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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)* |
| **ESB PG** | **26 September 2011** | **Standard** | **Mod\_21\_11\_V2** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| Grainne O’Shea | 01-7021138 | Grainne.oshea@esb.ie |
| **Modification Proposal Title** |
| **UI payments for generator units constrained on** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| T&SCAP | Section 5 | Version 9 |
| **Explanation of Proposed Change***(mandatory by originator)* |
| With the proposed changed when Energy Limited Generator Units over-generate within the required tolerance payment is based on SMP and not Dispatch Offer Price. |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| Insert the following as new code**5.108(A)**For the purposes of calculation of Uninstructed Imbalances for Energy Limited Generation Units as set out in paragraph 4.141 to 4.151, the Market Operator shall deem the value of the Dispatch Offer Price (DOPuh) to be equal to the System Marginal Price (SMPh) for each Generator Unit u in the Trading Period h for which DQLFuh ≤ AOLFuh ≤ (DQLFuh + TOLOGFuh)Where 1. DQLFuh is the Loss-Adjusted Dispatch Quantity for Generator Unit u in Trading Period h;
2. AOLFuh is the Loss-Adjusted Actual Output from Generator u in Trading Period h;
3. TOLOGFuh is the Loss Adjusted Tolerance for Over Generation for Generator Unit u in Trading Period h.
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| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| At present when an Energy Limited generator incurs an uninstructed imbalance for over generation, the payment received is based upon the minimum of SMP and Dispatch Offer Price. As Energy limited plant must have a DOP = €0, this means that there is no payment possible for overgeneration. Overgeneration occurs for two reasons as follows1. Overgeneration as a result of plant free governing and responding to system frequency. In this case the plant correctly generates above DQ but cannot get compensated.
2. Overgeneration as a result of poor plant performance. In this case, the tolerance bands and the associated DOG provide adequate incentive to remain within the tolerance bands (as for all plant).

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| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| This furthers code objectives 3 and 6, “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” and “to ensure no undue discrimination between persons who are parties to the Code” respectively.  |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| Without this modification, energy limited generation units which correctly operate in the market and generate above DQ as a result of system frequency variations will not get remunerated which is discriminatory and perverse. |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
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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.**