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| **MODIFICATION PROPOSAL FORM** |
| **Proposer** | **Date of receipt** | **Type of Proposal** | **Modification Proposal ID** |
| EIL and Mutual Energy | 29 January 2013 | Urgent | Mod\_01\_13 |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
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| **Modification Proposal Title** |
| **Enduring Provisions for Interconnector point of Connection** |
| **Documents affected** | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC** | 5.32: 5.42; 5.43 ;5.51; Glossary | **V12.0** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| This modification proposes enduring changes to define the submission point of Interconnector related quantities as being at the opposite end of the link to SEM. The current interim provisions in Section 7 have expired as of November 1st 2012.  |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| Interconnectors* 1. All values expressed in MW or MWh that relate to imports into the Pool in relation to an Interconnector, Interconnector Units, Interconnector Residual Capacity Units or Interconnector Error Units shall be positive (including zero).

5.32A All values that are expressed in MW, MW/min or MWh and which are not Loss-Adjusted in relation to an Interconnector, Interconnector Units, Interconnector Residual Capacity Units or Interconnector Error Units shall be applicable at the Interconnector Data Submission Point.* 1. Maximum Import Available Transfer Capacity shall relate to the physical capability of the Interconnector to deliver energy to the Interconnector Data Submission Point, and shall take account of any further restrictions placed by any relevant agreement or the provisions of any Licence in respect of the Interconnector, but shall not otherwise take account of any expected transmission constraints or other aspects of the operation of the Transmission System.
	2. Maximum Export Available Transfer Capacity shall relate to the physical capability of the Interconnector to off-take energy from the Interconnector Data Submission Point, and shall take account of any further restrictions placed by any relevant agreement or the provisions of any Licence in respect of the Interconnector, but shall not otherwise take account of any expected transmission constraints or other aspects of the operation of the Transmission System.

**Commercial and Technical Offer Data** * 1. An Interconnector User may submit Commercial Offer Data, applicable at the Interconnector Data Submission Point, to the Market Operator during a Gate Window for a Trading Window in respect of its Interconnector Units for the corresponding Trading Day.

GlossaryDefinitions

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| **Interconnector Data Submission Point** | The notional point at which Interconnector Units, Interconnector Residual Capacity Units and Interconnector Error Units are deemed to be joined to the SEM and at which relevant metered values are collected, prior to Loss-Adjustment and in respect of the transmission of electricity across an Interconnector into SEM. |
| **Currency Zone** | Currency Zone means the Jurisdiction in which a Unit is Connected. For the purpose of Interconnector Units, Interconnector Residual Capacity Units and Interconnector Error Units only, the Jurisdiction is the SEM Jurisdiction to which the relevant Interconnector is linked. |

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| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| **Background/History**The enduring Code was designed on the basis that Interconnector related quantities would be defined at the Connection to the Transmission System, whereas for Moyle all quantities are defined at the Scottish end, and for EWIC, they are defined at the Welsh end, aligning with the UK BETTA arrangements. There is a difference between these quantities due to losses on the link itself, with subsequent consequences for the calculation and settlement of Interconnector quantities. To date, interim arrangements have been in place in Section 7 of the Code defining the point of connection of an Interconnector to the SEM as being at the far end of the link. The interim arrangements were first introduced with Mod\_45\_07 and subsequently extended with Mod\_40\_08 and Mod\_31\_10 while it was determined whether they would be suitable for new interconnectors connected to the SEM. Mod\_11\_11 proposed to put these provisions in the enduring T&SC. The modification was recommended for approval by the Modifications Committee. However it was rejected by the SEM Committee on the basis of then current discussions in the French UK Ireland (FUI) work stream on the application of losses to Interconnectors. Instead the decision stipulated that the interim arrangements be extended for a further year i.e. 60 months after the Market Start Date. These Section & provisions have now expired as of November 1st 2012. This modification again proposes enduring changes to define the submission point of Interconnector related quantities as being at the opposite end of the link to SEM. It does so by defining an "Interconnector Data Submission Point" rather than using the Connection Point - which is the Interconnector's physical point of connection to the Transmission System.  |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| This modification aims to further the following objectives of the T&SC:1.3.2. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;1.3.3 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 |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| The Section 7 provisions of the Code relating to the point of connection of the Interconnector have expired and the treatment in the T&SC of Interconnector related quantities now conflicts with that of the CMS. If this modification is not implemented, that situation will remain.  |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| No | No systems impacts. |
| ***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. **to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;**
	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;**
	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.**