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| **MODIFICATION PROPOSAL FORM** | | | | | |
| **Proposer**  *(Company)* | **Date of receipt**  *(assigned by Secretariat)* | | **Type of Proposal**  *(delete as appropriate)* | | **Modification Proposal ID**  *(assigned by Secretariat)* |
| **SEMOpx** | **11 April 2018** | | **Urgent** | | **Mod\_14\_18** |
| **Contact Details for Modification Proposal Originator** | | | | | |
| **Name** | | **Telephone number** | | **Email address** | |
| **Anne-Marie McCague** | |  | | **anne-marie.mccague@eirgird.com** | |
| **Modification Proposal Title** | | | | | |
| **Change to timing of publication of Trading Day Exchange Rate** | | | | | |
| **Documents affected**  *(delete as appropriate)* | | **Section(s) Affected** | | **Version number of T&SC or AP used in Drafting** | |
| **T&SC Part B**  **Part B Appendix E**  **Agreed Procedures Part B**  **Glossary Part B** | | **AP6**  **Part B – G.1.3.3** | | **AP6 V20.0**  **Part B V20.0** | |
| **Explanation of Proposed Change**  *(mandatory by originator)* | | | | | |
| As part of its work on regional coupling with the relevant parties in Great Britain, SEMOpx has been discussing the implementation of a common Foreign Exchange (FX) Rate that could be applied to the SEM and GB region to the Day-Ahead and coupled Intraday markets. A number of different FX Rate sources were considered by the parties and ultimately it was decided that the most efficient way to progress was to apply the FX Rate currently in use in GB to the SEMOpx markets. This rate is provided by Nordea, one of the biggest banks in Europe, at 10:00 on the day of the Day-Ahead auction (D-1) to one of the Nominated Electricity Market Operator (NEMO) in GB who will subsequently share this rate with SEMOpx. The same FX Rate will be applied to the Day-Ahead market and all SEMOpx’s Intraday auctions.  It is proposed to align the Fx Rate utilised for the Balancing Market with the FX Rate that is to be used by SEMOpx as outlined above. An amendment to the TSC is required to give effect to this change.  The impact of this change to the TSC is to the time that the FX Rate is made available to Market Participants. The FX Rate will be set at 10:00 D-1 and may be made available under the reporting arrangements set out in AP6 no later than 11:00 D-1. | | | | | |
| **Legal Drafting Change**  *(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* | | | | | |
| **TSC Part B:**  G.1.3.3. The Market Operator shall, in relation to each Trading Day, publish a Trading Day Exchange Rate between euro (€) and pounds sterling (£) by 11:00on the day of the corresponding Gate Closure 1.  **Part B Glossary:**   |  |  | | --- | --- | | Trading Day Exchange Rate | means the exchange rate between pounds sterling and euro for the next Trading Day set at 11:00 on the day of the Gate Closure 1 published under paragraph G.1.3.3. |   **Part B: Appendix E, Table 4 – Data publication list part 4: updated daily in advance of the Trading Day**   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Time** | | **Item / Data Record** | | **Term** | | **Subscript** | | | By 11:00 on the day of the Gate Closure 1 in respect of the Trading Day | | Trading Day Exchange Rate between euro (€) and pounds sterling (£) | | - | | - | |     **Part B Agreed Procedure 6: Data Publication and Data Reporting, Appendix 2, Data Reports:**   | **Publication / Data Report Name** | | | **Class** | | **Timing** | | **Subscript** | | **Available via BMI** | | **Confidentiality** | | **Validity** | | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Daily Trading Exchange Rate | D | | One day prior to the Trading Day | | - | | Y | | Member Public | |  | | | | | | | |
| **Modification Proposal Justification**  *(Clearly state the reason for the Modification)* | | | | | |
| It is considered that it would be both efficient and beneficial to align the FX Rate used for the Balancing Market to the one used for Day-Ahead and Intraday markets. Using the same FX rate across the markets allows EirGrid and SONI to continue to centrally manage the FX Rate in an efficient and coordinated manner from an IT system and financial point of view and provides a more straight forward solution for Market Participants.  In addition, by using an FX Rate that is set closer to Gate Closure the exposure between the FX Rate used for trading and settlement is reduced. This provides a more economic and efficient solution, minimising the cost of FX Rate which is ultimately socialised across all market participants. | | | | | |
| **Code Objectives Furthered**  *(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* | | | | | |
| 1. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner; | | | | | |
| **Implication of not implementing the Modification Proposal**  *(State the possible outcomes should the Modification Proposal not be implemented)* | | | | | |
| The implication of not accepting this modification proposal is that a different FX Rate will be used in the SEMOpx markets and the Balancing Market. This is a less efficient approach and will result in Market Participants needing to process two FX Rates for the same market time unit.  The current SEMO FX Rate solution uses an FX Rate which is set at D-2. This may result in a greater cost of FX compared to using the proposed FX Rate which is set closer to Gate Closure. | | | | | |
| **Working Group**  *(State if Working Group considered necessary to develop proposal)* | | | **Impacts**  *(Indicate the impacts on systems, resources, processes and/or procedures; also indicate impacts on any other Market Code such as Capacity Marker Code, Grid Code, Exchange Rules etc.)* | | |
| Not applicable. | | | MMS will produce the relevant report on FX Rate in accordance with AP6 no later than 11:00 D-1. MMS will need to be configured to reflect this change in time. Market Participants may need to configure their systems to reflect this change in time. | | |
| ***Please return this form to Secretariat by email to*** [***modifications@sem-o.com***](mailto: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 either Part A or Part B Appendix D “List of Agreed Procedures”. The Proposer will need to specify whether the Agreed Procedure to modify refers to Part A, Part B or both.**

**T&SC / Code: means the Trading and Settlement Code for the Single Electricity Market. The Proposer will also need to specify whether all Part A, Part B, Part C of the Code or a subset of these, are affected by the proposed Modification;**

**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 Part A or Chapter B of Part B of the Code (and Part A Agreed Procedure 12 or Part B 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.**