

MODIFICATION PROPOSAL FORM			
Proposer <i>(Company)</i>	Date of receipt <i>(assigned by System Operator)</i>	Type of Proposal <i>(delete as appropriate)</i>	Modification Proposal ID <i>(assigned by System Operator)</i>
RA's	4 th July 2024	Urgent	CMC_10_24
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Lorcan Kennedy		lkennedy@cru.ie	
Modification Proposal Title			
Introduction of Intermediate Length Contracts			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of CMC used in Drafting	
Capacity Market Code	Section D.3.1.2; Section E.5.1.1; Section E.5.1.8; Section E.5.8.1; Section E.8.5.1; Section E.8.5.2; Section E.8.7.1; Section F.7.1.1; Section F.7.1.3; Section G.3.1.9; Section J.2.1.1(c); Section J.6.1.1(b); Section M; Glossary.	11.0	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>This modification proposal sets out the proposed approach to implement the policy decisions set out in SEM-24-035, which was published on 2 May 2024, and is being raised as urgent in order to ensure implementation of the relevant policy decisions ahead of the T-4 2028/2029 auction.</p> <p>Under the pre-existing market design, market participants can only bid for a contract of one-year in duration, or, in the case of New Capacity which has successfully applied to the RAs to obtain a New Capacity Exception, a contract of up to 10 years. The decision published in SEM-24-035 allows both existing and new capacity to apply to the RAs to obtain a contract length of up to five years where they can demonstrate the following:</p> <ol style="list-style-type: none"> 1. That the unit will be investing more than €100,000/MWd (the Intermediate Contract Investment Rate Threshold (ICIRT)), and that this investment will be efficiently incurred and delivers relevant benefits to consumers. 2. That, post-investment, the unit will emit no more than 550gCO₂/kWh. If a unit is subject to run-hour limits, investment made under an ILC contract should aim to remove the emission restriction on run hours or, at the least, not exacerbate the restriction. <p>In order to implement the proposed modification, changes are set out below in the following sections of the CMC Section D.3.1.2; Section E.5.1.1; Section E.5.1.8; Section E.5.8.1; Section E.8.5.1; Section E.8.5.2; Section E.8.7.1; Section F.7.1.1; Section F.7.1.3; Section G.3.1.9; Section J.2.1.1(c); Section J.6.1.1(b); Section M and the Glossary. Commentary is included in italics below to explain the proposed changes in each of these sections.</p> <p>The Regulatory Authorities have engaged with the Transmission System Operators in preparing the below legal drafting for consultation.</p>			
Legal Drafting Change			

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

// Paragraphs preceded by // and in italics should be considered as commentary are not proposed as changes to the CMC.

// Wording added to clarify that B.9.1.2 on Market Manipulation applies to the submission of Exception Applications.

B.9.1.2 “Market Manipulation” means:

- (a) submitting bids or offers, [Exception Applications](#) or an Opt-Out Notification or other information to the System Operators or any other person or taking any action, or refraining from taking any action, in each case which:
 - (i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of capacity traded through a Capacity Auction or Secondary Trade Auction;
 - (ii) secures, or attempts to secure, by a person, or persons acting in collaboration, the Auction Clearing Price of a Capacity Auction or value of a trade in a Capacity Auction or Secondary Trade Auction at an artificial level unless the person concerned establishes that its reasons for doing so are legitimate and that the transaction or order concerned conforms to accepted market practices; or
 - (iii) employs, or attempts to employ, a fictitious device or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals regarding the supply of, or demand for, capacity traded through a Capacity Auction or Secondary Trade Auction or the Auction Clearing Price of a Capacity Auction or value of a trade in a Capacity Auction or Secondary Trade Auction; or
- (b) disseminating information through any media which gives, or is likely to give, false or misleading signals as to the supply of, or demand for, or likely Auction Clearing Price of a Capacity Auction or value of a trade in a Capacity Auction or Secondary Trade Auction where the person doing so knows or ought to have known the information to be false or misleading;
- (c) any other act, omission, concerted practice or agreement, which has as its object or effect the prevention, restriction or distortion of competition in any Capacity Auction or Secondary Trade Auction;
- (d) doing anything which would constitute a breach of any law intended to prohibit or restrict anti-competitive practices relevant to participation in any Capacity Auction or Secondary Trade Auction; or
- (e) any other act or omission which from time to time is prescribed by any Applicable Law as constituting market manipulation.

