

Single Electricity Market

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| Final REcommendation ReportMod 21\_18 Application of settlement reallocation agreement to market operator charge version 2.014 September 2018 |

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Document History

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| **Version** | **Date** | **Author** | **Comment** |
| 1.0 | 14 September 2018 | Modifications Committee Secretariat | Issued to Modifications Committee for review and approval |
| 2.0 | 21 September 2018 | Modifications Committee Secretariat | Issued to Regulatory Authorities for final decision |

Reference Documents

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| **Document Name** |
| [Trading and Settlement Code](http://www.sem-o.com/MarketDevelopment/MarketRules/TSC.docx) |
| [Modification Proposal](http://www.sem-o.com/MarketDevelopment/ModificationDocuments/Mod_21_18%20Application%20of%20SRAs%20to%20Market%20Operator%20Charge.docx) |
| [Presentation](http://www.sem-o.com/MarketDevelopment/ModificationDocuments/Mod_21_18%20Application%20of%20Settlement%20Reallocation%20Agreements%20to%20Market%20Operator%20Charges%20and%20Settlement%20Document%20Definition%20U.pptx) |
| [Modification Proposal Version 2](http://www.sem-o.com/MarketDevelopment/ModificationDocuments/Mod%2021_18%20Application%20of%20SRAs%20to%20Market%20Operator%20Charge%20Version%202.docx) |
| [Presentation](http://www.sem-o.com/MarketDevelopment/ModificationDocuments/Mod_21_18%20Application%20of%20Settlement%20Reallocation%20Agreements%20to%20Market%20Operator%20Charges.pptx) |

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# MODIFICATIONS COMMITTEE RECOMMENDATION

## Recommended for approval– unanimous Vote

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| **Recommended for Approval by Unanimous Vote**  |
| Sinead O’Hare | Generator Member | Approved |
| Sean McParland | Generator Alternate | Approved |
| Robert McCarthy | DSU Alternate | Approved |
| David Gascon | Generator Alternate | Approved |
| Paraic Higgins | Generator Member | Approved |
| Mark Phelan | Supplier Alternate | Approved |
| William Steele | Supplier Member | Approved |
| Julie Ann Hannon | Supplier Member | Approved |

# Background

This Modification Proposal was raised by SEMO and was received by the Secretariat on 9 August 2018. The Modification Proposal was discussed at Meeting 84 on 21 June 2018 and voted on at 16 August 2018.

The ‘I-SEM’ (Revised SEM) Market Rules Working Groups, the consultative forum at which the revised SEM Market Rules were developed, included an understanding that that Settlement Reallocation Agreements should cover all periodical financial obligations, including Market Operator Charge. This has not been captured in the current drafting of the Settlement Reallocation Agreements, signed by Market Participants and returned to SEMO for execution by EirGrid plc and SONI Ltd. Whereas, every effort has been made to deal with this gap in the Settlement Reallocation Agreements, including amending the definition of ‘Settlement Documents’ within the body of the Trading and Settlement Code; Nonetheless, EirGrid plc and SONI Ltd hold the view that to approve a modification which would potentially impact the understanding of Settlement Documents, a concept which itself was developed in conjunction with the Irish Revenue and HM’s Revenue and Customs, would be imprudent and would pose a risk to the market.

Accordingly, the most robust approach to ensure the existing Settlement Reallocation Agreement is fit for purpose is to re-execute the SRA itself. .

We have included in this Modification some minor clarifications of Agreed Procedure 10, which aim to promote clarity in the reading of Agreed Procedure 10, as it relates to Settlement Reallocation Agreements.

We also propose to add to the definitions of the Settlement Reallocation Agreement Amount for Primary and Secondary Participants in the Code to specify that this is for Trading and Capacity Payments and Charges as distinct from what would be the Settlement Reallocation Amounts defined on the form which we propose to extend to Market Operator Charge.

