

MODIFICATION PROPOSAL FORM			
<b>Proposer</b> <i>(Company)</i>	<b>Date of receipt</b> <i>(assigned by System Operator)</i>	<b>Type of Proposal</b> <i>(delete as appropriate)</i>	<b>Modification Proposal ID</b> <i>(assigned by System Operator)</i>
TSOs	25 November 2022	Standard	CMC_16_22 v2
<b>Contact Details for Modification Proposal Originator</b>			
<b>Name</b>	<b>Telephone number</b>	<b>Email address</b>	
Aodhagan Downey		Aodhagan.downey@eirgrid.com	
<b>Modification Proposal Title</b>			
Secondary Trading Awarded New Capacity			
<b>Documents affected</b> <i>(delete as appropriate)</i>	<b>Section(s) Affected</b>	<b>Version number of CMC used in Drafting</b>	
CMC	Chapter E, J, M	7.0	
<b>Explanation of Proposed Change</b> <i>(mandatory by originator)</i>			
<p>The proposed modification would allow a Participant, as a remedial action in the case of a delay to the delivery of Awarded New Capacity, to trade the Awarded New Capacity to an existing unit, where that unit was capable of taking on that additional capacity.</p> <p>As the Awarded New Capacity is not settled until Substantial Completion, it is possible to enable an existing unit to cover the Awarded Capacity and receive payment for doing so and to leave the rights and obligations of the Awarded New Capacity for the New Capacity entirely untouched (except that it would entirely mitigate risk of termination of the first year of the Awarded New Capacity under J.6.1.6).</p> <p>The proposed Secondary Trade would be recorded with a single register entry update to the Capacity and Trade Register. The trade would apply only for the period between the start of the Capacity Year and the date of Substantial Completion (or termination, if applicable).</p> <p>The trade to an existing unit would be subject to ECPC; however, similar to the exceptions process that exists during the Qualification Process, the Participant in respect of the existing capacity can apply for a USPC and this can be considered accordingly by the RAs. The trade would only be able to cover a period up to the Long Stop Date.</p> <p>The original Awarded New Capacity would remain entirely intact and obligations would continue to apply exactly as they would have in the absence of this modification proposal.</p> <p>The Awarded Capacity traded to the existing capacity would be treated as existing capacity and would be settled accordingly.</p> <p>Finally, to ensure that the maximum amount of existing capacity can potentially mitigate in any delays that may arise, section E.10 has been updated to allow for an 18 month period that would apply up to the Long Stop Date rather than being confined to the following Capacity Year.</p> <p><b>Version 2 Updates:</b></p> <p>M.12.7.2 (d) – clarify that this applies to multi-year Awarded New Capacity and not to single year Awarded New Capacity.</p>			

M.12.7.4 - Added new paragraph to clarify that a Participant may apply for a Unit Specific Price Cap when applying to the RAs and will need to provide the required information as set out in this process.

M.12.10.2 – Added to another variant of the proposed Secondary Trade of Awarded New Capacity, which has two components like a standard Secondary Trade. This variant sets the original Awarded New Capacity Commissioning Status Flag to Actual and the qCCOMMISS to no less than 1 MW such that the Awarded New Capacity will be settled from the beginning of the Capacity Year. This is captured in an update to table G.3.1.8. The Secondary Trade then will then operate relative to this in a similar way that normal secondary trades work. As a Secondary Trade of Award New Capacity must be greater than 90%, this ensures that there is physical capacity backing the Awarded New Capacity until such time as the Awarded New Capacity reaches Substantial Completion. The benefit of this approach is that it allows the Participant who is implementing the Awarded New Capacity to potentially reduce the impact of erosion of revenue associated with the delay.

