MODIFICATION PROPOSAL FORM			
Proposer *(Company)*	**Date of receipt** *(assigned by Secretariat)*	**Type of Proposal** *(delete as appropriate)*	**Modification Proposal ID** *(assigned by Secretariat)*
SEMO	**19th November 2026**	**Standard**	**Mod_06_26**

Contact Details for Modification Proposal Originator		
Name	**Telephone number**	**Email address**
Michael Rainey	**N/A**	**michael.rainey@soni.ltd.uk**

Modification Proposal Title		
Market Back Up Price Amendments		
Documents affected *(delete as appropriate)*	**Section(s) Affected**	**Version number of T&SC or AP used in Drafting**
T&SC	**E.5.1.3**	**V32**

Explanation of Proposed Change
(mandatory by originator)

SEMO is raising this Modification to update paragraph E.5.1.3 to address the potential for multiple Day-Ahead prices in a full decoupling scenario following the introduction of Multi-NEMO Arrangements. In a full decoupling event, separate local auctions may produce different Day-Ahead prices for the same Imbalance Settlement Period. The proposed change requires the Market Back Up Price to be calculated as the quantity-weighted average of the prices associated with Day-Ahead Trade Quantities across all SEM NEMOs, providing a single Imbalance Settlement Price where the fallback arrangements under E.5.1.1 and E.5.1.2 are unavailable. Where a single Day-Ahead price is available, including under normal operation or partial decoupling, the proposed methodology would result in that price being used as the Market Back Up Price. Where multiple Day-Ahead prices are available following full decoupling, the methodology would derive a single Market Back Up Price from the relevant Day-Ahead Trade Quantities and associated prices, as illustrated in the examples below:

Single Day-Ahead Price (Normal Operation & Partial Decoupling):

Start Time	End Time	NEMO	Volume	Price	Absolute Volume	Absolute Volume * Price
23:00	23:30	Nord Pool	60	€ 270.00	60	16200
23:00	23:30	Nord Pool	-50	€ 270.00	50	13500
23:00	23:30	Nord Pool	30	€ 270.00	30	8100
23:00	23:30	SEMOpx	70	€ 270.00	70	18900
23:00	23:30	SEMOpx	10	€ 270.00	10	2700
23:00	23:30	SEMOpx	-20	€ 270.00	20	5400
					240	**64800**

Market Back Up Price:	64800/240	€ 270.00

Multiple Day-Ahead Prices (Full Decoupling):

Start Time	End Time	NEMO	Volume	Price	Absolute Volume	Absolute Volume * Price
23:00	23:30	Nord Pool	60	€ 230.00	60	13800
23:00	23:30	Nord Pool	-50	€ 230.00	50	11500
23:00	23:30	Nord Pool	30	€ 230.00	30	6900
23:00	23:30	SEMOpx	70	€ 270.00	70	18900
23:00	23:30	SEMOpx	10	€ 270.00	10	2700
23:00	23:30	SEMOpx	-20	€ 270.00	20	5400
					240	**59200**

Market Back Up Price:	59200/240	€ 246.67

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 the main Code:

E.5.1.3 Where the Market Operator 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, the Market Back Up Price will be set equal to the quantity-weighted average of the prices associated with the Day-Ahead Trade Quantities across all SEM NEMOs for that Imbalance Settlement Period, taking the absolute value of each relevant Day-Ahead Trade Quantity as the weighting, and the Imbalance Settlement Price will be set equal to the Market Back Up 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.

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

The Modification ensures that a single Day-Ahead Market Back Up Price remains available following Multi-NEMO implementation. Quantity-weighting reflects trades across all SEM NEMOs rather than relying on one NEMO's local auction price, providing a consistent basis for imbalance settlement in a full decoupling event.

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

(c) *to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market;*

by updating existing calculations in new scenarios.

Implication of not implementing the Modification Proposal *(State the possible outcomes should the Modification Proposal not be implemented)*
It would not be clear what Back Up Price should be used in a full decoupling scenario.

Working Group *(State if Working Group considered necessary to develop proposal)*	**Impacts** *(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.)*
N/A	N/A – manual calculation but limited impact as this is a rare scenario.

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 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.**