

Single Electricity Market (SEM) Fundamentals

Learning and development objectives:

- Understand all elements of the Single Electricity Market, including energy trading, system services and capacity markets
- Comprehend the regulatory and commercial framework that underpins SEM
- Describe how and why electricity is traded over different time horizons
- Articulate wholesale market trading concepts
- Understand how TSO balancing activity occurs after market closure
- Understand what the Capacity Remuneration Mechanism is intended to achieve and how it works

Session 1 – SEM market overview

10am Introduction & welcome

- Tech check!
- Aim and objectives

SEM market overview

- What is SEM?
 - Energy Trading Arrangements
 - DS3
 - Capacity Remuneration Mechanism

Module 1

- SEM market operator role
- SEM market participants: mandatory and voluntary
- EU ambition for 'coupled' markets
- What is Central Dispatch

Case study: How it all fits together – the regulatory and commercial frameworks

Break

Overview of the wholesale markets

- Wholesale market overview and concepts
 - 'Balancing Responsible Party'
 - Central dispatch
 - Spot, prompt and futures markets
 - Hedging – shaping, volume and liquidity risk

Module 2

- SEM timelines
 - Futures markets
 - Day-ahead
 - Intra-day
 - Continuous market
- *Case study: A day in the life of the SEM – trading across DAM and IDM markets*

11.45am Q&A

- 12pm What we will cover off in session 2 and close

Session 2 – Wholesale market trading pricing and trends and balancing the system: Role of the TSO

10am	Introduction & welcome • Tech check! • Aim and objectives
Module 3	Wholesale market trading pricing and trends • Wholesale market price drivers ○ Gas price drivers ○ Electricity price drivers <i>Case study: Impact of wind power on wholesale prices</i>
Break	
Module 4	Balancing the system • Role of the Transmission System Operators (TSOs) ○ Balancing the system • The Balancing Market • Dispatch down • DASSA ○ Introducing response and reserve services
11.45am	Q&A
12pm	Close

Session 3 – Capacity Remuneration Mechanism and the future

10am	Introduction & welcome • Tech check! • Aim and objectives
Module 3	Capacity Remuneration Mechanism • Rationale • Rules, roles and responsibilities • Scheme overview, auction parameters and results • Key parameters • Obligations and penalties <i>Case study: An interesting day</i>
Break	
Module 4	The future electricity system • From DS3 to DASSA – competitive markets for system services • Outlook to 2030 for the electricity system • Rise in demand and data centres • Long duration energy storage
11.45am	Q&A
12pm	Close