// Update the initial Auction Information Pack provisions to provide for a table of Capacity Investment Rate Thresholds to be specified by the Regulatory Authorities. This would take the form of a table relating Capacity Investment Rate Thresholds to eligibility for specified Maximum Capacity Durations. In addition, it is proposed to allow the specification of multiple values of PS rate and termination charge rates for new and refurbished capacity (based on existing capacity) and this would allow the refurbished rates to be set to zero in accordance with SEMC decision that these would not apply.

D.3.1.2The Initial Auction Information Pack for a Capacity Auction shall set out:

...

(h) the final €/MW rate of the New Capacity Investment Rate Thresholds to be used in the Capacity Auction and the associated Maximum Capacity Durations;

...

(m) in respect of Performance Securities:

(i) the final Performance Security Posting Dates/ Events applicable to Awarded New Capacity allocated in the Capacity Auction; and

(ii) for each Performance Security Posting Date/ Event, the final €/MW rates to be applied in respect of new and refurbished capacity in setting Performance Securities applicable to Awarded New Capacity allocated in the Capacity Auction;

(n) the final €/MW fee rates in respect of new and refurbished capacity for calculating Termination Charges applicable to Awarded New Capacity allocated in the Capacity Auction;

// Allow any capacity that exceeds the relevant Capacity Investment Rate Threshold to apply for a Maximum Capacity Duration specified in the IAIP. Introduce the term Unit Specific Net Going Forward Costs to the CMC as defined from time to time by the Regulatory Authorities.

E.5.1.1 A Participant may seek the approval of the Regulatory Authorities for one or more of the following Exceptions:

(a) where the relevant Capacity Investment Rate Threshold specified in the Initial Auction Information Pack is exceeded, proposed New Capacity to have a Maximum Capacity Duration of more than one and up to the number of 10 Capacity Years specified in the Initial Auction Information Pack;

(b) where the Unit Specific Net Going Forward Costs exceed the Existing Capacity Price Cap specified in the Initial Auction Information Pack, all or a specified part of Existing Capacity to be subject to a Unit Specific Price Cap in a Capacity Auction.

E.5.1.8 If a Participant makes an Exception Application, then the Regulatory Authorities shall notify the Participant and the System Operators whether or not they approve the Exception Application and, if they do approve it, the following as applicable:

(a) the Unit Specific Price Cap approved by the Regulatory Authorities and the capacity to which it relates;

(b) if the Unit Specific Price Cap approved by the Regulatory Authorities applies to only part of the Existing Capacity associated with a Capacity Market Unit or proposed Capacity Market Unit, the quantity (called the "Unit Specific Offer Price Cap Breakpoint") beyond which the Unit Specific Price Cap applies. For the avoidance of doubt, a Unit Specific Offer Price Cap Breakpoint may be zero;

(a) if the Exception Application is seeking a Maximum Capacity Duration for New Capacity of longer than one year, (c) the Maximum Capacity Duration approved by the Regulatory Authorities for the New Capacity, (which must be 10 Capacity Years); or

(b) if the Exception Application is seeking a Unit Specific Price Cap for all or part of the Existing Capacity associated with a Capacity Market Unit or proposed Capacity Market Unit:

(i) the Unit Specific Price Cap approved by the Regulatory Authorities and the capacity to which it relates; and

(ii) if the Unit Specific Price Cap approved by the Regulatory Authorities applies to only part of the Existing Capacity associated with a Capacity Market Unit or proposed Capacity Market Unit, the quantity (called the "Unit Specific Offer Price Cap Breakpoint") beyond which the Unit Specific Price Cap applies. For the avoidance of doubt, a Unit Specific Offer Price Cap Breakpoint may be zero.

// Change Firm Offer Requirement to reflect lesser of firm network access and net de-rating capacity existing and apply this to Existing and New Capacity. This will ensure that any unit that has firm access to the system including Existing Capacity and New Capacity that is repowered or refurbished based on previous Existing Capacity will be required to submit an offer. As all New Capacity that is not repowered or refurbished based on Existing Capacity is

treated as non-firm initially, the Firm Offer Requirement for capacity yet to be built would remain as zero.

