



# Single Electricity Market

## FINAL RECOMMENDATION REPORT

MOD\_01\_22 BALANCE SURETY\_DEMAND GUARANTEE

8 APRIL 2022

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## Document History

Version	Date	Author	Comment
1.0	8 <sup>th</sup> Apr 2022	Modifications Committee Secretariat	Issued to Modifications Committee for review and approval
2.0	15 <sup>th</sup> Apr 2022	Modifications Committee Secretariat	Issued to Regulatory Authorities for final decision

## Reference Documents

Document Name
<a href="#">Trading and Settlement Code Proposal Presentation</a>

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## 1. MODIFICATIONS COMMITTEE RECOMMENDATION

### RECOMMENDED FOR APPROVAL– MAJORITY VOTE

Recommended for Approval by Majority Vote		
Andrew Burke	Renewable Generator Member	Reject
David Gascon	Generator Alternate	Approve
Robert McCarthy	DSU Member	Approve
David Caldwell	Supplier Alternate	Approve
Ian Mullins	Supplier Alternate	Approve
Sean McParland	Generator Alternate	Approve
Paraic Higgins (Chair)	Generator Member	Approve
Nick Heyward	Flexible Participant Alternate	Approve
Rochelle Broderick	Supplier Member	Approve
Brigid Reilly	Supplier Alternate	Approve
Bryan Hennessy	Supplier Member	Approve
Patrick Larkin	Assetless Alternate	Approve
Stacy Feldmann	Generator Member	Approve

## 2. BACKGROUND

This Modification Proposal was raised by Pinergy and received by the Secretariat on the 27<sup>th</sup> January 2022. The Proposal was raised and voted on at Meeting 109 on the 10<sup>th</sup> February 2022.

Currently, the T&SC provides for two acceptable forms of collateral, namely Cash or an irrevocable Letter of Credit (LoC). We wish to add a further form of acceptable collateral called a Surety or Demand Guarantee.

A Surety or Demand Guarantee is similar to an LoC except that it is issued by an underwriter rather than a bank. They are equally as liquid, and the covenant is often superior to a LoC.

- The underwriter will be subject to the same minimum credit rating as are applicable to the providers of LoC meaning the covenant provided is equal if not better than the covenant provided by the banks currently approved by SEMO.
- A Surety or Demand Guarantee is similarly liquid as an LoC.

## 3. PURPOSE OF PROPOSED MODIFICATION

### 3A.) JUSTIFICATION OF MODIFICATION

This change and broadening of credit cover providers will:

- Provide greater variety of credit cover providers to market participants.
- It will also provide greater competition to existing credit cover providers, again benefitting all market participants and consumers.
- The Surety provider will be subject to the same minimum debt/credit rating levels as apply to the LoC banks

### **3B.) IMPACT OF NOT IMPLEMENTING A SOLUTION**

Failure to implement this modification proposal will preclude a secure, liquid source of credit cover to market participants. It will also reduce competition among credit providers ultimately disadvantaging the consumer.

### **3C.) IMPACT ON CODE OBJECTIVES**

The Modification above furthers the following aims of the code:

- (b) to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;
- (d) to promote competition in the Single Electricity Market;
- (f) to ensure no undue discrimination between persons who are parties to the Code; and
- (g) 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.

## **4. WORKING GROUP AND/OR CONSULTATION**

N/A

## **5. IMPACT ON SYSTEMS AND RESOURCES**

No impact on systems with minor impact on processes, procedures and publications.

## **6. IMPACT ON OTHER CODES/DOCUMENTS**

N/A

## **7. MODIFICATION COMMITTEE VIEWS**

### **MODIFICATIONS MEETING 109 – 10 FEBRUARY 2022**

The Proposer delivered a presentation on the Modification Proposal noting that this Modification proposes a new form of collateral called Surety or Demand Guarantee issued by insurance institutions. This alternative would be the same as a Letter of Credit that is currently issued by a wide range of banking institutions. The Proposer advised that this was already being used extensively with the Revenue Commissioners for example. It was noted that typical guarantors included household names such as Chubb, Aviva and AIG.

The Proposer went through the benefits of this alternative noting that it would bring more choice to the market and it could be more cost effective to Market Participants than a Letter of Credit. Assurance was

given that credit ratings of insurance institutions could be as good as any bank, and the liquidity provided was the same as a Letter of Credit.

