



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

24 May 2012

Our Ref: D/12/9393

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_09_12
(Recommendation Report FRR_09_12_v2.0)**

Dear Sherine,

On 8th May 2012, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal, Mod_09_12 (Treatment of Settlement Reruns of EP1 following MSP Failure) in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

Modification Proposal Mod_09_12 was raised by SEMO and seeks to clarify the requirements for Settlement Reruns after an Administered Settlement event. The current drafting of the Code implies that Settlement Reruns must occur for both Ex-Post Indicative (EP1) and Ex-Post Initial (EP2) Software Runs following MSP Failure. SEMO believes that the need for a Settlement Rerun after an MSP Failure of EP1 does not appear to be warranted given that the information is indicative, and is superseded by EP2 by the time settlement is completed. This proposal seeks to update section 6.255 to clearly state that Settlement Reruns are only required for MSP Failures for EP2.

The SEM Committee notes that the Modifications Committee voted unanimously that the Modification Proposal furthers the Code Objective to 'to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by its Market Operator Licences' and to "facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner" The Modifications Committee recommended that the Modification Proposal should be implemented on a Settlement Day basis one Working Day after the Regulatory Authority decision is made.

The SEM Committee sees the merits in this Modification Proposal since the EP1 run is indicative and no settlement takes place based on the run. In the event that SEMO are carrying out Administered Settlement it can be expected that the circumstances would be extremely rare and that the operational requirements would be very onerous. It is prudent, therefore, to minimise unnecessary requirements on SEMO in such instances.

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 the Final Recommendation

Report of the Modifications Committee (FRR_09_12 V2.0), for the avoidance of doubt based upon the legal drafting set out in Section 9 of that report.

The SEM Committee therefore directs 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,

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

Sheenagh Rooney
Manager
Wholesale Electricity Market