We also propose a new Code definition of Settlement Reallocation Amounts, as distinct from Settlement Reallocation **Agreement** Amount variable definitions. The proposed additional Settlement Reallocation Amounts definition refers to Trading and Capacity Payments and Charges and also to Market Operator Charge in line with the definition for the same term on the SRA deed.

Note that changes to the form to add signature blocks and correct a reference were applied in the forms which were issued for I-SEM go live.

# PURPOSE OF PROPOSED MODIFICATION

**3A.) justification of Modification**

The rules do not currently provide for Settlement Reallocation Agreements to apply to transfer of amounts owing related to Market Operator Charges. Since the decision during the rules working groups was that Market Operator Charge should be included, this proposal aims to reflect that decision.

This Modification will ensure that the Settlement Reallocation Agreements as proposed to be amended in Agreed Procedure 1 would now cover Market Operator Charges in addition to Settlement Documents and thus covering all periodical financial obligations, as was anticipated in the revised SEM Rules Working Group decision.

**3B.) Impact of not Implementing a Solution**

If this proposal is not implemented then the Trading and Settlement Code would not adequately reflect the rules working group decision to apply Settlement Reallocation Agreements to all financial obligations which includes Market Operator Charges.

The market systems would also need to be amended to remove the functionality to apply the Settlement Reallocations to Market Operator Invoices.

**3c.) Impact on Code Objectiv****es**

1. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;
2. to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by the MO Licences;
3. to provide transparency in the operation of the Single Electricity Market;
4. to promote the short-term and long term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.
5. **Assessment of Alternatives**

N/A

# Working Group and/or Consultation

N/A

# impact on systems and resources

No Impacts anticipated for SEMO processes or systems. Potential impact on Participant systems if there is a dependency on SRAs not applying to Market Operator Charge. To be confirmed during committee discussions.

# Impact on other Codes/Documents

N/A

# MODIFICATION COMMITTEE VIEWS

## Meeting  **84 – 21 June 2018**

Proposer delivered a [presentation](http://www.sem-o.com/MarketDevelopment/ModificationDocuments/Mod_21_18%20Application%20of%20Settlement%20Reallocation%20Agreements%20to%20Market%20Operator%20Charges%20and%20Settlement%20Document%20Definition%20U.pptx) summarising the requirement for this proposal. Proposer advised of

the intent to address ambiguity regarding the use of the term Settlement Document while providing for

Settlement Reallocation Agreements to include Market Operator Charges by including them under the

Settlement Document definition. This approach was taken in order to negate the need to change the

deed so that existing deeds would not have to be to be resubmitted. The practical implication of

changing a large volume of Settlement Reallocation Agreement deeds which had already been signed

was discussed in detail.

Generator Alternate noted that they would like to complete an internal legal review to ensure that

the approach of changing the Settlement Document definition rather the deed itself is robust.

Proposer noted that since raising the proposal a potential issue with the approach of changing the Settlement Document definition in terms of the VAT agreements/treatments received from the tax authorities in each jurisdiction. This relates to differing treatments of VAT for Market Operator Charge invoices and Settlement Documents for energy and capacity settlement.

While there was broad agreement in principle it was agreed that the proposal should be deferred to

allow time for further internal legal review by both Participants and SEMO.

## Meeting  **85 – 16 august 2018**

Proposer delivered a [presentation](http://www.sem-o.com/MarketDevelopment/ModificationDocuments/Mod_21_18%20Application%20of%20Settlement%20Reallocation%20Agreements%20to%20Market%20Operator%20Charges.pptx%20) summarising the requirement for this proposal. Proposer confirmed that the Settlement Reallocation Agreements (SRAs) should cover all periodical financial obligations including Market Operator Charges. This has not been reflected in the drafting of the SRAs as circulated. It was discussed that Settlement Documents were distinct from Market Operator Charges and that the approach taken under Version 1 of this proposal to include Market Operator Charges under the definition of Settlement Documents was not possible as a result of implications for the SEM VAT agreements in each Jurisdiction. The best possible solution therefore was to re-execute the SRAs

Supplier Participant queried whether existing SRAs that had been returned had been signed by EirGrid and SONI and whether or not they would be returned. Proposer confirmed that they had not been signed and that they could be either destroyed or returned. Broad agreement was reached for SEMO to return these documents to Market Participants once the updated forms had been received.

