

MODIFICATION PROPOSAL FORM			
Proposer (Company)	Date of receipt (assigned by Secretariat)	Type of Proposal (delete as appropriate)	Modification Proposal ID (assigned by Secretariat)
RA's	30 th March 2026	Standard	Mod_01_26
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Elvis Sebastian		esebastian@cru.ie	
Modification Proposal Title			
Implementation of ASP decision SEM-25-029			
Documents affected (delete as appropriate)	Section(s) Affected	Version number of T&SC or AP used in Drafting	
T&SC, T&SC Glossary	E.4.2, E.4.3, Glossary	31.0	
Explanation of Proposed Change (mandatory by originator)			
<p>This proposal amends the definition of Short Term Reserve Quantity in the T&SC Glossary to refer to available Replacement Reserves only, i.e., remove reference to Tertiary Operating Reserve Band 2, in line with the SEM Committee's decision in SEM-25-029.</p> <p>In E.4.2.2(a), the Reserve Scarcity Price (PRS) is calculated by comparing the Short Term Reserve Quantity (qSTR) and qORR (Operating Reserve Requirement Quantity). Currently, qSTR comprises available Tertiary Operating Reserve (Band 2) <i>and</i> available Replacement Reserve, while qORR comprises the requirement for Tertiary Operating Reserve (Band 2) only. Thus, the proposal resolves this anomaly such that available Replacement Reserve is compared to the requirement for Replacement Reserve, and hence ensures that PRS is set on consistent basis. The SEM Committee's decision (SEM-25-029) gives further details.</p> <p>As an option for further consideration, it also amends the terms "Short Term Reserve Quantity" and "Operating Reserve Requirement Quantity" to "Available Reserve Quantity" and "Required Reserve Quantity" respectively in the T&SC Glossary and Sections E.4.2 and E.4.3.</p>			
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>			
In the Glossary, amend and delete the following:			
DEFINITIONS			
Required Operating Reserve Requirement Quantity	means the operating reserve requirement for Tertiary Operating Reserve band 2 used to determine the most recent Indicative Operations Schedule in respect of an Imbalance Pricing Period, as submitted by the relevant System Operator to the Market Operator under paragraph E.4.2.1 and in accordance with Appendix K "Other Market Data Transactions".		

Reserve Scarcity Price Curve	means a piecewise linear curve defining the relationship between the Reserve Scarcity Price (PRS_{ϕ}) and the AvailableShort Term Reserve Quantity ($qSTR_{\phi}$). The term “Reserve Scarcity Price Quantity Pair” shall be interpreted accordingly.
AvailableShort Term Reserve Quantity	means the available reserves for Tertiary Operating Reserve band 2 and Replacement Reserve in the most recent Indicative Operations Schedule, as submitted by the relevant System Operator to the Market Operator under paragraph E.4.2.1 and in accordance with Appendix K “Other Market Data Transactions”.

LIST OF VARIABLES AND PARAMETERS

Topic:	Element:	Long Name:	Definition/Description:	Units:
Variable	$qORR_{\phi}$	Required Operating Reserve Requirement Quantity	The Required Operating Reserve Requirement Quantity in an Imbalance Pricing Period, ϕ , meaning the operating reserve requirement for Tertiary Operating Reserve band 2 used to determine the most recent Indicative Operations Schedule and submitted by the System Operator under paragraph E.4.2.1.	MW
Variable	$qSTR_{\phi}$	AvailableShort Term Reserve Quantity	The AvailableShort Term Reserve Quantity in an Imbalance Pricing Period, ϕ , representing the available reserves for Tertiary Operating Reserve band 2 and Replacement Reserve in the most recent Indicative Operations Schedule, as submitted by the System Operator under paragraph E.4.2.1.	MW

In E.4.2, amend the following:

E.4.2 Determination of the Reserve Scarcity Price

E.4.2.1 For each Imbalance Pricing Period, φ , the System Operator shall submit the Required Operating Reserve Requirement Quantity ($qORR_{\varphi}$) and Available Short Term Reserve Quantity ($qSTR_{\varphi}$) to the Market Operator in accordance with Appendix K “Other Market Data Transactions”.

