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| **MODIFICATION PROPOSAL FORM** |
| **Proposer***(Company)* | **Date of receipt***(assigned by Secretariat)* | **Type of Proposal***(delete as appropriate)* | **Modification Proposal ID***(assigned by Secretariat)* |
| **TSO** | **19 July 2012** | **Standard** | **Mod\_18\_12** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Michael Carrington**  | **+353-123-70306** | **Michael.carrington@eirgrid.com** |
| **Modification Proposal Title** |
| **Constraint Payments Calculation for Interconnector Residual Capacity Units**  |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC** | **5.70, 5.90, 7.70 & Glossary** | **V10.0 with Intra-Day Trading** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| In line with Mod\_12\_11 Interconnector Unit Loss Adjustment When Exporting which was approved by the Regulatory Authorities in July 2011, a change is proposed to the IRCU calculation in clause 5.90 to align the application of CLAF with this.The SO Trade calculation algorithm is also being modified such that a half hourly Payment amount will be submitted to SEM. The calculation result is the same as today while paragraph 7.70 applies, until the change above for Mod\_12\_11 is implemented to modify this.The existing data interface does not change but the data it contains is modified for the new algorithm. The Import Payment and Import Quantity fields are used if SO Trades in the ½ hourly Trading Period are a net MW import (while the Export Payment and Quantity values are set to zero), while the Export Payment and Export Quantity fields are used if SO Trades in the ½ hourly Trading Period are a net MW export (and the Export Payment and Quantity values are set to zero). The definitions used in 5.70, 5.90, and the Glossary are updated consistent with this as below.There is no change to the format of the data interface or the use of the quantity data in the MSP software. The change simplifies the SO Trade Calculation, and avoids potential error situations were SO Trades net to a zero quantity (and a non-zero price should apply), to cater for an increase in SO Trade activity.For reference: Details on SO Trade activity, including available pricing and individual trade volumes and costs, will be published via the Auction Management Platform system.  |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |

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| 5.70 For each Interconnector *l* on each Trading Day, the relevant System Operator shall submit, as part of the Dispatch Instruction and SO Interconnector Trades Data Transaction in accordance with Appendix K “Market Data Transactions”, data for each Trading Period h in the Optimisation Time Horizon relating to that Trading Day to the Market Operator no later than 14:00 on the day on which the Trading Day ends as follows:1. SO Interconnector Import Payment (SIIPlh) which is the payment for each Trading Period for SO Interconnector Trades when they are a net MW import to the Pool (or zero if there are no such trades);
2. SO Interconnector Export Payment (SIEPlh) which is the payment for each Trading Period for SO Interconnector Trades when they are a net MW export from the Pool (or zero if there are no such trades);
3. SO Interconnector Import Quantity (SIIQIh) which is the time-weighted average net quantity for each Trading Period (expressed as a positive number in MW) of SO Interconnector Trades when they are a net MW import to the Pool (or zero if there are no such trades); and
4. SO Interconnector Export Quantity (SIEQlh) which is the time-weighted average net quantity for each Trading Period (expressed as a negative number in MW) of SO Interconnector Trades when they are a net MW export from the Pool (or zero if there are no such trades).

Constraint Payments for Interconnector Residual Capacity Units5.90       The Market Operator shall calculate the Constraint Payments in respect of each Interconnector Residual Capacity Unit u’ in each Trading Period h (CONPu’h) as follows: $^{}\left(\right)^{}$$$^{}\left(^{}\right)\left(^{}/\_{^{}}\right)$$Where1. SIEPlh is the net SO Interconnector Trades Payment for the relevant Interconnector l for Trading Period h when the SO Interconnector Trades are a net MW export from the SEM
2. SIIPlh is the net SO Interconnector Trades Payment for the relevant Interconnector l for Trading Period h when the SO Interconnector Trades are a net MW import to the SEM
3. CLAFu’h is the Combined Loss Adjustment Factor for Interconnector Residual Capacity Unit u’ in Trading Period h

7.70      Until the date that is the 12th Scheduled Release Deployment Date, paragraph 5.90 will be replaced with:                5.90       The Market Operator shall calculate the Constraint Payments in respect of each Interconnector Residual Capacity Unit u’ in each Trading Period h (CONPu’h) as follows:                                $CONPu^{'}h=\left(SIEPlh +SIIPlh \right)  x CLAFu'h$Where1. SIEPlh is the net SO Interconnector Trades Payment for the relevant Interconnector l for Trading Period h when the SO Interconnector Trades are a net MW export from the SEM
2. SIIPlh is the net SO Interconnector Trades Payment for the relevant Interconnector l for Trading Period h when the SO Interconnector Trades are a net MW import to the SEM
3. CLAFu’h is the Combined Loss Adjustment Factor for Interconnector Residual Capacity Unit u’ in Trading Period h

TSC Glossary

| Name | Term | Subscripts | Units | Description |
| --- | --- | --- | --- | --- |
| SO Interconnector Export Payment | SIEP | lh | € | Total Payment, for each Trading Period h, of SO Interconnector Trades when they are a net MW export from the SEM in the Trading Period, for each Interconnector l |
| SO Interconnector Export Quantity | SIEQ | lh | MW | Time-weighted average quantity for each Trading Period h (expressed as a negative number in MW) of SO Interconnector Trades when they are a net MW export from the SEM in the Trading Period, for each Interconnector l |
| SO Interconnector Import Payment | SIIP | lh | € | Total Payment for each Trading Period, of SO Interconnector Trades when they are a net MW import to the SEM in the Trading Period, for each Interconnector l |
| SO Interconnector Import Quantity | SIIQ | lh | MW | Time-weighted average quantity for each Trading Period h (expressed as a positive number in MW) of SO Interconnector Trades when they are a net MW import to the SEM in the Trading Period, for each Interconnector l |

**SO Interconnector Trade Data Transaction**K.14A The Data Records for the SO Interconnector Trade Data Transaction are described in Table K.16A and the Submission Protocol in Table K.16B.Table K.16A - SO Interconnector Trade Data Transaction Data Records

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| --- |
| Interconnector |
| Trading Day |
| Trading Period |
| SO Interconnector Import Payment (SIIPIh) |
| SO Interconnector Export Payment (SIEPIh) |
| SO Interconnector Import Quantity (SIIQIh) |
| SO Interconnector Export Quantity (SIEQIh) |

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| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| Adjustment of the Constraint Payments Calculation for Interconnector Residual Capacity Units to align it with Mod\_12\_11.The change also simplifies the SO Trade Calculation algorithm, and avoids potential error situations were SO Trades net to a zero quantity (and a non-zero price should apply), to cater for an increase in SO Trade activity. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| Code Objectives* 1. The aim of this Code is to facilitate the achievement of the following objectives:
1. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;
2. to provide transparency in the operation of the Single Electricity Market;
3. to ensure no undue discrimination between persons who are parties to the Code; and
4. to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.
 |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| The treatment of IRCU regarding CLAFs will not align with other units when Mod\_12\_11 is implemented. The clarification of terminology and simplification of the calculation is to cater for increased SO Trade Activity and events that may occur due to this.  |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures)* |
| No | There are no system impacts. The details we’re proposing to change only affect the spreadsheet used by SEMO Operations to calculate the invoice for the SONI. |
| ***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.**