later, or going to list all and exclude for the moment.
- CD noted that the products will be included in an appendix/agreed procedure.

CF joined the meeting.

PMcG suggested a change in 'roles for TSOs' section: maintain a register of the fixed term contract.

- CD clarified that it would cover fixed term contract procurement, perhaps in an agreed procedure.

BM queried whether existing contracts for volume capped would be included in this code.

- ND noted the RAs intention would be to capture everything to do with System Services would be referenced in this code, but that's not to say existing contracts would be changed retrospectively.

HS asked a question with regard to EBGL and EU regulation compliance and whether is there an intent to check the code against these, noting the possibility of non-compliance if not fully managed. She noted that there is wider uncertainty regarding the evolving framework and it would be good to have this socialised.

- CD noted that there is an ongoing workstream (licencing & regulation) which are reviewing the relevant licences.
- HS clarified the question was referring to the whole framework as opposed to just licencing obligations.
- ND noted that colleagues in this workstream have reviewed all legislation, which was an extensive piece of work, and have been engaging with the RAs for some time who will also have to form a view on this.
- **Action:** TSOs to bring this query to the RAs.

PEV Review: Legal & Governance

Overview of Table of Contents presented.

CD presented an overview of scope and objectives, noting that we are leveraging the existing T&SC where possible. It was noted that the objectives of the code are dependent on finalisation of licence changes.

3.1 Objectives

JB noted there is nothing detailed in relation to TSO incentivisation and obligations.

- ND asked if there is something analogous in current contracts
- JB noted efforts to minimise cost of deviations from PNs
- BOS noted that this is BM principles as opposed to T&SC - gap is noted

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- ND noted in current system services contracts we have an obligation to pay

BM noted that there is nothing in relation to mitigating market manipulation in the objectives.

- HM noted that market manipulation is somewhat covered by economically efficient delivery of a competition/market outcome. JB agreed.
- **Action:** ND noted that this would be a good point to have RA view on this matter given that market monitoring is their role
- HM noted that he wouldn't be strongly opposed to including an objective on it.
- JB noted that the enforcement obligation is on the RAs as opposed to the TSOs.
- AB noted that this is an example of where it would be useful to have the RAs in the room.
- BM queried whether the TSOs are going to expand market monitoring
- BOS reiterated we will take this away as an action item.

KD [TSOs' Legal team] introduced and expressed broad agreement, noting it would be too detailed to go into at this stage.

BM noted that the Code Objectives should reference obligations on all relevant parties including TSOs/DSOs/DNOs and also market participants.

Section 3.1.2 Governing Law & Jurisdiction

Discussion held regarding whether the Code should be governed under Irish Law/Ni Law.

- KD noted that with the Celtic Interconnector coming, Irish law may be better to put forward in this instance given European countries familiarity as well as Brexit complications
- BOS noted that dispatch is related to grid codes which is jurisdictional, while dispute resolution is more similar to T&SC
- JB noted that the market is more contractual as opposed to operational
- CF asked if this is going to be secondary legislation and would a working parliament in NI for example be required to be in place.
- **Action:** JB suggested an action to proceed on the basis of NI law in the first instance to get alignment, and if not revert to Irish law.

BM clarified that ancillary services would stand on top of the DAM.

- AB queried how LPF will all fit together holistically if this comes before the DAM.

HM asked have we quantified or conducted analysis of Brexit impact, and if there is going to be a misalignment is there any justification for this?

- KD noted it is precautionary and hasn't been looked at in detail.
- **Action:** Further consider hierarchy of the code.

3.2 Roles and Obligations

Regarding the register of fixed term contracts, AB asked if that will be publicly available for all legacy contracts.

- KD clarified that it is confidential

AB queried "maintaining" wording - suggested "developing" instead to capture development before go-live.

- CD noted that this will be approved by RAs a few months prior to go-live so was more so envisioned for day 1 of DASSA.

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It was noted there is a placeholder for transitional arrangements.

