

SEM Market Integration Project briefing

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- ▶ Developments since consultation
- ▶ Context
- ▶ Objective of briefing
- ▶ Potential next steps

- ▶ Consultation paper published January 2012
- ▶ Objective: inform, seek views, determine strategy for next phase
- ▶ Inclusive input to paper – workshops / series of bi laterals
- ▶ Key issues identified and discussed – future work outlined
- ▶ Consultation closed April 2012 – 22 responses published
- ▶ Responses summarised, discussed with SEM C, DCENR / DETI, FUI colleagues and TSOs in light of issues raised on potential next steps



- ▶ Developments on target model being influenced at ACER / ENTSOE level by SEM RAs and TSO
- ▶ Discussions with Ofgem on working arrangements for future SEM / BETTA coupling project
- ▶ Decisions made to provide positions on parameters governing next project phase – *consultation on SEM design changes*
- ▶ Next steps paper required to provide focus where possible and move process forward
- ▶ Paper has concluded significant change required to implement the target model in SEM – project needs to commence shortly to meet 2016 deadline
- ▶ Maximise benefits for SEM customers

- ▶ Member States firm commitment to complete internal market by 2012
- ▶ Derogation within CACM network code for SEM for DA / IDT with conditions
- ▶ Commitments made to implement target model in SEM by 2016
- ▶ Ongoing infringement proceedings Ireland and UK
- ▶ NWE project
- ▶ EC Internal Market Communication
- ▶ EC consultation on capacity mechanisms
- ▶ EMR developments and Ofgem consultation
- ▶ Intensive work on FG / NC within ACER and ENTSOE
- ▶ SEM developments – DS3 / renewables growth / network build / capacity issues in SEM/ Market power
- ▶ Internal SEM RA project planning based on SEM experience

- ▶ SEM C carefully considered next steps paper in September, discussions with Departments, FUI colleagues
- ▶ Draft decision opportunity for high level feedback from stakeholders following previous consultation in addition to this information session
- ▶ SEM C and Departments will reflect on views
- ▶ Roadmap SEM / BETTA coupling required by Q4 2012 from SEM RAs and Ofgem
- ▶ Project planning and set up ongoing
- ▶ 2013–2016 – challenging timeframe for consultation on changes required / decisions / detailed rules and implementation including systems

- ▶ European update
- ▶ Dispatch papers
- ▶ Discussion
- ▶ Next steps paper outline
- ▶ Discussion
- ▶ Conclusion: 2013 proposed next steps

▶ **December**

- Closing date for responses – 21st December
- FUI Department / Ministries meeting
- Consideration of responses to draft decision by SEM Committee / Departments
- Roadmap submission to ACER
- Project planning

▶ **January**

- Decision paper
- Revised timeline published
- Project office set up

- ## ▶ **2013 – focus on consultation and decisions on design changes within dedicated inclusive project. Planning for implementation in parallel.**

RAAs/ACER European Update

Framework Guidelines

To date, ACER have adopted Framework Guidelines on:

- Grid Connection (20/07/11)
- Capacity Allocation and Congestion Management (29/07/11)
- System Operation (02/12/11)
- Electricity Balancing (20/09/12)

- ▶ **ACER are currently reviewing the following Network Codes:**
 - CACM Network Code (Decision by end 2012)

- ▶ **ACER have called for improvements to the following Network Codes:**
 - Requirements for Generators Network Code(13/10/12)

- ▶ **In 2013, we expect to review:**
 - Forward Network Code, Balancing Network Code, Demand Connection Network Code and 3 SO Network Codes

- ▶ **Also key role for Member States in Network Codes at Comitology**

▶ CACM

- 2 year derogation for SEM secured for day ahead and intra day subject to conditions and roadmap
- ENTSO E sent Network Code to ACER in September
- ACER due to deliver its opinion on Network Code in December.
- ACER will determine whether it is in line with the FG and whether it should be sent to European Commission for comitology

▶ Balancing Framework Guidelines

- central dispatch markets provided for in scope
- Final FG published which includes explicit reference to both self and central dispatch markets
- EC expected to write to ENTSOE soon to initiate drafting of the Network Code

▶ **Forward Network Code**

- ACER Consultation Paper Forward Capacity Allocation and Hedging
 - 28 Responses (including 2 SEM participant responses)
 - Issues included FTR/PTRs, firmness, common allocation rules, single platform
- Initial first draft circulated to stakeholder advisory group ENTSOE Network Code

▶ **EC Internal Market Communication**

- Published on 15th November
- Existing EU rules needs to be fully implemented to realise full benefits of the internal market
- Accompanying consultation on generation adequacy and capacity payments - proposes potential detailed criteria for CPMs - consultation period ends in February 2013
- ACER has set up a working group to examine the impacts of Capacity Mechanisms on market integration and XB trade.

▶ **SEM Stakeholder Group on European Internal Market**

- RAs intend to set up Stakeholder Forum on the European Internal Market in conjunction with Departments and TSOs
- Key forum for engagement between market participants, consumer groups etc. and RAs, Departments and TSOs on EU Internal Market rules
- SEM stakeholder group to mirror UK DECC/Ofgem European Group and National Grid Joint Electricity Steering Group consider Network Code issues for GB