It was noted that there would be significant drafting changes as this Modification would broaden the definition of a provider which is referenced in many paragraphs of the Code, Appendices and Agreed Procedures. The Proposer went through additional minor amendments from a later legal review and gave thanks to SEMO for their input.

There were some questions and concerns raised from both Generator and Supplier Members that Demand Guarantee may not be able to provide the same liquidity as Letter of Credit and if some of these guarantors may be risky. MO Observer replied that the criteria for Letter of Credit and Demand Guarantee would be the same with the ability to repay within that same day transfer as a definite requirement. It was also noted that among other requirements, guarantors would need to have a specific minimum Moodies rating and at least 1 billion euro in their asset sheets.

It was questioned if any of these guarantors had already gone through this assessment. MO Observer advised that they were only requested to verify one such provider, namely Chubb, and they were satisfied that they could address all requirements but could not provide any information on guarantors that had not gone through the process yet. The Proposer provided assurance that Demand Guarantee is widely used in other international Energy Markets at the moment. MO observer also clarified that the list of suitable providers would only be updated as Market Participants request a new provider, but once a provider is included on such list, checks would be carried out on a quarterly basis to confirm that each provider is still able to satisfy each requirement.

It was queried why they had not been used before and if they had simply been overlooked. MO Member clarified that they were definitely discussed for the previous market and suggested that they may have been excluded because they could not provide same day payments requirement that only banks at the time could provide and that their international financial rating following the crash could also have played a part in the exclusion.

## 8. PROPOSED LEGAL DRAFTING

Legal drafting changes to the Modification Proposal were discussed and agreed at Meeting 109 and subsequently confirmed by the Proposer. The final drafting is available in the links below:

[Mod\\_01\\_22 Part B AP09 Final Legal Drafting](#)

[Mod\\_01\\_22 Part B AP15 Final Legal Drafting](#)

[Mod\\_01\\_22 Part B AP17 Final Legal Drafting](#)

[Mod\\_01\\_22 Part B Appendices Final Legal Drafting](#)

[Mod\\_01\\_22 Part B Glossary Final Legal Drafting](#)

[Mod\\_01\\_22 Part B T&SC Final Legal Drafting](#)

## 9. LEGAL REVIEW

N/A

## 10. IMPLEMENTATION TIMESCALE

It is recommended that this Modification is implemented on a Settlement Day basis on the first Settlement Day following publication of RAs decision.

## 1 APPENDIX 1: MOD\_01\_22 BALANCE SURETY\_DEMAND GUARANTEE

### MODIFICATION PROPOSAL FORM

<b>Proposer</b> <i>(Company)</i>	<b>Date of receipt</b> <i>(assigned by Secretariat)</i>	<b>Type of Proposal</b> <i>(delete as appropriate)</i>	<b>Modification Proposal ID</b> <i>(assigned by Secretariat)</i>
<b>Pinergy</b>	<b>27<sup>th</sup> January 2022</b>	<b>Standard</b>	<b>Mod_01_22</b>
<b>Contact Details for Modification Proposal Originator</b>			
<b>Name</b>	<b>Telephone number</b>	<b>Email address</b>	
<b>Tadhg Gunnell</b>		<a href="mailto:tadhg@pinergy.ie">tadhg@pinergy.ie</a>	
<b>Modification Proposal Title</b>			
<b>Broaden the acceptable forms of Credit Cover from Cash and a Letter of Credit as is currently provided to include a Surety or Demand Guarantee</b>			
<b>Documents affected</b> <i>(delete as appropriate)</i>	<b>Section(s) Affected</b>	<b>Version number of T&amp;SC or AP used in Drafting</b>	
<b>T&amp;SC Part B, Appendices, Glossary, AP09, AP15 and AP17</b>	<b>Section G 9.1.2 &amp; 9.1.3 of T&amp;SC, Appendix A, various paragraphs throughout the affected APs and new definitions in the Glossary</b>	<b>9 November 2021</b>	
<b>Explanation of Proposed Change</b> <i>(mandatory by originator)</i>			
<p>Currently, the T&amp;SC provides for two acceptable forms of collateral, namely Cash or an irrevocable Letter of Credit (LoC). We wish to add a further form of acceptable collateral called a Surety or Demand Guarantee.</p> <p>A Surety or Demand Guarantee is similar to an LoC except that it is issued by an underwriter rather than a bank. They are equally as liquid and the covenant is often superior to a LoC.</p>			

- The underwriter will be subject to the same minimum credit rating as are applicable to the providers of LoC meaning the covenant provided is equal if not better than the covenant provided by the banks currently approved by SEMO.
- A Surety or Demand Guarantee is similarly liquid as an LoC.

