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| **MODIFICATION PROPOSAL FORM** |
| **Proposer** | **Date of receipt** | **Type of Proposal** | **Modification Proposal ID** |
| Regulatory Authorities | 22 November 2011 | Standard | Mod\_34\_11 |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| Regulatory Authorities | 01 4000800 | srooney@cer.ie |
| **Modification Proposal Title** |
| Transition to SEM Intra-Day Trading |
| **Documents affected** | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| T&SC | 2.8, new Section 9 | 10.0 |
| **Explanation of Proposed Change***(mandatory by originator)* |
| In order to ensure the smooth transition of the Trading and Settlement Code in its implementation of the enduring SEM Intra-Day Trading provisions detailed in Mod\_18\_10\_v2, it will be necessary to also implement a set of transitional arrangements. These will comprise those activities which must be performed by the Market Operator prior to and at the start of the IDT Start Date. Without these transitional provisions, various enduring provisions will have no starting point, a number of variables will not be correctly initiated, and compliance with the enduring Intra-Day Trading provisions will not be possible. These transitional arrangements are, therefore, essential to the successful implementation of the enduring SEM Intra-Day Trading provisions in Mod\_18\_10\_v2, upon which they are contingent. The transitional arrangements will apply only for a short period of time. They are detailed in a new Section 9 of the Code, which covers the transitional arrangements and associated definitions. In addition, this Modification includes a proposed change to Clause 2.8 to include Section 9 within the existing prioritised list of sections for resolving any inconsistency or conflict. The transitional arrangements will come into effect prior to the IDT Start Date and their approval must be contingent upon approval being given to MOD\_18-10\_v2, in that the transitional provisions will only be required if SEM Intra-Day Trading is implemented.The transitional arrangements are summarised as follows:1. **Transitional Provisions: Prior to the IDT Start Date**

* For existing Interconnector Users, an additional two Interconnector Units will be deemed to be registered on the IDT Start Date for each existing Interconnector Unit.
* These additional two Interconnector Units will enable bidding within EA2 and WD1 Gate Windows from the IDT Start Date, and avoid the need to execute the formal Interconnector Unit registration process.
* For Interconnector Units, Offered Modified Price Quantity Pairs for Trading Days that are on or prior to the IDT Start Date shall be the same as those that are Accepted.
* Estimated Capacity Price for Interconnectors (ECPI) is required prior to the IDT Start Date, enabling calculation of Interconnector Unit Capacity Traded Exposure (IUCTE) and Capacity Traded Exposure (CTE) for Participants with registered Interconnector Units.
* Following the issue of Required Credit Cover reports on the day prior to the IDT Start Date, the Required Credit Cover for each Participant will be calculated using the equation that will apply from the IDT Start Date. Once calculated, the Required Credit Cover reports will be re-issued to Participants by 21:00 on the day prior to the IDT Start Date. This will include calculation of the following components:
	+ Calculation of Traded Modified Price Quantity Pairs, which are temporarily generated to allow traded exposures to be calculated.
	+ Calculation of Interconnector Unit Energy Traded Exposure (IUETE) and Energy Traded Exposure (ETE) for Participants with Interconnector Units will be calculated for all Trading Periods on or prior to the IDT Start Date and where Initial Capacity Settlement has not occurred.
	+ Calculation of Interconnector Unit Capacity Traded Exposure (IUCTE) and Capacity Traded Exposure (CTE) for Participants with Interconnector Units will be calculated for all Trading Periods on or prior to the IDT Start Date and where Initial Capacity Settlement has not occurred.
	+ Calculation of Interconnector Unit Traded Exposure for each Participant with registered Interconnector Units.
	+ Calculation of Available Credit Cover.
1. **Transitional Provisions: On the IDT Start Date**

* Any COD or TOD that is Accepted within the existing Gate Window at the point at which SEM Intra-Day Trading is implemented shall be deemed to be Accepted within the EA1 Gate Window.
* No COD or TOD will be Accepted for the IDT Start Date in respect of the WD1 Gate Window.
* MSP Software Run Cancellation shall apply on the IDT Start Date for the WD1 MSP Software Run.
* For each run of the MSP Software that occurs for a Trading Day on or prior to the IDT Start Date, the Trading Window shall comprise the entire Trading Day.
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| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| The transitional provisions for SEM Intra-Day Trading have been considered and reviewed as part of the Intra-Day Trading Working Group’s development of the main Intra-Day Trading Modification. They have also been reviewed by McCann Fitzgerald as part of its legal review. The resulting legal drafting is contained within the document attached below:

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| **Transitional Provisions: Legal Drafting** |
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In addition, a Plain English Document (PED) has been developed, which summarises the proposed changes. The PED is attached below:

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| **Transitional Provisions: PED** |
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| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| The transitional provisions included in this Modification Proposal enable the smooth transition of the Trading and Settlement Code to implement the enduring SEM Intra-Day Trading provisions, comprising activities required by the Market Operator which will be performed prior to and at the start of the IDT Start Date. Without these transitional provisions, various enduring provisions will have no starting point and compliance with the enduring Intra-Day Trading provisions will not be possible. They are, therefore, essential. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| This Modification facilitates the smooth implementation of Intra-Day Trading in the SEM, as detailed in Intra-Day Trading Modification MOD\_18-10\_v2. As such, as detailed in MOD\_18-10\_v2, it will further the following Trading and Settlement Code Objectives:* **Code Objective 3:** *“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”.*
* **Code Objective 4:** *“to promote competition in the single electricity wholesale market on the island of Ireland”.*
* **Code Objective 7:** *“to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity”*.
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| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| If the transitional arrangements detailed in this Modification Proposal were not to be implemented, the smooth implementation of SEM Intra-Day Trading would be compromised, such that:1. New variables required for SEM Intra-Day Trading would not be correctly initialised.
2. It would prove necessary to introduce onerous registration processes to enable continued trading by current Interconnector Users on or after the IDT Start Date.
3. For an initial period, there would be insufficient credit cover in place for all Interconnector Users who were trading in the SEM prior to the IDT Start Date.
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| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| The IDT Working Group has met on numerous occasions to first develop the High Level Design, and subsequently the resulting legal drafting of the main IDT provisions and the associated transitional arrangements specified in this Modification. | The transitional arrangements comprise activities required by the Market Operator prior to the IDT Start Date, as part of the transition to the new arrangements. As such, there are no additional resources required to implement this Modification. |
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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.**