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| **MODIFICATION PROPOSAL FORM** |
| **Proposer** | **Date of receipt** | **Type of Proposal** | **Modification Proposal ID** |
| **Regulatory Authorities** | **23 January 2014** | **Standard**  | **Mod\_03\_14** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Elaine Gallagher** | **00 353 1 4000800** | **egallagher@cer.ie** |
| **Modification Proposal Title** |
| **Change in Timeline for Submission of MO Report on Annual Capacity Exchange Rate**  |
| **Documents affected** | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC** | **Section 4** | **Version 14.0** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| The proposed change to the T&SC and AP is to amend the Code to reflect the current practice for the publication of the Annual Capacity Exchange Rate (ACER), which has been in operation (but not in line with the Code) for several years. Currently, the ACER that will apply for the coming Year is published in December, whereas the Code currently requires the ACER value to be published 4 months before the start of each Year. The methodology by which SEMO determined the ACER for 2011 is set out in the “Trading and Settlement Code Annual Operational Parameters for 2011, Decision Paper” of 17th November 2010 (SEM-10-077). This same methodology has been used since that time.  |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| Parameters for the determination of Capacity Payments and Capacity Charges* 1. No later than four months before the start of the first Capacity Period in each Year, the Regulatory Authorities shall consider and shall determine values, which will then be made available to the Market Operator, for the following parameters for the calculation of Capacity Payments and Capacity Charges for that Year:
1. Annual Capacity Payment Sum (ACPSy);
2. Capacity Period Payment Sum (CPPSc) for each Capacity Period, such that the total of Capacity Period Payment Sums over the Year is equal to the Annual Capacity Payment Sum (ACPSy);
3. Fixed Capacity Payments Proportion (FCPPy), such that 0 ≤ FCPPy ≤1;
4. Ex-Post Capacity Payments Proportion (ECPPy), such that 0 ≤ ECCPy ≤ (1-FCPPy); and
5. The Value of Lost Load (VOLL).
	1. The Market Operator shall make a report to the Regulatory Authorities at least 15 Week Days before the start of the Year and in advance of the first Capacity Period in each Year, proposing a value for the following parameter for that Year:
6. the Annual Capacity Exchange Rate (ACERy).
	1. The Market Operator's report must set out any relevant research or analysis carried out by the Market Operator and any justification for the specific values proposed. Such a report may, and shall, if so requested by the Regulatory Authorities, include alternative values from those proposed and must set out the arguments for and against such alternatives.
	2. The Market Operator shall publish the approved value(s) for each of the parameters set out in paragraphs 4.95 and 4.96 within 5 Working Days of receipt of the Regulatory Authorities' determination or two months before the start of the Year to which they shall apply whichever is the later.
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| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| This Modification is to reflect current practice in line with SEM Committee Decision SEM-10-077 which was consulted on by Industry and whereby the Annual Capacity Exchange Rate is published in December each year. The Regulatory Authorities see merit in the value of the Annual Capacity Exchange rate being determined closer to the beginning of the period to which it applies (1st January annually). This Modification Proposal also ensures that SEMO and the Regulatory Authorities act in conformity with the Code in the practice of publishing the Annual Capacity Exchange Rate in December. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| 1. to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by its Market Operator Licences;
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| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| The RAs will act in accordance with SEM Committee Decision SEM-10-077 but not according to the timelines prescribed in the Code with respect to the publication of the Annual Capacity Exchange Rate. |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| N/A | N/A |
| ***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.**