



9th July 2009

Our Ref: 38635

Trading and Settlement Code Modifications Committee
C/O Marie-Therese Campbell
SMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_23_09
(Recommendation Report FRR_23_09)**

Dear Marie-Therese,

On 2nd July 2009, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod_23_09 (Additional Extension of Section 7 Clauses for calculation of Eligible Availability for Energy Limited Units), in accordance with paragraph 2.231 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, raised by the Market Operator (MO), seeks to extend the period of application of four Section 7 paragraphs in the Code which provide for an interim method of calculation of Eligible Availability for Energy Limited Generator Units. These Section 7 provisions were put in place by an Urgent Modification Proposal (Mod_82_07) with effect from 1st December 2007. The Modifications Committee report to the Regulatory Authorities (RAs) with respect to Mod_82_07 (FRR_82_07, 19th November 2007) stated that the proposal was to put the Modification into the Code as an Interim Provision so that the results could be monitored and reexamined at a later date. That Modifications Committee Report also recorded a step for further action "a later Modification to be raised prior to the expiry of 12 months, to ensure the prevailing Code is amended to reflect an agreed methodology".

The SEM Committee previously extended these provisions by Mod_02_09 for a period of 8 months, meaning that these paragraphs expire 22 months after the Market Start Date, so that the results of the Interim Provision could be examined. The analysis required to be carried out on the interim provisions was presented at the Modifications Committee meeting of 4th June 2009 along with this Modification which seeks to extend these interim provisions for a further 8 months until the end of April 2010. Following a presentation of this analysis, the SEM Committee notes that the Modifications Committee voted unanimously to recommend that these interim provisions should be made permanent and voted to recommend this proposal to the RAs. The SEM Committee further notes that the Modifications Committee recommended that this Modification should be implemented "22 months after the market start date at which time the existing Section 7 interim solution will expire". No recommendation was given from the Modifications Committee on whether the Modification should be implemented on a Settlement or Trading Day basis.

Considering the above, and in accordance with paragraph 2.218 of the Code, the SEM Committee decides that a modification be made in accordance with the Final Recommendation Report of the Modifications Committee (FRR_23_09), for the avoidance of doubt, based upon the legal drafting set out in Section 10 of that report. The Regulatory Authorities consider it appropriate to implement this Modification on a Settlement Day basis. The Regulatory Authorities therefore direct that the modification, as set out in FRR_23_09, be made on a Settlement Day basis with effect from 22 months after the Market Start Date.

Yours sincerely,

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

Sheenagh Rooney
Manager – Wholesale Electricity Markets