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| --- |
| **MODIFICATION PROPOSAL FORM** |
| **Proposer***(Company)* | **Date of receipt***(assigned by Secretariat)* | **Type of Proposal***(delete as appropriate)* | **Modification Proposal ID***(assigned by Secretariat)* |
| **SEMO** | **26 May 2016** | **Standard**  | **Mod\_01\_16** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Lynda Fitzpatrick** |  | **Lynda.fitzpatrick@sem-o.com** |
| **Modification Proposal Title** |
| Proposal to end M+13 obligations under the TSC following the completion of M+4 resettlement period plus dispute window. |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC****Appendices, APs and Glossary** | **T&SC –Section 2.278 6.47, 6.69- 6.71****Appendix E – Table E.9****Appendix J – Tables J.7 & J.8****AP06 – Appendix 2****AP13 – 2.1.3, 2.2.4** **AP14 – Disputes Section 2.1 (1a)****AP15 – 2.1.2, 3.2****AP16- Section 2.1, 2.2, 3 (Table & Provision of Meter Data Graph) Glossary** | **18.0** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| The I-SEM Market Go-Live is scheduled for Q4 2017. From the Go-Live date, the new I-SEM market will be operational and the current SEM market will enter a winding down phase. The SEM market will be required to complete obligations under Section 2 and Section 6 of the T&SC and AP13, 14, 15 and 16 regarding financial resettlement and provision of meter data. Current obligations require M+4 and M+13 resettlement.This proposal seeks to end the M+13 resettlement obligations, post I-SEM Go-Live, under the T&SC and Agreed Procedures and stop resettlement obligations by M+4. The SEM market would not resettle M+13 for the period Feb-17 to Sep-17, based on a 1st October 2017 Go-Live Date.The driver for this change is to reduce the period for which the new market and legacy market must operate in parallel. The costs and risks involved for SEMO and participants could be significant from both a resourcing and a systems perspective.The SEMC Information Note on the I-SEM Regulatory Framework, 23 February 2016 (SEM-16-007), stated:“It is envisaged that the amended TSC will be comprised of two substantive parts: * Part A: this will contain all of the provisions of the existing Trading and Settlement Code (including glossary and appendices) and will be retained for a run off period of at least 13 months; and
* Part B: this will contain all of the enduring provisions relating to I-SEM arrangements.

Each part A and B will have the capability of existing in isolation from and without reference to the other. An additional subsection may be required to deal with the transition between the SEM arrangements and I-SEM arrangements.” If approved, this Modification will reduce the need of Part A being effective for the minimum length of 13 months. |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| **Disp****ute Resolution****Preliminaries*** 1. A “Dispute” means any claim, dispute or difference of whatever nature between any of the Parties howsoever arising under, out of or in relation to the Code or the Framework Agreement (including the existence or validity of the same) in respect of which (i) one Party has served a Notice of Dispute, or (ii) a Notice of Dispute is deemed to have been served under paragraph 2.282. A Dispute includes any Settlement Dispute.
	2. A Notice of Dispute may be served on any number of Parties. Where the Market Operator reasonably determines that the resolution of a Disputed Event will impact a third Party who has not been served a Notice of Dispute, the Market Operator will inform that third Party of the existence, nature and progress of the Dispute, while maintaining the confidentiality of the Disputing Parties.
	3. Subject to the rules concerning the commencement of certain Settlement Disputes set out in paragraph 2.282, a Dispute is deemed to exist when one Party notifies another Party or Parties in writing of the Dispute by way of a Notice of Dispute within 28 days of that Party having become aware of the Disputed Event and in any event within 2 years of the Disputed Event having occurred. **On Balancing Market Go-Live, existing provisions in this clause 2.278 shall continue to apply with full force and effect up to and including Balancing Market Go-Live M+6. Thereafter, as and from Balancing Market Go-Live M+6 all existing provisions under this clause 2.278 shall cease to apply.**

