

# **SINGLE ELECTRICITY MARKET COMMITTEE**

**Integrated Single Electricity Market (I-SEM)**

**Project Plan**

**Quarterly Update**

**SEM-14-091**

**10 October 2014**

## Table of Contents

<b>1</b>	<b><i>Overview</i></b> .....	<b>3</b>
<b>2</b>	<b><i>Project Plan 2017 Detailed Design and Implementation</i></b> .....	<b>5</b>
<b>3</b>	<b><i>RAs Key Consultation Milestones</i></b> .....	<b>6</b>
<b>4</b>	<b><i>RAs Rules Liasion Groups &amp; Workshops - Provisional</i></b> .....	<b>7</b>
<b>5</b>	<b><i>Frequency of Updates</i></b> .....	<b>8</b>

## 1 Overview

Since 1st November 2007 there has been an all-island wholesale electricity market in operation, covering Ireland and Northern Ireland, known as the Single Electricity Market (SEM). Further information on the SEM can be found at <http://www.allislandproject.org/>.

The SEM is regulated jointly by the Commission for Energy Regulation (CER) in Dublin and the Northern Ireland Authority for Utility Regulation (or Utility Regulator) in Belfast, known as the Regulatory Authorities or RAs. The decision-making body which governs the market is the SEM Committee<sup>1</sup>, consisting of the CER, the Utility Regulator as well as an independent member (who also has a deputy), with each entity having one vote.

The SEM is to undergo radical transformation arising from changes to European legislation designed to create a single wholesale electricity market across Europe. The new market design developed by the SEM Committee will result in what has been named an Integrated SEM (I-SEM) which will more fully facilitate coupling with the electricity market in the rest of Europe. The new I-SEM will ensure that the vision of the EU is effectively implemented in the wholesale electricity market on the island of Ireland.

A High Level Design (HLD) for the new I-SEM was initially publicly consulted on by the RAs in February 2014, via SEM-14-008<sup>2</sup>. A Draft Decision on the favoured I-SEM HLD was then published by the RAs in early June 2014 (SEM-14-045)<sup>3</sup>. A final I-SEM HLD Decision was completed with a publication of a decision on the HLD of I-SEM on 17th September 2014 (SEM-14-085a).

Taking on board the HLD decision, the I-SEM project is now entering its final phase, Phase 3, namely the detailed design and implementation work needed to go-live with the new market. This includes detailed design workstreams by RAs, systems development by the Transmission System Operators (TSOs – EirGrid and SONI) and market participant readiness testing.

This paper seeks to provide stakeholders with high-level information on the Project Plan for Phase 3 of I-SEM. The detailed design work in Phase 3 by the RAs, referred to in the following sections of this paper, includes the following workstreams:

- Energy Trading Arrangements (ETA);
- Capacity Remuneration Mechanism (CRM);
- Market Power;

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<sup>1</sup> The SEM Committee is established in Ireland and Northern Ireland by virtue of section 8A of the Electricity Regulation Act 1999 and Article 6 (1) of the Electricity (Single Wholesale Market) (Northern Ireland) Order 2007 respectively. The SEM Committee is a Committee of both CER and NIAUR (together the Regulatory Authorities) that, on behalf of the Regulatory Authorities, takes any decision as to the exercise of a relevant function of CER or NIAUR in relation to an SEM matter.

<sup>2</sup> [http://www.allislandproject.org/en/wholesale\\_overview.aspx?article=d3cf03a9-b4ab-44af-8cc0-ee1b4e251d0f](http://www.allislandproject.org/en/wholesale_overview.aspx?article=d3cf03a9-b4ab-44af-8cc0-ee1b4e251d0f)

<sup>3</sup> [http://www.allislandproject.org/en/wholesale\\_overview.aspx?article=79e244a0-4c06-4729-bd20-92873869df82](http://www.allislandproject.org/en/wholesale_overview.aspx?article=79e244a0-4c06-4729-bd20-92873869df82)

- Forwards & Liquidity; and,
- Governance and Licensing.

The following sections of this paper indicate the high-level timelines for the consultation and decision documents, along with provisional public workshop or working group dates, for each of these workstreams. The paper also provides dates for other key aspects of the project plan such as development of the central systems by the TSOs, legislation and market participant readiness.

As can be seen, taking account of the various workstreams, the current Project Plan anticipates a delivery date for Go-Live of I-SEM in Q4 of 2017.



### 3 RAs Key Consultation Milestones

The table below outlines provisional publication dates for Consultations (C), Proposed Decision (PD) and Decision (D) Papers by the RAs in Phase 3 of I-SEM for the detailed design workstreams.

Workstreams	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	
<b>Energy Trading Arrangements</b>																							
AoLR Consultation 1	C																						
AoLR Consultation 2					C																		
AoLR Decision									D														
Building Blocks Consultation			C																				
Building Blocks Decision							D																
Markets Consultation					C																		
Markets Decision									D														
<b>Capacity Remuneration Mechanism</b>																							
Policy Area 1 Consultation						C																	
Policy Area 1 Decision										D													
Policy Area 2 Consultation												C											
Policy Area 2 Decision																D							
Auction Rules Consultation																	C						
Auction Rules Decision																							D
<b>Market Power</b>																							
Broad Principles Consultation						C																	
Broad Principles Decision										D													
Specific Measures Consultation										C													
Specific Measures Proposed Decision														PD									
Specific Measures Decision																		D					
<b>Forwards &amp; Liquidity</b>																							
Cross Border Risk Hedging (FTRs)										C						D							
Internal Forward Contracting (CfDs)															C					D			

## 4 RAs Rules Liaison Groups & Workshops - Provisional

### 4.1 Provisional Schedule

The RAs will hold a number of working group meetings or workshops between October 2014 and February 2016. The working groups will be known as the Rules Liaison Group (RLG). The RLG will be made up of nominated members from participant groups, including the Interconnector Owners, and interested parties. The workshops will be open for broad attendance by interested parties.

The provisional dates for the Rules Liaison Group meetings and workshops are set out in Table 4.1 below. Some dates are still to be defined and as such are indicative dates are only provided.

Table 4.1

Workshop Description	Date	Location
<b>Energy Trading Arrangements</b>		
“Building Blocks” W1.1	15/10/14	Dublin
“Building Blocks” W1.2	29/10/14	Belfast
“Building Blocks” W1.3	13/11/14	Dublin
“Markets” W2.1	21/01/15	Belfast
“Markets” W2.2	04/02/15	Dublin
“Markets” W2.3	18/02/15	Belfast
<b>Capacity Remuneration Mechanism</b>		
CRM Workshop 1	07/04/15	Dublin
CRM Workshop 2	13/10/15	Belfast
CRM Workshop 3	08/03/16	Dublin
CRM Workshop 4	TBC	TBC
<b>Market Power</b>		
Broad Principles Consultation	14/05/15	Dublin
Specific Mitigation Measures Consultation	17/09/15	Belfast
Specific Mitigation Measures Proposed Decision	15/12/15	Dublin
<b>Forwards &amp; Liquidity</b>		
Cross Border Risk Hedging (FTRs)	TBC	TBC
Internal Forward Contracting (CfDs)	TBC	TBC

## 5 Frequency of Updates

### 5.1 Updates

The RAs will provide an update on the Project Plan commencing January 2015 and thereafter on a quarterly basis. This will be posted to the AIP website<sup>4</sup>.

*~ End of Document ~*

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<sup>4</sup> <http://www.allislandproject.org/>