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| **MODIFICATION PROPOSAL FORM** | | | | | |
| **Proposer** | **Date of receipt** | | **Type of Proposal** | | **Modification Proposal ID** |
| **SEMO** | **28 March 213** | | **Standard** | | **Mod\_04\_13** |
| **Contact Details for Modification Proposal Originator** | | | | | |
| **Name** | | **Telephone number** | | **Email address** | |
| **Niamh Delaney** | | 1. **2370321** | | **niamh.delaney@sem-o.com** | |
| **Modification Proposal Title** | | | | | |
| **Process for changing the VAT Jurisdiction of an Interconnector Unit** | | | | | |
| **Documents affected** | | **Section(s) Affected** | | **Version number of T&SC or AP used in Drafting** | |
| **Agreed Procedure 1** | | **2.1.2** | | **V12.0** | |
| **Explanation of Proposed Change**  *(mandatory by originator)* | | | | | |
| Mod\_03\_12 Alignment of TSC with revised VAT arrangements is due to become effective on May 10th 2013. This Modification Proposal amends the T&SC to remove the requirement for companies to become VAT registered in the Jurisdiction in which the Unit is registered. These provisions apply to Interconnector Units as they are considered Generator Units for the purposes of the Code. As a result of this change, the Jurisdiction of the Interconnector Units of three existing Interconnector Users will change on May 10th, which is in the middle of a billing period for Capacity. (A fourth unit which may also be affected is in the process of registration.) The Central Market System is unable to process settlement for a portion of the month allocated to one VAT jurisdiction and the remaining portion allocated to another VAT jurisdiction. In order to account for this change, the affected Interconnector Units will be issued with new Account IDs and corresponding digital certificates. All relevant credit cover information will be transferred to the new Account IDs.  This modification proposal aims to clarify the process for changing the VAT Jurisdiction of an Interconnector Unit. | | | | | |
| **Legal Drafting Change**  *(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* | | | | | |
| * + 1. **PARTICIPANTS AND UNITS**   Upon registering its first Unit within a Jurisdiction, a Party becomes a Participant. A Participant will receive a Participant ID and Account ID at this time. The Participant ID is a unique identifier pursuant to which Units are aggregated for the purposes of calculating the Required Credit Cover. The Account ID is a unique identifier pursuant to which Units are aggregated for the purposes of:   * + Self-Billing Invoices/Invoicing (AP15);   + Settlement Reallocation Agreements; and   + Having access to the data in relation to those Units through a unique digital certificate (as detailed in Agreed Procedure 3 and Agreed Procedure 5).   Save as expressly provided in the Code, a Party may not register more than one Participant in each Jurisdiction.   * + A unique digital certificate will be assigned to each Account ID, which permits access to the Participant’s data.   + An individual Participant may only have Participant ID but may have more than one Account ID where it registers both Generator Units and Supplier Units.   In order to register a Unit, the required information (Registration Data) must be submitted to the Market Operator by the Party/Applicant and will be assessed by the Market Operator, to ensure that the Registration Data is complete and fulfils the eligibility requirements as set out in the Code. Once the Market Operator has confirmed that the Registration Data is complete (and taking into account the table in section 3.2.4), any questions or clarifications shall be progressed by all relevant Parties (Participant, Meter Data Provider, System Operator, and/or Distribution System Operator) at the initial Unit Registration meeting.   * + 1. **CHANGE IN VAT JURISDICTION FOR AN INTERCONNECTOR UNIT**   Where an existing Interconnector Unit changes VAT Jurisdiction, the following process will occur:   * A new Account ID will be assigned to that Interconnector Unit. * A unique digital certificate will be assigned to the new Account ID. | | | | | |
| **Modification Proposal Justification**  *(Clearly state the reason for the Modification)* | | | | | |
| This Modification Proposal aims to clarify the process followed when an Interconnector Unit changes VAT Jurisdiction. | | | | | |
| **Code Objectives Furthered**  *(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* | | | | | |
| This Modification Proposal aims to further objectives 1.3.3 and 1.3.5.   * + 1. 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;     2. to provide transparency in the operation of the Single Electricity Market; | | | | | |
| **Implication of not implementing the Modification Proposal**  *(State the possible outcomes should the Modification Proposal not be implemented)* | | | | | |
| A lack of clarity will remain in the T&SC regarding the process for changing the VAT Jurisdiction of an Interconnector Unit. | | | | | |
| **Working Group**  *(State if Working Group considered necessary to develop proposal)* | | | **Impacts**  *(Indicate the impacts on systems, resources, processes and/or procedures)* | | |
| No | | | Process change in Agreed Procedure 1. | | |
| ***Please return this form to Secretariat by email to*** [***modifications@sem-o.com***](mailto: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.**