M.12.10.5(c) – the minimum duration of the Secondary Trade of Awarded Capacity has been set to nine months rather than being up to the date of Substantial Completion, which may not be possible in all instances, to provide a degree of flexibility. The mitigation of J.6.1.6 would apply where capacity can be secured for at least nine months of the Capacity Year in particular where this period from Oct to March is covered. Economic incentives apply beyond for Participants to Secondary Trade the capacity for the full duration of any delays where they extend beyond nine months and therefore it is considered reasonable to set the minimum to nine months. Needless to say, Participants would not be paid either in respect of the Awarded New Capacity or any existing capacity during periods where no Secondary Trade is active.

M.12.10.5(e) – it is important for the reliability of the power systems in Ireland and Northern Ireland that delays to Awarded New Capacity secured in a Level 1 Locational Capacity Constraint Area are mitigated at a minimum by existing capacity in those Level 1 Locational Capacity Constraint Areas. This ensures that both systems can be operated in compliance with the relevant Transmission System Security and Planning Standards. In respect of Level 2 Locational Capacity Constraints, it is considered acceptable that short term delays be mitigated by existing capacity that is at least in the same Level 1 Locational Capacity Constraint Area.

G.3.1.8 – an additional row has been added to provide for the second variant to a Secondary Trade in respect of Awarded New Capacity such that the Awarded New Capacity can be considered with a status of Actual and that it has a non-zero qCCOMMISS, which is necessary for the settlement algebra in the Trading and Settlement Code to work.

**Examples of Secondary Trades of Awarded New Capacity:**

Consider Unit A which was successful in a Capacity Auction as follows:

Unit	Trade Type	Quantity	Price	Start Date	End Date	Status
Unit A	Primary	100	100,000	1/10/2025	30/09/2035	Forecast

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In 2024, it realises that it will not reach Substantial Completion by 1/10/2025 despite best efforts to do so. The Participant applies to the Regulatory Authorities to trade the Awarded New Capacity to an existing unit that has 100 MW of existing capacity and does not have any Awarded Capacity for that Capacity Year. The Participant believes that it reach Substantial Completion six months after the Capacity Year starts.

**Variant A: One part Secondary Trade**

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The Regulatory Authorities approve the Secondary Trade. The Participant submits the Secondary Trade to the System Operators with the approval from the Regulatory Authorities.

Unit	Trade Type	Quantity	Price	Start Date	End Date	Status
Unit A	Primary	100	100,000	1/10/2025	30/09/2035	Forecast
Unit B	Secondary	100	48,000	1/10/2025	1/07/2026	Actual

The first row will not be settled until Substantial Completion is achieved and therefore the only item that goes to settlement is:

$$\text{Unit B} = 100 \text{ MW} \times 48,000 \text{ €/MW} / 12 \text{ months/year} = 400,000 \text{ €/month}$$

Unit A reaches Substantial Completion after five months. The System Operators update the Capacity and Trade Register as follows:

Unit	Trade Type	Quantity	Price	Start Date	End Date	Status
Unit A	Primary	100	100,000	1/10/2025	30/09/2035	Actual
Unit B	Secondary	100	48,000	1/10/2025	28/02/2026	Actual

From the Commissioning Date of 01/03/2026, qCCOMMISS for Unit A will be set to 100 MW and the settlement algebra will pick this up and Unit A will start to be paid. The System Operators update the Capacity and Trade Register to reflect that the Secondary Trade ends by the Date of Substantial Completion and this is not longer paid after Substantial Completion.

$$\text{Unit A} = 100 \text{ MW} \times 100,000 \text{ €/MW} / 12 \text{ months/year} = 833,333.33 \text{ €/month.}$$

Variant B: Two part Secondary Trade

The Regulatory Authorities approve the Secondary Trade. The Participant submits the Secondary Trade to the System Operators with the approval from the Regulatory Authorities. The Secondary Trade has two parts so the System Operators update the Commissioning Status Flag to Actual and qCCOMMISS is set to 1 MW from 1/10/2025.

