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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)* |
| SEMO | **30/08/18** | Standard | **MOD\_31\_18** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| Michael Kelly |  | Michael.Kelly@Eirgrid.com |
| **Modification Proposal Title** |
| **Imbalance Pricing during outages of the Imbalance Pricing System** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| T&SC Part BT&SC Part B Glossary | Part B Section E.2.2.3 | Version 20 |
| **Explanation of Proposed Change***(mandatory by originator)* |
| This proposed modification is adding a further backup to the steps outlined in Section E2.2.3 if the Market Operator cannot calculate the Imbalance Price following a scheduled outage of greater than one hour of the Market Systems. The Market Operator is proposing that if the Imbalance Price cannot be calculated following an outage then the price associated with the Day-Ahead Trade Quantities is used instead. There is a separate modification proposal submitted for using the price associated with the Day-Ahead Trade Quantities (see ref XXX).  |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| E.2.2.3 In the event of a scheduled outage of the Imbalance Pricing System of no longer than one hour, the Market Operator may delay the calculation and publication of Imbalance Prices for the Imbalance Pricing Periods, and Imbalance Settlement Prices for the Imbalance Settlement Periods, during the scheduled outage and until such time as the relevant system returns to service and the Market Operator is able to calculate those prices. Where the outage is not scheduled or is of greater length than one hour, E.2.2.4 then applies and the price is set to the Market Back-Up Price in accordance with section E.5. The Market Operator shall notify Participants of any scheduled outage of the Imbalance Pricing System, and of the time at which it intends to recommence publishing Imbalance Prices and Imbalance Settlement Prices after the scheduled outage. |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| While it is expected that scheduled outages will be of short duration, it is not possible to exclude the possibility of a long duration scheduled outage, or an outage over-run. This modification seeks to make the operation of the market more robust and controlled under this unlikely scenario. The current system design and implementation is such that it is not practical to pause and resume the Imbalance Price if the duration of the outage is greater than one hour. This modification is necessary to allow an Imbalance Price to be utilised which is not a static value based on the most recent Imbalance Price. This is especially valuable to the market if the outage is of extended duration as this modification would deliver a price more reflective of the prevailing market conditions. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| Implementation of this proposed modification helps to provide further transparency in the operation of the Single Electricity Market by ensuring that an Imbalance Price associated with the Day-Ahead Trade Quantities is available in the event that a Backup Imbalance Price cannot be generated by the system during a scheduled outage.  |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| Following a scheduled outage the Market Operator must calculate the Imbalance Price once the Market Systems return. There is a requirement to have Imbalance Prices available for initial settlement by 14:00 on D+1. There could be times whereby the Imbalance Price may not be available by then unless this interim modification is adapted. |
| **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 Marker Code, Grid Code, Exchange Rules etc.)* |
| Not required | The Market Operator needs to develop a day ahead process to publish the price associated with the Day-Ahead Trade Quantities for that Imbalance Settlement Period. This will be made available on the [www.sem-o.com](http://www.sem-o.com) website. The Market Operator will also make reasonable endeavours to publish a market message to participants in the event that the Imbalance Price has reverted to the price associated with the Day-Ahead Trade Quantities. This was raised as part of a separate mod (ref: XXX) |
| ***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 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. **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.**