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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)* |
| **SEMO** | **11 April 2018** | | **Standard** | | **Mod\_18\_18** |
| **Contact Details for Modification Proposal Originator** | | | | | |
| **Name** | | **Telephone number** | | **Email address** | |
| **Christopher Goodman** | |  | | **Christopher.Goodman@sem-o.com** | |
| **Modification Proposal Title** | | | | | |
| **Transitional Regulatory Reporting** | | | | | |
| **Documents affected**  *(delete as appropriate)* | | **Section(s) Affected** | | **Version number of T&SC or AP used in Drafting** | |
| **T&SC Part C** | | **Part C section 16 (new section)** | | **Version 20** | |
| **Explanation of Proposed Change**  *(mandatory by originator)* | | | | | |
| This proposal seeks to introduce transitional reporting arrangements which differ from the ‘business as usual’ requirements detailed in Part B clause B.16.2.1 which requires monthly and ad hoc reporting of Market Operator performance and other factual information.  This proposal aims to take a pragmatic approach to initial reporting by removing the monthly reporting obligation until November 2018 (for reporting period October 2018); retaining the obligation for SEMO to provide information ad hoc as reasonably requested and having the routine reporting for the interim period delivered by a single report to be published in October 2018 covering the period from go live to end of September 2018.  Following this the usual cycle would resume with SEMO issuing monthly and quarterly reports. The first monthly report would therefore be published in November 2018 for October 2018 and the first routine quarterly report (not an explicitly codified obligation but included for context) would be in January 2019 for the period from October 18 to December 18.  Since the decision on SEMOs KPIs has not yet been finalised, and there is not yet any experience of live Market Operation in ISEM, SEMO feel that it would be of limited value to devise a prescriptive monthly reporting approach prior to go live which would, in all likelihood, have to be revised based on experience of the first few months of the new arrangements.  Our preference is to provide a consolidated report for the initial bedding down period of ISEM at a point in time where we will have experience of the live ISEM arrangements and will therefore be better able to devise what reporting metrics are of most value. That said, SEMO would of course facilitate any reasonable ad hoc requests for information in the interim as quickly as practicable in order to bridge the gap between go live and the development of routine monthly and quarterly reporting structures.  This proposal places the relevant provision within Part C of the Code due to this being considered a transitional arrangement to bridge the gap between Part A and Part B reporting. It could equally be placed within Part B Section H on Interim Arrangements should the committee feel that it is more appropriate to consider this as a Part B interim provision rather than a transitional one between Parts A and B. | | | | | |
| **Legal Drafting Change**  *(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* | | | | | |
| **16 Transitional Regulatory Reporting**  16.1.1 Until the time which is three complete Months after the Cutover Time, the Market Operator shall fulfil the obligations detailed in clause B.16.2.1 by reporting to the Regulatory Authorities in writing during the fourth complete Month after the Cutover Time or at other such intervals as the Regulatory Authorities may reasonably request and in such a manner and to such an extent as reasonably specified by the Regulatory Authorities. The Market Operator shall publish such reports. The reports shall set out in reasonable detail information about:   1. The performance by the Market Operator of its rights, powers, functions and obligations under the Code; and 2. Factual information relating to the exercise of rights and the carrying out of functions by Parties under the Code. | | | | | |
| **Modification Proposal Justification**  *(Clearly state the reason for the Modification)* | | | | | |
| This proposal aims to facilitate a pragmatic approach to bridge the gap between Part A and Part B routine reporting obligations for SEMO. The existing obligation on SEMO to report monthly on performance etc. from go live is considered inappropriate since SEMOs KPIs will not be finalised at that point and experience of the new market arrangements to inform the appropriate reporting approach will very limited.  As such, this proposal seeks to provide for a short interim period where reporting obligations will be met by providing information in response to reasonable ad hoc requests and issuing a first report in October 2018. At this point the reporting structure can be better informed by a reasonable amount of experience of operating under the new arrangements. The initial report would still cover the period from go live to end of September 2018 and routine monthly and quarterly reporting would resume from this point forward. Note that the obligation to provide information where reasonably requested is retained to cover the expectation that this requirement will be amplified during the early part of ISEM operations.  Taking this pragmatic approach would allow SEMO to focus on early operation of the new arrangements and providing targeted information as required rather than attempting to arrive at a prescriptive monthly reporting approach prior to gaining the necessary operational experience of the new arrangements to inform that reporting. Such prescriptive reporting would still cover the period from go live but would be delivered at a point in time where it can be adequately informed with periodic monthly and quarterly reporting commencing thereafter. | | | | | |
| **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 discharge by the Market Operator of the obligations imposed upon it by its Market Operator Licences; 2. to provide transparency in the operation of the Single Electricity Market; | | | | | |
| **Implication of not implementing the Modification Proposal**  *(State the possible outcomes should the Modification Proposal not be implemented)* | | | | | |
| If this proposal is not implemented then SEMO will have an obligation to compile and issue monthly reports without adequate experience of live operations in ISEM to determine the appropriate reporting structure. SEMO would also have no explicit obligation to revise these early reports once such experience is gained. This would likely result in less adequate information being provided to the Regulatory Authorities and the wider market for the early period of ISEM operations. | | | | | |
| **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 required | | | Impact on SEMO reporting processes.  No impact on Participant processes, systems etc. anticipated. | | |
| ***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.**