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| **MODIFICATION PROPOSAL FORM** |
| **Proposal Submitted by:** | **Date Proposal received by Secretariat:** | **Type of Proposal** | **Number:** |
| Airtricity | 18 January 2011 | Standard | Mod\_06\_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:**Increasing Maximum Daily Submission Number and Automating Cancellation of Settlement Reallocation Agreements  |
| **Trading and Settlement Code and/or Agreed Procedure change?**  | AP10 |
| **Section(s) affected by Modification Proposal:** | 2.1; 3.1.2; 3.3.3; 3.3.4; 3.3.5 |
| **Version Number of the Code/Agreed Procedure used in Modification drafting:**  | 8.0 |
| **Modification Proposal Description***(Clearly show proposed code change using* ***tracked changes*** *& include any necessary explanatory information)*  |
| **2.1*** a maximum of ~~6~~10 Settlement Reallocation Agreements can be lodged per Participant Account ID per Trading Day in a Billing or Capacity Period.

**3.1.2*** No more than ~~6~~10 Settlement Reallocation Agreements have been lodged for this Trading Day in this Billing or Capacity Period by this Debited Participant Account ID.
	+ 1. Cancellation Request by the Participants

If Participants wish to cancel a Settlement Reallocation Agreement, * ~~Both Participants must lodge a request to cancel the Settlement Reallocation Agreement with the MO by fax and post.~~ On receipt of the request from both Participants the Market Operator shall send an acknowledgement. The Market Operator shall not start the cancellation process until submission of this acknowledgement.

**3.3.4 Procedural Steps**

| **#** | **Procedural Step** | **Timing** | **Method** | **By/From** | **To** | **Linkage** |
| --- | --- | --- | --- | --- | --- | --- |
| SR3.1 | Request the cancellation of Settlement Reallocation Agreement.~~completing~~ Part A of the Settlement Reallocation cancellation form may be used for this request. | Before 2 WDs after the completion of the Settlement Period. | Type 1 Channel/Type 2 Channel/Type 3 Channel | Both Participants | Market Operator |  |
| SR3.2 | Assess the request to cancel the Settlement Reallocation Agreement.If request to cancel is approved go to SR3.2a otherwise go to SR3.5 | On submission | - | Market Operator |  |  |
| SR3.2a | Acknowledge receipt of cancellation request. If request was received by fax or post, this acknowledgment will be accomplished by completing Part B of the Settlement Reallocation cancellation form | On receipt of both cancellation requests  | Type 1 Channel/Type 2 Channel/Type 3 Channel | Market Operator | Debited Participant, Credited Participant |  |
| SR3.3 | Execute the cancellation of the Settlement Reallocation Agreement ~~and~~. If request was received by fax or post, notify Participants that Settlement Reallocation Agreement has been cancelled completing Part C of the Settlement Reallocation cancellation form. | Within 1 WD of submission | Type 1 Channel/Type 2 Channel/Type 3 Channel | Market Operator | Debited Participant, Credited Participant |  |

**3.3.5 Process Flow (‘Swim-Lane’) Diagram**[The process flow diagram will need to be updated to reflect the changes above]. |
| **Modification Proposal Justification***(Clearly state the reason for the Modification & how it furthers the Code Objectives)*  |
| Increase on Daily Maximum Number of SRAs:The coming online of the EWIC in 2012 will see either the registration of new units or an increase in the volume being registered by Interconnector units (depending on final implementation). Either way, the management of Credit Cover positions (as well as cash flows) using SRAs will necessitate an increase in the number of SRAs allowed to be lodged daily by Participants. SEMO IT has confirmed that this is configurable in the CMS, hence should imply no [significant] system costs.Automating Cancellation of SRAs:The proposed design of Intra-Day Trading arrangements requires a more ‘aggressive’ treatment of Credit Cover requirements for Interconnector units. Given this development, in order not to frustrate potential trades, it will be necessary to improve the management of SRAs. Automating cancellation of SRAs allows Participants be more responsive under the proposed Credit Cover arrangements. Besides, it mirrors the arrangements on the submission side whereby, Participants submit these Agreements via Types 2 & 3 channels.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 these proposals will result in non-optimal use of SRAs to manage Credit Cover positions, and indeed cash flows, giving the pending changes arising from the Intra-Day design.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.**