Settlement Calendar**6.47** The Market Operator shall publish, four months prior to the start of each Year, a Settlement Calendar for all days in the coming Year which shall include the following information:1. details of Non-Working Days;
2. details of any week day that is not a Week Day;
3. details of:
4. when Ex-Post Indicative Settlement Statements are due (for each type of Settlement Statement);
5. when Initial Settlement Statements are due (for each type of Settlement Statement);
6. each Invoice issue date (for each type of Invoice);
7. the Invoice Due Date (for each type of Invoice);
8. the Self Billing Invoice issue date (for each type of Self Billing Invoice);
9. the Self Billing Invoice Due Date (for each type of Self Billing Invoice);
10. the Timetabled M+4 Settlement Reruns for relevant Settlement Periods;
11. the Timetabled M+13 Settlement Reruns for relevant Settlement Periods; and
12. The deadlines by which the Meter Data Providers must provide Meter Data to facilitate the Timetabled M+4 and M+13 Settlement Runs following the timing principles set out in Agreed Procedure 16 “Meter Data Provision”.

**On Balancing Market Go-Live, existing provisions in this clause 6.47 shall continue to apply with full force and effect up to and including Balancing Market Go-Live M+4. Thereafter, as and from Balancing Market Go-Live M+4 all existing provisions under this clause 6.47, including provisions pertaining to M+13, shall cease to apply.****Settlement Reruns****6.69** The objective of all Settlement Reruns is to adjust the financial positions of Participants to reflect any differences between data used for Settlement and any updated data received.**6.70** There will be two one Timetabled Settlement Reruns for each Billing Period. The first Timetabled Settlement Rerun shall take place in the fourth month after the Billing Period (BP+4M) and the second Timetabled Settlement Rerun shall take place in the 13th month after the Billing Period (BP+13M). The Market Operator shall publish the precise date of these in advance in the Settlement Calendar. **On Balancing Market Go-Live, existing provisions in this clause 6.70 shall continue to apply with full force and effect up to and including Balancing Market Go-Live M+4. Thereafter, as and from Balancing Market Go-Live M+4 all existing provisions under this clause 6.70, including provisions pertaining to M+13, shall cease to apply.*** 1. There will be two Timetabled Settlement Reruns for each Capacity Period. The first Timetabled Settlement Rerun shall take place in the fourth month after the Capacity Period (CP+4M) and the second Timetabled Settlement Rerun shall take place in the 13th month after the Capacity Period (CP+13M). The Market Operator shall publish the precise date of these in advance in the Settlement Calendar. **On Balancing Market Go-Live, existing provisions in this clause 6.70 shall continue to apply with full force and effect up to and including Balancing Market Go-Live M+4. Thereafter, as and from Balancing Market Go-Live M+4 all existing provisions under this clause 6.70, including provisions pertaining to M+13, shall cease to apply.**
1. Data Publication

**Table E.9 – Data publication list part 7: updated on a Capacity Period basis, post end of Capacity Period****Notwithstanding table E.9, Timetabled Resettlement Reruns will cease on Balancing Market Go-Live M+4 as per Settlement Calendar provision 6.47.**

| **Time** | **Item** | **Term** | **Subscript** |
| --- | --- | --- | --- |
| **Each Capacity Period, post end of Capacity Period** |  |  |  |
| ....... |  |  |  |
| In the thirteenth month after Initialcapacity settlement | Aggregated Loss-Adjusted Settlement Net Demand ∑(SNDLF) for all Supplier Units in Ireland (ROI and NI) |  |  |
| .......... |  |  |  |
|  |  |  |  |
| In the thirteenth month after Initial Capacity settlement | Aggregated Loss-Adjusted Net Demand ∑(NDLF) for all Supplier Units in Ireland and Northern Ireland |  |  |

APPENDIX J: MARKET OPERATOR AND SYSTEM OPERATOR DATA TRANSACTIONS**Net Demand Adjustment Data** **J.24** The Market Operator shall submit to the System Operators the Net Demand Adjustment Data Transaction, where the Data Records for the Net Demand Adjustment Data Transaction are described in Table J.7 and the Submission Protocol in Table J.8. **Notwithstanding tables J.7 and J.8, Timetabled Resettlement Reruns will cease on Balancing Market Go-Live M+4 as per Settlement Calendar provision 6.47.****Table J.7 – Net Demand Adjustment Data Transaction Data Records**

|  |
| --- |
| Participant name |
| Supplier Unit |
| Jurisdiction |
| Trading Day |
| Trading Period |
| Net Demand Adjustment |
| Type of Settlement Run (Initial, M4 for Timetabled M + 4 Settlement Rerun, M13 for Timetabled M + 13 Settlement Rerun, or ad-hoc) |