The committee reached agreement to move to a vote.

# Proposed Legal Drafting

As set out in Appendix 1.

# LEGAL REVIEW

N/A

# IMPLEMENTATION TIMESCALE

It is proposed that this Modification is implemented as the Modifications Committee have recommended it for approval and on a Trading Day basis following receipt of the Regulatory Authorities decision.

# Appendix 1: Mod\_21\_18 Application of settlement reallocation agreements to market operator charges v.2

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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** | **9 August 2018** | **Standard** | **Mod\_21\_18 v2** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Elaine Gallagher** |  | **Elaine.Gallagher@EirGrid.com** |
| **Modification Proposal Title** |
| **Application of Settlement Reallocation Agreements to Market Operator Charges**  |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **Agreed Procedure 10 Part B****Appendix 2 of Agreed Procedure 10 Part B****TSC Part B (Section G)****TSC Part B Glossary** | **Section 5 of TSC, Part B** | **Version 20** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| The ‘I-SEM’ (Revised SEM) Market Rules Working Groups, the consultative forum at which the revised SEM Market Rules were developed, included an understanding that that Settlement Reallocation Agreements should cover all periodical financial obligations, including Market Operator Charge. This has not been captured in the current drafting of the Settlement Reallocation Agreements, signed by Market Participants and returned to SEMO for execution by EirGrid plc and SONI Ltd. Whereas, every effort has been made to deal with this gap in the Settlement Reallocation Agreements, including amending the definition of ‘Settlement Documents’ within the body of the Trading and Settlement Code; Nonetheless, EirGrid plc and SONI Ltd hold the view that to approve a modification which would potentially impact the understanding of Settlement Documents, a concept which itself was developed in conjunction with the Irish Revenue and HM’s Revenue and Customs, would be imprudent and would pose a risk to the market. Accordingly, the most robust approach to ensure the existing Settlement Reallocation Agreement is fit for purpose is to re-execute the SRA itself. . We have included in this Modification some minor clarifications of Agreed Procedure 10, which aim to promote clarity in the reading of Agreed Procedure 10, as it relates to Settlement Reallocation Agreements.We also propose to add to the definitions of the Settlement Reallocation Agreement Amount for Primary and Secondary Participants in the Code to specify that this is for Trading and Capacity Payments and Charges as distinct from what would be the Settlement Reallocation Amounts defined on the form which we propose to extend to Market Operator Charge. We also propose a new Code definition of Settlement Reallocation Amounts, as distinct from Settlement Reallocation **Agreement** Amount variable definitions. The proposed additional Settlement Reallocation Amounts definition refers to Trading and Capacity Payments and Charges and also to Market Operator Charge in line with the definition for the same term on the SRA deed.Note that changes to the form to add signature blocks and correct a reference were applied in the forms which were issued for I-SEM go live. |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| **Agreed Procedure 10;**1. Overview

**2.1 Settlement Reallocation Arrangements**The Settlement Reallocation process allows Participants to reduce Credit Cover requirements in the Single Electricity Market by offsetting debts and credits and reducing circular flows of money.Settlement Reallocation is a rules supported financial arrangement between the Market Operator and both a Principal Participant and a Secondary Participant (which may be the same or different Parties). Secondary Participants can transfer all payments payable to it by the Market Operator and all charges payable by ~~to~~ it to ~~by~~ the Market Operator to one Principal Participant. A Principal Participant can have Settlement Reallocation Agreements with more than one Secondary Participant however a Principal Participant cannot also be a Secondary Participant. A Secondary Participant can have a Settlement Reallocation Agreement with only one Principal Participant. Settlement Reallocation consists of five key elements:1. Submission of a Settlement Reallocation Agreement by the Principal Participant and Secondary Participant;
2. Assessment of the eligibility of a Settlement Reallocation Agreement for the billing process;
3. Application of the eligible Settlement Reallocation Agreements in the Settlement Document;
4. Application of the Settlement Reallocation Agreements in the Credit Assessment process; and,
5. Termination of a Settlement Reallocation Agreement (when applicable).

