



Trading and Settlement Code Modifications Committee
c/o Esther Touhey
SEMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

20 January 2023

Our Ref: F/24/951

SEM Committee Decision for the Regulatory Authorities in relation to Mod_08_22 (Final Recommendation FRR_08_22)

Dear Esther,

On 22 November 2022, the Modifications Committee submitted its Final Recommendation Report (FRR) with regard to Modification Proposal Mod_08_22 'Weekly Strike Price Calculation' in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC). The Modification Proposal Mod_08_22 was submitted to the Modifications Committee by Tynagh Energy Limited on 02 June 2022 and discussed and voted on at Meeting 113 on 20 October 2022.

Mod_08_22 proposes to change the frequency of the Strike Price calculation from monthly to weekly. The RAs understand that the reason this change has been proposed is that gas commodity prices have increased significantly over the past year and shown high levels of volatility within month, which are not captured by a monthly calculation. The methodology for calculating the strike price will remain the same but more up to date information will be used as the calculation will now be carried out on a weekly basis rather than monthly.

The RAs accept that the dependence of the Strike Price on the gas commodity price has become evident as gas prices have increased and become the determining factor, and that given the possibility of gas price volatility within month, it is appropriate to increase the frequency of the Strike Price calculation to weekly. The RAs also note the assessment from SEMO that the additional administrative burden created by the more frequent calculation of the Strike Price is manageable and low-risk.

Finally, the RAs note that this Modification was recommended for approval on a unanimous basis by the Modifications Committee.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee directs that a Modification, as set out in Appendix 1 of FRR_08_22, is implemented on a Settlement Day basis on the first Settlement Day following system implementation.

Yours sincerely,

Kevin Hagan
Manager
Wholesale Electricity Markets
Commission for Regulation of Utilities

Leigh Greer
Manager
Wholesale Electricity Markets
Utility Regulator

(Sent by email with no signature)