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| **MODIFICATION PROPOSAL FORM** |
| **Proposer** | **Date of receipt** | **Type of Proposal***(delete as appropriate)* | **Modification Proposal ID***(assigned by Secretariat)* |
| **Fingleton White & Co.** | **22 November 2011** | **Standard** | **Mod\_04\_11\_v2** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Michael Peters** | **057 8665400** | **michael.peters@fingleton.ie** |
| **Modification Proposal Title** |
| **Facilitating demand sites with an MEC less than 10MW to participate as part of a Demand Side Unit** |
| **Documents affected** | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC** | **5.150, 5.151, Glossary** | **V10.0** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| This modification will allow a demand site with an MEC of less than 10MW to participate in the SEM as a Demand Side Unit. This will make the load reduction capacity and excess generation capacity of such large energy users available to System Operator. Demand sites with an MEC <10MW typically have embedded CHP generation where the ratio between the site heat load and site electrical load is such that it is economical to export electricity. These are demand sites where demand can become negative in periods of large site heat requirements.Participation of these sites as part of an aggregated DSU, as opposed to an AGU is more practical as it facilitates netting generator output against site demand and also results in declaration of available reduction capacity as opposed to total generation capacity. |
| **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. Subject to the terms of the Grid Code, a single Demand Side Unit may be associated with a number of Demand Sites provided that those Demand Sites comprise one single Supplier Unit and that those Demand Sites are within the same Currency Zone and that each Demand Site contributes no greater than 10MW to the Demand Side Unit MW Capacity. The combined Demand Side Unit shall for all purposes under the Code be treated as a single Demand Side Unit.
	2. To qualify for registration as a Demand Side Unit, a Demand Site 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 and shall not have a Maximum Export Capacity greater than the De Minimis Threshold.

Glossary:

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| Demand Side Unit MW Capacity | The maximum change in Active Power that can be achieved by a Demand Side Unit by totalling the potential increase in on-site Active Power Generation and the potential decrease in on-site Active Power Demand at each Demand Site. |

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| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| The insertion in 5.150 prevents a Demand Site with Demand Side Unit MW capacity of greater than 10MW participating as part of an aggregated unit. If the site has a Demand Side Unit MW Capacity of greater than 10MW it must be a single site Demand Side Unit. This reflects recent Grid Code changes.The insertion in 5.151 limits the change to a site with an MEC of less than 10MW.The Demand Side Unit MW Capacity definition is the same as the Grid Code definition.  |
| **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 #2, #4 and #7 of the code objectives as it:* Facilitates the efficient, economic and coordinated operation, administration and development of the SEM
* Promotes competition in the SEM
* Promotes the long-term interests of consumers of electricity
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| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| Less participation of DSUs in the market placeUnder utilisation of demand reduction capacity on the systemUnder utilisation of available generation capacity |
| **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.  | Proposal has impacts on the Grid Code. A Grid Code Modification Proposal is in development.  |
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| ***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.**