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| **MODIFICATION PROPOSAL FORM** |
| **Proposer***(Company)* | **Date of receipt***(assigned by System Operators)* | **Type of Proposal***(delete as appropriate)* | **Modification Proposal ID***(assigned by System Operators)* |
| **ESB GWM** | **25 April 2018** | **Standard** | **CMC\_02\_18** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Paraic Higgins** |  | **Paraic.higgins@esb.ie** |
| **Modification Proposal Title** |
| **Permitted Disclosures - Credit Agencies**  |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of CMC used in Drafting** |
| **Capacity Market Code** | **B.23.2.1 (a)** | **1.0** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| The current rules allow the disclosure of confidential information to a lending or other financial institution. ESB GWM propose to add credit agencies to this list of institutions.  |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| B.23.3.1 Nothing in paragraph B.23.1.3 shall prevent the disclosure of Confidential Information by a Recipient Party:(a) to any lending or other financial institution proposing to provide or arrange the provision of finance or Performance Security to the Recipient Party, where and to the extent that the disclosure of such Confidential Information is reasonably required for the purposes of the provision or arrangement of such finance or Performance Security, or to any credit rating agencies, and provided that the person to whom the Confidential Information is disclosed is bound by confidentiality provisions which are at least equivalent to those in paragraph B.23.1.3;  |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| As an issuer of debt securities, ESB GWM has certain obligations to maintain a credit rating. Accordingly, ESB GWM engages credit rating agencies to review and assess its credit worthiness. In this regard, ESB GWM has a duty to disclose information about its business to the rating agencies in order to ensure that their review is effective and accurate. This would include information about the CRM auctions. The disclosure of information to a rating agency should not give rise to any concern as these agencies are used to receiving and protecting information which is highly sensitive and are bound by strict contractual confidentiality obligations. Even in legislation which prohibits the disclosure of inside information (e.g. the EU Market Abuse Regulation), there is an express exception for permitted disclosures to credit rating agencies. As such, ESB GWM consider it important to include this modification to the Code. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)* |
| (c) to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of electricity capacity in the Capacity Market;(d) to promote competition in the provision of electricity capacity to the SEM;(f) to ensure no undue discrimination between persons who are or may seek to become parties to the Capacity Market Code; and |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| If this proposal is not implemented it may have negative impacts on market participants credit ratings. |
| **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| No impact on systems, resources, processes or procedures for either market participants or SEMO.  |
| ***Please return this form to the System Operators 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 Regulatory Authorities.**
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:**

**CMC / Code: means the Capacity Market 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 “System Operators” 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 B.12 of the Code, which I have read and understand, I agree as follows:**

**1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:**

* 1. **to the System Operators and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;**
	2. **to the Regulatory Authorities 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;**
	3. **to the System Operators 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 Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.**