



An Coimisiún
um Rialáil Fónas
Commission for
Regulation of Utilities



Trading and Settlement Code Modifications Committee
C/O Esther Touhey
SEMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

24 August 2018

Our Ref: D/18/14047

SEM Committee Decision for the Regulatory Authorities in relation to Mod_07_18 (Final Recommendation Report FRR_07_18 v2)

Dear Esther,

On 14 June 2018, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal Mod_07_18 clarification of use of variable "b" in NIV and PAR Tagging scenarios in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

The Modification Proposal Mod_07_18 was submitted to the Modifications Committee by the Single Electricity Market Operator (SEMO) on 14 February 2018.

The Proposed modification seeks to amend Part B of the TSC rules to clarify the algebra around the determination of Net Imbalance Volume (NIV) and Price Average Reference (PAR) Tags in the determination of the Imbalance Price.

The Regulatory Authorities note that a presentation was made to the Modifications Committee meeting on 13 March 2018 and on the 25 April 2018 summarising the requirement for this proposal and providing detailed examples. This proposal clarifies the algebra around the determination of Net Imbalance Volume (NIV) and Price Average Reference (PAR) Tags in the determination of the Imbalance Price. The two primary things which influence these outcomes are what values the variables b and β (beta) have, and the relationship between the different ranks (k) of actions in relation to action b . The proposals allow variable b to have a wider range so that they can account for situations where the entirety of the first Accepted Bid or last Accepted Offer needs to be untagged (from $1 \leq b \leq N$ to $0 \leq b \leq N+1$). The Regulatory Authorities note that the Members of the Modifications Committee were unanimous in their view to approve this

Modification Proposal (at the second Modifications Committee meeting on 25 April 2018 following amendments to first proposal).

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee direct that a Modification, as set out in Appendix 1 of FRR_07_18, is implemented on a Settlement Day basis with effect from one Working Day after the date of this letter.

Yours sincerely,



Barry Hussey,
Manager
Wholesale Electricity Markets