BM asked if we still go to the dispute resolution board even though it is an RA responsibility to resolve disputes. JB clarified this is the same as the T&SC.

HS asked if there should be an obligation of the TSO to monitor the efficiency of market arrangements.

- JB queried if HS was referring to the efficient operation of the auction or efficient pricing
- ND noted that it is important for the TSOs to have a role in performance monitoring.
- BOS clarified role of the TSOs is to look at the overall set of arrangements to ensure they are functioning as intended in line with the objectives set out.
- Distinction between performance monitoring and monitoring market behaviour noted.
- **Action:** BOS suggested raising the question with the RAs whether this obligation lives in a code or licence

PL queried wording of “policing” - is there an obligation on TSOs to police as opposed to monitor?

- ND noted it is the TSOs intention to continue to performance monitor - the way in which this would be translated to an auction format is yet TBD.
- BM queried whether this would sit within the grid code?
- PL noted that the grid code doesn't put an obligation on the TSOs, but it does give them the right.
- ND noted that there may be a distinction between BCOP and performance monitoring. She also noted the TSOs are not allowed to impose penalties. ND noted that this is already covered in current performance monitoring practices i.e., intention to be equitable to all service providers etc.

AB suggested changing wording of “administer” to “will” or “shall”.

BM asked for some examples regarding the exceptional circumstances in relation to secondary trading

- CD and ND noted that this is outside the scope of discussion for today and more detail would be provided in the recommendation paper.
- HM queried whether “exceptional circumstances” wording brings ambiguity to the TSOs.
- ND noted that these will be explicitly listed in legal drafting.

Section 3.3 Modifications Process

AB suggested taking the same approach to the balancing market mods committee.

JB queried why there are supplier representatives on a system provision.

- HS noted that suppliers are calculating cost.
- BOS noted that we are reflecting T&SC and we wanted to capture emerging demand side strategies.
- **Action:** Further investigate inclusion of supply companies

CD noted that unlike the TS&C there will be no voting.

- JB suggested that this would be brought back in. AB agreed.
- ND noted that it was previously decided upon that it would be more like the grid code in how the TSOs would develop a view representing all interests and submitting this to the RAs.

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- JB noted that voting will be an important feature when it comes to the TSOs submitting their recommendation.
- BM also agreed, noting that voting carries a lot more weight and the chairperson can take on points from industry and choose to ignore.
- JB noted that it is not necessarily a deciding factor and that the SEMC Decision can still be upheld while still introducing voting to capture industry sentiment.
- ND queried noted that the grid code panel doesn't have explicit voting but believes it still provides value to industry
- BM noted that the grid code doesn't look after a commercial market. He also expressed his view that DSOs/DNOs should not sit on the mods committee due to competing packages such as 'Beat the Peak'
- ND noted that an increasing amount of providers are distribution connected.
- AB noted he would question the value of industry feeding into something if there is no vote.
- HS agreed that a vote would provide visibility and transparency to the process, citing previous experience investigating grid code modifications.
- HM agreed that voting would positive for transparency. He highlighted capacity mods whereby there is no voting process; ultimately the SEMC get to frame the narrative and there is scope to go back to the RAs to ask for a justification.
- PL questioned if there is no voting, why would membership be limited?
- AB suggested placing an upper limit on membership (i.e., not allow generator members to swamp out others)
- ND raised concern that from a management perspective, it could get out of hand if there were too many members
- ND noted that a voting process risked re-opening SEMC decisions.
- **Action:** Consider whether a voting process will conflict with the TSOs decision making ability.

- PMcG suggested storage operators would have a separate seat to interconnectors
- PL suggested an addition to the text: "chairperson has the right to add additional seats"
- **Action:** TSOs to amend relevant text

- AB asked if there is a quorum
- CD noted we would adopt similar to the BM.
- **Action:** Confirm quorum and upper limit (previously raised above)

HS asked if all proposals be published?

- CD clarified she would assume so in line with existing practices

In relation to no retrospective effect AB asked if there is resettlement would that be considered retrospective?

