

MODIFICATION PROPOSAL FORM			
Proposer <i>(Company)</i>	Date of receipt <i>(assigned by Secretariat)</i>	Type of Proposal <i>(delete as appropriate)</i>	Modification Proposal ID <i>(assigned by Secretariat)</i>
EP NI Energy	14 th October 2025	Urgent	Mod_03_25
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Harry Molloy		harry.molloy@epuki.ie	
Modification Proposal Title			
Treatment of Reliability Option Difference Payments for Hours Exhausted Units			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of T&SC or AP used in Drafting	
T&SC	Glossary, G.2, G.3, F.18	v30.0	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
This modification proposes the introduction of a new term in the Trading and Settlement Code ('TSC') for units which have exhausted run hours permissible under environmental permits issued by either the Environmental Protection Agency or the Northern Ireland Environmental Agency. These units will be identified in the TSC as 'Exhausted'. This modification further proposes that Hours Exhausted units will not be liable for Reliability Option Difference Payments ('RODPs'). We are requesting that this modification be treated as urgent on the basis that <i>"if not made it can reasonably be anticipated that the event or circumstance with which the Modification Proposal is concerned would imminently: (i) threaten or prejudice safety, security or reliability of supply of electricity"</i>.			
Legal Drafting Change <i>(Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate best estimate of potential changes)</i>			
The following term is proposed for introduction to the Glossary: Hours Exhausted means not Available (as defined in the Grid Code) [pursuant to SDC1.4.3.3(e) of the Grid Code] due to the restrictions contained in any Northern Ireland Environmental Agency or Environmental Protection Agency consent, permit or licence on which a Capacity Market Unit relies for operation. The following addition is proposed to Section F.18.7 which concerns the calculation of Non-performance Difference Quantities and Charges. This change means that Non-Performance Difference Charges will be set to zero during periods when the unit is Hours Exhausted. F.18.7 Calculation of Non-performance Difference Quantities and Charges [...] F.18.7.9 The Market Operator shall assign a value of zero in respect of the Non-Performance Difference Charges for any Capacity Market Units that are Hours Exhausted in the relevant Imbalance Settlement Period.			

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The following amendment is proposed to Section G.3.2.5. This amendment would enable Participants to raise Settlement Queries in relation to the calculation of Difference Charges for Hours Exhausted units:

G.3.2.5 Subject to paragraphs G.3.2.6 and G.3.2.7, a Participant, an External Data Provider or the Market Operator may raise a Settlement Query in respect of the application or the calculation of any one or more of the following:

- (a) Physical Notifications;
- (b) Accepted Bid Offer Quantities (including any components of same) and Bid Offer Prices;
- (c) Day-ahead Trade Quantities, Intraday Trade Quantities and associated durations;
- (d) Metered Generation or Metered Demand;
- (e) Dispatch Quantities;
- (f) the application (but not the calculation) of Imbalance Prices, Imbalance Settlement Prices and Market Back Up Prices;
- (g) Curtailment Prices calculated under section E.6;
- (h) Availabilities;
- (i) Fixed Cost Payments or Charges; ~~and~~
- (j) Capacity Payments or Capacity Charges; ~~and~~
- (k) Non-Performance Difference Charges calculated with respect to Capacity Market Units which are Hours Exhausted.

The following amendment is proposed to Section G.3.3. This amendment would suspend payment of the relevant Settlement Statements where a Participant raises a query in relation to the calculation of Difference Charges:

G.3.3 Consequences

G.3.3.1 ~~Subject to section G.3.3.4,~~ Any payment due under the Code by any Party or Participant shall continue to be due and payable in accordance with its terms (including as to timing) notwithstanding:

- (a) any Settlement Queries or Disputes in respect of such payments; or
- (b) any Shortfall, Unsecured Bad Debt, Default, Suspension, Deregistration or Termination or similar event arising in relation to any such Party or Participant.

G.3.3.2 Subject to sections G.3.2 and B.19, where the resolution of a Settlement Query or Dispute requires a Settlement Rerun, the Market Operator will procure the carrying out of a Settlement Rerun in relation to the period that is the subject of the Settlement Query or Dispute.

G.3.3.3 Subject to sections G.3.2 and B.19, where the resolution of a Settlement Query or Dispute raised by a Participant requires a Settlement Rerun, the Market Operator shall apply the result of that Settlement Rerun to all Participants, where applicable.

G.3.3.4 Where a Settlement Query has been raised by a Participant in relation to Non-Performance Difference Charges in accordance with G.3.2.5, the Participant shall not be required to pay any amounts outlined in the Settlement Document to which the Settlement Query relates, until such a time as the Settlement Query has been resolved and a Settlement Rerun has been undertaken.

The following amendment is proposed to Section G.2.5.:

Settlement Documents

G.2.5.7 For the avoidance of doubt, where a Settlement Query has been raised by a Participant in relation to Non-Performance Difference Charges in accordance with G.3.2.5, the Participant shall not be required to pay any amounts outlined in the Settlement Document to which the Settlement Query relates, until such a time as the Settlement Query has been resolved and a Settlement Rerun has been undertaken.

Modification Proposal Justification

(Clearly state the reason for the Modification)

Restrictions on unit run hour limits included in environmental permits may impede a unit's ability to generate and export electricity. During times of system stress, this means that units which are run-hour limited are exposed to a significant risk of incurring Difference Charges. If a large unit is unavailable due to an exhaustion of its permitted run-hour limits, there is an increased likelihood of stress on the system. This comes with an increased risk of higher market prices and thus exposure to Difference Charges.

A Capacity Market unit whose run hours have been exhausted will be unable to make the unit available during periods when the imbalance price exceeds the RO Strike Price. In this scenario the generator is exposed to significant financial risk including insolvency which would result in closure of the units to the detriment of consumers. This modification would alleviate the financial risk of RODP exposure on units which have exhausted permissible run hours. This benefits generators with run-hour limits and consumers who will not be faced with increased costs.

Code Objectives Furthered

(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)

(g) 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.

Implication of not implementing the Modification Proposal

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

Failure to implement this modification would result in significant financial risk including insolvency which would result in closure of units with exhausted run-hour limits to the detriment of consumers.

Working Group

(State if Working Group considered necessary to develop proposal)

Impacts

(Indicate the impacts on systems, resources, processes and/or procedures)

Please return this form to Secretariat by email to modifications@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 Appendix D "List of Agreed Procedures".
T&SC / Code:	means the Trading and Settlement Code for the Single Electricity Market
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 the Code (and 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.