

MODIFICATION PROPOSAL FORM			
Proposer (Company)	Date of receipt (assigned by Secretariat)	Type of Proposal (delete as appropriate)	Modification Proposal ID (assigned by Secretariat)
CRU and UR	17 th September 2021	Urgent	Mod_16_21
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Gina Kelly		gkelly@cru.ie	
Modification Proposal Title			
Temporary use of the Market Backup Price where an Interconnector Trade Quantity and Price are submitted			
Documents affected (delete as appropriate)	Section(s) Affected	Version number of T&SC or AP used in Drafting	
T&SC Part B	Temporary addition to section E.3.6 via Section H	23.0	
Explanation of Proposed Change (mandatory by originator)			
<p>Mod_02_21 V2 was approved by the SEM Committee on 12 August 2021, which introduces a flag for Cross Zonal Actions by setting the System Operator Flag to zero for Interconnector Residual Capacity Units when an Interconnector Trade Quantity and Price is submitted. This was on the basis that such actions should be flagged where taken for system security reasons or to facilitate priority dispatch.</p> <p>In the Decision Letter, it states, in terms of the implementation date that: <i>'the SEM Committee direct that Mod_02_21 is implemented and should be made effective on the first available date following the delivery of the required system changes'</i></p> <p>Mod_02_21 is therefore due to be made effective in Release I, which is scheduled for April 2022. No alternative option for earlier implementation of this Modification in advance of system changes could be identified. During the week of the 6th of September 2021, a number of Cross Zonal Actions resulted in high prices which have impacted on Credit Cover requirements and Difference Charges in the market.</p> <p>As it remains the case that there is no option for early implementation of Mod_02_21, the Regulatory Authorities are raising a temporary Modification to the TSC to implement the intent of Mod_02_21, insofar as possible, without system changes, until such time as it becomes effective.</p> <p>The mechanism we have identified to do this is to set the Balancing Market Price to the Market Back Up Price for each Imbalance Pricing Period for which an SO Interconnector Trade Quantity and Price is submitted. The Market Back Up Price is a quantity-weighted average of the prices associated with each Day-ahead Trade Quantity (qTDxuh, qTDxvh) and Intraday Trade Quantity (qTIDxuh, qTIDxvh) for all Generator Units and Supplier Units.</p> <p>We propose to implement this as a temporary Modification until such date as Mod_02_21 is implemented.</p>			
Legal Drafting Change (Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate best estimate of potential changes)			
These legal drafting changes will be added to Section H 'Interim Arrangements' from the date the Modification is made effective until such time as Mod_02_21 is implemented.			
The text in red below shows the additional text to be added to Section H including a temporary addition to			

Section E.3.6.

H.16.1 Until the date that is the Mod_02_21 Deployment Date, the following will be added to paragraph E.3.6.2;

E.3.6 Determination of Imbalance Price

E.3.6.2 For each Imbalance Pricing Period, ϕ , the Market Operator shall calculate the Initial Imbalance Price ($PIIMB_{\phi}$) as follows:

- (a) Except where $QNIV_{\phi}$ is equal to zero or where an SO Interconnector Trade Quantity and Price is submitted for an Imbalance Pricing Period, ϕ :

$$PIIMB_{\phi} = \frac{\sum_k (PRBO_{uk\phi} \times QAO_{uk\phi} \times TIP_{uk\phi} - PRBO_{uk\phi} \times QAB_{uk\phi} \times TIP_{uk\phi})}{\sum_k (QAO_{uk\phi} \times TIP_{uk\phi} - QAB_{uk\phi} \times TIP_{uk\phi})}$$

where:

- (i) \sum_k is the sum of values over all ranks, k;
 - (ii) $PRBO_{uk\phi}$ is the Replaced Bid Offer Price for Generator Unit, u, and rank, k;
 - (iii) $QAO_{uk\phi}$ is the Accepted Offer Quantity for Generator Unit, u, and rank, k;
 - (iv) $QAB_{uk\phi}$ is the Accepted Bid Quantity for Generator Unit, u, and rank, k; and
 - (v) $TIP_{uk\phi}$ is the Imbalance Price Tag for Generator Unit, u, and rank, k.
- (b) Where $QNIV_{\phi}$ is equal to zero, or where an SO Interconnector Trade Quantity and Price is submitted for an Imbalance Pricing Period, ϕ , $PIIMB_{\phi}$ is set equal to the Market Back Up Price as determined in accordance with section E.5.

The following definition will also be added to the Glossary:

Mod_02_21 Deployment Date	means the date proposed by the Market Operator following discussion with the Modifications Committee, and approved by the Regulatory Authorities for the purpose of H.16, such date to be published on the Market Operator web site at least three Working Days in advance of the date concerned.
---------------------------	---

Modification Proposal Justification
(Clearly state the reason for the Modification)

This Modification aims to implement the intent of Mod_02_21, insofar as possible, for an interim period until the required system changes can be made to implement Mod_02_21.

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)

- (a) to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;

This Modification aims to implement the effect of Mod_02_21 whereby Cross-Zonal Actions taken for system security reasons or to facilitate priority dispatch do not feed into the price.

- (b) 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.

This Modification aims to implement the effect of Mod_02_21 as soon as possible to ensure for example that Credit Cover Requirements are not unduly burdensome due to prices set by Cross-Zonal Actions.

Implication of not implementing the Modification Proposal
(State the possible outcomes should the Modification Proposal not be implemented)

Working Group <i>(State if Working Group considered necessary to develop proposal)</i>	Impacts <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

If this Modification is not implemented, the events of the 8, 9, 10 and 14 September may occur frequently over the winter period with associated impacts on the Balancing Market Price, despite the approval of Mod_02_21, which is not due to take effect until it is implemented in systems.

Please return this form to Secretariat by email to balancingmodifications@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:
 - 1.1 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.