E.8.5.1 For each Capacity Market Unit that is not a Demand Side Unit, the System Operators shall determine the Firm Offer Requirement as ~~the lesser of:~~

~~(a) — the sum of the Capacity Market Unit's Net De-Rated Capacity (Existing) and Net De-Rated Capacity (New) Qualified to participate in the Capacity Auction; and~~
~~(b) — the greater of zero and the Capacity Market Unit's De-Rated Firm Network Access Capacity determined in accordance with paragraph E.8.5.3 less the quantity of Awarded Capacity for that Capacity Market Unit for the Capacity Year allocated in previous Capacity Auctions.~~

E.8.5.2 For a Capacity Market Unit that is a Demand Side Unit or which is an aggregation of candidate units that are Demand Side Units, the System Operators shall determine the Firm Offer Requirement as the sum of the Capacity Market Unit's Net De-Rated Capacity (Existing) ~~and Net De-Rated Capacity (New) Qualified to participate in the Capacity Auction.~~

F.7.1.1 A capacity auction offer ("Capacity Auction Offer") shall relate to a single Capacity Market Unit and shall comply with the following requirements:

(h) the cumulative quantity offered in respect of Existing Capacity shall be no less than the lesser of:

(i) the Net De-Rated Capacity (Existing) of that Capacity Market Unit; and
(ii) the Firm Offer Requirement for that Capacity Market Unit; and must be no greater than the Net De-Rated Capacity (Existing) of that Capacity Market Unit;

(i) the cumulative quantity offered in respect of New Capacity shall be no less than the greater of the Firm Offer Requirement less the Net De-Rated Capacity (Existing) and zero and must be no greater than the Net De-Rated Capacity (New) of that Capacity Market Unit;

F.7.1.3 If a Participant does not submit a valid set of price-quantity pairs in respect of a Capacity Market Unit with a non-zero Firm Offer Requirement, then the System Operators shall determine a set of price-quantity pairs for that Capacity Market Unit comprising:

(a) if the Capacity Market Unit includes a non-zero Net De-Rated Capacity ~~for (Existing) Capacity~~ eligible to participate in the Capacity Auction, a single step with:

(i) a quantity being the lesser of:
(A) the Net De-Rated Capacity ~~for (Existing) Capacity~~ of that Capacity Market Unit; and
(B) the Firm Offer Requirement of the Capacity Market Unit;
(ii) a price equal to the Offer Price Cap Curve applicable to that quantity of Existing Capacity;

(iii) a flag indicating that the step is Flexible; and
(iv) a duration of one Capacity Year;

(b) if the Capacity Market Unit includes a non-zero Net De-Rated Capacity for New Capacity eligible to participate in the Capacity Auction, a single step with:

(i) a quantity being the lesser of:
(A) the Net De-Rated Capacity (New) of that Capacity Market Unit; and
(B) the greater of the Firm Offer Requirement of the Capacity Market Unit less the Net De-Rated Capacity (Existing) and zero;
(ii) a price equal to the Offer Price Cap Curve applicable to that quantity of New Capacity;
(iii) a flag indicating that the step is Flexible; and
(iv) a duration of one Capacity Year;

~~then no step shall be determined for it and that New Capacity will be excluded from the Capacity Auction.~~

//Offer Price Cap section is updated and reordered to provide for application of USPC to New Capacity that is repowered or refurbished based on previous Existing Capacity.

E.8.7 Offer Price Caps and Curves

E.8.7.1 Offer Price Caps shall be determined as follows:

- (a) for Demand Side Units (including within a combination of Candidate Units), the Offer Price Cap ~~for New Capacity~~ shall be the Auction Price Cap;
- (b) for other New Capacity that is neither repowered nor refurbished capacity based on previous Existing Capacity, the Offer Price Cap ~~for Existing Capacity associated with Demand Side Units (including within a combination of Candidate Units)~~ shall be the Auction Price Cap;
- ~~(c)~~ the Offer Price Cap for other other Existing Capacity and other New Capacity that is repowered or refurbished capacity based on previous Existing Capacity, the Offer Price Cap shall be:
 - (i) if the Regulatory Authorities have approved a Unit Specific Price Cap for all of the ~~Existing C~~capacity associated with the Capacity Market Unit, the approved Unit Specific Price Cap;
 - (ii) if the Regulatory Authorities have approved a Unit Specific Price Cap for ~~Existing C~~capacity associated with the Capacity Market Unit beyond a specified Unit Specific Offer Price Cap Breakpoint, the Existing Capacity Price Cap for such capacity offered up to (and including) that Unit Specific Offer Price Cap Breakpoint and the ~~approved~~ Unit Specific Price Cap for such capacity offered beyond that Unit Specific Offer Price Cap Breakpoint; or
 - (iii) otherwise, the Existing Capacity Price Cap,provided that, in the case of ~~Existing Capacity associated with~~ an Autoproducer Unit where the Autoproducer Demand Reduction Volume for the relevant Autoproducer Site is not zero, the Offer Price Cap for capacity offered beyond the Autoproducer Offer Price Cap Breakpoint shall be the Auction Price Cap.

