



Trading and Settlement Code Modifications Committee  
C/O Stephanie Fargher  
SMO Modifications Committee Secretariat  
The Oval  
160 Shelbourne Rd  
Dublin 4

30<sup>th</sup> November 2009

Our Ref: 39065

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_27\_09  
(Recommendation Report FRR\_27\_09)**

Dear Stephanie,

On 12<sup>th</sup> November 2009, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod\_27\_09 (Change of Letter of Credit Template Wording for Payment of All Charges), in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, raised by the Market Operator, seeks to align the wording on the Letter of Credit template, in relation to payment of charges, with the processes put in place with the SEM Bank.

The SEM Committee notes that the Modifications Committee believes that the Modification Proposal furthers the Code Objectives 'to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner' and 'to provide transparency in the operation of the Single Electricity Market' and voted unanimously to recommend the Modification Proposal to the Regulatory Authorities (RAs). The Modification Committee also recommends that Mod\_27\_09 should be implemented on a Settlement Day basis on the next Working Day after the decision is made.

In relation to implementation, the SEM Committee notes the Modifications Committee's view that the requirement to adopt an amended template for a Letter of Credit should come into effect for each Participant on the next occasion that each Participant enters into a new Letter of Credit following the implementation of this Modification Proposal. The SEM Committee agrees that this is the right approach for such a Modification Proposal as the Code (paragraph 2.236) specifies that no Modification may have retrospective effect and the obligation on Participants in relation to the form of Letters of Credit (in paragraph 6.162) relates to the time when a Letter of Credit is initially posted as Credit Cover.

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\_27\_09), for the avoidance of doubt, based upon

the legal drafting set out in Appendix 1 of that report, on a Settlement Day basis with effect from the next Working Day after the date of this letter.

Yours sincerely,

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

Sheenagh Rooney  
Manager – Wholesale Electricity Market