MODIFICATION PROPOSAL FORM			
Proposer *(Company)*	**Date of receipt** *(assigned by Secretariat)*	**Type of Proposal** *(delete as appropriate)*	**Modification Proposal ID** *(assigned by Secretariat)*
SSE	**1st June 2022**	**Standard**	**Mod_06_22**

Contact Details for Modification Proposal Originator		
Name	**Telephone number**	**Email address**
Stacy Feldmann		Stacy.Feldmann@sse.com

Modification Proposal Title
Housekeeping alignment modification for Mod_01_20 and Mod _02_21

Documents affected *(delete as appropriate)*	**Section(s) Affected**	**Version number of T&SC or AP used in Drafting**
T&SC Part B	**E.3.4.2**	**Version 26.0**

Explanation of Proposed Change *(mandatory by originator)*
Mod_01_20 sought to address the systems logic that only required a single energy action to be present in the stack in order to set the PMEA. This has been approved and is deployed. However, since this modification was proposed, subsequent market experiences gave rise to Mod 02_21, in order to mitigate significant market impacts. The action of both of these mods in the market, has given rise to an unintended consequence relating to system actions. Both modifications have value in the market, however, there is a consistency point we have identified—which would benefit from being remedied. Therefore, to address this, we are proposing a straightforward modification to address this unintended consequence and ensure alignment between these two modifications. The legal drafting below proposes simply that the formula reflects the Strike Price, rather than PCAP. We consider this would be in keeping with the intent of Mod_01_20 whilst preventing unintended consequences.

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

Original text from most recent version of TSC

E.3.4.2 For each Imbalance Pricing Period, φ, the Market Operator shall calculate the

Marginal Energy Action Price (PMEAφ) as follows:

If $QNIV\varphi > 0$ and there are no $PBOuk\varphi$ in the same direction as the NIV where $FIPuk\varphi = 1$, $PMEA\varphi = PCAP$;

Where, PCAP is the Market Price Cap

Proposed updated legal drafting

E.3.4.2 For each Imbalance Pricing Period, φ, the Market Operator shall calculate the

Marginal Energy Action Price (PMEAφ) as follows:

If $QNIV\varphi > 0$ and there are no $PBOuk\varphi$ in the same direction as the NIV where $FIPuk\varphi = 1$, $PMEA\varphi = PSTR_m$;

Where PSTRm is the Strike Price for Month, m, which contains Imbalance Settlement Period, γ

Modification Proposal Justification
(Clearly state the reason for the Modification)
This change will address and unintended consequence of the proposed change under Mod_01_20 whilst preserving the intent of this previous proposal to change the systems logic. This also aligns with the logic of ensuring that constraint actions taken by the TSO do not trigger the Reliability Option, in the same way as 02_21 will do.

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)
(b) to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;
(c) to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market;

Implication of not implementing the Modification Proposal
(State the possible outcomes should the Modification Proposal not be implemented)
Failure to implement this proposal will risk Reliability Options being triggered in instances of TSO interconnector actions.

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.)*
	We would propose that this is a changing in mapping with no new parameters being created. Therefore, we consider the change to be potentially minor.

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.