



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

27 February 2020

Our Ref: F/20/341

SEM Committee Decision for the Regulatory Authorities in relation to Mod_16_19 (Final Recommendation FRR_16_19)

Dear Esther,

On 11 December 2019, the Modifications Committee submitted its Final Recommendation Report (FRR) with regard to Modification Proposal Mod_16_19 'Codification of TSO FNDDS Methodology and System Service Flag for DSU Settlement' in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

The Modification Proposal Mod_16_19 was submitted to the Modifications Committee by Electricity Exchange on 10 October 2019 and voted on at Meeting 94 on 24 October 2019.

Currently, the Trading and Settlement Code sets out a value for Demand Side Non-Delivery Percentage (FNDDS) which is submitted by the TSOs to SEMO for use in settlement of reliability options for Demand Side Units (DSUs). This feeds into the determination of fulfilment of the Reliability Option where the strike price is exceeded and in determining the level of

difference charges due to be paid by DSUs. However, this methodology is not currently governed under the Trading and Settlement Code.

The RAs understand that this Modification aims to codify the FNDDS calculation under the TSC to clarify the governance arrangements for the calculation and incorporate the System Service Flag into the calculation for DSUs as described in Mod_12_19 (this modification, approved on 12 November 2019, removed the exclusion in the TSC for the calculation of the System Service Flag for Demand Side Units). The Regulatory Authorities note that a discussion took place with the Modifications Committee on 24 October 2019 and Mod_16_19 was voted for approval unanimously.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee direct that a Modification, as set out in Appendix 1 of FRR_16_19, is implemented on a Settlement Day basis with effect from one Working Day after the date of this letter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Barry Hussey', is written over a horizontal line.

Barry Hussey

Manager

Wholesale Electricity Markets