

# Overview of SEM Committee Consultation Paper

9 February 2012  
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# Introduction

- ▶ Purpose of the Paper
- ▶ Paper's scope
- ▶ Actions post consultation
- ▶ SEM Committee Decision

# The Single Electricity Market

- ▶ The Origins of the Single Electricity Market
- ▶ The Single Electricity Market 2007 to 2011
- ▶ Development of the SEM to date
  
- ▶ Consultation Questions:

## European Context

- ▶ European policy context
- ▶ Target Model for electricity
- ▶ FGCACM
  - Day Ahead Market Coupling
  - Intra Day Trading
  - Forward Long Term Capacity Allocation.
- ▶ Consultation Questions:

## SEM Integration into the IEM

- ▶ Issues faced by the SEM in implementing the Target Model
- ▶ Spectrum of market designs
- ▶ Assessment framework for evaluating options
- ▶ Advantages and disadvantages of evolutionary and revolutionary solutions.
- ▶ Consultation Questions:

## Evolutionary Options

- ▶ Work undertaken by SEMO and the TSOs
- ▶ Four options for developing the SEM
- ▶ SEMO/SO report
- ▶ Discussion surrounding
  - Central Dispatch;
  - Complex and Simple Bids;
  - Shipping Agent;
  - Continuous Implicit Intraday Trading.
- ▶ Consultation Questions:

## Replacing the SEM: a ‘Clean Slate’

- ▶ The Choice of Market Design
  - Centralised pools versus bilateral contracts markets
  - Central or self-commitment
  - Gross or net pools
  - Unit or portfolio based markets
  - Participation of load
  - Balancing mechanisms
- ▶ Integration with the Market in Great Britain
- ▶ Consultation Questions:

# Legal and Governance Issues

- ▶ Evolution of the SEM
  - TSC Changes
  - License Changes
  - Change in Primary Legislation **may** be required
  
- ▶ Revolution of the SEM
  - Change in Primary Legislation **will** be required



**Thank you,  
Any questions?**