

18 September 2015

Leigh Greer
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

Elaine Gallagher
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

Re: SEM-15-060 Modification of the Trading and Settlement Code to Implement I-SEM

Dear Leigh / Elaine,

Aughinish Alumina Limited (Aughinish) are happy to offer our views on the Regularity Authorities' (RAs) plans to develop the detailed market of the I-SEM through the TSC Modifications Committee process.

Aughinish in recognition of the legal significance of the Trading & Settlement Code (TSC) as a multilateral contract, support the RAs proposal to modify the TSC instead of replacing it. It is Aughinish's view that the modification framework within the TSC is a sensible approach to implementing the detailed design of the I-SEM.

However, whilst, recognising the good service provided by the SEM Modification Committee (SEMC) to date in the SEM, we have some observations that Aughinish would like the RAs to note.

With regard to the SEMC, we are concerned that they may not be sufficiently qualified, experienced and resourced to design a new market as well as maintaining the existing SEM panel obligations. In saying this, if the RAs have the ultimate decision making powers the TSC modification process could, subject to concerns being addressed, be used as an implementation tool for I-SEM.

TSC Working Groups

Aughinish support the inclusion of market participants as part of the I-SEM implementation through the TSC Working Groups. We assume that the Terms of Reference would allow for adequate representation of Special Unit participants such as Aughinish as defined under the TSC. Aughinish request that we are included in working groups to ensure representation for High Efficiency CHP operating on a single site trading site. Also appropriate independent professional advice in the form of leading market design experts and legal representatives would need to be provided to the working groups to successfully codify the detailed design decisions, to interpret national and European law whilst giving due regard to government policy.

The structure of the consultation process to date has been focused on different markets in different timelines. Aughinish would suggest that the working groups should now be structured to fit in with the sections of the TSC rather than following the detailed design consultations format. Specifically we feel that a working group dedicated to dealing with section 5 of the TSC (Categorisation of Units and Rules for Special Units) is needed.

TSC Milestones

We have concerns that a final report submission in October 2016 will not allow time for any modifications to market software should it be deemed necessary. This could lead to sub-optimal decisions being recommended due to time constraints. Perhaps an interim report six months earlier would better inform the software procurement/development.

As the RA's have the final decision as to the terms of the Modifications, we would suggest that a draft "minded decision" document is published on the Final Recommendation for all market participants to have a final say incorporating the SEMC position in October 2016. This will give market participants not in the TSC Working Groups a final opportunity to comment on the recommendations.

I look forward to attending our first modification committee meeting on the 14 October and will be available then or anytime to clarify the Aughinish position.

Kind regards,

Thomas O'Sullivan
Sr Business Analyst
Tel: +00353 (0)61 604473
Email: thomas.osullivan@augh.com