

MODIFICATION PROPOSAL FORM			
Proposer (Company)	Date of receipt (assigned by Secretariat)	Type of Proposal (delete as appropriate)	Modification Proposal ID (assigned by Secretariat)
EirGrid	18 th November 2025	Standard	Mod_05_25
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Stephen Gannon			
Modification Proposal Title			
Facilitation of Multiple NEMOs in the SEM			
Documents affected (delete as appropriate)	Section(s) Affected	Version number of T&SC or AP used in Drafting	
T&SC	B, F, Glossary	Version 30	
Explanation of Proposed Change (mandatory by originator)			
The Network Code for Capacity Allocation and Congestion Management (CACM) sets out the rules for designation of Nominated Electricity Market Operators (NEMOs) in each bidding zone. This allows for the direct designation by the designating entity (i.e., the Member State or appointed body which is the CRU and UR in the SEM, for Ireland and Northern Ireland respectively) and also provides for a passporting approach. Under the passporting rule, any party which has been designated as a NEMO by another Member State can apply to offer NEMO services in additional Member States without further designation. This can give rise to more than one NEMO operating within a bidding zone. This is known as “multi-NEMO arrangements” or MNA. A function of the NEMO is to be able to act as a central counter party (CCP) and shipping agent (SA) for ex-ante trades cleared in their market area. Therefore, the CCP and SA are functions of the NEMO and is not legally considered an entity under EU law. A NEMO has the right to delegate these functions to a third party. With the introduction of multi-NEMO arrangements, physical settlement, in the form of nominations to the TSOs, and financial settlement, in the form of cash settlement between the involved central counter parties or CCPs, will become more complex than in the single NEMO scenario for the involved NEMOs and TSOs. Each NEMO in the Bidding Zone effectively operates its own market area (referred to as a NEMO hub) with its own products and customers. Each NEMO Hub within a single bidding zone will have its own net position (i.e., import or export from the market area) which in aggregate will come to the import/export position of the bidding zone. For SEM Participants, with the introduction of multi-NEMO arrangements, they will be able to trade through different NEMOs which may provide competition benefits in terms of costs as well as order types available on different platforms to access the CACM based markets. Participants will also not be restricted to trading through only one NEMO and can complete ex-ante trading through any or all NEMOs offering services in the SEM. There are three transfers (both financial and physical settlements) from a NEMO in the multi-NEMO arrangements which are crucial: 1. Local Nominations: Within a NEMO hub, trades are confirmed with members and settled with the relevant CCP. The NEMO in turn nominates these traded positions to SEMO. 2. Cross NEMO transfers: When there is more than one NEMO Hub, then there is a need to manage the exchanges between the NEMOs within the bidding zone. These Cross-NEMO transfers are also nominated to SEMO by the NEMOs. 3. Cross Border NEMO exchanges between NEMOs of the other neighbouring bidding zones and Shipping Agents (entities responsible for the settlement between cross border NEMO Hubs). The CCP functions of each NEMO are responsible for the cross border financial settlement and the Shipping Agents are responsible for the cross border physical settlement. While there are multiple methods practiced in Europe for the Cross Border NEMO exchanges, the default option for exchanges between two Bidding Zones that adopted multi-NEMO arrangements is the “preferred shipper model”.			

As the name implies, each NEMO assigns a preferred Shipping Agent for its NEMO hub within each Bidding Zone, and each NEMO shall use its own preferred Shipping Agent for cross zonal exchanges. The cross-border nominations received from neighbouring NEMO Hubs via Shipping Agents are then nominated to the TSO by their respective NEMOs.

While the Trading and Settlement Code was written with the concept of multiple NEMOs in mind, the actual implementation of the MNA solution by NEMOs across the EU, based on the “preferred shipper approach”, differed from what was envisaged in the original drafting. This modification seeks to address the updates needed to bring the Trading and Settlement Code in line with EU arrangements, in advance of the reconnection of the SEM with EU markets after the commissioning of the Celtic interconnector between Ireland and France.

There are three principal changes to be addressed –

- The Trading and Settlement Code needs to identify that each SEM NEMO will take on the role of the Scheduling Agent of the Shipping Agent for any interconnector on which it exchanges energy. This requires changes to section B.8.2, paragraph F.5.2.4 and to the glossary definition of the Shipping Agent,
- The Trading and Settlement Code needs to allow SEM Participants trade with any SEM NEMO. This will require the deletion of paragraph B.8.1.3 which implies that SEM Participants can only trade with one SEM NEMO and they must notify SEMO of this, and
- In allowing SEM Participants to trade with any SEM NEMO, changes are required to paragraph F.5.2.10 which sets out the calculation of the imbalance volume for the assetless unit of a SEM NEMO. Originally, based on contracted quantities of units for Participants registered with a SEM NEMO, this will now be based on the submitted contracted quantities from each SEM NEMO.

