

| MODIFICATION PROPOSAL FORM | | | |
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| Proposer (Company) | Date of receipt (assigned by Secretariat) | Type of Proposal (delete as appropriate) | Modification Proposal ID (assigned by Secretariat) |
| SEMO | 4 th June 2025 | Standard | Mod_02_25 |
| Contact Details for Modification Proposal Originator | | | |
| Name | Telephone number | Email address | |
| Katia Compagnoni | | | |
| Modification Proposal Title | | | |
| Semo Housekeeping 2025 | | | |
| Documents affected (delete as appropriate) | Section(s) Affected | Version number of T&SC or AP used in Drafting | |
| T&SC Glossary | B.18.8.4, E.2.4.2, E.3.6.2, E.5.1.3, G.1.2.3, H.17, Glossary | V30 | |
| Explanation of Proposed Change (mandatory by originator) | | | |
| <p>Housekeeping Modifications raised by SEMO, relate to changes or clarifications that do not impact the original T&SC intent. Although these corrections are generally self-explanatory, in this Modification some of the corrections refer to events dating back to 2021/2022 therefore a background is hereby included for changes in paragraphs E.3.6.2, E.5.1.3, G.1.2.3 and Section H.17.</p> <p>Mod_02_21 ‘Setting a flag for specific Interconnector Actions’ was approved by the SEM Committee on 12 August 2021, to introduce a flag for Cross Zonal Action when Interconnector Trade Quantity and Price are submitted. This new functionality required system changes which were implemented on January 26th, 2022. However, in the period between the approval and the implementation, the scenarios the Modification was trying to prevent occurred multiple times and the SEMC approved further 2 Modifications (Mod_16_21 ‘Temporary use of the Market Backup Price where an Interconnector Trade Quantity and Price are submitted’ and Mod_18_21 ‘Temporary derogation from SEMO charges related to Mod_02_21’) which introduced temporary measures or derogations to correct the material impacts of those scenarios.</p> <p>Mod_16_21 and Mod_18_21 required drafting of clauses in Section H.17 (only in effect until the system changes for Mod_02_21 were deployed) and H.18 (only in effect until Jan 2022). The exact Deployment Date for system changes related to Mod_02_21 was still unknown at the time therefore left open ended in the drafting of section H.17 but it can now be updated.</p> <p>In Version 25 of the Code Update the temporary drafting for both section H.17 and H.18 was incorrectly included in the enduring text of paragraphs E.3.6.2, E.5.1.3 and G.1.2.3. The intent of the Code, as specified in the relevant SEMC decisions for the Mods approval, was that these sections were only temporary and should not have been included in the enduring legal drafting.</p> <p>In this housekeeping Modification SEMO is proposing to amend the above and other small corrections as follows:</p> <ul style="list-style-type: none"> - remove text referring generically to the implementation date of Mod_02_21 and replace it with the actual date it occurred, January 26th, 2022 in both the Glossary and section H.17; - Restore enduring text in the main body of the T&SC in paragraphs E.3.6.2, E.5.1.3 and G.1.2.3 to the original drafting before Mod_16_21 and Mod_18_21; these clauses were incorrectly amended since v25 of the Code; the changes introduced with Mod_16_21 and Mod_18_21 were only temporary and should have only be applied to sections H.17 and H.18. - Amend incorrect reference in B.18.8.4 from G.9.1.12 to G.9.1.11 because in a Voluntary Termination, the calculation of Credit Cover required for Resettlement purposes, is based on Fixed Credit Cover (cited in G.9.1.11) and not Actual Exposure or Undefined Exposure Period (cited in G.9.1.12). - Update formula in E.3.4.2 with instances of the acronym NIV updated to QNIV as this is the correct defined term in the Glossary. | | | |
| Legal Drafting Change (Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate best estimate of potential changes) | | | |

From Glossary :

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| Mod_02_21 Deployment Date | means the date proposed by the Market Operator - 26th January 2022, date of the deployment of required Market System changes to implement Mod_02_21 as published by the Market Operator. Section H.17, drafted with Mod 16_21 to temporarily implement changes in advance of the deployment date of Mod_02_21, therefore ceases to be effective from 26th Jan 2022 following discussion with the Modifications Committee, and approved by the Regulatory Authorities for the purpose of H.17, such date to be published on the Market Operator web site at least three Working Days in advance of the date concerned. |
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| Generator Unit Technical Characteristics Data | has the meaning given in paragraph D.6.3.1. |
| Generator Unit Under Test Request | means a notice submitted by a Generation Participant to the System Operator detailing its intention to apply for the status of Under Test as detailed in Appendix F: "Other Communications". |