- CD noted it would depend on the rules that applied at the time.
- AB referenced CEP, whereby legislation may come from a higher authority.
- BOS noted that this was discussed and this is where the hierarchy of laws will apply.

HS asked if the alternative modifications process will be considered by the panel, noting she is unsure what it means in practice and what the cut-off point is.

- CD noted that it is just a high-level principle at the moment.
- ND noted it is analogous to what is done at the moment in the T&SC
- BOS noted that the intent isn't a conflicting mod - same intent and same ambition but done in a different way.
- **Action:** TSOs to consider cut-off on timing of submission of alternative modifications

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Lunch

JBr no longer in attendance.

Section 3.4 Dispute Resolution Process

In relation to objective, BM suggested adding: “in relation to the code *at the time of the disputed event*”

Query raised around whether disputes are with the TSOs or TSOs as Meter Data Provider

- BOS suggested we need to clearly define the administration function of the TSO in relation to this to ensure it is with this part of the TSO
- **Action:** determine how we identify the administrator as part of the dispute resolution process as part of legal drafting

JB asked if the TSOs had come to a conclusion on whether it will be the same dispute resolution board across T&SC and CMC.

- CD noted we are open to views on this and also see the benefits of leveraging the same board.
- HM queried if there are any legal obligations to go out to tender.
- KD noted that some people may not want to sit on more than one - **Action:** TSOs legal team to investigate further

CD noted that credit cover will be incorporated into this process at a later stage of code development.

Debate on awarding of costs both of DRB and by participants in raising the dispute.

- BM strongly of the view that the current T&SC is not correct here (parties to a dispute share DRB costs equally) and we should do it differently here
- JB strongly of the view that we continue to develop based on T&SC as is and raise T&SC modification if required.
- **Action:** TSOs to further investigate

Concern on the point of DRB being bound by the rules of the Code (discussion on historical T&SC DRB decision from 2019)

- BOS noted the DRB is only mandated to give directions that are within its vires.
- BM noted that he thought it was good the DRB can go beyond its vires as it prevents court proceedings
- **Action:** TSOs to further investigate

Noted amendments to be made to language in Section 3.4.4. referring to the T&SC as opposed to the System Services Code

PL noted the challenge in how to represent dissenting views from the “benchmark” document during consultation

- BOS noted a similar approach for Part B of T&SC will be taken whereby queries will be logged and provided as part of the consultation package at a later point.

PMcG suggested a higher percentage or monetary value for the Pricing Recalculation Threshold, moving away from the current materiality threshold of 5%.

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PEV Review: Participation, Accession & Registration

JB reiterated point around limited amount of system services products made earlier.

BM questioned should DSUs still register in the BM as it shows authority for the RAs.

PL noted that there is a risk of unintended consequences if people are asked to sign up to multiple things.

- BM noted that the grid code eludes to T&SC registration, noting that there is a lot of action and cost required to split it out.
- PL noted that while it simplifies this document, it complexifies the T&SC.
- JB asked if this affects the legal hierarchy
- ND noted we don't want to place undue burden on service providers to register to T&SC
- JB suggested the TSOs could waive the fee; ND noted she is unsure of the legalities of this suggestion
- **Action:** TSOs to investigate further

BM asked if there is a MO charge.

- ND noted that SS Supplier Charge will be implemented, per RA request.

AB noted that this 4.2 seems fine for a new unit, but queried if there would be a different process for existing units

- CD noted that the SS framework agreement would be in place for existing DS3 contract holders.

BM queried whether registration for DASSA is automatic under existing DS3 contract.

- ND noted that while there is a new set of arrangements the intent would be to reduce the administrative burden.

JB asked if it would be possible to use DocuSign instead.

- CD noted we could consider DocuSign as part of the accession process.
- **Action:** TSOs to investigate further

JB queried what is the difference between point 1 and 2 on the Accession process diagram and suggested removing point 2.

