



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/20/833

SEM Committee Decision for the Regulatory Authorities in relation to Mod_18_19 (Final Recommendation FRR_18_19)

Dear Esther,

On 11 December 2019, the Modifications Committee submitted its Final Recommendation Report (FRR) with regard to Modification Proposal Mod_18_19 'Clarification to apply recoverable start-up costs to DSUs' in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

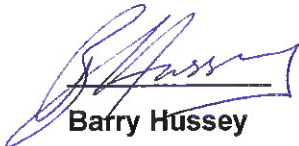
The Modification Proposal Mod_18_19 was submitted to the Modifications Committee by the Single Electricity Market Operator (SEMO) on 10 October and presented at Meeting 94 on 24 October 2019. The Regulatory Authorities understand that the purpose of this Modification is to clarify that Shut Down Costs are considered as both payable and recoverable for DSUs. This is in line with the approach taken for conventional Generating Units (GUs) and aligns with the SEM market design to treat Demand Side Units (DSUs) and Generator Units (GUs) the same in terms of their settlement for fixed cost payments and charges. While this approach is clear from other sections of the Code, the drafting in Section F.11.2.6 only refers to Recoverable Start Up

Costs and not to Recoverable Shut Down Costs and the Modification seeks to adjust this text to provide clarity.

The Regulatory Authorities note that a discussion took place with the Modifications Committee on 24 October 2019 and Mod_18_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_18_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 enclosed in a rectangular box.

Barry Hussey

Manager

Wholesale Electricity Markets