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| **MODIFICATION PROPOSAL FORM** |
| **Proposal Submitted by:** | **Date Proposal received by Secretariat:** | **Type of Proposal** | **Number:** |
| Airtricity | 18/01/11 | **Standard**  | Mod\_05\_11 |
| **Contact Details for Modification Proposal Originator** |
| **Name:**Emeka Chukwureh | **Telephone number:**+353-1-655-6589 | **e-mail address:**emeka.chukwureh@airtricity.com |
| **Modification Proposal Title:**Extension to Role of the Modifications Committee via Working Groups |
| **Trading and Settlement Code and/or Agreed Procedure change?**  | T&SC and AP12 |
| **Section(s) affected by Modification Proposal:** | **T&SC** section 2.149**AP12** section 2; Appendix 1; (new) Appendix 3 **[doc attached]** |
| **Version Number of the Code/Agreed Procedure used in Modification drafting:**  | **T&SC** version 8.0**AP12** version 8.0 |
| **Modification Proposal Description***(Clearly show proposed code change using* ***tracked changes*** *& include any necessary explanatory information)*  |
| **T&SC:****Functions of the Modifications Committee**2.149 The functions of the Modifications Committee are to facilitate the Modifications Process by:1. co-ordinating the resources of Parties to facilitate the development and processing of a Modification Proposal;2. assessing Modification Proposals and the impact of any Modification Proposals for the Pool having regard to the Code Objectives; 3. further developing Modification Proposals which are not rejected as being spurious;4. working up the detail of Modification Proposals; 5. consulting on Modification Proposals as required;6. compiling reports and making recommendations on Modification Proposals to the Regulatory Authorities; ~~and~~7. making any appropriate changes to Agreed Procedures; and8. compiling reports and making recommendations on issues of interest to the SEM to the Regulatory Authorities.**AP12:**2.3. Modification Working Groups The Modifications Committee may set up Modification Working Groups to facilitate the Committee in carrying out its functions. Modification Working Groups may be of two types:* Ad-hoc Modification Working Groups; and
* Special Issue Modification Working Groups.

Ad-hoc Modification Working Groups will assist the Modifications Committee in fulfilling its functions as outlined in Sections 2.149.3 and 2.149.4 of the Code.* An Ad-hoc Modification Working Group may be set up by the Modifications Committee in response to a Modification Proposal under consideration by the Committee.
* An Ad-hoc Modification Working Group may be comprised of any interested parties to the issue or issues under consideration within the relevant Modification Proposal.
* The life of an Ad-hoc Modification Working Group expires when the Regulatory Authorities make a final decision on the relevant Modification Proposal, or if the Modifications Committee decides to wind it down, whichever event comes first.

Special Issue Modification Working Groups will assist the Modifications Committee primarily in fulfilling its functions as outlined in Section 2.149.8 of the Code.* A Special Issue Modification Working Group may be set up by the Modifications Committee at any time, but subject to the approval of the Regulatory Authorities.
* A Special Issue Modification Working Group may be set up to address a grouping of related issues which impact particular aspects of the SEM, a Scope Area.
* A sample of Scope Areas that a Special Issue Modification Working Group may address is provided in Appendix 3.
* The Modifications Committee may also direct a Special Issue Modification Working Group to further develop and work up the detail of Modifications Proposals which relate to the areas within the scope of the Special Issue Modification Working Group.
* Special Issue Modification Working Groups will be standing groups, with no pre-defined expiration dates.
* Special Issue Modification Working Groups may be reorganised to account for changes in the nature of a Scope Area.
* Membership of Special Issue Modification Working Groups will be limited. Members may be individuals or organisation specified by the Modifications Committee; such nominees will have demonstrable technical capability or strong commercial interests in the Scope Area.
* Each Special Issue Modification Working Group will have separately, a chair and a secretary. The chair and the secretary shall be members of the Special Issue Modification Working Group and may be specified by the Modifications Committee at the start or nominated by the members of the Special Issue Modification Working Group.
* Chairs may invite, or respond to requests to attend, to meetings any person or organisation that may have a bearing on or interest in a Scope Area.
* Secretaries shall keep minutes of meetings and shall communicate the same to the Secretariat for central archiving.
* Secretaries shall also produce high level summary highlights of meetings, periodic progress updates and where appropriate recommendation reports on issues within relevant Scope Areas. These shall be communicated to the Modifications Committee via the Secretariat.
* Special Issue Modification Working Groups may hold meetings. The frequency of such meetings may be specified by the Modifications Committee or determined at the preliminary meetings of Special Issue Modification Working Groups.
* The venues of meetings may include the offices of SEM Participants made available by such Participants.