From the main body of the Code:

Section H – Introduction of Mod_02_21 Deployment Date

H.17.1 Until the ~~26th January 2022 which date that~~ is the Mod_02_21 Deployment Date, paragraph E.3.6.2 will be replaced with:

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"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 which exceeds the Strike Price:

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

- (b) 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.
- (c) Where $QNIV_{\phi}$ is equal to zero, $PIIMB_{\phi}$ is set equal to the Market Back Up Price as determined in accordance with section E.5.
- (d) For each Imbalance Settlement Period, γ , in which an SO Interconnector Trade Quantity and Price is submitted which exceeds the Strike Price, the Imbalance Settlement Price is set equal to the price associated with the Day-Ahead Trade Quantities for the Imbalance Settlement Period, determined in accordance with section E.5.1.3."

H.17.2 Until the 26th January 2022 which date that is the Mod_02_21 Deployment Date, paragraph E.5.1.3 will be replaced with:

"E.5.1.3 Where the Market Operator:

(a) is unable to calculate the Market Back Up Price in accordance with paragraphs E.5.1.1 and E.5.1.2 by the time it is required to publish the Imbalance Settlement Price in accordance with paragraphs E.2.2.2 and E.2.2.3; or

(b) is notified of an SO Interconnector Trade which exceeds the Strike Price

the Market Back-Up Price will be set equal to the price associated with the Day-Ahead Trade Quantities for that Imbalance Settlement Period and the Imbalance Settlement Price will be set equal to the Market Back Up Price. Where this value is not available for the Imbalance Settlement Period, the most recent available price associated with the Day-Ahead Trade Quantities for the Imbalance Settlement Period which occurs at the same time on a previous Trading Day, which is the same day of the week and is not a Week Day which is a Non-Working Day, shall be used."

Corrections of temporary text applied to enduring drafting in sections E and G:

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:

- (e) Except where $QNIV_{\phi}$ is equal to zero ~~or where an SO Interconnector Trade Quantity and Price is submitted which exceeds the Strike Price:~~

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

(f) 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.
- (g) Where $QNIV\phi$ is equal to zero, $PIIMB\phi$ is set equal to the Market Back Up Price as determined in accordance with section E.5.
- (h) ~~For each Imbalance Settlement Period, γ , in which an SO Interconnector Trade Quantity and Price is submitted which exceeds the Strike Price, the Imbalance Settlement Price is set equal to the price associated with the Day-Ahead Trade Quantities for the Imbalance Settlement Period, determined in accordance with section E.5.1.3.~~

E.5.1.3 Where the Market Operator:

~~(a) is unable to calculate the Market Back Up Price in accordance with paragraphs E.5.1.1 and E.5.1.2 by the time it is required to publish the Imbalance Settlement Price in accordance with paragraphs E.2.2.2 and E.2.2.3, or~~

~~(b) is notified of an SO Interconnector Trade which exceeds the Strike Price~~

the Market Back-Up Price will be set equal to the price associated with the Day-Ahead Trade Quantities for that Imbalance Settlement Period and the Imbalance Settlement Price will be set equal to the Market Back Up Price. Where this value is not available for the Imbalance Settlement Period, the most recent available price associated with the Day-Ahead Trade Quantities for the Imbalance Settlement Period which occurs at the same time on a previous Trading Day, which is the same day of the week and is not a Week Day which is a Non-Working Day, shall be used.

G.1.2.1 The Market Operator shall carry out or procure settlements in accordance with the Code of the following amounts:

- (a) Trading Payments and Trading Charges due to or payable by Participants in respect of their registered Generator Units and Capacity Market Units in accordance with sections F.5, F.6, F.7, F.8, F.9, F.10, F.11, F.13 and F.18 for each Billing Period;
- (b) Trading Payments and Trading Charges due to or payable by Participants in respect of their registered Supplier Units in accordance with sections F.5, F.12, F.14, F.15 and F.20 for each Billing Period;
- (c) Capacity Payments due to Participants in respect of their registered Capacity Market Units in accordance with sections F.17 for each Capacity Period;
- (d) Capacity Charges payable by Participants in respect of their registered Supplier Units in accordance with sections F.19 for each Capacity Period;
- (e) Charges to Participants in respect of their registered Generator Units for Unsecured Bad Energy Debt in accordance with section G.2.7;
- (f) Charges to Participants in respect of their registered Generator Units for Unsecured Bad Capacity Debt in accordance with section G.2.7;
- (g) amounts in respect of Settlement Reallocation Agreements registered by Participants determined in accordance with section G.5.7.3 and G.5.7.4 for each Settlement Document;
- (h) Fixed Market Operator Generator Charges payable by Participants in respect of their registered Generator Units and Fixed Market Operator Supplier Charges payable by Participants in respect of their registered Supplier Units, in each case in accordance with section G.7, for each Year or period to which the applicable Fixed Market Operator Charge relates; and
- (i) Variable Market Operator Charges payable by Participants in respect of their Supplier Units in accordance with section G.7 for each Billing Period.

