



Forward Work Programme
October 2022 – September 2023

SEM-22-094

About the SEM Committee

The Single Electricity Market Committee (SEMC) is the decision-making authority for all Single Electricity Market (SEM) matters. Established in 2007 following the introduction of the SEM, legislation required the establishment of SEM governance in the form of a SEM Committee.

The principal objective of the SEMC is to protect the interests of consumers of electricity wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with the sale or purchase of electricity through the SEM.

The Committee consists of three Commission for Regulation of Utilities (CRU) and three Utility Regulator (UR) representatives along with an independent and a deputy independent member. On 25th February 2014 the CRU and UR signed a Memorandum of Understanding that outlines how the two organisations will maintain and facilitate effective and beneficial co-operation and collaboration. This signifies the ongoing commitment of both regulatory authorities to work together to ensure the effective delivery of both joint and separate statutory remits and for the customers of the energy and water sectors they regulate.

During 2020, we set our strategic direction by committing to the delivery of three key strategic objectives:



These objectives aim to protect consumers in the SEM by ensuring an effective, competitive and sustainable electricity market that delivers for electricity consumers in Northern Ireland and Ireland today and tomorrow. This aim complements the strategic direction of the UR and CRU as set out in their respective strategic plans.

We publish an annual report which summarises key market metrics that help indicate performance. Alongside our monthly market monitoring reports, this allows interested stakeholders to understand market performance more clearly. This is the

third of our published annual forward work programmes that provides further insight into our work and projects that will enhance market performance.

Forward Work Programme Delivery

This plan details some of the most significant projects that will ensure the continued effective operation of the Single Electricity Market and will help us deliver our strategic objectives. These projects will be undertaken during the period October 2022 – September 2023, however some will span beyond this timeframe and will be heavily influenced by activity in the market.

The SEM, along with energy markets globally, continues to be impacted by the unprecedented increases in wholesale fuel costs as well as security of supply challenges. We must remain responsive to these market impacts and be flexible in our approach to help ensure the market continues to operate efficiently and in the interests of consumers. Our workplan may therefore be heavily impacted by new work areas that may emerge across the year in response to external market impacts.

These additional pressures on our market have meant that we will be unable to deliver all the projects we had hoped to include in this forward work programme. We had planned, for example, to put in place the necessary licence modifications to implement the Balancing Market Principles Code of Practice and progress our work on market power and liquidity in the market. We had also hoped to carry out a detailed consultation on imperfection costs this year but with the ongoing volatility in prices, we must prioritise other projects and are therefore unlikely to be able to progress these workstreams this year. Should the market stabilise and create room for additional projects to be taken on, we will look to add these projects to our workplan in-year.

This workplan does not include all of the wide breadth of core activities carried out to ensure the ongoing operation of the market. Our governance and stewardship of market codes, rules and procedures help to ensure the market runs as it should. Our market monitoring work helps to identify and resolve market issues effectively and efficiently, ensure fairness and prevent the abuse of market power. This work area continues to take much of our focus as we take on more investigations and take steps to ensure all participants are acting in accordance with the market rules. Our in-depth market analysis also helps to contribute to the ongoing understanding of the operation of the market, enhancing transparency. This work continues and will help to deliver the positive consumer outcomes through the SEM. We now publish both monthly and weekly market monitoring reports and continue to expand on our reporting of market outcomes.

Our team

This workplan will be delivered through the collaborative working relationship of the regulatory authorities. Together our teams will work to deliver these projects and report regularly to us on progress.

The teams are broadly structured across the areas of:

- Market modelling
- Market monitoring
- Capacity remuneration mechanism
- Market operation
- Audit
- European relations
- System Services

Corporate support is also provided for communications, procurement, legal and administrative matters to ensure we are able to discharge our duties effectively.

The teams are guided by the Oversight Committee, led by the Director of Wholesale Markets in the UR and Director of Security of Supply and Wholesale in the CRU. The Oversight Committee supports us in delivering our Strategy and this workplan, helping us achieve our objectives.