// To ensure that refurbished capacity continues to be treated as Existing Capacity up to Substantial Completion, a new paragraph is included after table G.3.1.8 to state that this capacity will be treated as existing and settled at the Auction Clearing Price until such time as they reach either the SC or the Long Stop Date, which will be the end of the Capacity Year.

G.3.1.9 For the purposes of G.3.1.8, New Capacity that is repowered or refurbished capacity based on previous Existing Capacity that has not achieved Substantial Completion prior to the Long Stop Date shall be considered as Existing Capacity with a Capacity Payment Price equal to the Auction Clearing Price.

// Require that works associated with providing the Awarded New Capacity (including refurbished capacity) be those described in the approved Exception Application and also that post investment ARHL for refurbished capacity is not less than the ARHL associated with the Existing Capacity prior to the refurbishment.

J.2.1.1 Subject to paragraphs J.2.1.3 and J.2.1.4, the Implementation Plan in respect of Awarded New Capacity shall include the following Major Milestones (and dates by which they must be achieved):

- (c) Substantial Completion: this milestone is achieved when:
 - (i) all the construction, repowering or refurbishment works associated with providing the Awarded New Capacity (as described in the approved Exception Application where applicable) are substantially complete (subject only to snag or punch list items or any other matters which do not prevent substantial completion or taking over the works taking place under the applicable Major Contracts);
 - (ii) a Final Compliance Certificate, Operational Certificate or Final Operational Notification has been issued under the applicable Grid Code or Market Readiness Certificate has been issued in respect of each new or refurbished Generator Unit or Interconnector providing the Awarded New Capacity;

- (iii) the Proportion of Delivered Capacity in respect of the Awarded New Capacity is not less than 90%; and
- (iv) each new or refurbished Generator Unit or Interconnector providing the Awarded New Capacity has met all Trading and Settlement Code and Grid Code requirements for participating in the Balancing Market; ~~and~~
- (v) each new or refurbished Generator Unit providing Awarded New Capacity complies with the CO2 Limits; and,
- (vi) each refurbished Generator Unit has an Annual Run Hour Limit not less than the Annual Run Hour Limit that applied prior to the refurbishment described in the approved Exception Application.

// Introduce a Long Stop Date at end of Capacity Year for five year Awarded New Capacity

J.6.1.1 For the purposes of this section:

...

- (b) Long Stop Date: the Long Stop Date in respect of Awarded New Capacity means
 - (i) in the case of a Capacity Award with a capacity duration greater than ~~one~~five years, the last day of the eighteenth full calendar Month after the start of the first Capacity Year in which the Awarded New Capacity is to be provided; or
 - (ia) in the case of a Capacity Award with a capacity duration greater than one year and less than or equal to five years, the last day of the Capacity Year in which the Awarded New Capacity is to be provided; or
 - (ii) in the case of a Capacity Award with a capacity duration of one year or less, the last day of the first full calendar Month after the start of the first Capacity Year in which the Awarded New Capacity is to be provided; or
 - (iii) such later date as specified under paragraph J.5.5.1; or
 - (iv) as otherwise approved by Regulatory Authorities prior to the publication of the Final Auction Information Pack.

// On a temporary basis, for the purposes of the T-4 2028/29 auction only, the SEM Committee proposes to introduce the following legal drafting into Chapter M of the CMC. This will allow the SEM Committee to issue directions to ensure the full implementation of SEM-24-035.

M. 15.1 The provisions of this section M.15 apply only in respect of the T-4 Auction for Capacity Year 2028/29 (the **Relevant Auction**).

M.15.2 This Code (with the exception of Chapters B and M) shall apply in respect of the Relevant Auction subject to such adjustments as may from time to time be specified in or provided by directions given by the Regulatory Authorities for a Relevant Purpose.

M.15.3 The power conferred by M.15.2 above may be exercised on more than one occasion and may be used to alter, replace or revoke directions previously given in the exercise of that power.

M.15.4 Directions given by the Regulatory Authorities pursuant to M.15.2 above may be published in such manner as they consider appropriate and shall take effect from their date of publication.

M.15.5 For the purpose of this section M.15, a purpose is a **Relevant Purpose** if it is one for giving effect to or facilitating in whole or in part the decisions of the SEM Committee contained in section 5 of the decision document entitled, "Capacity Remuneration Mechanism (CRM): Intermediate Length Contracts, Decision Paper SEM-24-035", published on 2 May 2024.

// Here we make a number of important changes to defined terms:

1) We introduce the refurbishment to the Date of Commercial Production to ensure that CO2 Limits that apply are associated with New Capacity rather than older pre-2019 capacity.