Unit	Trade Type	Quantity	Price	Start Date	End Date	Status
Unit A	Primary	100	100,000	1/10/2025	30/09/2035	Actual
Unit A	Secondary	-100	48,000	1/10/2025	1/07/2026	Actual
Unit B	Secondary	100	48,000	1/10/2025	1/07/2026	Actual

The first row will now be settled as will the second and third rows which form a Trade Pair as follows:

$$\text{Unit A} = 100 \text{ MW} \times 100,000 \text{ €/MW} / 12 \text{ months/year} + -100 \text{ MW} \times 48,000 \text{ €/MW} / 12 \text{ months/year} = 433,333.33 \text{ €/month}$$

$$\text{Unit B} = 100 \text{ MW} \times 48,000 \text{ €/MW} / 12 \text{ months/year} = 400,000 \text{ €/month}$$

It is important to note that the QCNET, the net quantity of Awarded Capacity, which is used in the calculation of difference charges is zero for Unit A and all obligations in respect of the Awarded Capacity in terms of difference charges are with Unit B. As Unit A has not commissioned yet, this is an important feature of this variant.

Unit A reaches Substantial Completion after five months. The System Operators update the Capacity and Trade Register as follows:

Unit	Trade Type	Quantity	Price	Start Date	End Date	Status
Unit A	Primary	100	100,000	1/10/2025	30/09/2035	Actual
Unit A	Secondary	-100	48,000	1/10/2025	28/02/2026	Actual
Unit B	Secondary	100	48,000	1/10/2025	28/02/2026	Actual

The System Operators update the Capacity and Trade Register to reflect that the Secondary Trade ends by the Date of Substantial Completion and this is not longer paid after Substantial Completion. From the Commissioning Date of 01/03/2026,

Unit A = 100 MW x 100,000 €/MW / 12 months/year = 1,000,000 €/month.

The benefit of Variant A is that there is not negative trade entry against Unit A. This may be important where the finance of Unit does not allow any of the quantities associated with Unit A to touched in any way until Substantial Completion has been achieved.

The benefit of Variant B is that the Participant in respect of Unit A gets to retain a portion of the eroded revenue. This would be an important means of reducing the impact of delays on the implementation of New Capacity.

There is a risk that Variant B would reduce the incentive for Unit A to deliver especially if the Participant owns both Unit A and Unit B. This risk is limited due to the fact that the participant will have numerous agreements in place to realise the delivery of the Awarded New Capacity and they will be eager to discharge these as soon as possible. In all cases except where the same Participant owns both A and B, the Participant gets more revenue upon Substantial Completion of Unit A. In the case where the same Participant owns Unit A and Unit B, where Unit A reaches Substantial Completion, it frees up Unit B to potentially take on further secondary trades. Existing capacity may have reduced reliability when compared with a new unit and therefore a prudent operator would favour backing the Awarded Capacity with their new capacity.

The introduction of Variant B is a significant step to reducing risk of erosion of revenue and this would in itself reduce the incentive to deliver on time (including where additional investment was needed to accelerate the programme with the EPC contractor). To mitigate this, the amount of eroded revenue recoverable would reduce by 5% of the Capacity Payment Price for each month of the Secondary Trade. In the example this would look as follows:

Unit	Trade Type	Quantity	Price	Start Date	End Date	Status
Unit A	Primary	100	100,000	1/10/2025	30/09/2035	Actual
Unit A	Secondary	-100	53,000	1/10/2025	31/10/2025	Actual
Unit A	Secondary	-100	58,000	1/11/2025	30/11/2025	Actual
Unit A	Secondary	-100	63,000	1/12/2025	31/12/2025	Actual
Unit A	Secondary	-100	68,000	1/01/2026	31/01/2026	Actual
Unit A	Secondary	-100	73,000	1/02/2026	28/02/2026	Actual
Unit A	Secondary	-100	78,000	1/03/2026	31/03/2026	Actual
Unit A	Secondary	-100	83,000	1/04/2026	30/04/2026	Actual
Unit A	Secondary	-100	88,000	1/05/2025	31/05/2026	Actual
Unit A	Secondary	-100	93,000	1/06/2025	30/06/2026	Actual
Unit B	Secondary	100	48,000	1/10/2025	30/06/2026	Actual

