



Forward Work Programme
October 2020 – September 2021

SEM-20-079



About the SEM Committee

We are the decision making authority for all Single Electricity Market matters. Established in 2007 following the introduction of the SEM, legislation required the establishment of SEM governance in the form of a SEM Committee.

We consist of three Commission for Regulation of Utilities (CRU) and three Utility Regulator (UR) representatives along with an independent and a deputy independent member appointed jointly by the Department for the Economy and Department of the Environment, Climate and Communications. In 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. This positive working relationship continues today to ensure that the wholesale electricity market on the island of Ireland operates in the best interest of consumers.

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

- Ensure a market design that delivers secure low carbon outcomes
- Maximise confidence and transparency in the market through monitoring, reporting and effective communication
- Continue to implement market rules that are competitive, fair and consistent across the market

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

When developing our strategic objectives, we also committed to enhancing how we communicate. Following the introduction of the new market arrangements in October 2018, we have and will continue to publish an annual report which summarises key market metrics that help indicate performance. Alongside our quarterly market monitoring reports, this allows interested stakeholders to understand market performance more clearly. This is also the first of our published annual forward work programmes that will provide further insight into our work and projects that will enhance market performance. These should be read in conjunction with the work plans of both the UR and CRU which also reflect the key work projects that impact on the SEM.

Forward Work Programme Delivery

This plan details some of the most significant projects that will ensure the continued effective operation of the market and will help us deliver our strategic objectives. These projects will be undertaken during the period October 2020 – September 2021, however some will span beyond this period and will be heavily influenced by activity in the market.

It may also be necessary to reprioritise the planned projects depending on the impact of the COVID-19 pandemic. Although considered at the time of developing the workplan, unforeseen or further consequences of the global pandemic may impact on the SEM and priorities may be adjusted accordingly.

Additionally, as we move towards the end of the transition period for the exit of the UK from the European Union, further work may need to be undertaken in this area to mitigate market impacts. Although the RAs have been working extensively to ensure preparedness for Brexit, this may still have a direct impact on the workplan with new projects potentially coming forward.

The implementation of the requirements of the Clean Energy Package that are relevant to the wholesale market are reflected in our workplan. These work areas alongside the Electricity Balancing Guidelines implications will have a significant bearing on how the market operates. We will continue to ensure the interests of consumers are protected as the market continues to evolve and our workplan will reflect any relevant developments.

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 preventing the abuse of market power. 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.

Our team

This workplan will be delivered through the collaborative working relationship of the regulatory authorities. Together their 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 Energy Markets in the CRU. The Oversight Committee supports us in delivering our Strategy and this workplan that helps us achieve our objectives.

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 2020 – September 2021 period.

	Project title	Scope and outcomes	Timing
1	Directed Contracts rounds 13 – 17	Complete quarterly Directed Contracts (DCs) modelling.	Across year
2	SEM Plexos Model	Commence SEM plexos model validation and backcast	Q1 – Q2 2021
3	Market Power and Liquidity	Progress scope and approach to addressing decisions following Market Power and Liquidity Discussion Paper (SEM-20-045)	Q1 – Q3 2021
4	Trading and Settlement Code Parameters	Conduct a review of the Trading & Settlement Code's operational parameters	Q3 2021
5	Imperfection charges, other charges and parameters	Assess, consult on and then publish the imperfections charges for tariff year 2021-22	Q3 2021
6	MMU IT infrastructure enhancement	Enhancement of software and IT capabilities to strengthen and widen scope of MMU monitoring activities	Across the year
7	Inquiry Procedure Manual	Market monitoring Inquiry Procedure Manual developed for consultation and final decision published	Q1 – Q2 2021
8	Market queries	Effectively respond to and action market and REMIT queries.	Across the year
9	Market overview reports	Prepare and publish quarterly market overview reports	Across the year

10	SNSP	Support delivery of RoCoF trials and delivery of 75% SNSP	By end Q3 2021
11	System tools	Support implementation of TSO Control centre tools including enduring ramping tool	Across the year
12	System Service Qualification Trials Process	Support the TSOs in the qualification trials as appropriate	Across the year
13	DS3+	Support development and delivery of DS3+ programme	Across the year
14	Regulated procurement	Support the ongoing operation of the system services tariff process	Across the year
15	Future arrangements	Consult on options for competitive procurement arrangements post 2023 and develop detailed arrangements. Publish final decision	Across the year
16	T-4 2024/25 capacity auction	Deliver T-4 2024-25 capacity auction and remaining milestones	Q1 2021
17	T-4 2025/26 capacity auction	Complete auction preparation for T-4 2025/26 capacity auction	Across the year
18	T-1 2022/23	Complete auction preparation for T-1 2022/23 capacity auction	Across the year
19	New capacity delivery	Monitor the delivery of new capacity in the market in line with milestones required under the CMC	Across the year
20	Capacity market and CEP	Continue implementation of CEP requirements in relation to the capacity	Across the year
21	Capacity Market Code Audit	Determine terms of reference, initiate and complete audit and publish final report of audit of the Capacity Market Code	Across the year
22	Trading and Settlement Code Market Audit 2020	Final market audit completed with report produced and published	Q2 2021
23	Trading and Settlement Code Market Audit 2021	Terms of reference to be consulted on and decision published.	Q3 2021
24	Scheduling and Dispatch Audit 2020	Terms of reference consulted on and decision published. Audit completed with final report published	Q4 2020 – Q3 2021
25	Scheduling and Dispatch Audit 2021	Terms of reference consulted on and decision published. Field work to commence.	Q2 2021
26	Clean Energy Package Recast Regulation Implementation	Continue progress on implementation of Regulation 943/2019 in line with Updated Roadmap Information Paper – SEM-20-089 Publish decision on eligibility for priority dispatch	Across the year
27	Imbalance settlement period	Finalise decision on 15 minutes ISP cost benefit analysis and publish	Q1 2021

28	EBGL	Complete EBGL gap analysis and publish decision on any amendments required to ensure compliance	Across the year
29	European Adequacy Assessment	Input into ACER work with ENTSOE on design of European Adequacy assessment	Across the year
30	SEMO tariffs	Approval and publication of SEMO tariffs	Q3 2021
31	SEMOpX tariffs	Approval and publication of SEMOpX tariffs	Q3 2021
32	SEMO price control	Consult and decide upon 2021 SEMO price control proposals.	Across the year
33	Demand Side Management	Commence demand side management review to include enduring solution for energy payments to DSUs	Across the year
34	Generator Financial Performance Report	Develop and publish the Generator Financial Performance report for 2019	Q1 2021
35	Fuel Mix Disclosure report	Coordinate, collate and publish the Fuel Mix Disclosure report for 2020	Q3 2021