- 2) We align the definition of New Capacity with the descriptions set out in Chapter J where it refers to the new, repowered or refurbished Generator Unit. Under this modification proposal, Existing Capacity undergoing refurbishment is considered as New Capacity.
- 3) The Capacity Investment Rate Threshold is generalised so it can be used for 5-year and 10-year exception applications. Unit Specific Net Going Forward Costs is introduced to cover its use in the Exception Application process for Unit Specific Price Caps.

Date of Start of Commercial Production means the date on which a Capacity Market Unit or CMU Component has been commissioned and started providing metered electrical output. Where a Capacity Market Unit or CMU Component undergoes refurbishment or repowering associated with Awarded New Capacity with a duration of greater than one year, this date is the date of Substantial Completion of the Awarded New Capacity.

New Capacity means, in respect of the Qualification Process and its associated Capacity Auction, the planned capacity of a new, repowered or refurbished Generator, Generator Unit or Interconnector forming the whole or part of a Capacity Market Unit or proposed Capacity Market Unit, or the incremental increase in the capacity of an existing Generator, Generator Unit or Interconnector forming the whole or part of a Capacity Market Unit or proposed Capacity Market Unit (which has yet to complete Commissioning under the relevant Grid Code), and the planned capacity or incremental increase in capacity of the Capacity Market Unit that comprises them. Where a Demand Site would otherwise be considered New Capacity for the sole reason of a change of its registered Demand Side Unit then it shall be considered Existing Capacity in the determination of the ARHL De-Rating Factor to apply under this Code.

New Capacity Investment Rate Threshold means a minimum €/MW or £/MW investment cost amount determined by the Regulatory Authorities ~~that must be exceeded by the cost per MW of constructing New Capacity~~ for that capacity to be eligible to be allocated Awarded Capacity with a duration of more than one year and is provided to the System Operators under paragraph **Error! Reference source not found.**

Unit Specific Net Going Forward Costs means a set of costs specified by the Regulatory Authorities from time to time as part of the Exception Application process for determining whether a Participant is eligible for a Unit Specific Price Cap.

Modification Proposal Justification

(Clearly state the reason for the Modification)

Intermediate Length Contracts (ILCs) are a new mechanism for market participants to avail of a contract of up to five years. This policy has been introduced by the SEM Committee for a number of reasons, including:

- ILCs may encourage Existing Capacity to carry out refurbishment work and bridge the capacity gap between the late 2020s and early 2030s, which could both promote plant efficiency and avoid the need to lock-in additional high-carbon-emitting New Capacity, with a longer economic life than Existing Capacity.
- ILCs may de-risk investment in capacity at a time when the SEM is short of capacity and experiencing increased forced outage rates. Investment in refurbishment may help improve plant performance and reliability.
- ILCs may facilitate investment to increase plant efficiency and decrease the emissions of the existing fleet.
- ILCs may also represent a cost-effective option for the consumer, given the current costs associated with delivering new capacity.

The Modification Proposal seeks to implement the SEM Committee decisions set out in SEM-23-035.

Code Objectives Furthered

(State the Code Objectives the Proposal furthers, see Sub-Section A.1.2 of the CMC Code Objectives)

The Capacity Market Code objectives are:

- (a) to facilitate the efficient discharge by EirGrid and SONI of the obligations imposed by their respective Transmission System Operator Licences in relation to the Capacity Market;
- (b) to facilitate the efficient, economic and coordinated operation, administration and development of the Capacity Market and the provision of adequate future capacity in a financially secure manner;
- (c) to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of electricity capacity in the Capacity Market;
- (d) to promote competition in the provision of electricity capacity to the SEM;
- (e) to provide transparency in the operation of the SEM;
- (f) to ensure no undue discrimination between persons who are or may seek to become parties to the Capacity Market Code; and
- (g) through the development of the Capacity Market, to promote the short-term and long-term interests of consumers of electricity with respect to price, quality, reliability, and security of supply of electricity across the Island of Ireland.

The modification furthers the Capacity Market Code objectives (b) and (g) in particular.

Implication of not implementing the Modification Proposal

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

The CMC would not reflect the decision set out in SEM-24-035 if not implemented.

Impacts

(Indicate the impacts on systems, resources, processes and/or procedures)

Possible impacts involve the increased administrative resources to process ILC applications for each auction along with the associated processes before and after each successive auction.

Please return this form to the System Operators by email to CapacityModifications@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 Regulatory Authorities.
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:

CMC / Code:	means the Capacity Market 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 "System Operators" 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 B.12 of the Code, 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 System Operators and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
 - 1.2 to the Regulatory Authorities 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 System Operators 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 Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.