

<b>MODIFICATION PROPOSAL FORM</b>			
<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>
SEMO	8 <sup>th</sup> April 2020	Standard	Mod_04_20
<b>Contact Details for Modification Proposal Originator</b>			
<b>Name</b>	<b>Telephone number</b>	<b>Email address</b>	
Katia Compagnoni			
<b>Modification Proposal Title</b>			
<b>Voting clarifications and additional transparency</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>	
Agreed Procedures 12 Part B	Section 3.3	V21	
<b>Explanation of Proposed Change</b> <i>(mandatory by originator)</i>			
<p>This Modification seeks to clarify Agreed Procedure 12 ‘Modification Committee Operation’ with regard to the counting of votes in Committee Member’s election with multiple nominees for a nominating category; it also increases transparency over the participation of voters in each election round and who is eligible to vote or nominate candidates for each election. This follows queries raised during the last election and discussions at working groups 1 and 2 triggered by Mod_14_19, where it was agreed that the following changes should be made:</p> <ul style="list-style-type: none"> <li>- section 3.3 step 5 (g) of AP12 allows submission of multiple preferences when voting for the election of Members of the Committee without specifying how to distribute second and subsequent preferences; it has been confirmed that so far the Secretariat has consistently applied a simple majority of first preferences; unanimous consensus was not reached on whether this counting system should be changed; however, a slight majority of comments was leaning towards the status quo. Therefore, this Modification is removing references to multiple preferences making it clearer that a simple majority will be applied in all vote counts by deleting step 5(g) and tidying up step 5(f).</li> <li>- It was generally accepted that more transparency on the turnout of eligible voters at elections would be beneficial; however the Committee was split on whether this would be limited to the general turnout or if individual number of votes for each candidates should also be made available; a compromise was reached so that the general turnout will be automatically made available by the Secretariat at the end of the election process, while individual nominees can requests further details to the Secretariat about the number of votes they received; the Secretariat will make sure that confidentiality and secrecy of the votes are not breached. These changes are made to step 10 of section 3.3 of AP12.</li> <li>- Following up queries from the latest election round, clarifications were issued on how many votes Participants could cast and for how many categories they could nominate candidates; such clarifications have now been included in steps 2 and 5 of section 3.3 of AP12.</li> <li>- Finally while reviewing the affected section of AP12 a minor housekeeping change</li> </ul>			

has also been included where steps 7 and 8 contained the same action.

**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 following changes are proposed to the Legal Drafting of section 3.3 of AP 12 'Modification Committee Operation':

**3.3. Annual Nominating Participant Election**

Step	Step Description	Timing	Method	From / By	To
1	Send notice inviting candidate membership nominations for Annual Nominating Participant Election. The notice should: (a) Identify the expiring memberships (Member Name, Participant type); (b) Identify membership duties; (c) Identify nominations due date; and (d) Request candidate job-title, company and descriptions.	6 weeks prior to expiry of all Members terms	Email	Secretariat	Participants
2	Send in membership nominations. <u>A Party with multiple Participant categories can only nominate for a single category per term.</u>	By nominations due date	Email	Participants	Secretariat
3	Acknowledge membership nominations.	As received	Email	Participants	Secretariat
4	Send ballot paper and candidate descriptions to all Participants. The notice should give election instructions and specify: (a) ballot paper due date; (b) who is eligible to Vote; (c) date result will be announced; and (d) voting instructions e.g. ballot secrecy.	4 weeks prior to expiry of all members terms (ballot paper due date)	Email	Secretariat	Participants
5	<u>A Participant with multiple categories can cast a vote for each category in any given election.</u> Votes are cast as follows: (a) Nominating Generation Participants cast one vote per Participant in relation to Generation Participant Members vacancy; (b) Nominating Supply Participants cast one vote per Participant in relation to Supply Participant Members vacancy; (c) Nominating Demand Side	Within 4 weeks of expiry of all members terms (ballot paper due date)	Email	Participants	Secretariat

Participants cast one vote per Participant in relation to Demand Side Participant Members vacancy; and

- (d) Nominating Assetless Participants cast one vote per Participant in relation to Assetless Participant Members vacancy.

Voting rules are as follows:

- (e) In the event of only 1 candidate nomination for the relevant Participant Member position, this candidate will be automatically deemed the successful candidate in an uncontested election;

- (f) ~~In the event of 2 or more candidate nominations for 1 relevant Participant Member position, v~~oters have one vote only, and election is by a simple majority. The successful candidate is the candidate with the highest number of votes. In the event of a tie, another round of voting may occur; ~~and~~

- (g) ~~If 2 or more candidates are put forward for nomination for multiple Participant member positions, each voter is asked to rank the candidates in order of preference. The candidates with the least amount of highest preference votes will be eliminated, and the candidates with the majority of highest preference votes will be elected.~~

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<b>6</b>	Send notification of close of ballot.	Ballot paper due date as above	Email	Secretariat	Participants
<b>7</b>	Count and file votes <del>then:-</del>  (a) <del>In the event of tie or inconclusive election results go to step 8, consult RA's for final determination.</del> (b) <del>If a majority of votes is assigned to a candidate go to step 9;</del>	2 WD after ballot paper due date <del>or as soon as possible thereafter</del>	Email	Secretariat	Participants
<b>8</b>	In the event of equal numbers of votes being cast for candidates, consult RA's for final determination of election result.	As soon as practicable	Email	Secretariat	RAs

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9	Notify candidates of election result.	2 WD after ballot paper due date or as soon as possible thereafter	Email	Secretariat	Candidates
10	Notify Participants of election results <u>including general turnout by Participant's category, calculated by the sum of all votes cast over the total eligible voters. Further details on individual Participant's results can be requested privately from the Secretariat as long as confidentiality is not breached.</u>	2 WD after ballot paper due date or as soon as possible thereafter	Email	Secretariat	Participants
<b>Modification Proposal Justification</b> <i>(Clearly state the reason for the Modification)</i>					
<p>This Modification is necessary to remove uncertainties over the nominating, voting and vote counting process in the election of Committee's Members.</p> <p>It is also necessary to introduce an increased transparency by making available details on general and individual (on demand) turnout at each election as recommended by the final report on Working Group for Mod_14_19.</p>					
<b>Code Objectives Furthered</b> <i>(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&amp;SC for Code Objectives)</i>					
<p>(a) to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by its Market Operator Licences;</p> <p>this is achieved by eliminating any inconsistency that could have created confusion on the process used by the Market Operator to allow nominations, submission of votes and validate votes in an election of Committee Members.</p> <p>(c) to provide transparency in the operation of the Single Electricity Market;</p> <p>(d) to ensure no undue discrimination between persons who are parties to the Code;</p> <p>This is achieved by sharing information with Participants while maintain the confidentiality of the voting process.</p>					
<b>Implication of not implementing the Modification Proposal</b> <i>(State the possible outcomes should the Modification Proposal not be implemented)</i>					
If this Modification is not implemented uncertainty will remain over the counting process following an election of a Committee Member.					
<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			Minor Business Processes to be updated by the Secretariat – no system changes		
Please return this form to Secretariat by email to <a href="mailto:balancingmodifications@sem-o.com">balancingmodifications@sem-o.com</a>					

#### 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:
  - 1.1 to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
  - 1.2 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;
  - 1.3 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.