When Participants have a Settlement Reallocation Agreement in place with the Market Operator, the Principal Participant takes over full financial responsibility of all Secondary Participants with which it has posted Settlement Reallocation Agreements. This will result in a transfer of all amounts in respect of Settlement Documents and / or Market Operator Charge invoices issued to any Secondary Participants to that Principal Participant by the Market Operator. This amount shall also have an effect on the Credit Cover calculation of the affected Participants. The Settlement Reallocation A~~a~~mounts are monetary value~~s based~~ in the currency of the Principal Participant (either Euro or Pounds Sterling).Settlement Reallocation Agreements are posted against Settlement Documents and Market Operator Charge invoices relating to all Settlement under the Code. A Settlement Reallocation Agreement shall have start date (Settlement Day after which the reallocation is to apply) and may have an end date (the Settlement Day after which the reallocation will no longer apply) subject to paragraph G.16.2.2 of the Code. **2.3 Settlement and Billing**A Settlement Reallocation Agreement shall be applied in the billing process administered by the Market Operator unless it has been terminated in accordance with the section G.16.5 of the Code and this Agreed Procedure.As part of the billing process, the Participant will receive a Settlement Reallocation Agreement report detailing the Settlement Reallocation Agreement(s) that relate to a specific Settlement Document and / or Market Operator Charge invoice. Settlement Documents and Market Operator Charge invoices shall contain details of the amount transferred as part of any ~~that~~ Settlement Reallocation Agreement(s).1. Settlement Reallocation Agreement