Paul McGowan

SEM Committee Chairperson
December 2022

Forward Work Programme

In pursuit of our strategic objectives, outlined below is a list of significant projects that will be our focus during the FWP October 2022 – September 2023 period

	Project title	Scope and outcomes	Timing
1	Directed contracts modelling	Complete quarterly Directed Contracts modelling for rounds 20, 21, 22, 23	Across year
2	Imperfections tariff	Assess, consult on and then publish the imperfections charges for tariff year 2023-24	Q1 – Q3 2023
3	Revision of the Market Monitoring Unit Inquiry Procedure Manual	Review, refinement and improvement of MMU inquiry procedure manual	Q1 2023
4	Market queries and investigations	Effectively respond to and action market queries. Carry out investigations where necessary	Across year
5	DS3 tariff and tariff methodology review	Review and approval of TSO recommendations on system service tariff reviews followed by the updating derivation of tariffs and scalers and review expenditure cap.	Q1 – Q3 2023
6	Fixed contracts: low carbon inertia services auction	Approval of TSO Recommendations (procurement and contractual arrangements)	Q1 – Q3 2023
7	System services future arrangements high level design Implementation, day ahead system services arrangements and layered procurement	Approvals and RA oversight of TSO activities required for the implementation of the HLD. Consultation on auction design of day-ahead auction and approval of TSO recommendations and monitoring of TSO procurement	Across year
8	T-4 2026/2027 capacity auction	Complete preparation and auction for T-4 2026/2027 capacity year.	Q2 2022 – Q1 2023
9	T-1 2023/2024 capacity auction	Complete preparation and auction for T-1 2023/2024 capacity year.	Q4 2022 – Q3 2023
10	T-4 2027/2028 capacity auction	Complete preparation for T-4 2027/2028 capacity auction.	Across year
11	T-1 2024/2025 capacity auction	Complete preparation for T-1 2024/2025 capacity auction.	Across year
12	Capacity market code audit	Determine terms of reference, initiate and complete audit and publish final report(s) of audit of the Capacity Market Code.	Q4 2022 – Q1 2023
13	Development of the CMC and TSC	Deliver and support the facilitation of modifications to the CMC and TSC to further enhance the objectives of the codes and market	Across year
14	CRM governance and next steps in enhancing the performance of the CRM	Review TSO and RA operational processes, methodologies and policies, to enhance efficiency and the delivery of the CMC Objectives. Decision on the next steps and prioritisation of changes to the CRM	Across year

15	New capacity delivery	Monitor the delivery of new capacity in the market auctions	Across year
16	Generator financial performance report	Collect data and publish report for 2021	Q2 2023
17	Decision on review of applicability of RO difference charges to available units	Decide how RO difference charges are applied in the case of units who are available, and whether this is appropriate in all cases	Q4 2022
18	Review of administered scarcity price	To review the ASP mechanism	Q1 2023 - Q2 2023
19	Clean Energy Package resource adequacy and review of GCS process	Publication of new VoLL/CoNE/RS. Review of GCS development and approval process including inclusion of National Regional Adequacy Assessment process	Q1 2023
20	GB SEM trading	Analyse and consider improvements for SEM and GB trading. Update to interim cross-zonal arrangements	Q1 2023
21	Demand Side Units enduring energy payments decision	Complete decision to enable TSOs/ SEMO to implement Phase 1 of a solution for energy payments to DSUs in the balancing market and commence monitoring for effectiveness	Q4 2022 - Q2 2023
22	Review and approval of all island tariffs including SEMO, SEMOpx, SEM parameters, other system charges, GTUoS, TLAFs	Approval and publication of tariffs	Across year
23	Strategic governance of market	Managing the effective delivery of Market/System Operator functions	Across year
24	Trading and settlement code market audit 2021	Final market audit completed with report produced and published	Q1 2023
25	Trading and settlement code market audit 2022	Final market audit completed with report produced and published	Q3-Q4 2023
26	Trading and settlement code market audit 2023	Terms of reference to be consulted on and decision published. In 2023	Q4 2023
27	Scheduling and dispatch audit 2021	Close out of final audit report and outstanding elements	Q4 2022
28	Scheduling and dispatch audit 2022	Final audit completed with report produced and published	Q3 2023
29	Scheduling and dispatch audit 2023	Terms of reference to be consulted on and decision published	Q3 2023
30	SEMOpX price control	Consult on and determine SEMOpX price control	Q4 2022 - Q3 2023
31	Clean Energy Package - decision on priority dispatch	Consultation and decision on priority dispatch hierarchy	Q1 - Q2 2023
32	Consultation on Sundry Clean Energy Package articles	Consultation on sundry articles relating to market design	Q2 2023
33	Firm access	Complete consultation process re: Ireland and consider Northern Ireland aspects	Q4 2022