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| **MODIFICATION PROPOSAL FORM** | | | | | |
| **Proposer** | **Date of receipt** | | **Type of Proposal** | | **Modification Proposal ID** |
| **Regulatory Authorities** | **23 January 2014** | | **Standard** | | **Mod\_05\_14** |
| **Contact Details for Modification Proposal Originator** | | | | | |
| **Name** | | **Telephone number** | | **Email address** | |
| **Tanya Hedley** | | **048 90311575** | | **tanya.hedley@uregni.gov.uk** | |
| **Modification Proposal Title** | | | | | |
| **Update of AGU and DSU registration provisions** | | | | | |
| **Documents affected** | | **Section(s) Affected** | | **Version number of T&SC or AP used in Drafting** | |
| **T&SC** | | **Section 2 and Section 5** | | **14** | |
| **Explanation of Proposed Change**  *(mandatory by originator)* | | | | | |
| The purpose of the proposal is to update the TSC provisions relating to the registration of Aggregated Generator Units (AGU) and Demand Side Units (DSU) to clarify the requirements for Parties seeking to register such Units and to enable the two Regulatory Authorities to impose obligations on such Parties through mechanisms which are consistent with the differences in their statutory positions. The proposal also seeks to clarify and simplify the provisions in the TSC regarding such registration. It is noted that these proposals cannot affect any Party that has already received RA consent for the registration of a DSU or of an AGU. | | | | | |
| **Legal Drafting Change**  *(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* | | | | | |
| Section 2:  2.34A A Party (or Applicant, as applicable) shall, on registration of a Generator Unit, specify if the Unit is:   1. a Wind Power Unit; 2. an Energy Limited Generator Unit; 3. a Pumped Storage Unit; 4. a Demand Side Unit provided the Party has the approval of the Regulatory Authorities in accordance with paragraph 2.34B; 5. an Aggregated Generator Unit provided the Party has the approval of the Regulatory Authorities in accordance with paragraph 2.34C; 6. a Netting Generator Unit; 7. an Interconnector Unit or 8. A Dual Rated Generator Unit, provided the Party has the approval of the Regulatory Authorities in accordance with paragraph 2.34A.   2.34A A Party (or Applicant, as applicable) may register a Generator Unit as a Dual Rated Generator Unit provided that the Regulatory Authorities have given their written consent for the registration of the relevant Generator Unit by the Party (or Applicant) as a Dual Rated Generator Unit.  2.34B A Party (or Applicant, as applicable) may register a Generator Unit as a Demand Side Unit provided that the Regulatory Authorities have given their written consent for the registration of the relevant Generator Unit by the Party (or Applicant) as a Demand Side Unit.  2.34C A Party (or Applicant, as applicable) may register a Generator Unit as an Aggregated Generator Unit provided that the Regulatory Authorities have given their written consent for the registration of the relevant Generator Unit by the Party (or Applicant) as an Aggregated Generator Unit.  2.34D The Regulatory Authority concerned may, as a condition of its consent to the registration of a Demand Side Unit or an Aggregated Generator Unit, require the relevant Party (or Applicant as applicable) to enter into a form of Licence or other agreement with the Regulatory Authority; such Licence or agreement having the objective of ensuring that the registrant of the Unit concerned shall be subject to all of the relevant obligations faced by other Generator Units operating in the Single Electricity Market.  Section 5:  5.195 An Aggregated Generator may only be registered as an Aggregated Generator Unit in accordance with the participation procedure in paragraphs 2.30-2.52.  5.196 Intentionally blank.  5.197 The Market Operator shall Deregister any Generator Unit that is an Aggregated Generator Unit where that Unit comprises less than two Generators. | | | | | |
| **Modification Proposal Justification**  *(Clearly state the reason for the Modification)* | | | | | |
| The Code provisions related to the registration of Demand Side Units and Aggregated Generator Units are unduly complex and difficult to understand. This is in part the result of the differences in statutory provisions in relation to licensing in the two Jurisdictions. The RAs wish to clarify the provisions and to ensure that any movement towards the licensing of related activities, which are not currently subject to licence will be enabled without further amendment to the provisions of the Code. | | | | | |
| **Code Objectives Furthered**  *(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* | | | | | |
| This Modification Proposal better facilitates the achievement of objective 5: “to provide transparency in the operation of the Single Electricity Market” in the simplification of the relevant Code provisions and objective 6: “to ensure no undue discrimination between persons who are parties to the Code” in the assurance that all Generator Units are subject to the same relevant obligations under licenses or agreements. | | | | | |
| **Implication of not implementing the Modification Proposal**  *(State the possible outcomes should the Modification Proposal not be implemented)* | | | | | |
| If this Modification Proposal is not implemented, the Code provisions will continue to confuse potential registrants of AGUs and DSUs and further changes to the Code will be required as a result of any regulatory move towards the licensing of either AGUs or DSUs. | | | | | |
| **Working Group**  *(State if Working Group considered necessary to develop proposal)* | | | **Impacts**  *(Indicate the impacts on systems, resources, processes and/or procedures)* | | |
| Not expected to be necessary. | | | No impact on Central Market Systems or Participants’ systems or on any Agreed Procedures is expected. | | |
| ***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.**