

Trading and Settlement Code Modifications Committee  
C/O Esther Touhey  
SEMO Modifications Committee Secretariat  
The Oval  
160 Shelbourne Rd  
Dublin 4

19 May 2017

Our Ref: D/17/9249

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_01\_17  
(Recommendation Report FRR\_01\_17)**

Dear Esther,

On 4 April 2017, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal Mod\_01\_17 (Changes to Enable I-SEM (Part A)) in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code / TSC).

On 15 November 2016, the SEM Committee published its Consultation Paper SEM-16-075 "Energy Trading Arrangements, Trading and Settlement Code". In that paper the SEM Committee stated that "Part A of the TSC Amendments will comprise the existing TSC. Some minor consequential changes may be required and these changes will be progressed through the Modifications Committee".

On 24 January 2017, the Regulatory Authorities submitted Mod\_01\_17 to the Modifications Committee Secretariat. The purpose of Mod\_01\_17 was stated to be:

"The changes to the SEM Trading and Settlement Code which are required to give effect to the I-SEM trading arrangements fall into two parts. The major part consists of the introduction of a new Part B and a new Part C, which has been consulted upon (see SEM-16-075). Once the SEM Committee has published its decision on this consultation, these changes will be given effect by separate decisions of the Regulatory Authorities: by the Utility Regulator under power conferred by Condition 15 of the SONI Market Operator Licence and by the CER under powers conferred by the Statutory Instrument. In parallel with this, it is necessary to effect a change of the current Code so that it becomes Part A of the new SEM Trading and Settlement Code. These changes will need to be given effect by the SEM Committee on the same day that the other decisions take effect."

The SEM Committee notes that the Modifications Committee voted unanimously for the approval of Mod\_01\_17 and took the view that the Modification Proposal would “further the achievement of all the Code objectives but in particular objectives:

1.3.1 “to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by the Market Operator Licence”;

1.3.2 “to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner”; and

1.3.4 “to promote competition in the single electricity wholesale market on the island of Ireland.”

On 12 April 2017, the SEM Committee published its decision (SEM-17-024) on the Energy Trading Arrangements, Trading and Settlement Code Amendments together with detailed legal drafting for Part B and Part C of the amended Trading and Settlement Code. In that paper the SEM Committee made the following decisions and recommendations:

“The SEM Committee therefore:

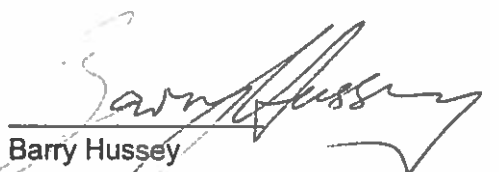
(a) approves Parts B and C of the SEM Trading and Settlement Code (as amended following the consultation) in the form attached; and

(b) recommends to the Utility Regulator and to the Commission for Energy Regulation that they should take the necessary steps under Condition 15 of SONI’s Market Operator Licence and Condition 3 of EirGrid’s Market Operator Licence and the Regulations (SI No. 117 2017) respectively to direct or to determine amendments to the Trading and Settlement Code to insert a new Part B and Part C in the form attached; and

(c) further recommends that such amendments should be directed or determined to take effect on the agreed date of Tuesday 23 May 2017.

Considering the above, the SEM Committee directs that, in line with the recommendation of the Modifications Committee in FRR\_01\_17, the Modification Proposal Mod\_01\_17 should be made and should be implemented on a Settlement Day basis on Tuesday 23 May 2017. For the avoidance of doubt, the version of Mod\_01\_17 to be made is that set out in the legal drafting in Appendix 1 of FRR\_01\_17.

Yours sincerely,

  
Barry Hussey  
Manager, Wholesale Electricity Market