PMcG asked where does the bad debt in number 3 come from if the process is one-way

- BOS noted that the funding e.g., system services charge, risk has to be covered.

PL queried whether there will have to be collateral provided.

- BOS clarified that a placeholder is in the document with necessity to be determined at a later date.

Discussion around long-term contracts which may need collateral. May also need it for M13 settlement re-runs.

BM suggested aligning terminology around 'working days' and 'days', and expressed his view that 20 working days is quite long.

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JB also raised the point that there shouldn't be a need for gates.

- CD clarified that this will be continuous going forward.

AB asked if the treatment of intermediaries in the BM would carry through.

- BOS noted that this is probably more of a question for legal but would assume same form of approval
- **Action:** TSOs to investigate further with legal team

AB asked what does 'zone' refer to in this instance

- CD clarified that zone refers to jurisdiction in this case.
- ND noted that it is intended to be more generic as we have been asked to investigate locational aspects as part of the design but 'zones' are still undefined at this time. At the moment, for the DASSA we have proposed two - Ireland and NI.

JB asked what the TSO SS approved test report is.

- BM noted at the moment they can do it in person or by analysing data.
- BM noted that 4.5 isn't appropriate as not all sites within a unit are offering services. MPRNs aren't applicable to some units as there is no one-to-one mapping between unit and site
- ND noted that we are moving from a gated 6-monthly process to a rolling 90 day process which will have implications for distribution system connected units.

PMcG suggested adding some wording around TSO discretion in there to detail what would be considered a material change.

- ND noted that there are certain parameters that can be changed currently e.g., volumes and scalars

JB suggested streamlining exactly what the TSOs are looking for, even if someone else does the testing on their behalf.

- CF agreed

PEV Review: Qualification

AB noted that industry raised a concern around qualification testing, if units who already can provide a particular service.

- CD reiterated that the TSOs intention is to limit testing as much as possible.

HS asked if the testing requirements sit outside of this.

- CD clarified yes, because sometimes testing requirements change and would not need a modification to the code. Similar governance around testing in the grid code.

HS queried whether it is completely at the TSOs discretion or is RA approval involved.

- ND clarified yes, it is up to the TSOs.

End of meeting

- **Action:** TSOs to circulation slides and actions

ACTION/QUERY	OWNER(S)	STATUS
TSOs to provide feedback to RAs regarding Code Working Group Attendance	FASS Programme Team	Open
TSOs to bring query to RAs on whether there is an intent to check the code against regulations such as EBGL	FASS Programme Team	Open
TSOs to bring query to RAs on issue around market monitoring	FASS Programme Team	Open
Proceed on the basis of NI law in the first instance to get alignment, and if not revert to Irish law	FASS Programme Team	Open
Review System Services Code hierarchy	FASS Programme Team	Open
TSOs to bring query to RAs on whether there should be an obligation on the TSOs in the licence or the code to monitor market arrangements to ensure it is working efficiently	FASS Programme Team	Open
Consider whether a voting process will conflict with the TSOs decision making ability	FASS Programme Team	Open
Confirm quorum, upper limit, and supplier representation for the Mods Committee	FASS Programme Team	Open
Consider cut-off on timing of submission of alternative modifications	FASS Programme Team	Open
Determine how we identify the administrator as part of the dispute resolution process as part of legal drafting	FASS Programme Team	Open
Further investigate streamlining the DRB membership process	FASS Programme Team	Open
Further investigate whether the DRB can go beyond its vires in relation to decision making	FASS Programme Team	Open
Further discussion needed in relation to Dispute Resolution Board fees/costs	All Parties	Open
Investigate whether or not alluding to Registration in the T&SC affects the legal hierarchy proposed and whether waiving the registration fee is allowed	FASS Programme Team	Open
Investigate legalities of using DocuSign or a similar tool as part of the Accession process	FASS Programme Team	Open
Circulate slides, minutes and actions	FASS Programme Team	Open

ACTION/QUERY	OWNER(S)	STATUS
Amend relevant sections of text	FASS Programme Team	Open