#### 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 proposed modification impacts a number of documents, namely:

- TSC Part B
- TSC Part B Glossary
- TSC Part B Appendices
- Part B Agreed Procedure 9
- Part B Agreed Procedure 15
- Part B Agreed Procedure 17

The impact on each document is set out below. Amendments and additions are in red. Full marked up copies of each document is attached.

#### TSC Part B

##### G.2.6 Calls on Credit Cover

G.2.6.1 If any Participant fails to pay an amount due in accordance with a Settlement Document in full in accordance with paragraph G.2.5.4(c), then the Participant has a Shortfall and the Market Operator shall forthwith make a Credit Call on the Participant's Posted Credit Cover for payment of the Shortfall, subject to the De Minimis Level for Letter of Credit or **Demand Guarantee**. Draw Down provisions in paragraph 3.3 of Agreed Procedure 15 "Settlement and Billing".

G.2.6.2 Where the Market Operator makes a Credit Call on a Participant's Posted Credit Cover in accordance with the Code, the Market Operator:

- (a) Shall be entitled to draw down on the Participant's Letter of Credit, **Demand Guarantee** or the SEM Collateral Reserve Account (where applicable) in whatever order, proportion or combination it decides, subject to the De Minimis Level for Letter of Credit or **Demand Guarantee**. Draw Down provisions in paragraph 3.3 of Agreed Procedure 15 "Settlement and Billing";
- (b) shall, as soon as reasonably practicable and notwithstanding any other provisions of the Code relating to Notices, notify the Participant in writing, using a rapid means of communication such as email or facsimile, that it has made the Credit Call on the Participant's Credit Cover Provider or Credit Cover Providers as applicable; and
- (c) shall as soon as reasonably practicable after making such a Credit Call and issuing the notice under subparagraph (b), notify the Participant of the amount of Shortfall, the Settlement Document to which the relevant Shortfall relates, the sums called from the Participant's SEM Collateral Reserve Account (if any) and Letters of Credit (if any) and, if appropriate, the Imbalance Settlement Period(s) concerned.

#### **G.2.7 Shortfalls and Unsecured Bad Debt**

G.2.7.1 If the Shortfall is not paid in full by 12:00 on the next Working Day after the Payment Due Date, then, subject to the De Minimis Level for Letter of Credit or **Demand Guarantee**. Draw Down provisions in paragraph 3.3 of Agreed Procedure 15 "Settlement and Billing":

- (a) the amount of the Shortfall that remains unpaid shall become an Unsecured Bad Debt for the purposes of this Code;
- (b) the Market Operator shall, where practicable, and as applicable, withhold, deduct or set off payment of any amount due pursuant to the Code to the Defaulting Participant until the amount of the Unsecured Bad Debt and any applicable Default Interest has been recovered in full; and
- (c) paragraphs G.2.7.2 to G.2.7.10 shall apply as appropriate.

G.2.8.5 Notwithstanding paragraph G.1.6, if:



- 
- (a) a payment is received by the Market Operator under a Letter of Credit or **Demand Guarantee** after a sum has been withdrawn from a SEM Collateral Reserve Account (where applicable) to pay for (in whole or in part) a Shortfall or Unsecured Bad Debt; and
- (b) the aggregate of the amounts paid out of that SEM Collateral Reserve Account and paid under the Letter of Credit or Demand Guarantee in respect of a relevant Participant exceeds the Shortfall or Unsecured Bad Debt, then any excess paid over the Shortfall or Unsecured Bad Debt shall be remitted with any applicable Interest by the Market Operator to the relevant Participant's bank account or bank accounts.

## **G.9 CREDIT COVER OBLIGATIONS**

### G.9.1.1 A Participant shall:

- (a) manage its trading in the SEM, and its Credit Cover arrangements under this Code, so that at all times the amount of its Posted Credit Cover equals or exceeds its Required Credit Cover level; and
- (b) provide at least the Required Credit Cover calculated in relation to it and notified to it by the Market Operator in accordance with the Code.

