



An Coimisiún
um Rialáil Fóntas
**Commission for
Regulation of Utilities**



Trading and Settlement Code Modifications Committee
C/O Esther Touhey
SEMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

24 August 2018

Our Ref: D/18/14048

SEM Committee Decision for the Regulatory Authorities in relation to Mod_09_18 (Final Recommendation Report FRR_09_18)

Dear Esther,

On 25 May 2018, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal Mod_09_18 Interim Credit Treatment for Participants with Trading Site Supply Units in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

The Modification Proposal Mod_09_18 was submitted to the Modifications Committee by the Single Electricity Market Operator (SEMO) on 14 February 2018.

The Proposed modification seeks to provide in Part B of the TSC for an interim provision to apply an amended treatment to credit calculations for certain participants who are impacted by an issue with the standard calculations. With this interim provision the issue of gross treatment of net generation and demand volumes in credit calculations, leading to over-collateralisation for those affected, will not arise from I-SEM go live. This modification will ensure that the appropriate level of Required Credit Cover will be calculated for the affected Participants.

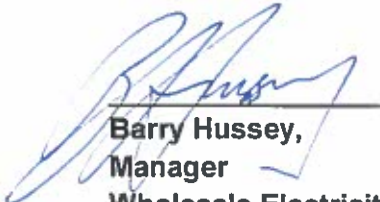
The Regulatory Authorities note that a presentation was made to the Modifications Committee meetings on 13 and 23 March 2018. The Regulatory Authorities note that the Members of the Modifications Committee were in agreement to vote subject to agreed legal drafting proposed by a supplier member.

The Regulatory Authorities note that this interim Modification would have a minimal impact on credit processes for SEMO and affected Participants since the Adjusted Participant approach proposed requires submission and treatment of forecast volumes and therefore the Participant impact is expected to be negligible.

The Regulatory Authorities note that the discussion at the 23 March 2018 meeting led to concerns about the term "Mod_03_18 Deployment Date", which led the Modifications Committee to the conclusion that such concerns should be included in the definition of "Mod_03_18 Deployment Data". That term, which is included in the definition of "Mod_09_18 Deployment Date", is not defined in the proposed legal drafting in FRR_09_18. The SEM Committee takes the view that the simplest solution to this problem, which runs the risk of anticipating future decisions in relation to the progress of Mod_03_18, would be to remove the reference to Mod_03_18 Deployment Date from the definition of Mod_09_18 Deployment Date so that it ended with the words "at least three working days in advance of the date concerned". This change would not limit the ability of SEMO to propose and to consult the Modifications Committee on a date that meets the concerns expressed at the meeting on 23 March 2018. The SEM Committee therefore requires that the definition of Mod_09_18 Deployment Date should terminate as described above in order to remove any reference to Mod_03_18.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee direct that a Modification, as set out in Appendix 1 of FRR_09_18, and shown as Version 2 Legal drafting", together with the amendment to the definition of Mod_09_18 Deployment Date set out above, is implemented on a Trading Day basis with effect from one Working Day after the date of this letter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Barry Hussey', is written over a horizontal line.

Barry Hussey,
Manager
Wholesale Electricity Markets