Unit A would be paid 100 x 100,000 + -100 x 53,000 = net amount of 100 x 47,000 €/MW in Oct. As the Buyer price increases, the net amount would reduce to 42,000 €/MW in Nov, 37,000 €/MW in Dec, 32,000 €/MW in Jan, 27,000 €/MW in Feb, 22,000 €/MW in Mar, 17,000 €/MW in Apr, ... to 7,000 €/MW in June. If there were further delays and the trade had been

submitted until, say, the Long Stop Date, Unit A would stop recovering eroded revenue by August.

This provides a strong incentive to enter into a Secondary Trade for delays to Awarded New Capacity; however, this incentive is not greater than the amount that would be realised if the Awarded New Capacity was implemented and it decreases over time to maintain a strong incentive to deliver early.

**Legal Drafting Change**

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

J.6.1.6 The System Operators shall terminate all or part of the Awarded New Capacity in respect of New Capacity only for the first Capacity Year for which that capacity was awarded if requested to do so by the Regulatory Authorities if it is determined by the Regulatory Authorities (based on an independently verified report) prior to the T-1 Capacity Auction for the Capacity Year that all or part of the Awarded Capacity is not likely to be delivered by the start of the Capacity Year and a valid Secondary Trade does not apply in respect of the Awarded New Capacity.

M.12.2.8 A Participant may submit an Alternative Secondary Trade Notification in respect of a Capacity Market Unit only:  
(a) where the Capacity Market Unit is currently Qualified for the Capacity Year, or under section E.10 is to be treated as if it had been Qualified, for the entire forward period over which the proposed trade will apply; and  
(b) to the extent the Capacity Market Unit is providing Existing Capacity; and  
(c) where approved by the Regulatory Authorities in accordance with M.12.7.2, to the extent the Capacity Market Unit has Awarded New Capacity.

M.12.3.2 The System Operators shall reject a proposed Secondary Trade set out in an Alternative Secondary Trade Notification if:  
(a) it does not form part of a matching Trade Pair, where a Trade Pair is formed of matching Alternative Secondary Trade Notifications from Buyer and Seller submitted on the same Working Day (with the exception of Secondary Trades submitted in accordance with paragraph M.12.10.2(a));

M.12.7.2 A Participant may apply to the Regulatory Authorities for a determination for the purposes of paragraph M.12.7.1(e) in relation to a Generator Unit or Interconnector where the Participant considers that any of the following conditions applies:  
(a) there has been a material long-term unplanned reduction in the reliability of the plant associated with the Generator Unit or Interconnector since it Qualified;  
(b) the Generator Unit or Interconnector is no longer economic and the Participant wishes to close the Generator Unit or Interconnector before the end of its existing capacity obligation; ~~or~~  
(c) an equivalent or similar condition to those set out in sub-paragraph (a) or (b); ~~or~~  
(d) all or part of Awarded New Capacity with a capacity duration of greater than one year will not to be delivered by the start of the Capacity Year.

M.12.7.4 A Participant seeking approval of the Regulatory Authorities under paragraph M.12.7.2(d) may also apply for a Unit Specific Price Cap in respect of a proposed set of Secondary Trades and shall provide evidence in accordance with E.5.1.3.

M.12.8.2 The price of the Awarded Capacity shall be the price specified in the proposed Secondary Trade, as adjusted in accordance with M.12.10.8

M.12.10 **Secondary Trades of Awarded New Capacity**

M.12.10.1 Secondary Trades in respect of Awarded New Capacity do not alter the Participants rights and obligations in respect of the Awarded New Capacity.

M.12.10.2 A Secondary Trade in respect of Awarded New Capacity may be comprised of either:

- (a) only of the Seller component of a Secondary Trade with no Buyer component.
- (b) a Seller component and a Buyer component.

M.12.10.3 Secondary Trades in respect of Awarded New Capacity are subject to the conditions set out in M.12.10.5 and may be submitted together as set of Secondary Trades.