Legal Drafting Change

*(Clearly show proposed code change using **tracked** changes, if proposer fails to identify changes, please indicate best estimate of potential changes)*

Changes to Chapter B

B.8 SEM NEMOS AND SHIPPING AGENTS

B.8.1 SEM NEMOs

B.8.1.1 Participation by Units registered in the SEM in the day-ahead and intraday markets must be through a NEMO that:

- (a) has been designated by the Regulatory Authorities in accordance with Article 4 of the EU Guideline on Capacity Allocation and Congestion Management; or
- (b) has been designated by the regulatory authority of another EU Member State and is permitted to offer such trading services in Ireland and Northern Ireland under Article 4 of the EU Guideline on Capacity Allocation and Congestion Management,

and in either case is a Party to this Code (each a “**SEM NEMO**”).

B.8.1.2 A SEM NEMO shall:

- (a) accede to and remain a party to the Framework Agreement and thereby become and remain a Party to this Code;
- (b) comply with the requirements of this Code;
- (c) fulfil the role of a Scheduling Agent as defined in the EU Guideline on Electricity Transmission System Operation and perform the tasks as set out in Article 111 of that Guideline and section F2.2;

- (d) register an Assetless Unit with the Market Operator for the purposes of the calculation of payments and charges relating to quantities determined under paragraph F.5.2.10;
- (e) register an Assetless Unit with the Market Operator to account for imports to and exports from the SEM NEMO's Market Area; and
- (f) comply with the requirements of Chapter G (Financial and Settlement) with respect to Credit Cover Requirements and other financial settlement obligations.

B.8.1.3 ~~A Participant shall notify the Market Operator of any change with respect to the SEM NEMO(s) through which it intends to participate in a day-ahead or intraday market in respect of a Unit prior to the change taking effect.~~ Intentionally blank.

B.8.1.4 Where:

- (a) a SEM NEMO delegates to any person ("**Delegate**") any of its tasks under the EU Guideline on Capacity Allocation and Congestion Management; and
- (b) one or more of the SEM NEMO's obligations under paragraphs B.8.1.2(c) to (f) relates to the task which has been delegated ("**Related Obligation**"),

then:

- (i) the SEM NEMO shall procure that the Delegate accedes to the Framework Agreement and thereby becomes a Party to this Code;
- (ii) the Delegate shall perform the Related Obligation; and
- (iii) the SEM NEMO is relieved of the Related Obligation to the extent that the Delegate performs it.

B.8.2 Scheduling Agent of a Shipping Agent

B.8.2.1 A Party shall be appointed to perform the role of the Scheduling Agent of the Shipping Agent for each SEM NEMO in respect of each Interconnector in accordance with the requirements of the EU Guideline on Electricity Transmission System Operation.

B.8.2.2 The Scheduling Agent of the Shipping Agent for each SEM NEMO in respect of each Interconnector shall submit the information contemplated by paragraph F.2.2.4 in accordance with that paragraph.

B.8.2.3 The Shipping Agent for each SEM NEMO in respect of an Interconnector shall register an Assetless Unit in respect of that Interconnector to facilitate the notification of cross border positions on the Interconnector.

Changes to Chapter F

F.2.2.4

The Scheduling Agent of the Shipping Agent for each SEM NEMO in respect of an Interconnector shall, in accordance with the Settlement Calendar, submit to the Market Operator the Day-ahead Interconnector Schedule Quantities (qICSDA_{x|h}) and Intraday Interconnector Schedule Quantities (qICSID_{x|h}) for each Trade, x, for that Interconnector, I, in each Period, h, in this context meaning the Day-ahead Trading Period or Intraday Interconnector Trading Period, as the case may be.

