

MODIFICATION PROPOSAL FORM			
Proposer (Company)	Date of receipt (assigned by Secretariat)	Type of Proposal (delete as appropriate)	Modification Proposal ID (assigned by Secretariat)
UR / CRU	8 <sup>th</sup> June 2023	Standard	Mod_07_23
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Ross McFaul		Ross.Mcfaul@uregni.gov.uk	
Modification Proposal Title			
Modification to allow for collection of monies due to incorrect submission of data by a participant			
Documents affected (delete as appropriate)	Section(s) Affected	Version number of T&SC or AP used in Drafting	
T&SC Part B	T&SC Part B Section G.2	Version 27.0 7 December 2022	
Explanation of Proposed Change (mandatory by originator)			
<p><b>Background</b></p> <p>This Modification is being raised by the Regulatory Authorities (RAs) to amend the timeline included in Mod_03_22 Collection of Monies. The original Mod was intended to provide a mechanism for SEMO to collect monies incorrectly paid out due to incorrect data submissions on the part of market participants. The modification was raised and voted on at Meeting 109 on 10<sup>th</sup> February 2022.</p> <p>The original modification set the M+13 timeframe as the earliest opportunity for the recovery of monies process to be initiated. The M+13 provision was intended to guarantee that the relevant settlement data necessary for the calculation of the monies to be recovered was no longer subject to any change arising from a resettlement process.</p> <p>The final Legal Drafting of the original modification included the following wording: “The Form for Collection of Monies shall be submitted by the RAs to the MO only after 20 Working Days following a publication of the M+13 Settlement Statements for the period to which the overpayment relates.”</p> <p>Subsequent cases progressed by the MMU have shown the M+13 timeframe to be a significant time period which may in certain cases fall across two subsequent tariff years. It also means that the lapse of time between the identification of issues with commercial offers and the eventual recovery of monies to be unreasonably long. It is therefore suggested to amend the wording to change the Settlement Statement to M+4 from M+13.</p> <p>Analysis conducted by the settlements team has shown that there is little deviation between M+4 and M+13 Settlement Statements. For example, the analysis showed the total value of M+13 in 2021 was €349,698,350, while the M+4 value was €349,492,471, a difference of 0.06%. Additional analysis shows that in most cases brought by MMU with the possibility of enacting this mechanism, the Imbalance Settlement Price is not always used as part of the calculations for repayment, and therefore there is little value in waiting on the end of the invoicing cycle. To that end, the RAs understand M+4 to be the best compromise between using the absolute latest information and progressing the recovery of monies in a timely fashion.</p> <p>As with the original mod, the figure for repayment via the mod will still be agreed between the RAs and the affected participant prior to the enactment of it.</p>			
Legal Drafting Change (Clearly show proposed code change using <b>tracked</b> changes, if proposer fails to identify changes, please indicate best estimate of potential changes)			
The following change is proposed to the code:			

G.2.5.6 The Market Operator shall produce and issue Manual Settlement Documents upon submission by the Regulatory Authorities of a Form for the Collection of Monies to be Repaid by a Participant, in accordance with AP15, requesting the Market Operator to collect overpaid monies from a Participant. Completion of this form will follow investigation by the Regulatory Authorities into submission of incorrect data to the Market Operator by a Participant which resulted in an overpayment having been identified. The Form for Collection of Monies shall be submitted by the RAs to the MO only after 20 Working Days following a publication of the **M+134** Settlement Statements for the period to which the overpayment relates.

The amount to be recovered from the Participant will be final and not subject to recalculation after the M+4 settlement.

The final amount of overpaid monies for collection will be agreed between the Regulatory Authorities and the Participant concerned in advance of the Regulatory Authorities submitting the form under AP15. Any unpaid amount identified as part of this process will not be considered as Shortfall. Upon receipt of the Manual Settlement Document, the payment will be made by the Participant within 10 Working Days into the SEM Account, as specified on the Manual Settlement Document. The repaid monies shall be redirected by SEMO to reduce the Imperfections Charge for the following Tariff Year.

<b>Modification Proposal Justification</b> <i>(Clearly state the reason for the Modification)</i>	
This Modification is required to address a substantial time lapse between an instance of breach of license obligation by a Participant which has resulted in the over recovery of monies from the market and this money being recovered back to the market for the subsequent tariff year. Due to the timings, in some cases, this will result of two tariff years before it will be back in the Market via Imperfections.	
<b>Code Objectives Furthered</b> <i>(State the Code Objectives the Proposal furthers, see Section 1.3 of Part A and/or Section A.2.1.4 of Part B of the T&amp;SC for Code Objectives)</i>	
<i>to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;</i>	
This Modification provides the mechanism to be enacted in a timely manner to address the scenario described above with clear responsibilities between the RAs, Participants and SEMO.	
<i>to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.</i>	
The process introduced through this Modification will ensure that any overpayments through incorrect data submissions can be resolved through engagement with relevant Participants in a more timely manner.	
<b>Implication of not implementing the Modification Proposal</b> <i>(State the possible outcomes should the Modification Proposal not be implemented)</i>	
If this Modification is not progressed, there will be a significant delay in recovering monies which have been overpaid to Participants due to the incorrect submission of data. This delay, in some circumstances, will have the knock-on effect for two tariff years before it is paid back to market through Imperfections if left for waiting on M+13.	
<b>Working Group</b> <i>(State if Working Group considered necessary to develop proposal)</i>	<b>Impacts</b> <i>(Indicate the impacts on systems, resources, processes and/or procedures; also indicate impacts on any other Market Code such as Capacity Market Code, Grid Code, Exchange Rules etc.)</i>
N/A	N/A

*Please return this form to Secretariat by email to [balancingmodifications@sem-o.com](mailto:balancingmodifications@sem-o.com)*

### Notes on completing Modification Proposal Form:

1. If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.
2. Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Modifications Committee.
3. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.
4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

Agreed Procedure(s):	means the detailed procedures to be followed by Parties in performing their obligations and functions under the Code as listed in either Part A or Part B Appendix D "List of Agreed Procedures". The Proposer will need to specify whether the Agreed Procedure to modify refers to Part A, Part B or both.
T&SC / Code:	means the Trading and Settlement Code for the Single Electricity Market. The Proposer will also need to specify whether all Part A, Part B, Part C of the Code or a subset of these, are affected by the proposed Modification;
Modification Proposal:	means the proposal to modify the Code as set out in the attached form
Derivative Work:	means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal

The terms "Market Operator", "Modifications Committee" and "Regulatory Authorities" shall have the meanings assigned to those terms in the Code.

In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section 2 of Part A or Chapter B of Part B of the Code (and Part A Agreed Procedure 12 or Part B Agreed Procedure 12) , which I have read and understand, I agree as follows:

1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:
  - 1.1 to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
  - 1.2 to the Regulatory Authorities, the Modifications Committee and each member of the Modifications Committee to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;
  - 1.3 to the Market Operator and the Regulatory Authorities to incorporate the Modification Proposal into the Code;
  - 1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.
2. The licences set out in clause 1 shall equally apply to any Derivative Works.
3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.
4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.
5. I hereby acknowledge that the Modification Proposal may be rejected by the Modifications Committee and/or the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.