



***Response to Integrated Single Electricity Market (I-SEM)  
Information Paper on the Modification of the Trading and  
Settlement Code to Implement I-SEM  
SEM-15-60***

**on behalf of  
AES Kilroot Power Ltd and AES Ballylumford Ltd**

**18<sup>th</sup> September 2015**

## Modification of the Trading and Settlement Coded to Implement I-SEM

AES welcomes the publication of the information paper on Modification of the Trading and Settlement Code to Implement I-SEM (SEM-15-060) and the opportunity to provide comments on the process for determining the structure of the transition process. AES would like to submit the following response to the Regulatory Authorities to their consultation.

AES is a global energy company with assets in the all island market consisting of coal and gas fired conventional and CCGT plant with additional distillate fired peaking gas turbine plant. AES is a non-vertically integrated independent generator which owns and operates Kilroot and Ballylumford power stations in Northern Ireland with a combination of merchant and contracted base load, mid merit and peaking plant. The responses to this consultation are therefore conditioned by the nature of our current position and portfolio of assets operating in the SEM.

AES welcomes and supports the level of involvement of industry that the RAs foresee for updating of the T&SC but has concerns around the suitability and appropriateness of the structure, scope and governance of the current Mods Committee under the current T&SC, and doesn't believe that the Mods Committee is the appropriate forum for undertaking the considerable extent of re-drafting of the T&SC that would be required for implementation of I-SEM rules.

AES views that I-SEM is a new market and not a modification of the old market and should have its own processes for drafting a new trading and settlement code. AES therefore favours an approach more along the lines of the "alternative approach" suggested in section 1.3 of the information paper but with adjustments.

AES' preferred approach is for the setting up of RA led working groups independent of the Mods Committee to deal with certain sections of the T&SC. The WGs to be comprised of industry, TSOs, SEMO, RAs as per the HLD and Detailed Design Rules Liaison Group processes. AES believes that governance is a key issue and that these WGs should be chaired by RAs supported by WG members and should drive for the meeting of timelines for consultation papers (to be drafted by RAs) and decisions required to develop the new rules.

This approach should in turn ensure a) that the Mods Committee in its current format can continue to deal with SEM issues as they arise, and b) be a more timely way of ensuring that WGs are set up to efficiently deal with legal drafting requirements of the I-SEM TSC independently of the SEM modification process.