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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)* |
| **SEMO** | **13 June 2019** | **Standard** | **MOD\_08\_19 v2** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Aodhagan Downey** |  | **aodhagan.downey@eirgrid.com** |
| **Modification Proposal Title** |
| **Clarification to Intraday Difference Quantity and Payment** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC Part B** | **F.20.2.3** | **v20** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| Changes are proposed to the algebra in F.20.2.3 to align the calculation of Difference Payment to that of Difference Charges in F.18.5.5. The purpose of these changes is to bring this calculation in line with the original intent of the algebra, as described below in the Modification Proposal Justification.This Modification arose from discussion on Mod\_38\_18 where these changes were first included and it was considered that they should be looked at as a separate Modification. |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| F.20.2.3 The Market Operator shall calculate the Intraday Trade Difference Quantity (QDIFFPTIDvγk), the Intraday Trade Difference Payment (CDIFFPTIDvγk), and the Tracked Difference Quantity (QDIFFTRACKvγk) for each Supplier Unit, v, which is not a Trading Site Supplier Unit, in ascending order of each position, k, in the ranked set derived in accordance with paragraph F.20.2.2, in Imbalance Settlement Period, γ, as follows:where:* + - * 1. is a summation over values across all positions in the ranked set prior to and including the current position, k, in the ranked set. Calculations for the first position, (k = 1), will not have a previous position, k’, and the result for this sum shall be the value in the current position, k, in the ranked set;
				2. is a summation over values across all positions in the ranked set prior to the current position, k, in the ranked set. Calculations for the first position, (k = 1), will not have a previous position, k’, and the result for this sum shall be zero;
				3. QEXvγ is the Ex-Ante Quantity for Supplier Unit, v, in Imbalance Settlement Period, γ;
				4. QDIFFDAvγ is the Day-ahead Difference Quantity for Supplier Unit, v, in Imbalance Settlement Period, γ;
				5. QTIDvγk is the Intraday Trade Quantity for Trade, x, for Supplier Unit, v, in the position, k, in the ranked set, in Imbalance Settlement Period, γ;
				6. PTIDvγk is the Intraday Trade Price associated with the Intraday Trade Quantity (QTIDvγk) for Trade, x, for Supplier Unit, v, in the position, k, in the ranked set, in Imbalance Settlement Period, γ;
				7. PSTRm is the Strike Price for Month, m, which contains Imbalance Settlement Period, γ;
				8. (k – 1) is for the previous position in the ranked set; and
				9. (k = 0) is for the 0th position in the ranked set, i.e. where a calculation is being performed on the first position in the ranked set, (k = 1), for which there is no previous position.
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| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| With the original text for QDIFFPTID, on the trade which causes the magnitude of the volume of trades processed so far to exceed the Ex-ante Quantity, the whole volume would be theoretically eligible to receive a Difference Payment. This does not match the intent, which is that only negative trades up to the Ex-ante Quantity should be eligible for a payment, which mirrors the logic for difference charges where only positive trades up to the Obligated Capacity Quantity would be exposed to Difference Charges. Therefore the Ex-ante Quantity is incorporated into the equation, mirroring their incorporation into the equation in F.18.5.5 for Difference Charges. The Min is maintained around the piece which checks if it is a positive or negative quantity calculated, as only negative quantities should be eligible for the Difference Payment, but a Max is introduced so that once the sum of the trades processed so far plus the current trade processed exceeds the Ex-ante Quantity, only the difference between the previous tracked point and the Ex-ante Quantity is calculated as eligible to receive the payment.With the original text for QDIFFTRACK, if the unit had multiple negative trades (e.g. in day-ahead and then multiple intraday), then after correctly calculating the Difference Payment for the first intraday trade the QDIFFTRACK would be adjusted to the Ex-ante Quantity, rather than the sum of the day-ahead and intraday trades processed so far. This would mean that none of the subsequent intraday trades after that initially processed first intraday trade would receive a Difference Payment, as the quantity in QDIFFPTID would be the sum of the trades processed so far minus the QDIFFTRACK (i.e. a negative number smaller in magnitude minus a negative number larger in magnitude, resulting in a positive quantity, meaning that the QDIFFPTID which is the volume eligible for a Difference Payment would become zero). Changing the Min to only consider the previous tracked quantity and the sum of the trades processed so far, then having a Max function of the result of that versus the Ex-ante Quantity, would mean that until the magnitude of the sum of the negative trades processed so far equals or exceeds the Ex-ante Quantity, then the tracker follows the sum of the trades processed till then, meaning all negative trades up until that point will be eligible for the Difference Payment. This mirrors the equation in F.18.5.5 for Difference Charges. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| A.2.1.4 (b) to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner; |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| If this Modification is not implemented the calculation of Difference Payment will continue to be incorrect and inconsistent with Difference Charges. Although the financial impact to PTs is not expected to be substantial, this is still a correction of an error in the algebra that should be rectified.  |
| **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 Marker Code, Grid Code, Exchange Rules etc.)* |
| Not required | Impact on Settlement Systems to be assessed by the vendor. Impact to PTs revenue considered low. |
| ***Please return this form to Secretariat by email to*** ***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 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. **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.**