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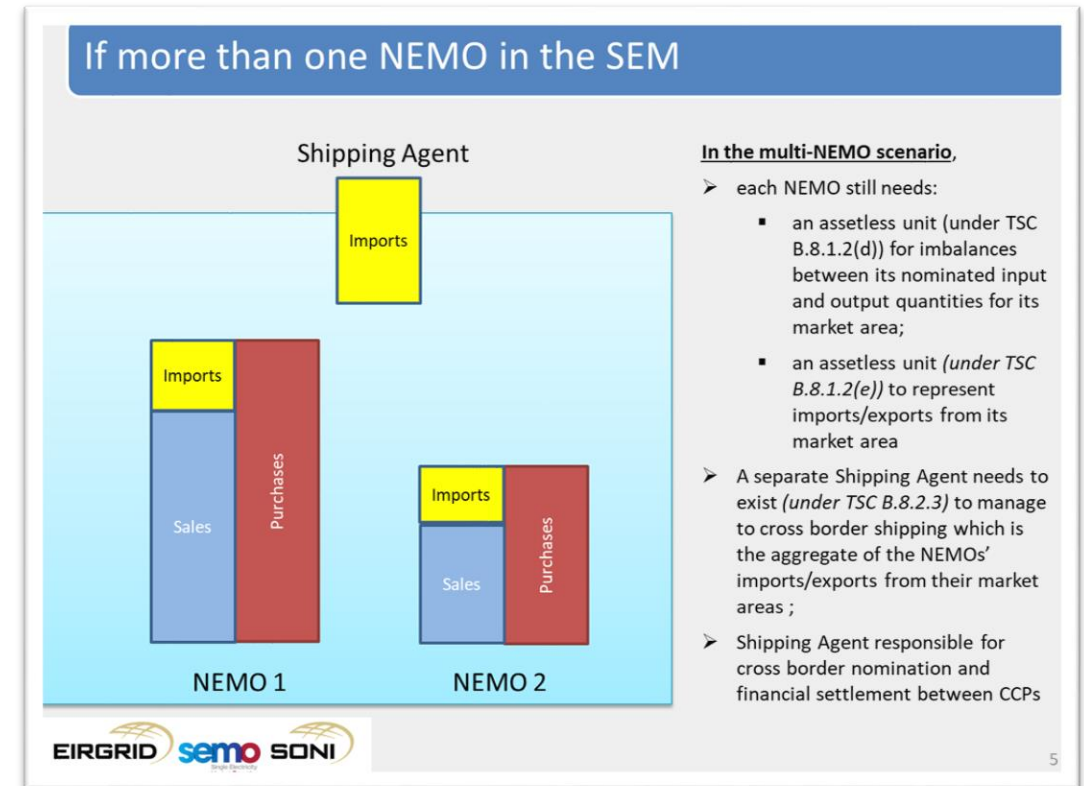
Facilitation of Multiple NEMOs in the SEM

Presentation to the Modifications Committee



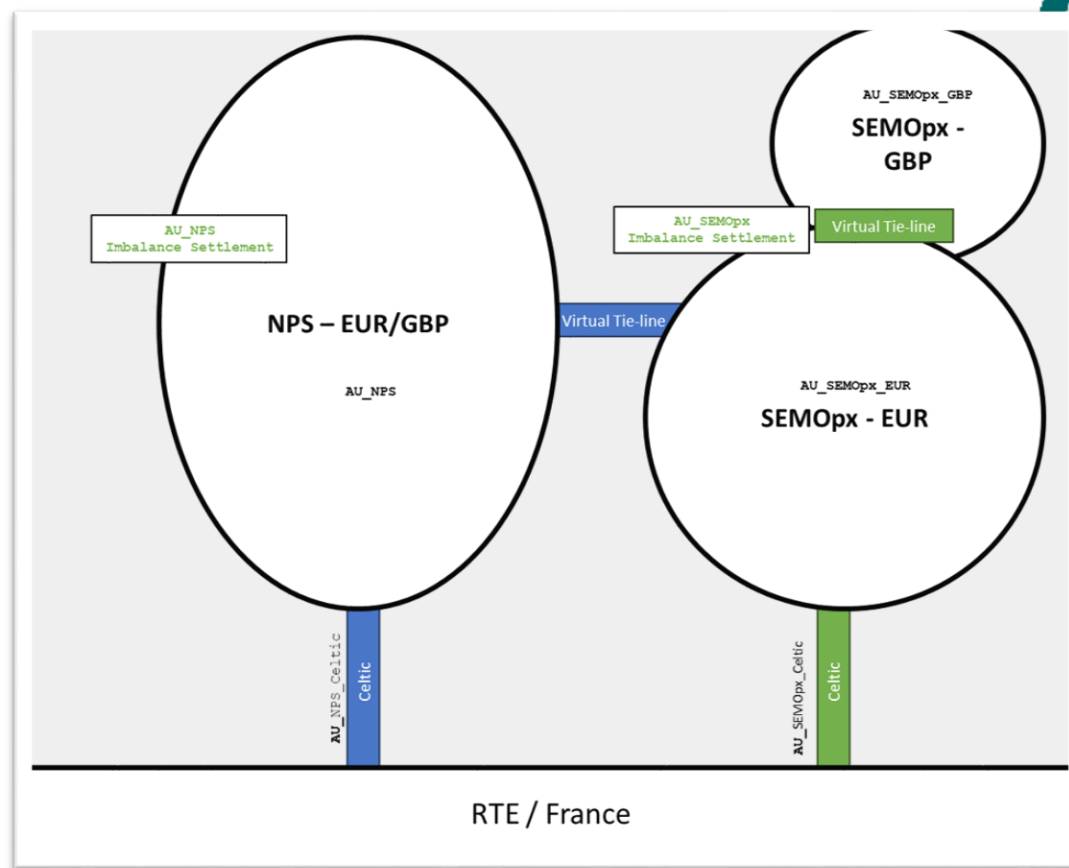
Introduction to Modification for facilitation of MNA for SEM

- When written in 2016, the new Trading & Settlement Code was drafted to fully facilitate multiple NEMOs in the SEM.
- At that time, GB was the only jurisdiction which contained more than one NEMO and applied an approach called the **Special Purpose Vehicle**, where one Shipping Agent was responsible for cross border nominations on an interconnector.
- The SEM design followed this model.
- *From Rules Working Group presentation...*



Introduction to Modification for facilitation of MNA for SEM

- As multi-NEMO Arrangements were rolled out across the EU after the I-SEM programme went live in 2018, a different approach was adopted.
- This is the "preferred shipping agent approach" wherein each NEMO is responsible for their own nominations for each interconnector.



Introduction to Modification for facilitation of MNA for SEM

- This requires changes to the SEM T&SC, principally around the concept of the **Scheduling Agent of the Shipping Agent**.
- This no longer applies for an interconnector but for a SEM NEMO for each Interconnector. This just requires the addition of text "*for each SEM NEMO*" as appropriate.
- A further change removes text that required SEMO to maintain records of which participant traded through which NEMO.
- This original clause unintentionally created an implicit rule of exclusivity - i.e., a participant can only ever trade with one NEMO. This has now been removed.
- Minor changes were also required to the calculation of the imbalance volume for the SEM NEMO's assetless unit as a result.
- Required changes to the Central Market Systems are being progressed through CR-330.
- These changes are needed to ensure that the Trading & Settlement Code and Central Market Systems fully facilitate the requirements of article 4 of the regulation on Capacity Allocation and Congestion Management



Questions

