



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

14 June 2012

Our Ref: D/12/9981

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_01_12
(Recommendation Report FRR_01_12)**

Dear Sherine,

On 3rd May 2012, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal, Mod_01_12 (Representation of Demand Side Participants on the Modifications Committee) in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

Modification Proposal Mod_01_12 was raised by Activation Energy and seeks to introduce an additional member for the Modifications Committee to represent Demand Side Participants. This new member shall not be treated as either a Supply Participant or as a Generation Participant, but shall be a voting member of the Committee.

The SEM Committee notes that the Modifications Committee voted by a majority of five for and three against to recommend approval of the Proposal which furthers the Code Objectives 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 “to promote competition in the single electricity wholesale market on the island of Ireland” and “ensure no undue discrimination between persons who are parties to the Code” and “promote short-term and long-term interests of consumers of electricity on the island of Ireland with regard to price, quality, reliability and security of supply of electricity”. The Modifications Committee recommended that the Modification Proposal should be implemented on a Settlement Day basis with effect from 1st June 2012 in order to align with the 2012 annual elections of the Modifications Committee.

The SEM Committee welcomes this proposal as a step in the direction set out in its Demand Side Vision¹. A member whose role is to represent the demand side can ensure that the Committee gives consideration to demand side issues wherever appropriate. It also notes that the Modifications Committee has taken care to ensure that the addition of a new member of the Committee does not introduce issues with respect to the quorum for the Committee. The SEM Committee further notes that, once this modification is implemented, it will be necessary to seek

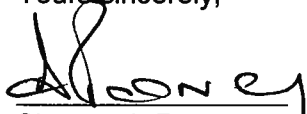
¹ See SEM-10-052 http://www.allislandproject.org/en/overview_1.aspx?article=185b17f5-e666-4943-8237-f2bdbd3df33f

nominations for a member and an alternate member and if necessary to undertake elections before a member can be appointed for an initial period of two years.

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_1_12), 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 Working Day after the date of this letter.

Yours sincerely,


Sheenagh Rooney
Manager
Wholesale Electricity Market