### G.9.1.2 Each Participant must maintain its Credit Cover with a Credit Cover Provider. The acceptable forms of Credit Cover which Participants can post are:

- (a) an irrevocable standby Letter of Credit which:
- (i) shall be issued by a Credit Cover Provider fulfilling the eligibility requirements set out in paragraph G.9.1.3;
  - (ii) shall be in the form attached in Appendix A "Standard Letter of Credit **and Standard Demand Guarantee**";
  - (iii) shall be for a minimum duration of 12 months. At least 60 calendar days before expiry of the current letter of credit the Participant must put a replacement letter of credit in place, with an effective date starting from the date following the date of expiry of the current letter of credit;
  - (iv) shall be capable of being paid out for "Same Day Value" following a Credit Call; and
  - (v) shall be capable of being validated by the Market Operator under paragraph G.9.1.7,

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and/or:

(b) a cash held deposit in a SEM Collateral Reserve Account as provided for in paragraphs G.1.5.1, G.1.5.2 and G.1.5.3. For the avoidance of doubt, if a Participant elects to provide a cash deposit as part of its Required Credit Cover, then it shall:

(i) on the same day on which its Required Credit Cover is posted and the cash collateral is paid into the relevant SEM Collateral Reserve Account(s), complete and enter into the Deed of Charge and Account Security (including the Notice of Assignment and Acknowledgment) in respect of such SEM Collateral Reserve Account and SEM Collateral Reserve Assets;

(ii) within 5 Working Days from the date on which its Required Credit Cover is posted, furnish to the Market Operator the original executed Deed of Charge and Account Security for the purposes of the registration of such Deed of Charge and Account Security pursuant to section 860 of the Companies Act 2006 (UK) and/or section 409 of the Companies Act 2014 (Ireland), as appropriate, and/or at such other registry or registries as may be appropriate;

(iii) within 5 Working Days from the date on which its Required Credit Cover is posted and the Deed of Charge and Account Security is dated, furnish to the Market Operator the original executed Notice of Assignment and Acknowledgment for the purposes of enabling the Market Operator to give notice to the SEM Bank and procure the SEM Bank's acknowledgment pursuant to clause 2.4 of the Deed of Charge and Account Security;

(iv) do all such things and execute all such documents and provide any further information that the Market Operator may reasonably require in order to carry out such registrations within such timelines as may be specified by the Market Operator, having regard to any applicable time limit for the registration of such a charge; and

(v) fully comply with any other applicable Account Security Requirements in relation to the provision of cash collateral as set out in paragraphs G.1.5.1, G.1.5.2 and G.1.5.3 of this Code and in Agreed Procedure 1

"Registration", Agreed Procedure 9 "Management of Credit Cover and Credit Default" and Agreed Procedure 17

"Banking and Participant Payments".

and/or:

- (a) an irrevocable Demand Guarantee which:
  - (i) shall be issued by a Credit Cover Provider fulfilling the eligibility requirements set out in paragraph G.9.1.3;
  - (ii) shall be in the form attached in Appendix A “Standard Letter of Credit and Standard Demand Guarantee”;
  - (iii) shall be for a minimum duration of 12 months. At least 60 calendar days before expiry of the current demand guarantee the Participant must put a replacement demand guarantee in place, with an effective date starting from the date following the date of expiry of the current demand guarantee;
  - (iv) shall be capable of being paid out for “Same Day Value” following a Credit Call; and
  - (v) shall be capable of being validated by the Market Operator under paragraph G.9.1.7,

G.9.1.3 A Credit Cover Provider shall be a Bank which must:

- (a) hold a Banking Licence in Ireland under Section 9 of the Central Bank Act 1971 (Ireland) or be authorised by the Financial Conduct Authority to engage in “regulated activities”, as defined in Part 2 and Schedule 2 of the Financial Services and Markets Act 2000 (Northern Ireland and United Kingdom), or be otherwise authorised to provide banking services in Ireland or the United Kingdom; and
- (b) satisfy one of the following requirements:
  - (i) be a Clearing Bank in either Ireland or the United Kingdom:
    - (A) with a long term debt rating of not less than A- (Standard & Poors) or A3 (Moody’s Investors Service Inc.);or
  - (B) with a long term debt rating of not less than BB- (Standard & Poors) or Ba3 (Moody’s Investors Service Inc.)and have a Balance Sheet Net Asset Value of not less than €1,000 million;
- (ii) be a subsidiary of a Bank, where the parent company of that subsidiary has guaranteed the obligations of the subsidiary and such parent company has:
  - (A) a long term debt rating of not less than A- (Standard & Poors) or A3 (Moody’s Investors Service Inc.); or