**Table J.8 – Net Demand Adjustment Data Transaction Submission Protocol**

|  |  |
| --- | --- |
| Sender | Market Operator |
| Recipient | Each System Operator in respect of all Supplier Units registered in the relevant Jurisdiction |
| Number of Data Transactions | One per Trading Period per Supplier Unit for the relevant Day |
| Frequency of Data Transactions | Daily |
| First Submission time | As available |
| Last Submission time | By 17:00, four days after the relevant Trading Day |
| Permitted frequency of resubmission prior to last submission time | Unlimited |
| Required resubmission subsequent to last submission time  | Following each Timetabled M+4 Settlement Rerun, Timetabled M+13 Settlement Rerun and any Ad-hoc Settlement Rerun. |
| Valid Communication Channels | Type 3 (computer to computer) |
| Process for data validation | None |

**AGREED PROCEDURE 6: DATA PUBLICATION AND DATA REPORTING**aPPENDIX 2: Report Listing**Legends**Please use supplied legends when interpreting the subsequent report listing. **Notwithstanding these report listings, any requirement for Timetabled Resettlement Reruns at M+4 and M+13 will cease on Balancing Market Go-Live M+4 as per Settlement Calendar provision 6.47.** **Agreed Procedure 13Query Generation*** + 1. Determinations of Data Query Materiality

In the event that there is a change to Settlement Items with Low Materiality, the Market Operator shall procure that the revised corrected input data shall be used for the relevant Settlement Period and Settlement shall take place on the next Timetabled Settlement Rerun. Two Timetabled Settlement Reruns exist for each given Billing Period and Capacity Period; the first taking place within the fourth month and the second within 13 months after the relevant Billing Period or Capacity Period. **Notwithstanding this, Timetabled Resettlement Reruns will cease on Balancing Market Go-Live M+4 as per Settlement Calendar provision 6.47.**In the event that there is a change to Settlement Items with High Materiality, the Market Operator shall procure that the revised corrected input data shall be used for the relevant Settlement Period and a dedicated Settlement Rerun shall be performed 2.2.4 Corrective ActionsIn the event that there is a change to Settlement Items with Low Materiality, the Market Operator shall procure that the revised corrected input data shall be used for the relevant Settlement Period for which Final Settlement has not occurred, and Settlement shall then take place on the next Timetabled Settlement Rerun. Two Timetabled Settlement Reruns exists for each given Billing Period and Capacity Period; the first taking place within the fourth month and the second within 13 months after the relevant Billing Period or Capacity Period. **Notwithstanding this, Timetabled Resettlement Reruns will cease on Balancing Market Go-Live M+4 as per Settlement Calendar provision 6.47.**In the event that there is a change to Settlement Items with Low Materiality resolved after the final Timetabled Settlement Rerun, or there is a change to Settlement Items with High Materiality, the Market Operator will procure that an additional Settlement Rerun for the relevant Settlement Period will then be performed**Agreed Procedure 14Disputes*** 1. **Raising A Dispute**

| **#** | **Procedural Step** | **Timing** | **Method** | **From/By** | **To** |
| --- | --- | --- | --- | --- | --- |
| 1a | **Dispute not arising from a Settlement Query or Data Query**Notify Dispute Counterparty or Dispute Counterparties of the Dispute by sending a Notice of Dispute (Appendix 2). The Notice of Dispute shall include the nature of the Dispute and the issues involved. | Within 28 days of Disputing Party being aware of the Disputed Event and within 2 years of the Disputed Event. **Notwithstanding this, the right to submit a Notice of Dispute will cease on Balancing Market Go-Live M+6 as per paragraph 2.278 of the T&SC.** | Fax/post | Raising Dispute Party | Dispute Counterparties |

**Agreed Procedure 15INVOICING****2.1.2 Settlement Rerun Statement**– Timetabled Settlement Reruns are completed within the fourth and thirteenth month after the invoice in respect of the Initial Settlement Statements of a Billing Period or Capacity Period. **Notwithstanding this, Timetabled Resettlement Reruns will cease on Balancing Market Go-Live M+4 as per Settlement Calendar provision 6.47.** The Capacity Period or Billing Period is defined with reference to the last day of that Settlement Period. Invoices and Self Billing Invoices from Settlement Rerun Statements are issued to all Participants for all applicable charges and payments. The Timetabled Settlement Rerun shall be based on the data then available to the Market Operator at the time of its production. This will include any change based on a resolved Data Query, Settlement Query or Settlement Dispute to be judged to be of Low Materiality.An ad-hoc Settlement Rerun will be run if; * a Data Query, Settlement Query or Settlement Dispute is upheld and the value of change to Settlement items is judged to be of High Materiality, or
* If the matter is resolved after the final Timetabled Settlement Rerun.