**Appendix 1****DEFINITIONS**

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| **Ad-hoc Modification Working Group** | means a Modification Working Group which is set up on an ah-hoc basis in response to a Modification Proposal under consideration by the Modifications Committee. |
| **Scope Area** | means a grouping of related issues which impact particular aspects of the SEM. |
| **Special Issue Modification Working Group** | means a Modification Working Group which is set up by the Modifications Committee to address a Scope Area. |

**New Appendix**APPENDIX 3: SAMple scope areas

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| **Title** | **Elements** |
| Registration & Unit Status | Registration process, documentation; Unit classification, reclassification procedures, barriers to reclassification. |
| Technical Offer Data & Dispatch | Identifying issues/misalignments with make-up, structure of Technical Offer Data and physical generator characteristics of dispatch requirements. |
| Metering | General metering issues, metering of aggregated generation, distributed generation, demand side units. |
| Demand Side | Specific issues related to demand side participation in SEM. |
| Distributed Generation | Specific issues related to distributed generation in SEM. |
| Regional Market Arrangements | General issues arising under the regional markets programme of the EU Commission, including but not limited to matters relating to Intra-day Trading, Day-Ahead Market. |

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| **Modification Proposal Justification***(Clearly state the reason for the Modification & how it furthers the Code Objectives)*  |
| 3 years of operational experience of the SEM Modifications process and specifically the operation of the process with the Intra-Day Modification Proposal, strongly indicates the need for an improved market change process. A number of elements underpinning that view are listed below:* Some issues of significance to the SEM come from external sources (for example the Regional Market Initiative from Europe) or the ongoing evolution of the industry (such as Demand Side), which often stretch the boundaries currently mapped out for the Modification Committee;
* Issues that may eventually result in rules changes may initially start off as sketchy concepts with an individual or within an organisation. Such concepts would benefit from joint industry consideration to prove, improve or disprove prior to formalising market rules;
* Some areas of SEM (such as Metering and Technical Offer) are consistently contained within new modification proposals for consideration. At almost any point in time, a live or deferred modification proposal examines aspects of these areas;
* Having a single issues queue results in items of considerable impact on the market (Global Settlement; Intra-Day Trading) take up large chunks of attention and procedural time, a situation which impacts negatively on issues of lesser or narrower importance;
* The general level of ‘conversations’ wherein industry participants are engaged in addressing issues in the SEM, in public and formal forums is very low. This has an implication on the rate of ideas generation in solving the complex issues facing the industry;
* Addressing issues only on an ad-hoc basis often does not result in coherent solutions and besides, ad-hoc groups spend considerable amounts of time at the initial stages to ‘form’ before become ‘normative’;
* Considerable amounts of industry experience and knowledge are not drawn into the modification process, primarily because of the ‘wall of market rules’. Having subject specific forums, not specifically rules-focussed, but issues-focussed, may draw out that experience.

A lot more points to underpin this modification can be adduced. However these 7 can suffice.This modification proposal furthers the Code objectives outlined in T&SC section1.3, subsections 2 & 3. To wit:1. *to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market* in a financially secure manner;
2. *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;

(italics supplied). |
| **Implication of not implementing the Modification***(Clearly state the possible outcomes should the Modification not be made , or how the Code Objectives would not be met)* |
| Not implementing this modification, while not catastrophic to the functioning of the SEM nor the Modifications Committee, denies the SEM the opportunity to improve the generation of ideas for improvement; to obtain the inclusion of considerable industry knowledge and experience in the formation of rules; to anticipate and address issues not specifically considered within the T&SC but which impact on the SEM. It may also result in the modification process having a significantly congested issues queue.Hence if not implemented, the objectives of facilitating the efficient, economic and coordinated operation, administration and development of the Single Electricity Market, as well as facilitating the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market will be frustrated. |
| ***Please return this form to Secretariat by e-mail 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.**
4. **For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:**

**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.**