

23/01/2025

FASS Programme

System Services Code
Development Working Group
January 2025



Agenda

Working Group Meeting 4

23rd January 2025

1. Welcome and Introduction
2. PEV Version 1: Key Updates
3. Actions from Previous Working Group Meeting
4. Information on Agreed Procedures
5. AOB

Scope

The decisions as set out in the SEM Committee publications need to be transposed into a binding set of market rules which require extensive input and review from the Working Group. The System Services market rules should reflect the decisions included in the following SEM Committee decision documents:

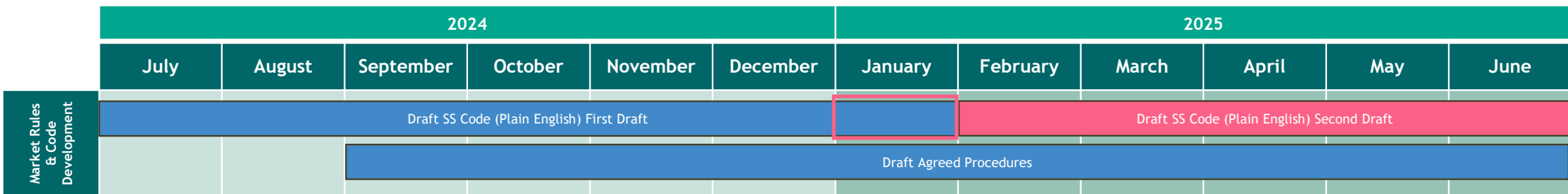
- [SEM-21-021 System Services Future Arrangements - Decision Paper 1](#)
- [SEM-22-012 System Services Future Arrangements High Level Design Decision Paper 2](#)
- [SEM-23-103 System Services Future Arrangements - Detailed Design & Implementation - Phased Implementation Roadmap - Decision Paper 3](#)
- [SEM-24-066 System Services Future Arrangements - DASSA Design Decision Paper](#)
- [SEM 24 - 074 System Services Future Arrangements - Product Review Decision Paper](#)

Note: The System Services Code Working Group will not re-open any previous SEMC Decisions.

Market Rules & Code Dev.

Legend

- TSOs Led Activity
- SEMC Decision
- Milestone
- New Activity
- RAs Led Activity
- RAs /TSOs Activity
- DS3 Activity
- New Milestone



Workstream Summary

- System Services Code Plain English Version First draft extended to January 2025 due to extension of DASSA Design Consultation.
- Second draft of the code added to the plan.



Table of Contents

Section Ref.	Code Section
1	Overview
2	Legal and Governance
3	Participation, Accession and Registration
4	Qualification
5	Auction format of DASSA
6	Secondary Trading
7	Obligations
8	System Service Supplier Charge
9	Long Term Contracts
10	Delivery - Performance Monitoring
11	Migration to FASS for existing DS3 contracts
12	Settlement
13	Approvals
14	Glossary
15	Appendices
16	Agreed Procedures

Deliverables:

Per the PIR, the Plain English draft of the System Services Code is due for completion by **Q1 2025**. It is envisioned that the Q1 2025 deliverable will consist of a **consolidated word document**, comprising a Plain English Version of each section of the code.

SEM Committee Decisions:

- Parameters and Scalars Consultation (Price Caps, Commitments and Obligations)*
- FAM Alternative*
- System Services Supplier Charge (Q1 2025)*
- Volume Forecasting Methodology (Q1 2025)*

The timing of the following activities are also considered:

- Licence modification required to implement this framework (Q4 2025)

Therefore, it is proposed to commence work on these topics later in the process in line with publication of the relevant SEM Committee decisions.

***Note:** Finalisation of the Plain English Version (PIR milestone FASS.22) is dependent on the timely progression of business design activities concluding with the publication of the respective SEMC Decisions.



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PEV V1: Key Updates

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Key Updates post Working Group 3

Key Updates:

- Inclusion of reference to Settlement in Trading and Settlement Code in Section 2.3

12. Settlement functions will be included in the System Services Code. The detailed rules for the remuneration of system service providers, including settlement of secondary trades, and the associated rules for system service charges on suppliers will also be set out in the Code. **There will likely be settlement related to System Services included in the Trading and Settlement Code.** There will be monthly invoicing one month in arrears.

- Inclusion of Capacity Market Code in Hierarchy in Section 3.1.5.

3.1.5 System Services Code Hierarchy/Priority

In the event of any conflict between any Party's obligation pursuant to any Legal Requirements and the Code, such conflict shall be resolved according to the following order of priority:

- (a) requirements under Applicable Laws;
- (b) any applicable requirement, direction, determination, decision, instruction or rule of any Competent Authority;
- (c) the applicable Licence;
- (d) the Grid Code applicable to the relevant Providing Unit concerned;
- (e) the Metering Code applicable to the relevant Providing Unit concerned;
- (f) **the Capacity Market Code**
- (g) the Trading and Settlement Code;
- (h) this Code.

Key Updates post Working Group 3

- Addition of text in Section 4.3 regarding registration to align with Section B.7.4.6 of T&SC

Following submission of the relevant documentation the TSOs will contact the participant within 40 Working Days of the information being submitted and request clarification where necessary. Should clarifications be required from a participant, this must be received within 20 Working Days following the date on which the TSOs requested the clarification, **otherwise the application will be deemed to have been withdrawn**. The TSOs will within 50 Working Days of receiving a complete

- Insertion of text in relation to Governance of Zones in Section 6.2

6.2 Zones and Locational Requirements

Locational zones reflect the jurisdictional constraints in Ireland and Northern Ireland. Per [SEM 24-074](#), the SEM Committee has decided to maintain current locational reserve requirements for upward reserves and to introduce the same locational requirements for downward reserves. In effect, there are two zones, Ireland and Northern Ireland.

