



SINGLE ELECTRICITY MARKET COMMITTEE

I-SEM Project Plan

Quarterly Update: January 2015

SEM-15-008

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1 Introduction

1.1 Background

The all-island Single Electricity Market (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 Committee¹, 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. Following extensive public consultation, the High Level Design for the new I-SEM was published by the RAs on 17th September 2014 (SEM-14-085a)².

Since then, the I-SEM project has entered its final phase, Phase 3, namely the detailed design and implementation work needed to go-live with the new market anticipated for Q4 2017. Phase 3 includes various detailed design workstreams by RAs, systems development by the Transmission System Operators (TSOs – EirGrid and SONI) and market participant readiness testing.

1.2 Purpose of this Paper

This paper seeks to provide stakeholders with the latest high-level information on the Project Plan for Phase 3 of I-SEM, focusing on RA and TSO workstreams and updating on the Project Plan first published by the RAs in October 2014 (SEM-14-091)³. This is part of the RAs' commitment to publish a Project Plan on a quarterly basis. Overall, the paper shows that I-SEM is still on-track for go-live in Q4 2017.

¹ 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.

² <http://www.allislandproject.org/GetAttachment.aspx?id=85dd208f-cc91-4e35-9b58-021cb9b7b162>

³ <http://www.allislandproject.org/GetAttachment.aspx?id=d810eea3-d6bf-4718-97d2-f2a2d76b89b7>

2 Project Plan 2017 - Detailed Design and Implementation

The schematic on the next page provides the latest high-level project plan underpinning the RA, TSO and market participant readiness aspects of I-SEM Phase 3, to facilitate the go-live of I-SEM in Q4 2017. This includes the following key workstreams, with more detailed timelines shown in section 3 and 4.

- Energy Trading Arrangements (ETA) led by the RAs;
- Capacity Remuneration Mechanism (CRM) led by the RAs;
- Market Power led by the RAs;
- Forwards & Liquidity led by the RAs;
- Governance and Licensing led by the RAs;
- Central Systems & Services, Central Arrangements, and Operational Capability, led by the TSOs;
- Participant Engagement and Market Readiness led by the TSOs; and,
- Legislation led by the respective departments in Northern Ireland and Ireland.

For information, the schematic has been changed to reflect the requirements outlined in the Capacity Allocation and Congestion Management (CACM) guidelines regarding designation of a/the NEMO(s). The CACM guidelines are referred to in Section 3.

3 Key Update and Milestones

Since publication of the first I-SEM Phase 3 Plan last October (SEM-14-091), there have been a number of key project developments including:

- The Capacity Allocation and Congestion Management (CACM) guidelines were adopted on 5th December 2014 by Member States in EU Comitology. The definitive adoption of CACM is expected in early 2015, after scrutiny from the European Parliament and Council;
- An Agreed Approach Document⁴ was published on 7th January 2015, setting out the joint RA-TSO arrangements for delivering on I-SEM by Q4 2017;
- The RAs have tendered for and are establishing a panel of policy consultants to assist with the timely delivery of I-SEM workstreams;
- The RAs held a series of bilateral meetings with industry and interested parties on the CRM workstream in December 2014;
- There have been five RA-led working group meetings with industry and interested parties, to assist with the development of RA consultation papers associated with the Energy Trading Arrangements (ETA) workstream; and,
- An RA “Aggregator of Last Resort” consultation paper (part of the ETA Workstream) was published for public consultation on 5th December 2014, with another RA consultation paper on the “building block” aspects of the ETA workstream under development and due for publication in early February 2015.

The table on the next page outlines the latest indicative publication dates for **C**onsultations (**C**), **P**roposed **D**ecision (**PD**) and **D**ecision (**D**) Papers by the RAs in Phase 3 of I-SEM. As can be seen, there is no change from the Project Plan published last October.

⁴ http://www.allislandproject.org/en/wholesale_overview.aspx?article=c5eed35-6397-4e31-bf82-594f7b05a33c&mode=author

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	
Energy Trading Arrangements																							
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														
Capacity Remuneration Mechanism																							
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
Market Power																							
Broad Principles Consultation						C																	
Broad Principles Decision										D													
Specific Measures Consultation										C													
Specific Measures Proposed Decision														PD									
Specific Measures Decision																		D					
Forwards & Liquidity																							
Cross Border Risk Hedging (FTRs)										C						D							
Internal Forward Contracting (CfDs)														C					D				

4 RAs Rules Liaison Groups & Workshops - Provisional

As referred to in the October Project Plan, the RAs are holding a number of working group meetings or workshops from October 2014 to February 2016. The working groups are known as the Rules Liaison Group (RLG). The RLG are 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 below. Some dates are still to be defined and as such are indicative dates are only provided.

Workshop Description	Date	Location
Energy Trading Arrangements		
“Building Blocks” W1.1	15/10/14 <i>Done</i>	Dublin
“Building Blocks” W1.2	29/10/14 <i>Done</i>	Belfast
“Building Blocks” W1.3	13/11/14 <i>Done</i>	Dublin
“Markets” W2.1	21/01/15 <i>Done</i>	Belfast
“Markets” W2.2 (a)	04/02/15	Dublin
“Markets” W2.2 (b)	05/02/15	Dublin
“Markets” W2.3 (a)	18/02/15	Belfast
“Markets” W2.3 (b)	19/02/15	Belfast
Capacity Remuneration Mechanism		
CRM Workshop 1	TBC	TBC
CRM Workshop 2	13/10/15	Belfast
CRM Workshop 3	08/03/16	Dublin
CRM Workshop 4	TBC	TBC
Market Power		
Broad Principles Consultation	14/05/15	Dublin
Specific Mitigation Measures Consultation	17/09/15	Belfast
Specific Mitigation Measures Proposed Decision	15/12/15	Dublin
Forwards & Liquidity		
Cross Border Risk Hedging (FTRs)	TBC	TBC
Internal Forward Contracting (CfDs)	TBC	TBC

5 Frequency of Updates

The RAs have committed to publishing an update to the I-SEM Phase 3 Project Plan on a quarterly basis. Hence the next Project Plan will be published by the RAs in April 2015.

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