E.4.2.2 For each Imbalance Pricing Period, φ , the Market Operator shall calculate the Reserve Scarcity Price (PRS_{φ}) as follows:

- (a) If $qSTR_{\varphi} < qORR_{\varphi}$, and $qSTR_{\varphi} \leq qRSC_{(\Theta=N)}$, the Market Operator shall calculate the value of Θ that satisfies $qRSC_{\Theta-1} \leq qSTR_{\varphi} \leq qRSC_{\Theta}$ where $2 \leq \Theta \leq N$ and then calculate,

$$PRS_{\varphi} = \left(\frac{PRSC_{\Theta} - PRSC_{\Theta-1}}{qRSC_{\Theta} - qRSC_{\Theta-1}} \right) \times (qSTR_{\varphi} - qRSC_{\Theta-1}) + PRSC_{\Theta-1}$$

where $(PRSC_{\Theta}, qRSC_{\Theta})$ is the Θ th Reserve Scarcity Price Quantity Pair in the Reserve Scarcity Price Curve applying to the Capacity Year in which Imbalance Pricing Period φ falls and $qSTR_{\varphi}$ is the Short Term Available Reserve Quantity for Imbalance Pricing Period, φ ;

- (b) Otherwise, the Reserve Scarcity Price (PRS_{φ}) is set equal to PFLOOR.

In E.4.3, amend the following:

E.4.3 Determination of Demand Control Quantities

E.4.3.1 If during an Imbalance Pricing Period, φ :

- (a) the Available Short Term Reserve Quantity ($qSTR_{\varphi}$) is less than the Required Operating Reserve Requirement Quantity ($qORR_{\varphi}$); and
- (b) any of the following Demand Control events occurs:
- (i) Customer Voltage Reduction in Northern Ireland, in accordance with section OC4.4.5 of the Northern Ireland Grid Code;
 - (ii) Emergency or Exceptional Voltage Control, in Ireland in accordance with OC4.4.6 of the Ireland Grid Code;
 - (iii) Automatic Load Shedding in Northern Ireland, in accordance with section OC4.4.8 of the Northern Ireland Grid Code;
 - (iv) Automatic Low Frequency Demand Disconnection in Ireland, in accordance with section OC5.5 of the Ireland Grid Code;
 - (v) Planned or Emergency Manual Disconnection in Northern Ireland, in accordance with section OC4.4.6 of the Northern Ireland Grid Code; or
 - (vi) Demand Control on the instructions of the TSO in Ireland, in accordance with section OC5.4 of the Ireland Grid Code.

then the relevant System Operator shall determine that the Imbalance Pricing Period, φ , is an Affected Imbalance Pricing Period.

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

The SEM Committee’s decision on Administered Scarcity Pricing (SEM-25-029) followed a review of the Administered Scarcity Pricing mechanism that itself followed the EY review of the Capacity Remuneration Mechanism in 2022. This Modification Proposal is required to implement both elements of this decision, being firstly to amend the definition of qSTR so that it refers to Replacement Reserve only.

Secondly, the decision also recommended that consideration is given to amending the terms “Short Term Reserve Quantity” and “Operating Reserve Requirement Quantity” to “Available Reserve Quantity” and “Required Reserve Quantity” respectively. This is included as an option for consideration by the Modifications Committee to determine whether such a change of terminology would have any disproportionate impacts. The purpose of this change is to make it clearer and more transparent that E.4.2.2 is comparing the available quantity and the required quantity of the one reserve category.

The changes are being made to ensure the mechanism is functioning correctly and as envisioned in the market design; a correction which should allow triggering of ASP when appropriate.

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

This proposal furthers the following Code Objectives set out in A.2.1.4 of the T&SC:

- (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;
- (e) to provide transparency in the operation of the Single Electricity Market;
- (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 this Modification is not implemented, it would mean that the T&SC would not reflect the policy decision set out in SEM-25-029.

Working Group <i>(State if Working Group considered necessary to develop proposal)</i>	Impacts <i>(Indicate the impacts on systems, resources, processes and/or procedures)</i>
No	Process of calculating qSTR will change.

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.