



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

19 June 2018

Our Ref: D/18/9836

SEM Committee Decision for the Regulatory Authorities in relation to Mod_05_18 (Final Recommendation Report FRR_05_18)

Dear Esther,

On 11 May 2018, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal Mod_05_18 clarification of Administered Scarcity Pricing function for scenarios not yet covered in rules in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

The Modification Proposal Mod_05_18 was submitted to the Modifications Committee by the Single Electricity Market Operator (SEMO) on 14 February 2018.

The Proposed modification seeks to amend Part B of the TSC rules to clarify the functioning of Administered Scarcity Pricing in situations which can arise in practice, but which do not materially impact the result of the Imbalance Price, even in times of the ASP function being triggered.

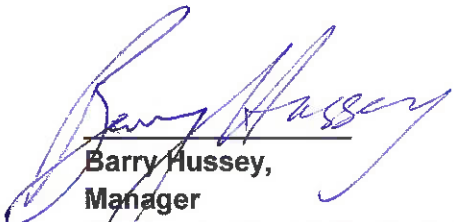
The Regulatory Authorities note that a presentation was made to the Modifications Committee meeting on 13 March 2018. SEMO discussed the scarcity curve in detail explaining that as it is currently defined there is no requirement to calculate the reserve scarcity price when the quantity of short term reserve (qSTR) is at point zero, only when it is above point zero. This proposal makes sure that it is defined in all instances and removes the risk that it is not defined when calculations occur at point zero (for quantity of short term reserve). The Regulatory Authorities

note that the Members of the Modifications Committee were unanimous in their view to approve this Modification Proposal.

The Regulatory Authorities note that SEMO advised that there may be a need for an interim provision to be raised on calculating the Reserve Scarcity Price where $qSTR = \text{the first } qRSC$ (which with the current parameters is zero), as the current rules reflect the system design and it may not be possible to change the systems in time for the Market Cutover Time.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee direct that a Modification, as set out in Appendix 1 of FRR_05_18, is implemented on a Settlement Day basis with effect from one Working Day after the date of this letter.

Yours sincerely,



Barry Hussey,
Manager
Wholesale Electricity Markets

