|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **MODIFICATION PROPOSAL FORM** | | | | | |
| **Proposer** | **Date of receipt** | | **Type of Proposal** | | **Modification Proposal ID** |
| **Utility Regulator** | **29 January 2015** | | **Standard** | | **02\_15** |
| **Contact Details for Modification Proposal Originator** | | | | | |
| **Name** | | **Telephone number** | | **Email address** | |
| **Mary O’Kane** | | **+44 (0) 28 9031 6663** | | **Mary.OKane@uregni.gov.uk** | |
| **Modification Proposal Title** | | | | | |
| **Permitting DSUs registrants to register as either a TSSU or as an ASU in the Single Electricity Market** | | | | | |
| **Documents affected** | | **Section(s) Affected** | | **Version number of T&SC or AP used in Drafting** | |
| **T&SC** | | **5.152** | | **16.0** | |
| **Explanation of Proposed Change**  *(mandatory by originator)* | | | | | |
| Currently a person registering a Demand Side Unit (DSU) must also register a Trading Site Supply Unit (TSSU). The purpose of the proposed modification is to allow persons registering a DSU to have the option of also registering either a TSSU or an Associated Supplier Unit (ASU). AP01 mentions a need for registrants of TSSUs and ASUs to hold supply licences. A registrant of a DSU is required to hold a supply licence.  In Ireland, this situation is not problematic, as the DSUs hold supply licences. In Northern Ireland (NI), however, DSU registrants are to be issued with a modified generation licence. When registering a TSSU, NI DSUs would thus be required to hold two licences: a generation and a supply licence. | | | | | |
| **Legal Drafting Change**  *(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* | | | | | |
| 1. For each Demand Side Unit, a Party (or Applicant as applicable) shall register as part of a single Trading Site in accordance with the provisions set out in paragraphs 2.60 to 2.64: 2. the Demand Side Unit; 3. a single Supplier Unit which is either a Trading Site Supplier Unit or an Associated Supplier Unit; 4. a Netting Generator Unit; and 5. no other Unit. | | | | | |
| **Modification Proposal Justification**  *(Clearly state the reason for the Modification)* | | | | | |
| Allowing the change would ensure that the regulatory approval of a DSU in NI (in line with section 2.34B of the T&SC) does not necessarily introduce dual sets of licence obligations, discouraging participants from operating in the NI DSU sector.  Providing DSUs with the flexibility to use the ASU route will reduce the need for a single party to hold two licences. This will make the process for applying to operate as DSU in Northern Ireland less complex and reduce ongoing licence compliance requirements. Such an approach should help encourage investment in the sector.  The modification would eliminate a potential source of discrimination by removing an obligation on DSUs to hold two licences and- in turn- being subject to twin sets of obligations in addition to meeting the requirements of the T&SC. Comparable generators are not compelled to hold dual licences.  As licensing is grounded in national legislation, it can result in discontinuities in a cross jurisdictional market. This modification will lessen the impact of an issue generated by a licensing regime and create a degree of harmonisation between the requirements placed upon DSUs in both NI and Ireland. | | | | | |
| **Code Objectives Furthered**  *(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* | | | | | |
| This modification will further objectives #3, #4, #6 and #7 of the code objectives as it:   * Facilitates the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market; * Promotes competition in the single electricity wholesale market on the island of Ireland; * Ensures no undue discrimination between persons who are parties to the Code; and * Promotes 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. | | | | | |
| **Implication of not implementing the Modification Proposal**  *(State the possible outcomes should the Modification Proposal not be implemented)* | | | | | |
| DSU participants in NI will be subject to the obligations of two licences on top of the requirements of the T&SC, whereas their counterparts in Ireland are subject to a single licence and the T&SC. This requirement may discourage investment into the NI DSU sector.  The dual licence requirement upon a single class of generator could introduce discrimination into the market. | | | | | |
| **Working Group**  *(State if Working Group considered necessary to develop proposal)* | | | **Impacts**  *(Indicate the impacts on systems, resources, processes and/or procedures)* | | |
| Not considered necessary. | | | No impact on Central Market Systems or Participants’ systems or on any Agreed Procedures is expected. | | |
| ***Please return this form to Secretariat by email to*** [***modifications@sem-o.com***](mailto: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.**