

MODIFICATION PROPOSAL FORM			
Proposer <i>(Company)</i>	Date of receipt <i>(assigned by Secretariat)</i>	Type of Proposal <i>(delete as appropriate)</i>	Modification Proposal ID <i>(assigned by Secretariat)</i>
CRU & UR	8th April 2020	Urgent	Mod_03_20
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Gina Kelly		gkelly@cru.ie	
Modification Proposal Title			
Temporary Modification to Section B.18.3.2 to introduce an RA approval process for all Suspension Orders			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of T&SC or AP used in Drafting	
T&SC Part B Agreed Procedures Part B	Section B.18.3.2 Agreed Procedure 18 'Suspension and Termination'	Version of 12 April 2019	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>The RAs propose to make a temporary amendment to Section B.18.3.2 of the Trading and Settlement Code (to be added via Section H 'Interim Arrangements'), in order to amend the process for the Market Operator to issue a Suspension Order during the COVID-19 crisis to require RA approval before any Suspension Orders are issued.</p> <p>Currently, a Suspension Order may be issued by the Market Operator under Section B.18.3.1 of the Code with the prior written approval of the RAs for a number of reasons, including for example where a Party has committed 3 Defaults within a period of 20 Working Days or has failed to comply with a Default Notice.</p> <p>Separately, a Suspension Order in relation to a Participant's Credit Cover requirements may be issued under Section B.18.3.2 without RA approval. SEMO regularly carries out Credit Assessments to determine the appropriate level of Credit Cover for a Participant. Where this needs to be increased, SEMO will issue a Credit Cover Increase Notice which a Participant has two working days to comply with. A Suspension Order may be issued in the event that;</p> <p>(a) a Credit Call is made and a Participant's Credit Cover Provider fails to meet the demand within the timeframe provided for under this Code; or</p> <p>(b) a Participant fails at any time to provide the Required Credit Cover as required under this Code.</p> <p>When the Market Operator issues a Suspension Order, this is published on the SEMO website and takes effect following the 7-day Supplier or Generator Suspension Delay Period. During this time, the RAs may instruct SEMO to lift the Suspension Order or the Party in question may remedy the issue which led to the Suspension Order.</p> <p>This Modification proposes to amend Section B.18.3.2 so that RA approval will also be required, on a temporary basis, before a Suspension Order is issued in relation to a Credit Call or Credit Cover requirements, in order to provide time for the RAs and SEMO to assess the Parties' situation and whether the issue can be addressed before a Suspension Order is issued and published on SEMO's website. The RAs consider that due to the current unusual circumstances, there may be delays in business processes and payments and issues may arise which can be addressed within relatively short timeframes before any Suspension Orders are issued.</p> <p>If this Modification is implemented and RA approval is required to issue a Suspension Order under Section</p>			

B.18.3.2, the RAs will engage with the affected Party and issue a decision to SEMO to either approve or reject the Suspension Order.

The RAs propose to implement this temporary Modification for an initial 3-month period from the date the Modification is approved, with a provision to extend the Modification for a further 3 months via a letter from the RAs to SEMO.

Legal Drafting Change

*(Clearly show proposed code change using **tracked** changes, if proposer fails to identify changes, please indicate best estimate of potential changes)*

These legal drafting changes will be added to Section H 'Interim Arrangements for an initial 3-month period from the date the Modification is approved.

B.18.3.2 In the event that:

- (a) a Credit Call is made and a Participant's Credit Cover Provider fails to meet the demand within the timeframe provided for under this Code; or
- (b) a Participant fails at any time to provide the Required Credit Cover as required under this Code, then, ~~notwithstanding paragraph B.18.3.1 and~~ subject to paragraphs B.18.3.3, B.18.4.3 and B.18.4.4, the Market Operator shall, ~~with the prior written approval of the Regulatory Authorities at the same time as or following the issue of the Default Notice to the Defaulting Party in respect of such Default,~~ issue a Suspension Order in respect of all of the relevant Participant's Units. ~~The Regulatory Authorities shall issue a decision to the Market Operator to either approve or reject the Suspension Order.~~

~~This approval process under Section B.18.3.2 shall have effect unit XX 2020. The Regulatory authorities may write to SEMO before this date to extend the application of this temporary process for a further three-month period.~~

The table in Section 3.3. of Agreed Procedure 18 'Suspension and Termination' will be updated to reflect this temporary change.

Modification Proposal Justification

(Clearly state the reason for the Modification)

This Modification aims to mitigate circumstances which may arise during the COVID-19 crisis where a Suspension Order is issued to a Party and published on SEMO's website, which may impact negatively on a Party, where an issue arises that may be resolved within a short time period.

This has been raised as an Urgent Modification in line with Section B.17.16.3 of the TSC as the circumstances which the Modification seeks to address could occur during the COVID-19 crisis which may unduly interfere with the operation of the SEM.

Code Objectives Furthered

(State the Code Objectives the Proposal furthers, see Section 1.3 of Part A and/or Section A.2.1.4 of Part B of the T&SC for Code Objectives)

- (c) *to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;*

This Modification seeks to continue to ensure that the SEM operates in a financially secure manner and minimise risk on Participants for a limited time period during the current COVID-19 crisis.

(g) 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.

This Modification aims to minimise disruption to consumers and avoid Suspension Orders which may impact on Participants as much as possible during this time.

Implication of not implementing the Modification Proposal
(State the possible outcomes should the Modification Proposal not be implemented)

If this Urgent Modification is not implemented, a Suspension Order may be issued to a Party automatically due to an issue which has arisen during these unusual market circumstances, which may be resolved relatively quickly. If a Suspension Order is issued without allowing a limited time period to resolve the issue, Participants may be negatively impacted.

Working Group
(State if Working Group considered necessary to develop proposal)

Impacts
(Indicate the impacts on systems, resources, processes and/or procedures; also indicate impacts on any other Market Code such as Capacity Market Code, Grid Code, Exchange Rules etc.)

Please return this form to Secretariat by email to balancingmodifications@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 either Part A or Part B Appendix D "List of Agreed Procedures". The Proposer will need to specify whether the Agreed Procedure to modify refers to Part A, Part B or both.
T&SC / Code:	means the Trading and Settlement Code for the Single Electricity Market. The Proposer will also need to specify whether all Part A, Part B, Part C of the Code or a subset of these, are affected by the proposed Modification;
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 Part A or Chapter B of Part B of the Code (and Part A Agreed Procedure 12 or Part B 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:
 - 1.1 to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
 - 1.2 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;
 - 1.3 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.