

Trading and Settlement Code Modifications Committee
C/O Aisling O'Donnell
SMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

17th June 2010

Our Ref: D/10/3878

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_20_10
(Recommendation Report FRR_20_10)**

Dear Aisling,

On 16th June 2010, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod_20_10 (Setting a De Minimus Level on Letter of Credit Drawdown) in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, proposed by the Market Operator, seeks to amend the provision for drawdown of credit cover for amounts smaller €1,000 to give the Participant an extra 2 days to pay, provided that SEMO has funds in the Balancing Costs to cover the shortfall.

The SEM Committee notes that the Modifications Committee agreed unanimously that the Modification Proposal furthers the Code Objective "*to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner*" and that the modification should be implemented on a Settlement Day basis. The report does not recommend on which day to implement the decision, however the RAs consider it appropriate for the Modification Proposal to be effective from the next Working Day after the date of this letter.

Considering the above, and in accordance with paragraph 2.218 of the Code, the SEM Committee directs that a modification be made in accordance with the Final Recommendation Report of the Modifications Committee (FRR_20_10), for the avoidance of doubt based upon the legal drafting set out in Appendix 2 of that report. The Regulatory Authorities therefore direct that a Modification be made on a Settlement Day basis with effect from the next Working Day after the date of this letter.

Yours sincerely,



Dana Kelleher
Analyst - Wholesale Electricity Market