M.12.10.4 Only the latest accepted set of Secondary Trades in respect of Awarded New Capacity is valid at any point in time and the System Operators shall cancel any prior sets of Secondary Trades in respect of the Awarded New Capacity.

M.12.10.5 A set of Secondary Trades in respect of Awarded New Capacity are subject to the following requirements:

(a) The total MW quantity of the set of Secondary Trades at any time shall be not less than 90% of the Awarded New Capacity and not greater than the Awarded New Capacity.

(b) The date and time of the start of the set of Secondary Trades shall be the beginning of the Capacity Year in respect of the Awarded New Capacity.

(c) The date and time of the end of the set of Secondary Trades shall be the earlier of:

(i) the date specified in the Secondary Trade Notification (which shall be no earlier than a date nine months after the start of the Capacity Year),

(ii) the date of Substantial Completion; and

(iii) the effective date of any Capacity Termination Notice in respect of the Awarded New Capacity.

(d) The price in £/kW per year or €/kW per year that applies to each Secondary Trade shall not be greater than the Existing Capacity Price Cap that applied in the Capacity Auction in which the Awarded New Capacity was allocated unless otherwise stated in the Regulatory Authorities notice of approval in respect of M.12.7.1(e).

(e) All Capacity Market Units shall be in the same Level 1 Locational Capacity Constraint Area as specified in the Final Auction Information Pack for

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the Capacity Auction in which the Awarded New Capacity was allocated (or where the Capacity Market Unit was not Qualified for that Capacity Auction based on the most recent Final Auction Info Pack where the Capacity Market Unit was Qualified).

M.12.10.6 A Participant submitting a Secondary Trades in respect of Awarded New Capacity may specify the date and time of the end of the proposed Secondary Trades no earlier than nine months after the start of the Capacity Year and no later than the Long Stop Date.

M.12.10.7 Where the Awarded New Capacity achieves Substantial Completion or is subject to a Capacity Market Termination Notice, where applicable in accordance with M.12.10.5(c), the System Operators shall update the date and time of the end of the Secondary Trades in respect of Awarded New Capacity.

M.12.10.8 Where the Secondary Trades have been submitted in accordance with M.12.10.2 (b), the price associated with the Buyer component shall be equal to the minimum of:  
(a) the Capacity Payment Price of the Awarded New Capacity; and  
(b) the Seller price + SCANC% x Capacity Payment Price of Awarded New Capacity x the number of months from the start of the Capacity Year.  
Where SCANC% is the Secondary Trade of Awarded New Capacity Percentage.

M.12.10.9 The value of SCANC% shall be 5% unless otherwise specified in an Initial Auction Information Pack for the Capacity Auction in which the Awarded New Capacity was allocated.

## **E.10.2 Extended Duration**

E.10.2.1 Where Existing Capacity has been Qualified in respect of a Capacity Year (in this section E.10.2 called the "Qualified Year") in accordance with this Chapter, and the relevant Participant intends to Close the relevant Capacity Market Unit ~~during the following Capacity Year~~, the Participant may apply to the System Operators for permission to participate in Secondary Trades ~~Auctions~~ in respect of the relevant Capacity Market Unit until a specified date (in this section called the "Closing Date") in the following Capacity Years ~~s~~ (in this section called the "Following Years").

E.10.2.2 If a Participant makes an application under paragraph E.10.2.1 and:  
(a) the relevant Capacity Market Unit has been Qualified in respect of the Existing Capacity for the Qualified Year but has not previously been so Qualified for the Following Years; and  
(b) the Participant undertakes in the application not to participate in Secondary Trades ~~Auctions~~ with respect to that Capacity Market Unit after the Closing Date, then the System Operators shall, in accordance with the timeframe provided for in section E.10.3:  
(c) approve the application; and  
(d) determine that the Qualified values for the Capacity Market Unit that apply in the Qualified Year shall continue to apply in the Following Year until the Closing date (subject to amendment by the System Operators to account for any changes in Initial Capacity).

