

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

8<sup>th</sup> August 2011

Our Ref: D/11/11361

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_06\_11  
(Recommendation Report FRR\_06\_11 Version 1.0)**

Dear Sherine,

On 28<sup>th</sup> June 2011, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod\_06\_11 (Increasing Maximum Daily Submission Number and Automating Cancellation of Settlement Reallocation Agreements) in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, proposed by Airtricity, seeks to increase (to ten) the number of Settlement Reallocation Agreements (SRAs) allowed to be lodged daily by Participants and to enable automated cancellation of SRAs. The proposal states that these changes will be needed to enable effective control of their credit position by Participants, which will be of increasing importance when Intra-Day Trading is introduced.

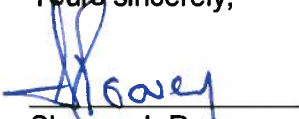
The SEM Committee notes that the Modifications Committee agreed unanimously that the Modification Proposal furthers the Code Objectives “to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner” and “to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market” and that the Modification should be implemented in line with the next available Central Market Systems scheduled release on a Settlement Day basis.

The SEM Committee further notes that the proposed changes to the Code impact only on Agreed Procedure 10 “Settlement Reallocation” and that SEMO has confirmed that any increase in its workload as a result of this Modification will be manageable. Finally, the SEM Committee notes that the development of the necessary changes to the Central Market Systems would cost in the region of €88,000 excluding testing.

Considering the above, and in accordance with paragraph 2.218 of the Code, the SEM Committee directs that a modification be made in accordance with Appendix 1 of the Final Recommendation Report of the Modifications Committee (FRR\_06\_11 Version 1.0), including the necessary changes to the “swim-lane” diagram in section 3.3.5 of Agreed Procedure 10.

The SEM Committee therefore direct that a Modification as set out in FRR\_06\_11 Version 1.0, be made on a Settlement Day basis with effect from the date of the scheduled release of the Central Market Systems which includes the required software changes. The SEM Committee directs that the Market Operator shall publish the date of the relevant release of the Central Market Systems (together with details of all the Modifications which shall come into effect on that date) on its website no less than one week in advance of that date.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sheenagh Rooney', is written over a horizontal line.

Sheenagh Rooney,  
Manager - Wholesale Electricity Market