3.2 Invoicing for Settlement Rerun StatementsTimetabled Settlement Rerun Statements and associated Invoices and Self Billing Invoices are calculated and issued by the Market Operator to Participants within the fourth and thirteenth month after the invoice in respect of the Initial Settlement Statement for the Settlement Period. **Notwithstanding this, Timetabled Resettlement Reruns will cease on Balancing Market Go-Live M+4 as per Settlement Calendar provision 6.47.** Invoices and Self Billing Invoices from Settlement Rerun Statements are issued to all Participants for all charges and payments. Settlement Reruns based on resolutions of Settlement Queries or Disputes can be completed at any time. Settlement Rerun amounts are calculated for each charge and payment type. Presented on the Settlement Rerun Invoice and Self Billing Invoice, for each charge or payment (except for currency costs and interest) are, * the Settlement Rerun amount,
* the previous Settlement Statement Invoice amount, and
* The change in the Settlement amounts.

**Agreed Procedure 16Provision of Meter data*** 1. Business Requirements for Meter Data

Meter Data Providers are required to send certain Unit Meter Data and/or Net Inter-Jurisdictional Import (always grouped by Settlement Day, midnight to midnight) to facilitate the following time critical processes:1. Ex-Post Indicative Price Setting (Every Calendar Day + 1 Calendar Day after Settlement Day)
2. Ex-Post Indicative Settlement (Every Week Day + 1 Week Day after Settlement Day)
3. Initial Price Setting (Every Calendar Day + 3 Calendar Days after Settlement Day)
4. Initial Settlement (Every Week Day + 4 Week Days after Settlement Day)
5. First Resettlement (Every Week Day + 4 months)
6. Second Resettlement (Every Week Day + 13 months)
7. Query generation process (As under Agreed Procedure 13 “Query Generation”)
8. Dispute process (As under Agreed Procedure 14 “Disputes”)

**On Balancing Market Go-Live, existing provisions in paragraphs 2.1.e and 2.1.f shall continue to apply with full force and effect up to and including Balancing Market Go-Live M+4. Thereafter, as and from Balancing Market Go-Live M+4 all existing provisions under paragraphs 2.1.e and 2.1.f shall cease to apply.**There are no requirements for a Settlement Day’s Meter Data before the end of the Settlement Day. All other requirements by the Market Operator for Meter Data, such as for the calculation of Capacity Payments and Charges, and updating Credit Cover, will be satisfied if timely delivery of Meter Data for the above business requirements is met. Data Providers are required to notify the Market Operator and to send replacement Meter Data once they have resolved the Meter Data volumes associated with a Discovered Error.When generating a Settlement Query or Dispute, Meter Data Providers may apply a tolerance where the net change in Meter Data Volumes, as a result of a Discovered Error, is within +/- 1MWh per settlement day per unit, provided that this is communicated to the affected unit.* 1. What Data Are Required for Each of these Business Processes

The table below sets out what Meter Data is required for each business process listed in Section . The Meter Data is grouped by Data Transaction. Data Transactions which contain the same Data Records but are sent under different timeframes are given the same identifier, which populates the TRANSMISSION\_ID field in the file sent to the Market Operator. Each Data Transaction from a Meter Data Provider must be complete. Each Data Record in the Data Transaction describes the Unit Metered Generation, Unit Meter Demand, or Net Inter-Jurisdictional Import. Each Data Record name in this Agreed Procedure aligns directly with the definitions of Units and Net Inter-Jurisdictional Import in the Code. **Notwithstanding this, Meter Data requirements for Timetabled Resettlement Reruns will cease to apply on Balancing Market Go-Live M+4 as per Settlement Calendar provision 6.47.**1. Procedural Steps

