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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)* |
| **Regulatory Authorities** | **2 June 2017** | | **Urgent** | | **Mod\_05\_17** |
| **Contact Details for Modification Proposal Originator** | | | | | |
| **Name** | | **Telephone number** | | **Email address** | |
| **Sheena Byrne** | | **01-4000800** | | **shbyrne@cer.ie** | |
| **Modification Proposal Title** | | | | | |
| **Amendment to the Part B Form of Authority for the purpose of removing the Restricted Authority provision** | | | | | |
| **Documents affected**  *(delete as appropriate)* | | **Section(s) Affected** | | **Version number of T&SC or AP used in Drafting** | |
| **Appendix C – Form of Authority** | |  | | **Version 20** | |
| **Explanation of Proposed Change**  *(mandatory by originator)* | | | | | |
| In SEM-17-033 (Capacity Market Code Decision Paper), the SEM Committee stated the following: The SEM Committee notes that the obligation for intermittent units (called Variable Generator Units in the CMC) above the de minimis threshold to Qualify for a Capacity Auction arose from CRM Decision 1 (SEM-15-103).  This was to ensure that the RAs had sufficient data about uncontracted capacity to make suitable adjustments to the Demand Curve for the Capacity Auction.  Following feedback from industry, and further consideration of whether the data was available from other sources, the SEM Committee decided that as the data needed to adjust the Demand Curve is available from other sources, there is no need to require Variable Generator Units to Qualify at zero MW.  Further, the SEM Committee has decided to amend CRM Decision 1 (paragraph 4.3.30) so that Variable Generator Units that intend to Qualify at zero MW in a Capacity Auction do not have to Qualify under the Capacity Market Code. This would mean that these units do not have to be registered and may remove the need for the participant to accede to the CMC (assuming it has no other units which are required to register).  In SEM-17-025 (intermediary Transitions to I-SEM Decision Paper), the SEM Committee decided upon the approach to the treatment of intermediaries in the I-SEM. This decision reflected upon the working assumption at that time that all units registered in the TSC would be required to be registered under the Capacity Market Code also. In light of this, additional text was added to the CMC to account for the option that the parties to an intermediary arrangement would have the option to agree to participate in the capacity auction itself (i.e. offer a value greater than zero MW).  The Part B Form of Authority currently provides for   * Authorisation under the Trading and Settlement Code; * Full Authorisation under the Capacity Market Code; and, * Restricted Authorisation under the Capacity Market Code.   As the Restricted Authority concept has been rendered redundant, to avoid any uncertainty and to address an obvious material inconsistency between the TSC and another Market Code, the RAs request the following amendment to Appendix C: Form of Authority. | | | | | |
| **Legal Drafting Change**  *(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* | | | | | |
| 2. Authorisation under the Trading and Settlement Code  2.1 The Licensed Generator hereby appoints and authorises the Intermediary to register the Units as Generator Units for the purposes of participation in the Balancing Market, and to participate in the Balancing Market in respect of the Units, under the Trading and Settlement Code, and the Intermediary accepts such appointment.  2.2 The Licensed Generator authorises the Intermediary, subject to the Intermediary becoming a Party to the Trading and Settlement Code and successfully registering the Units under the TSC, to undertake all of the obligations, covenants, undertakings, duties and liabilities of a Participant in respect of the Units under the TSC [for the duration of the Contract] [insert alternative period], and the Intermediary agrees to such.  2.3 The Licensed Generator authorises the Intermediary, subject to the Intermediary becoming a Party to the Trading and Settlement Code and successfully registering the Units under the TSC, to benefit from all of the rights of a Participant under the TSC, including the right to receive payments in respect of the Units under the TSC [for the duration of the Contract] [insert alternative period], and the Intermediary agrees to such.  AND WHERE APPLICABLE:    3. [Authorisation under the Capacity Market Code  3.1 The Licensed Generator hereby appoints and authorises the Intermediary to register or provisionally register the Units for the purposes of participation in the Capacity Market, and to participate in respect of the Units in the Capacity Market, under the Capacity Market Code, and the Intermediary accepts such appointment.  3.2 The Licensed Generator authorises the Intermediary, subject to (1) the Intermediary becoming a Party to the Capacity Market Code and (2)(i) successfully registering the Units under the TSC, or (2)(ii) registering or provisionally registering the Units under the CMC, to undertake all of the obligations, covenants, undertakings, duties and liabilities of a Participant in respect of the Units under the CMC [for the duration of the Contract] [insert alternative period], and the Intermediary agrees to such.  3.3 The Licensed Generator authorises the Intermediary, subject to (1) the Intermediary becoming a Party to the Capacity Market Code and (2)(i) successfully registering the Units under the TSC, or (2)(ii) registering or provisionally registering the Units under the CMC, to benefit from all of the rights of a Participant in respect of the Units under the CMC (including the right to participate in Capacity Auctions) [for the duration of the Contract] [insert alternative period], and the Intermediary agrees to such.] | | | | | |
| **Modification Proposal Justification**  *(Clearly state the reason for the Modification)* | | | | | |
| As the Restricted Authority concept has been rendered redundant, to avoid any uncertainty and to address an obvious material inconsistency between the TSC and another Market Code, the RAs request the following amendment. | | | | | |
| **Code Objectives Furthered**  *(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* | | | | | |
| A.2.1.4 The aim of this Code is to facilitate the achievement of the following objectives:   1. to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by its Market Operator Licences; 2. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner; 3. 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)* | | | | | |
| Possible impact of not making this change is that participant time and resources could be spent trying to align the content of the CMC Decision (SEM-17-033), with the redundant text that would remain the Form of Authority. The impact of this issue would be particularly felt during the challenging registration timelines for the first T-1 Capacity Auction. | | | | | |
| **Working Group**  *(State if Working Group considered necessary to develop proposal)* | | | **Impacts**  *(Indicate the impacts on systems, resources, processes and/or procedures)* | | |
| N\A | | | N\A | | |
| ***Please return this form to Secretariat by email to*** [***modifications@sem-o.com***](mailto: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 Appendix D “List of Agreed Procedures”.**

**T&SC / Code: means the Trading and Settlement 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 “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 the Code (and 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.**