G.1.2.2 All of the payments and charges set out in paragraph G.1.2.1 shall be calculated in accordance with the Code and, except where otherwise stated, shall be exclusive of VAT.

~~**G.1.2.3** Notwithstanding paragraph G.1.2.1, in relation to any amounts specified in that paragraph relating to Trading Charges for settlement of the Balancing Market, Imbalances and Capacity Market, in circumstances where:~~

- ~~(a) — Such amounts relate to any time between 12 August and 29 September 2021;~~
- ~~(b) — Such amounts would not have arisen had Mod_02_21 been implemented, and~~

~~(c) — Such amounts may in totality be of sufficient materiality to have a potentially detrimental effect on the overall market then the Regulatory Authorities may (upon application by the Market Operator) afford a derogation to the Market Operator with respect to its specific obligations in the TSC regarding these charges and in particular concerning the invoicing of such amounts or the inclusion of such amounts in the Invoices for the relevant Billing Period.~~

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Correction of paragraph reference:

B.18.8.4 The Market Operator shall specify in each Voluntary Termination Consent Order the Credit Cover which the relevant Party is required, in accordance with paragraph G.9.1.1 12, to maintain in respect of any Units being Deregistered pursuant to the Voluntary Termination Consent Order.

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Corrections of variable acronym:

E.3.4.2 For each Imbalance Pricing Period, φ , the Market Operator shall calculate the Marginal Energy Action Price ($PMEA_{\varphi}$) as follows:

If $QNIV_{\varphi} > 0$ and there are no $PBO_{uk\varphi}$ in the same direction as the $QNIV$ where $FIP_{uk\varphi} = 1$, $PMEA_{\varphi} = PCAP$; or

If $QNIV_{\varphi} > 0$ and there is at least one $PBO_{uk\varphi}$ in the same direction as the $QNIV$ where $FIP_{uk\varphi} = 1$, $PMEA_{\varphi} = \text{Max}(PBO_{uk\varphi} \text{ for all values of } PBO_{uk\varphi} \text{ where } FIP_{uk\varphi} = 1)$; or

If $QNIV_{\varphi} < 0$ and there are no $PBO_{uk\varphi}$ in the same direction as the $QNIV$ where $FIP_{uk\varphi} = 1$, $PMEA_{\varphi} = PFLOOR$; or

If $QNIV_{\varphi} < 0$ and there is at least one $PBO_{uk\varphi}$ in the same direction as the $QNIV$ where $FIP_{uk\varphi} = 1$, $PMEA_{\varphi} = \text{Min}(PBO_{uk\varphi} \text{ for all values of } PBO_{uk\varphi} \text{ where } FIP_{uk\varphi} = 1)$

where:

$QNIV_{\varphi}$ is the Net Imbalance Volume Quantity;

$PBO_{uk\varphi}$ is the Bid Offer Price for Generator Unit, u, and rank, k;

$FIP_{uk\varphi}$ is the Imbalance Price Flag for Generator Unit, u, and rank, k;

PCAP is the Market Price Cap; and

PFLOOR is the Market Price Floor.

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

This Modification has been raised to carry out adjustments to the Code due to either error correction or update references. These adjustments do not affect the legal interpretation of the Code but provide transparency and consistency throughout.

Code Objectives Furthered (State the Code Objectives the Proposal furthers, see Section A.2.1.4 of the T&SC for Code Objectives)

(i) to provide transparency in the operation of the Single Electricity Market; by removing inconsistency within the T&SC.

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

Incorrect wording will remain causing confusion in the reading of the T&SC

Working Group

Impacts

| <i>(State if Working Group considered necessary to develop proposal)</i> | <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 | N/A |
| <i>Please return this form to Secretariat by email to balancingmodifications@sem-o.com</i> | |

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:

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| 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.