



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> December 2011

Our Ref: D/11/19708

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_31\_11  
(Recommendation Report FRR\_31\_11)**

Dear Sherine,

On 14<sup>th</sup> November 2011, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod\_31\_11 (Calculation of Estimated Energy Price (EEP) and Estimated Capacity Price (ECP)) in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, proposed by the Market Operator (SEMO), seeks to address an inconsistency in the calculation of EEP and ECP which exists between the Code and the Central Market Systems (CMS). This inconsistency was discovered recently during SEMO's work on the development of the Intra-Day Trading Modification Proposal.

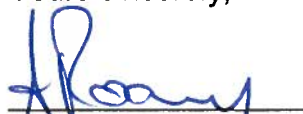
The SEM Committee notes that the Modifications Committee agreed unanimously that the Modification Proposal furthers the Code Objectives "to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by its Market Operator Licences", "to facilitate the efficient, economic 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".

The SEM Committee also notes that the Modification Proposal does not require changes to the CMS because the proposal is to amend the Code to align with the CMS.

The SEM Committee believes that it is important to remove this inconsistency, that has existed between the Code and the Systems since the commencement of the SEM, and that the correct method is to amend to Code to align with the CMS and therefore that this Modification Proposal should be approved.

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\_31\_11), for the avoidance of doubt based upon the legal drafting set out in Appendix 1 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,



Sheenagh Rooney,  
Manager - Wholesale Electricity Market