



Trading and Settlement Code Modifications Committee  
C/O Aisling O'Donnell  
SEMO Modifications Committee Secretariat,  
The Oval,  
Ballsbridge,  
Dublin 4

6<sup>th</sup> October 2010

Our Ref: D/10/15561

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_34\_09\_V2  
(Recommendation Report FRR\_34\_09\_V1.0)**

Dear Aisling,

On 21<sup>st</sup> September 2010, the Modifications Committee submitted, in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code), its Modification Recommendation Report with regard to Modification Proposal, Mod\_34\_09\_V2 (Global Settlement).

The original Modification Proposal (Mod\_34\_09), which was raised by ESB CS on 11<sup>th</sup> September 2009, was intended to initiate discussion to develop options of achieving equal treatment in relation to the Error Supply Unit for all Supplier Units in the SEM, an agreed Day Two SEM matter. Currently all independent suppliers are settled based upon the explicit aggregation of their metered quantities, whereas ESB Customer Supply and NIE Energy Supply are settled by difference through their respective Error Supplier Unit.

The SEM Committee notes that this Modification was the subject of detailed consideration by a working group of the Modifications Committee and then by the Modifications Committee itself. The Modifications Committee considers that the Modification Proposal promotes the Code Objective 'to ensure no undue discrimination between persons who are parties to the Code'. The SEM Committee further notes that the Modifications Committee voted unanimously to recommend Mod\_34\_09\_V2 for approval and that the modification should be implemented on a Trading Day basis on the next Working Day after the Regulatory Authorities' decision is made.

The SEM Committee understands that the legal drafting in the Modifications Committee's report is such that, so long as an Error Supplier Unit is registered in each Jurisdiction, the proposal will have no effect on the calculations to be carried out by the Central Market System. At present one Supply Licence in each Jurisdiction requires the holder to register an Error Supplier Unit. The SEM Committee notes that the changes to the Central Market Systems required to implement this proposal could be implemented as part of the 9<sup>th</sup> Scheduled release, which is expected to be deployed in April 2011. Such an implementation would enable the relevant RA to effect the removal of the licence condition requiring the registration of an Error Supplier Unit after that date.

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\_34\_09\_V2), for the avoidance of doubt based upon the legal drafting set out in Section 10 of that report, in addition to a change to paragraph 5.163A where "paragraph 4.92A" should be replaced by "paragraph 4.92E".

The Regulatory Authorities therefore direct that a Modification be made on a Trading Day basis with effect from the next Working Day after the date of this letter.

Yours sincerely,



Dana Kelleher

Analyst

Wholesale Electricity Market