(B) a long term debt rating of not less than BB- (Standard & Poors) or Ba3 (Moody's Investors Service Inc.) and has a Balance Sheet Net Asset Value of not less than €10,000 million; or

(iii) be an international bank that is authorised or approved by the relevant regulatory authority in Ireland or the United Kingdom or is otherwise eligible to provide banking services in Ireland or the United Kingdom and complies with paragraph G.9.1.3(b)(i)(A) or G.9.1.3(b)(i)(B).

or

A Credit Cover Provider shall be an Insurance Undertaking which must:

(a) be authorised by (i) the Central Bank of Ireland or equivalent regulatory authority in any European Economic Area (EEA) member state to carry out Suretyship insurance activities in Ireland or (ii) the Financial Conduct Authority in the United Kingdom to carry out Suretyship insurance activities in the United Kingdom (in each case as applicable)

(b) satisfy one of the following requirements:

(i) be an insurance undertaking in any of Ireland, any EEA member state or the United Kingdom (as applicable):

(A) with a long term debt rating of not less than A- (Standard & Poors) or A3 (Moody's Investors Service Inc.);

or

(B) with a long term debt rating of not less than BB- (Standard & Poors) or Ba3 (Moody's Investors Service Inc.) and have a Balance Sheet Net Asset Value of not less than €1,000 million;

(ii) be a subsidiary of an undertaking, where the parent company of that subsidiary has guaranteed the obligations of the subsidiary and such parent company has:

(A) a long term debt rating of not less than A- (Standard & Poors) or A3 (Moody's Investors Service Inc.); or

(B) a long term debt rating of not less than BB- (Standard & Poors) or Ba3 (Moody's Investors Service Inc.) and has a Balance Sheet Net Asset Value of not less than €10,000 million;

**TSC Part B Glossary**

Two new definitions have been included:

Demand Guarantee means an unconditional and irrevocable demand guarantee in the form set out in Appendix A  
“Standard Letter of Credit and Standard Demand Guarantee”

Insurance Undertaking means an undertaking that is authorised by

- (i) the Central Bank of Ireland or equivalent regulatory authority in any European Economic Area (EEA) member state to carry out Suretyship insurance activities in Ireland or
- (ii) the Financial Conduct Authority in the United Kingdom to carry out Suretyship insurance activities in the United Kingdom (in each case as applicable)

### **TSC Part B Appendix**

**A new standard template for a Demand Guarantee has been included in Appendix A as set out below.**

#### **3. TEMPLATE FOR STANDARD DEMAND GUARANTEE**

Form of Doc Credit: Demand Guarantee

Documentary Bond Number:

Date of Issue:

Applicable Rules: URDG :This Demand Guarantee is subject to the Uniform Rules for Demand Guarantees

International Chamber of Commerce Publication No. 758 .

Date and Place of Expiry:

Applicant [insert Participant’s name] or [insert company name] on behalf of [insert Participant’s name]

Beneficiary: EirGrid plc and SONI Limited, trading as “SEMO”, being the Market Operator under the SEM

Trading and Settlement Code. [address]

Currency Code, Amount (Maximum total amount):

Available With (ADVISING BANK IE SEMO'S BANK BY PAYMENT)

Partial Shipments/Drawings: Allowed

Documents required:

Beneficiary Statement, as detailed below, must be on Market Operator letterhead

QUOTE:

"We, the Market Operator under the Trading and Settlement Code (the "Beneficiary") hereby state that [insert Participant's name] is in default of its obligation to pay pursuant to the Trading and Settlement Code (to which the Participant is a party) under paragraph [ insert details] and as a result we hereby demand .....[insert amount being claimed] under Demand Guarantee number..... issued by .....[insert name of Insurance Company].

Payment in respect of this Beneficiary Statement shall be effected immediately to [insert relevant account details].

We confirm that the signatory(ies) to this Beneficiary Statement are empowered to sign and make this Beneficiary Statement on behalf of the Beneficiary.

Terms defined in the Demand Guarantee referred to above have the same meaning when used in this Beneficiary Statement."

SIGNED FOR AND ON BEHALF OF THE MARKET OPERATOR.

NAME..... TITLE.....

