

Trading and Settlement Code Modifications Committee  
C/O Sherine King  
SMO Modifications Committee Secretariat  
The Oval, 160 Shelbourne Rd  
Dublin 4

14<sup>th</sup> February 2012

Our Ref: D/12/3309

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_18\_10  
(Recommendation Report FRR\_18\_10\_V2.0)**

Dear Sherine,

On 30<sup>th</sup> January 2012, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod\_18\_10 (Intra-Day Trading), in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, which was raised by the Regulatory Authorities, seeks to progress SEM compliance with the EU's Congestion Management Guidelines for Cross Border Trade. The SEM does not currently facilitate participation on Interconnectors within the Intra-Day timeframe.

The Modifications Committee recognised the need to address the proposal by means of a wider project. It was decided that the Modification would be delivered in two phases, Phase I *High-Level Design* and Phase II *Implementation of High-Level Design*. The Modifications Committee unanimously approved the high level design of the Modification on 25 November 2010 and proposed its adoption to the SEM Committee. This was followed by a SEM Committee Decision letter on 4<sup>th</sup> March 2011.

Following on from this, Phase II Implementation of High-Level Design was completed during 2011 culminating in the presentation of a final detailed Modification Proposal to the Modifications Committee on 6<sup>th</sup> December 2011.

The SEM Committee notes that the Modifications Committee agreed by majority that the Modification Proposal furthers the Code Objectives "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", "to promote competition in the single electricity wholesale market on the island of Ireland" and "to 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".

The Modifications Committee recommended that the Modification should be made effective on a Trading Day basis and that the proposed implementation date should be in line with the 11<sup>th</sup> Scheduled Release of the Central Market Systems.

The SEM Committee appreciates the considerable work that has been undertaken by the Modifications Committee, by SEM participants generally, and in particular by SEMO in bringing this Modification Proposal to the Final Recommendation stage.

The implementation of Intra Day Trading through the new Ex Ante 2 and Working Day 1 Gates will see considerable changes in the market. Intra Day Trading will allow increased opportunities for participants to trade in SEM and in particular will create new opportunities for the allocation of unused Interconnector capacity. This will be particularly important given the increased level of interconnection with Britain that will be in place in the SEM from 2012.

Considering the above, the SEM Committee directs that a Modification, as set out in FRR\_18\_10\_V2.0, be made on a Trading Day basis with effect from the date of implementation of the 11<sup>th</sup> Scheduled Release.

The SEM Committee directs that the Market Operator shall publish the date of the relevant release of the Central Market Systems (together with details of all the Modifications which shall come into effect on that date) on its website no less than one week in advance of that date.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sheenagh Rooney', written over a horizontal line.

Sheenagh Rooney  
Manager - Wholesale Electricity Market