Notwithstanding the Procedural Steps detailed in the following table, Meter Data requirements for Timetabled Resettlement Reruns will cease to apply on Balancing Market Go-Live M+4 as per Settlement Calendar provision 6.47.**Glossary****New definition:****Balancing Market Go-Live**  relates to the Trading Period NN:00hr on [dd/mm/YY] at which the new Balancing Market arrangements contemplated, but not limited, by the following decisions take effect: ‘I-SEM SEMC Decision on High Level Design’ (SEM-14-085a); ‘I-SEM ETA Markets Building Blocks Decision Papers’ (SEM-15-064); ‘I-SEM ETA Markets Decision Paper’ (SEM-15-065); ‘I-SEM Roles and Responsibilities Decision Paper’ (SEM-15-077) and ‘Information Note on I-SEM Regulatory Framework’ (SEM-16-007) |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| The I-SEM requires a new suite of systems that must be supported, operated and maintained. Significant costs are incurred in supporting these systems from a Market Operator perspective and a participant perspective, e.g. resource support, hardware, support contracts, licensing etc. Following a Market Operator Special Topic Meeting in November 2015, a recommendation was made for the Central Market Systems Roadmap to adopt a “Maintenance Mode” which involves limited changes to the CMS and during which core third party software and hardware would not be upgraded. This decision is based on the assumption that I-SEM will go live in Q4 2017, requiring significant capital expenditure to develop the required suite of systems to support the I-SEM market. There are operational risks – associated with End Of Life systems - in proceeding with the current M+13 resettlement timelines in Maintenance Mode. Due to the age profile of a number of assets, proceeding with M+13 resettlement timelines presents a systems and financial risk to the Central Market Systems. Operating two markets in parallel requires the Market Operator to maintain credit cover for both markets. Ending M+13 resettlement at M+4 would reduce the risk and resource effort associated with this activity. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| Section 1.3:1. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;
 |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| Costs would be incurred by participants and the Market Operator that would otherwise be saved if the M+13 resettlement obligations ended at M+4.There are a number of systems and associated financial risks due the age profile of some of the assets that currently support the Market systems. Not stopping M+13 resettlement at M+4 carries a risk of system failure for the SEM Central Market Systems as a result of the age profile of the current assets. From a financial perspective, there would be collateral costs and administration costs in keeping dual accounts open and the increased risk of default. In addition, ABB/Brady support contracts for SEM systems have a 6 month notice period. Extending these contracts month by month will carry additional costs.The MO has analysed data for Suppliers and APTGs for the period where both M+4 and M+13 data is available between 01/07/2013 and 30/04/2015. The graphs below show the size of M+4 and M+13 Resettlements both in terms of MWh and monetary amounts averaged per Supplier or APTG Generator. Large spikes between December 2013 and January 2014 are due to ad-hoc issues raised in Settlement Queries by the affectd parties. These are documented in the relevant Monthly Market Operator Reports.For Metered Demand only where the impact is higher, overall Resettlement difference was a 1.18% increase from the Initial total Market Demand. Of this, 70.53% was captured in M+4 and the remaining 29.47% at M13. Further details will be presented at Modification Meeting 68 scheduled for the 9th of June. |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| No | System Impacts:* There are no Central Market Systems impacts with this modification.
* Stakeholders should provide impact assessments through separate submissions
* Settlement, Funds Transfer, Credit Risk Management systems all required for the wind down of the SEM Market.
* The length of time which each system will be required for will depend on whether resettlement continues up until M+13
* Each of these systems will require IT support and maintenance
* Continued used of these systems through M+13 resettlement carries a risk of system failure due to the asset age profile

Resource Impacts:* The current Market Operations team will be required to operate the I-SEM market and ensure the wind down obligations of the SEM market are met
* Ending M+13 requirements at M+4 would enable quicker transition for the personnel supporting M+4 for SEM wind down to operation of the I-SEM market
* Resource impacts become more significant should a system failure occur

Process & Procedure Impacts:* All processes and procedures relating to M+4 resettlement will be required to support SEM wind down. These processes would continue to be operational until M+13 obligations are complete – impacting resource and system requirements as outlined above.
 |
| ***Please return this form to Secretariat by email to*** ***modifications@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 Appendix D “List of Agreed Procedures”.**

**T&SC / Code: means the Trading and Settlement Code for the Single Electricity Market**

**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 the Code (and 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. **to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;**
	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;**
	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.**