



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/12/4698

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_23_11_v2
(Recommendation Report FRR_23_11_v2)**

Dear Sherine,

On 24th February 2011, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal, Mod_23_11_v2 (Additional Clause for Standard Letter of Credit) in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

Modification Proposal Mod_23_11 was raised by Airtricity and proposes the insertion of a clause in the Standard Letter of Credit which makes rights under the agreement unassignable. The proposer stated that the Modification Proposal will ensure that Letters of Credit conform more closely to current best banking practice. The SEM Committee notes that the Modifications Committee voted unanimously that the Modification Proposal furthers the Code Objective to 'facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner', and recommended that it should be implemented on a Settlement Day basis one Working Day after the Regulatory Authority decision is made.

The SEM Committee believes that it is important to ensure that the Standard Letter of Credit used in the SEM is aligned with best practice in the banking sector.

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_23_11_v2), for the avoidance of doubt based upon the legal drafting set out in Appendix 1 of that report.

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