

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

06 March 2012

Our Ref: D/12/4697

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_05\_12  
(Recommendation Report FRR\_05\_12)**

Dear Sherine,

On 24th February 2011, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal, Mod\_05\_12 (Cross Border Settlement Reallocation Calculations) in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

Modification Proposal Mod\_05\_12 was raised by the Market Operator (SEMO) and seeks to provide clarity around the application of appropriate exchange rates for the conversion of cross border settlement reallocations as part of Settlement and Credit Risk Management calculations. The SEM Committee notes that the Modifications Committee voted unanimously that the Modification Proposal furthers the Code Objective to 'facilitate the efficient operation and administration of the Single Electricity Market', and recommended that it should be implemented on a Settlement Day basis one Working Day after the Regulatory Authority decision is made.

Considering the above, and recognising the increased clarity that this Modification Proposal will bring, the SEM Committee directs that a Modification be made in accordance with paragraph 2.218 of the Code. For the avoidance of doubt the Modification should be based upon the legal drafting set out in Appendix 1 of FRR\_05\_12.

The Regulatory Authorities therefore direct that a Modification be made on a Settlement Day basis with effect from the next Working Day after the date of this letter.

Yours sincerely,



Sheenagh Rooney  
Manager  
Wholesale Electricity Market