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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)* |
| **Electricity Exchange** | **23 Sept 2016** | **Standard / Urgent/Provisional** | **MOD\_02\_16** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Paddy Finn** | **061 59 8000** | **paddy@electricityexchange.ie** |
| **Modification Proposal Title** |
| **Changes to MEC for DSU** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC** | **5.151** | **18.0** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| At present, the Trading and Settlement Code prevents Demand Sites with a Maximum Export Capacity greater than the De Minimis Threshold from participating as Demand Sites in a Demand Site Unit. This modification proposal proposes that rather than preventing such Demand Sites from offering **any** capacity to a Demand Side Unit, they should instead have the amount of capacity they can offer to a Demand Side Unit restricted. It is proposed that, in order to protect what is believed to have been the original intention of this clause, the amount of capacity such a Demand Site can provide as part of a Demand Side Unit be limited to the greater of (1) 10 MW or (2) 10% of the Demand Site’s Maximum Export Capacity.This will result in the increased utilisation of power system assets while continuing to prevent bona fide Generator Units from trading their primary generation assets as a Demand Side Unit. |
| **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. Any Demand Site associated with a Demand Side Unit must meet and continue to meet each of the following criteria:
1. the Demand Site shall house a final customer or consumer;
2. the Demand Site shall have the technical and operational capability to deliver Demand Reduction in response to Dispatch Instructions from the System Operator in accordance with the relevant Grid Code or Distribution Code;
3. the Demand Site shall have appropriate equipment to permit real-time monitoring of delivery by the System Operator; and
4. the Demand Site shall have a Maximum Import Capacity;
5. and where the Demand Site has a Maximum Export Capacity greater than the De Minimis Threshold the Demand Site shall contribute no greater than the greater of:
	* 1. 10 MW, or
		2. 10% of the Demand Site’s Maximum Export Capacity

to the Demand Side Unit MW Capacity. |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| Clause 5.151.4 of the Trading and Settlement Code currently prevents Demand Sites with a Maximum Export Capacity of greater than the De Minimis Threshold from providing capacity to a Demand Side Unit. It is the proposers understanding that this is intended to prevent sites that should be classed as Generator Units from operating their primary generation assets under a Demand Side Unit rather than a Generator Unit. This modification is intended to remove this restriction while protecting what is believed to be the original intention of this clause. This will enable Demand Sites with a Maximum Export Capacity of greater than the De Minimis threshold to utilise any dispatchable demand or ancillary generation capacity existing on the Demand Site for the provision of Capacity to the Single Electricity Market and System services to the Transmission System Operator. This will result in a more efficient utilisation of existing power system assets without impacting the designation of units currently classed as Generators. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| This modification will facilitate greater participation by existing assets in the Single Electricity Market in line with the Code Objective 1.3.3 *”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;”.* This modification will also enable the use of dispatchable demand assets on the sites of Generator Units to be used for the provision of System Services through a Demand Side Unit which will, in line with Code Objective 1.3.4 “*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.”* As a result, the increased utilisation of existing assets on the power system may delay the need for the additional generation infrastructure. |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| By not implementing this modification Demand Sites with a Maximum Export Capacity of greater than the De Minimis Threshold will continue to be prevented from utilising their dispatchable demand capacity to provide additional Capacity to the Single Electricity Market and System Services to the Transmission System Operator. This results in the continued underutilisation of existing assets on the power system.  |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| Not Required | This will result in more efficient use of existing resources on the power system without impacting the designation of units currently classed as Generators. |
| ***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.**