



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/208/31

SEM Committee Decision for the Regulatory Authorities in relation to Mod_19_19 (Final Recommendation FRR_19_19)

Dear Esther,

On 11 December 2019, the Modifications Committee submitted its Final Recommendation Report (FRR) with regard to Modification Proposal Mod_19_19 'Determining the use of Complex Commercial Data in Settlement when required information is not available' in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

The Modification Proposal Mod_19_19 was submitted to the Modifications Committee by EirGrid on 10 October 2019 and was discussed and voted on at Meeting 94 on 24 October 2019. The Regulatory Authorities understand that the basis for this Modification is the number of cases where, as a result of SO flags and NIV tags not being determined for units (due for example to system outages or where Imbalance Pricing fails), where actions were taken on units during these periods they were settled based on their Simple Commercial Offer Data, regardless of whether the action was taken for energy or non-energy reasons.

This has resulted in an increase in imperfections costs over the period since go-live of the new market arrangements. This also means that the SEM Committee Market Power Mitigation decisions are not being implemented for those periods where flags are not available.

The Regulatory Authorities understand that the Modification changes the logic within the legal drafting and within systems so that if SO flags and NIV tags are not available, Complex Offers will be used for settlement rather than Simple Offers, as is currently the case.

The Regulatory Authorities note that a discussion took place with the Modifications Committee on 24 October 2019 and Mod_19_19 was voted for approval by the majority of Committee Members.

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_19_19, is implemented on a Settlement Day basis with effect from one Working Day following delivery of the required system changes. Due to the materiality of this issue and its impact on imperfections costs, the RAs request that the system changes required to implement this Modification are progressed as soon as possible.

Yours sincerely,



Barry Hussey

Manager

Wholesale Electricity Markets