F.5.2.10

The Market Operator shall calculate the Ex-Ante Quantity ($QEX_{u\gamma}$) for each Assetless Unit, u' , registered in respect of **each** SEM NEMO in accordance with paragraph B.8.1.2(d), in each Imbalance Settlement Period, γ , as follows:

$$QEX_{u\gamma} = \left(\sum_{u \text{ and } v \in u'} \left(\sum_x (qTDA_{xh} \times \text{Min}(DTDA_x, DISP)) + \sum_x (qTID_{xh} \times \text{Min}(DTID_x, DISP)) \right) + \sum_{u \in u'} \left(\sum_x (qEMADA_{xuh} \times \text{Min}(DTDA_x, DISP)) + \sum_x (qEMAID_{xuh} \times \text{Min}(DTICIDMIN, DISP)) \right) \right) \times -1$$

where:

- (a) $qTDA_{xh}$ is the Day-ahead Trade Quantity for Trade, x , for Generator Unit, u , or Supplier Unit, v , in Day-ahead Trading Period, h ;
- (b) $qTID_{xh}$ is the Intraday Trade Quantity for Trade, x , for Generator Unit, u , or Supplier Unit, v , in Intraday Trading Period, h ;
- (c) $DISP$ is the Imbalance Settlement Period Duration;
- (d) $DTDA_x$ is the Day-ahead Trade Duration of Trade, x ;
- (e) $DTID_x$ is the Intraday Trade Duration of Trade, x ;
- (f) $\sum_x$ is a summation over the quantities for each Trade, x , from the day-ahead market or the intraday market, as the case may be within whose Day-ahead Trading Period, Intraday Interconnector Trading Period, or Intraday Trading Period, h , as the case may be, the Imbalance Settlement Period, γ , falls in whole or in part, submitted in accordance with section **Error! Reference source not found.** by the Scheduling Agent for the Participant, and the Scheduling Agent for the **respective** SEM NEMO, represented by Assetless Unit, u' ;
- (g) $qEMADA_{xuh}$ is the Day-ahead Market Area Exchange Quantity for Trade, x , for Assetless Unit, u , registered in accordance with paragraph B.8.1.2(e) in respect of the same SEM NEMO as that represented by the Assetless Unit, u' , in Intraday Interconnector Trading Period, h ;
- (h) $qEMAID_{xuh}$ is the Intraday Market Area Exchange Quantity for Trade, x , for Assetless Unit, u , registered in accordance with paragraph B.8.1.2(e) in respect of the same SEM NEMO as that represented by the Assetless Unit, u' , in Intraday Interconnector Trading Period, h ;
- (i) $DTICIDMIN$ is the shortest Intraday Interconnector Trade Duration offered in the intraday market;
- (j) $\sum_{u \text{ and } v \in u'}$ is a summation over all Generator Units, u , excluding Interconnector Residual Capacity Units or Interconnector Error Units, and Supplier Units, v , ~~registered in respect of all Participants for whom the Assetless Unit, u' , is registered in respect of for whom~~ the SEM NEMO ~~which acts as a Scheduling Agent which submits~~ **has submitted** Contracted

Quantities for that Participant in accordance with section **Error! Reference source not found.**; and

- (k) $\sum_{u \in \mathcal{U}}$ is a summation over all Assetless Units, u , registered in accordance with paragraph B.8.1.2(e) in respect of the same SEM NEMO as that represented by the Assetless Unit, u .

Changes to T&SC Glossary

shipping agent - in relation to an Interconnector, means the person **or persons** appointed to perform the role of the 'shipping agent' (within the meaning of the EU Guideline on Capacity Allocation and Congestion Management) in respect of the Interconnector

Modification Proposal Justification

(Clearly state the reason for the Modification)

These changes set out in this Modification Proposal will facilitate the entry of additional NEMOs into the SEM as required under EU Regulations. The entry of additional NEMOs will also provide opportunities to SEM Participants to potentially trade using a wider array of products and should encourage competition among NEMOs with respect to fees and costs.

Code Objectives Furthered

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

The aim of this modification is to further the following objectives of the Trading & Settlement Code -

- (b) to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;
- (d) to promote competition in the Single Electricity Market;
- (f) to ensure no undue discrimination between persons who are parties to the Code; and
- (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)

If these changes are not progressed, this will prevent additional NEMOs from offering services in the SEM including passporting NEMOs already approved to offer services by CRU and UR. This will result in a limit on choice for SEM Participants with respect to ex-ante trading and will also leave the SEM non-compliant with the requirements of CACM

Working Group

(State if Working Group considered necessary to develop proposal)

Impacts

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

No

These proposed changes will require amendments to the central market systems with respect to data submission and market settlement. Note that these changes are currently being investigated as part of the Strategic Markets Programme.

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 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.