

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

2 November 2022

Our Ref: F/25/443

SEM Committee Decision for the Regulatory Authorities in relation to Mod_11_22 (Final Recommendation FRR_11_22)

Dear Esther,

On 22 September 2022, the Modifications Committee submitted its Final Recommendation Report (FRR) with regard to Modification Proposal Mod_11_22 'Permitting the use of email to communicate credit cover changes on Demand Guarantees' in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC). The Modification Proposal Mod_11_22 was submitted to the Modifications Committee by Pinergy on 23 August 2022 and discussed and voted on at Meeting 112 on 6 September 2022 with a version 2 submitted on 7 September 2022.

Mod_11_22 was proposed to modify Part B of the TSC, Appendices and Agreed Procedures to accept alternative forms of communication to be used for the registration, cancellation and amendment of Demand Guarantees. Currently, the registration, cancellation, and amendment of Letters of Credit (LoC) and Demand Guarantees are being communicated by SWIFT. SWIFT is a messaging network that Financial Institutions use to transmit information and instructions

through a standardised system of codes and is typically used by Banks. The alternative form of communication proposed for use in the context of Demand Guarantees is e-mail. However, communication for LoCs would continue to be done via SWIFT only. This modification was proposed in order to facilitate the use of a Demand Guarantee as collateral with alternative forms of communication provided for in addition to SWIFT, as some providers of Demand Guarantees do not have access to the SWIFT system.

The RAs note that this Modification was recommended for approval on a unanimous basis by the Modifications Committee.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee directs that a Modification, as set out in Appendix 1 of FRR_11_22, is implemented on a Settlement Day basis on the second Settlement Day following publication of this decision.

Yours sincerely,

Gráinne Black
Manager
Wholesale Electricity Markets
Commission for Regulation of Utilities

Leigh Greer
Manager
Wholesale Electricity Markets
Utility Regulator

(Sent by email with no signature)