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G.3.1.8

The Capacity and Trade Register shall contain the following information:

Status of Capacity	Proportion of Delivered Capacity	Commissioned Capacity (gCCOMMISS <sub>CO</sub> )	Capacity Quantity Commissioning Date	Commissioning Status Flag	Termination
Existing	N/A	Initial Capacity (Existing)	Date in past when commissioned	Actual	N/A
New Capacity, not Commissioned	0	Initial Capacity (Existing)	Substantial Completion date as per (modified) Implementation Plan	Forecast	N/A
New Capacity, operating prior to Long Stop Date but Substantial Completion not achieved.	≤ 90%	Initial Capacity (Existing)	Substantial Completion date as per (modified) Implementation Plan	Forecast	N/A
New Capacity, not expected to be operating for Capacity Year.	0	Initial Capacity (Existing)	Substantial Completion date as per (modified) Implementation Plan	Forecast	One year termination of Awarded Capacity for first Capacity Year only.
New Capacity, - Substantial Completion prior to Long Stop Date	≥ 90%	Initial Capacity (Existing) +  Proportion of Delivered Capacity times [(Awarded Capacity (Total) - Awarded Capacity (Existing)) divided by the Grid Code Commissioned De-Rating Factor]	Date of Substantial Completion	Actual	N/A
New Capacity, operating but has only achieved Minimum Completion by Long Stop date.	≥ 50%  ≤ 90%	Initial Capacity (Existing) +  Proportion of Delivered Capacity times [(Awarded Capacity (Total) - Awarded Capacity (Existing)) divided by the Grid Code Commissioned De-Rating Factor]	Long Stop Date	Actual	Awarded Capacity × (1 - Proportion of Delivered Capacity)
New Capacity, operating but has not achieved Minimum Completion by Long Stop Date.	0	Initial Capacity (Existing)	N/A	N/A	All Awarded Capacity
<a href="#">New Capacity for period covered by Secondary Trades of Awarded New Capacity in accordance with M.12.10.2(b)</a>	0	<a href="#">Maximum of Initial Capacity (Existing) and 1 MW.</a>	<a href="#">Start of Capacity Year</a>	<a href="#">Actual</a>	<a href="#">N/A</a>

**Modification Proposal Justification**  
(Clearly state the reason for the Modification)

In order to provide contingency where delays arise to the delivery of Awarded New Capacity by the beginning of the Capacity Year, this proposal seeks to provide Participants with an option



which, subject to RAs approval, would enable the Participant to trade with existing capacity to cover the period of the delay.

Where Awarded New Capacity is not delivered by the beginning of the Capacity Year, the Participant faces risks in respect to possible termination of the first year of a multi-year award (typically 10 years) in accordance with J.6.1.6.

The presence of J.6.1.6 in the CMC represents a risk to a New Capacity project and this modification proposal is seeking to provide a way to manage this risk in a simple, cost efficient and transparent manner.

This Modification Proposal reduces risks to Participants by providing an option to mitigate delays by trading Awarded New Capacity to existing units that do not have Awarded Capacity in the Capacity Year.

**Code Objectives Furthered**

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

- (a) 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;
- (e) to provide transparency in the operation of the SEM;
- (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.

**Implication of not implementing the Modification Proposal**

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

Participants would have limited options to manage delays to delivery of Awarded New Capacity. Participants would face higher risk of termination of 1<sup>st</sup> year of Awarded New Capacity in accordance J.6.1.6.

**Impacts**

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

System Operator Secondary Trading Processes (minor impact assuming <10 trades per annum), Regulatory Authorities (approval process, ad-hoc USPC process).

Please return this form to the System Operators by email to [CapacityModifications@sem-o.com](mailto: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:

<b>CMC / Code:</b>	means the Capacity Market Code for the Single Electricity Market
<b>Modification Proposal:</b>	means the proposal to modify the Code as set out in the attached form
<b>Derivative Work:</b>	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.