**UNQUOTE****Additional Conditions:**

1. This Demand Guarantee is available by payment at sight against presentation to the Advising Bank of a Beneficiary Statement as detailed in Documents required.
2. The Beneficiary Statement must be made on original letterhead paper of the Beneficiary and signed on its behalf, and must be presented to the Advising Bank on or before the Expiry Date.
3. Upon receipt of a signed Beneficiary Statement in compliance with the above conditions the Advising Bank is required promptly to notify us by email of receipt of such Beneficiary Statement and inform us of the relevant details of such Beneficiary Statement. Upon receipt of such notification, we shall make payment under this Demand Guarantee for Same Day Value on that day or if received after 14:00hrs on the next such weekday in accordance with such notification and shall confirm payment by notifying the Advising Bank by email.
4. We the Insurance Company hereby waive any right to set off or counterclaim whatsoever against any amounts payable under this Demand Guarantee in respect of any claims we may have against the Beneficiary and such amounts shall be paid free and clear of all deductions or withholdings whatsoever.
5. Effective From:
6. This Demand Guarantee is personal to you and your rights hereunder including the right to receive proceeds to this Demand Guarantee, are not assignable.

This Demand Guarantee shall be governed by and construed in accordance with the laws of Northern Ireland and the parties submit to the jurisdiction of the Courts of Ireland and the Courts of Northern Ireland (and no other court) for all disputes arising under, out of, or in relation to this Letter of Credit.

**Charges:**

All Insurance Company charges are for the account of the Applicant.

All Advising Bank charges are for the account of the Beneficiary.

**Instruction to Pay:**

PLEASE REFER TO ADDITIONAL CONDITIONS.

ADVISING BANK TO CLAIM REIMBURSEMENT BY email AND RETAIN BENEFICIARY STATEMENT ON FILE.

**APPENDIX**

[Market Operator letterhead]

We, the Market Operator under the Trading and Settlement Code (the "Beneficiary") hereby state that [insert Participant's name] is in default of its obligation to pay pursuant to the Trading and Settlement Code (to which the Participant is a party) under paragraph [ insert details]

and as a result we hereby demand .....[insert amount being claimed] under Demand Guarantee number..... issued by .....[insert name of Insurance Company]. Payment in respect of this Beneficiary Statement shall be effected immediately to [insert relevant account details]. We confirm that the signatory(ies) to this Beneficiary Statement are empowered to sign and make this Beneficiary Statement on behalf of the Beneficiary.



Terms defined in the Demand Guarantee referred to above have the same meaning when used in this Beneficiary Statement.

#### **Part B Agreed Procedures 9,15 and 17**

The 3 Agreed Procedures required amendments to include “Demand Guarantee” where a Letter of Credit is referenced and to include “Insurance Undertakings” alongside Bank or Eligible Bank. There are numerous amendments, hence I have not included them in this document. Marked up versions of AP 9,15 and 17 are attached.

#### **Modification Proposal Justification**

*(Clearly state the reason for the Modification)*

This change and broadening of credit cover providers will:

- Provide greater variety of credit cover providers to market participants.
- It will also provide greater competition to existing credit cover providers, again benefitting all market participants and consumers.
- The Surety provider will be subject to the same minimum debt/credit rating levels as apply to the LoC banks

#### **Code Objectives Furthered**

*(State the Code Objectives the Proposal furthers, see Section 1.3 of Part A and/or Section A.2.1.4 of Part B of the T&SC for Code Objectives)*

The modification above furthers the following aims of the code:

- (b) to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;
- (d) to promote competition in the Single Electricity Market;
- (f) to ensure no undue discrimination between persons who are parties to the Code; and
- (g) 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.

<b>Implication of not implementing the Modification Proposal</b> <i>(State the possible outcomes should the Modification Proposal not be implemented)</i>	
Failure to implement this modification proposal will preclude a secure, liquid source of credit cover to market participants. It will also reduce competition among credit providers ultimately disadvantaging the consumer.	
<b>Working Group</b> <i>(State if Working Group considered necessary to develop proposal)</i>	<b>Impacts</b> <i>(Indicate the impacts on systems, resources, processes and/or procedures; also indicate impacts on any other Market Code such as Capacity Market Code, Grid Code, Exchange Rules etc.)</i>
N/A	No impact on systems with minor impact on processes, procedures and publications.
<b>Please return this form to Secretariat by email to <a href="mailto:balancingmodifications@sem-o.com">balancingmodifications@sem-o.com</a></b>	