



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/18/14049

SEM Committee Decision for the Regulatory Authorities in relation to Mod_13_18 (Final Recommendation Report FRR_13_18)

Dear Esther,

On 05 June 2018, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal Mod_13_18 calculating obligated capacity quantities for units not yet commissioned in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

The Modification Proposal Mod_13_18 was submitted to the Modifications Committee by Eirgrid on 11 February 2018.

The Proposed modification seeks to amend Part B of the TSC rules to ensure the value of the obligated capacity quantity for any unit which has not yet been commissioned to be equal to zero, whereas at the moment it would be calculated as a non-zero value depending on the quantity for which the unit cleared in Capacity Auctions.

The Regulatory Authorities note that a presentation was made to the Modifications Committee meeting on 25 April 2018 summarising the requirement for this proposal. This proposal ensures that only participants who are eligible to receive capacity payments are exposed to difference charges, and that only those units which have commissioned are expected to meet their obligations for physical energy provision, thereby ensuring against discrimination between parties to the code. It also ensures that new entrants to the market have certainty over their financial expectations in capacity market settlement items over the period of time while they are commissioning after the start of the capacity year for which they have a capacity position within the period of time they are allowed while maintaining that capacity position. The Regulatory


Authorities note that the Members of the Modifications Committee were unanimous in their view to approve this Modification Proposal.

The Regulatory Authorities note that the proposed modification will:

- facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;
- facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market; and
- ensure no undue discrimination between persons who are parties to the Code.

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_13_18, is implemented on a Settlement Day basis with effect from one Working Day after the date of this letter.

Yours sincerely,



Barry Hussey,
Manager
Wholesale Electricity Markets