The TSOs' determination of zones is based on TSO Operational Security Standards and Grid Codes. The TSOs could seek to adjust zones at a later stage should technical studies identify a need to do so.

Additional Note: Per [SEM 24-074](#), the SEM Committee also highlighted that the TSOs are directed to include proposals for a methodology to identify and define further locational zones based on system need in the next product review. Per [SEM 24 066](#) the SEM Committee considers it important that there is ongoing monitoring of the need for any further zones as a potential result of any observations of network constraints routinely causing distortions to the market clearing price.

- Insertion of Table showing DASSA outcomes on a Trading Period basis in Section 6.10

Next slide

- Update of Agreed Procedures

DASSA Outcomes Matrix

Zone	Reserve product	Volume Cleared (MW)	Price (€/£)
Ireland/Northern Ireland	Upward FFR Category 1 Dynamic		
	Upward FFR Category 1 Static		
	Upward FFR Category 2 Dynamic		
	Upward FFR Category 2 Static		
	Upward FFR Category 3 Dynamic		
	Upward FFR Category 3 Static		
	Downward FFR Category 1 Dynamic		
	Downward FFR Category 1 Static		
	Downward FFR Category 2 Dynamic		
	Downward FFR Category 2 Static		
	Downward FFR Category 3 Dynamic		
	Downward FFR Category 3 Static		
	Upward POR Dynamic		
	Upward POR Static		
	Downward POR Dynamic		
	Downward POR Static		
	Upward SOR Dynamic		
	Upward SOR Static		
	Downward SOR Dynamic		
	Downward SOR Static		
	Upward TOR1 Dynamic		
	Upward TOR1 Static		
	Downward TOR1 Dynamic		
	Downward TOR1 Static		
	Upward TOR2 Dynamic		
	Upward TOR2 Static		
	Downward TOR2 Dynamic		
	Downward TOR2 Static		
	Upward RR		
	Downward RR		
	Implicit Bundle Product 1 e.g. Upward Dynamic FFR, POR, SOR, TOR1		
	Implicit Bundle Product 2 e.g. Upward Dynamic FFR, POR, SOR		





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Actions from Previous Working Group Meeting

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Queries arising from Third Meeting

No	Action/Query	Response
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.	Examples of Bundles and Pricing were presented as part of an Objective Function Workshop on 21 st January 2025.
2	The TSOs agreed to provide more clarity on determination and governance of zones.	Zones for reserve were determined based on detailed system studies (N-1 contingencies) to ensure compliance with TSO Operational Security Standards and Grid Codes. Zones could be amended should future studies identify a requirement for this for compliance OSSs or Grid Codes, this would be required under European and National Legislation.
3	The TSOs are to provide further detail on Sequential Filling Guarantee within an updated PEV of Code	Further examples provided at Objective Function Workshop. Detail included in Section 6.5 of the PEV.
4	The TSOs agreed to provide further clarification in relation to different products being offered at different volumes and the impact on frequency	This is not a concern once the total TSOs volume requirements for each reserve product is met through DASSA procurement
5	The TSOs are to define a matrix for the DASSA Outcomes.	This is included in Section 6.10 of the PEV.
6	The TSOs are to investigate if a remaining trade volume per zone can be available to participants in Secondary Trading.	This will be investigated further as part of the process for batch matching, it will form part of Parameters and Scalars consultation.
7	The TSOs will provide clarity on its position in relation to matching of secondary trades and associated collateral requirements.	A Secondary Trading Example is provided. Options in relation to collateral are being explored.



Secondary Trading Example

1

DASSA Offer Submission and Auction Clearing			
DASSA Volume Requirement 60MW			
Unit	Unit A	Unit B	Unit C
Price	€3.50	€3.75	€2.75
Quantity	30MW	20MW	25MW
Cleared DASSA Order	30MW	5MW	25MW
DASSA Clearing Price	€3.75		

2

DASSA Secondary Trading			
DASSA Volume Requirement 60MW			
Unit	Unit A	Unit B	Unit C
Buy /Sell Offer	(€1.00)	N/a	€1.25
Quantity	10MW		25MW
Adjusted DASSA Order	20MW	5MW	35MW

Unit A Submits a sell offer of 10MW at €1.00
Unit C matches as its willing to buy at €1.25

This results in adjusted DASSA orders for each unit

Note: This example is based on the assumption that price is determined based on lower of buy and sell order prices. The actual approach is yet to be determined.

3

DASSA Settlement			
Units	Unit A	Unit B	Unit C
DASSA Clearing Price	€3.75		
Adjusted DASSA Order	20MW	5MW	35MW
DASSA Revenue (Adjusted Volume x DASSA Clearing Price)	€75.00	€18.75	€131.25
Secondary Trade Revenue (Secondary Trade Vol * Secondary Trade Price)	€10	N/a	-€10
Total Payment (DASSA Revenue and Secondary Trading)	€85.00	€18.75	€121.25

Unit A receives an executed price for the secondary trade (€1.00 X 10MW) from Unit C and results in a change of their total payment





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Information on Agreed Procedures

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Draft Agreed Procedures

No.	Title
1	Registration
2	Data Storage and IT Security
3	Data Publication and Data Reporting
4	Management of Credit Cover and Credit Default
5	Modifications Committee Operation
6	Settlement Queries
7	Disputes
8	Settlement and Billing
9	Banking and Participant Payments
10	Metering and Signalling
11	Suspension and Termination
12	Transaction Submission and Validation
13	Emergency Communications
14	DASSA IT System Operation, Testing, Upgrading and Support
15	Communication Channel Qualification
16	Provider Unit Qualification





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