**Date: [insert date]** **BETWEEN:** **[Party XX] [insert name, company registration number and address] on behalf of Principal Participant [insert Principal Participant Name, Principal Participant ID] (referred to herein as the “Principal Participant”)** **[Party YY] [insert name, company registration number and address] on behalf of Secondary Participant [insert Secondary Participant Name, Secondary Participant ID]:; (referred to herein as the “Secondary Participant”) and** **Market Operator: EIRGRID plc**, an Irish company formed pursuant to Regulation 34 of the European Communities (Internal Market in Electricity) Regulations 2000 with company registration number 338522 (“**EirGrid**”) and **SONI LIMITED**, a body corporate registered in Northern Ireland with company registration number NI038715 (“**SONI**”), in their joint capacity as Market Operator for the purposes of the Code. **OTHER DETAILS:** **Initial Settlement Day: [nominate date after which the Settlement Reallocation is intended to have effect]** **Final Settlement Day**: [**nominate date after which the Settlement Reallocation will no longer apply, if known]** **IT IS AGREED** as follows: 1. Unless the context otherwise requires and save as mentioned below, words and expressions defined in, or to be construed in accordance with, the Code shall have the same meanings and construction when used in this Agreement: “**Code**” means the Trading and Settlement Code, including the Appendices and Agreed Procedures, as amended, varied, modified or replaced from time to time; and **“Settlement Reallocation Amounts”** means all Trading Charges, Trading Payments, Capacity Charges, Capacity Payments and Market Operator Charges ~~amounts~~ which, but for this Settlement Reallocation Agreement, would be (as applicable) paid to the Market Operator by the Secondary Participant or by the Market Operator to the Secondary Participant under Settlement Documents issued under the Code during the period between the SRA Start Date and the SRA End Date as detailed in section G.16 and Agreed Procedure 10. ~~during the Effective Period.~~ 2. The Market Operator and the Principal Participant and the Secondary Participant are parties to the Code, and this Agreement is a Settlement Reallocation Agreement under section G.16~~7~~ of the Code. 3. This Agreement covers all Settlement Documents and Market Operator Charge invoices issued under the Code to the Secondary Participant between: (a) the later of the Initial Settlement Day and the expiration of 20 Working Days after all parties (including the Market Operator) have executed this Agreement; and (b) the earlier of the Final Settlement Day (if one is specified above) and the date this Agreement is terminated in accordance with the Code (and such termination takes effect), (such period being the “**Effective Period**”). 4. Subject to the terms and on the conditions set out in the Code, during the Effective Period: (a) each of the Market Operator and the Secondary Participant shall be released from further obligations towards one another in respect of each Settlement Reallocation Amount falling due for payment and their respective rights against one another in respect of each Settlement Reallocation Amount shall be cancelled (being the "**Discharged Rights and Obligations**"); and (b) each of the Market Operator and the Principal Participant shall assume obligations towards one another and acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as the Market Operator and the Principal Participant have assumed and acquired the same in place of the Market Operator and the Secondary Participant. 5. This Agreement reflects a commercial agreement between the Principal Participant and the Secondary Participant, and each of the Principal Participant and the Secondary Participant hereby (a) agree that the Market Operator is not liable for any loss or damage suffered by either the Principal Participant or the Secondary Participant as a result of, or in connection with, this Agreement and any Settlement Reallocations under it (together, the “**SRA Losses**”) and (b) hold the Market Operator harmless and indemnify the Market Operator from any and all SRA Losses which may arise. 6. This Agreement: (a) may be terminated by the Principal Participant, the Secondary Participant or the Market Operator in accordance with the Code; and (b) be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement. 7. This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of Northern Ireland. The parties hereto hereby agree that the courts of Northern Ireland shall have jurisdiction to hear and determine any suit, action or proceedings that may arise out of or in connection with this Agreement and for such purpose irrevocably submits to the jurisdiction of such courts. 8. It is intended that this Agreement takes effect as a deed notwithstanding the fact that a party hereto may only execute this Agreement under hand. 9. The Principal Participant and the Secondary Participant hereby authorise the Market Operator to date this Agreement at any time following the date that they have each executed this Agreement.**IN WITNESS** whereof the parties hereto have executed this Agreement as a deed in the manner hereinafter provided on the date shown above. ***[Signature page follows]***

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| **ON BEHALF OF THE PRINCIPAL PARTICIPANT:** |
| **\*GIVEN** under the common seal of **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** and delivered as a deed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Witness’ Signature) (Witness’ Address) (Witness’ Occupation)  | *{Common Seal}* *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* *(Director)* *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* *(Director/Secretary)*  |
| **\*SIGNED AND DELIVERED** as a deedfor and on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_by in the presence of:- (Witness’ Signature) (Witness’ Address) (Witness’ Occupation)  | *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* *Role:*  |
| **\* Delete / Amend as appropriate \***  |

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| **ON BEHALF OF THE SECONDARY PARTICIPANT:** |
| **\*GIVEN** under the common seal of **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** and delivered as a deed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Witness’ Signature) (Witness’ Address) (Witness’ Occupation)  | *{Common Seal}* *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* *(Director)* *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* *(Director/Secretary)*  |
| **\*SIGNED AND DELIVERED** as a deedfor and on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_by in the presence of:- (Witness’ Signature) (Witness’ Address) (Witness’ Occupation)  | *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* *Role:*  |
| **\* Delete / Amend as appropriate \***  |

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| **EXECUTED** and **DELIVERED** as a deed by**SONI LIMITED** acting by a DirectorIn the presence of  (Witness’ Signature)  (Witness’ Address) | *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* *(Director)* |

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| **GIVEN** under the common sealof **EIRGRID PLC**and delivered as a deed in the presence of: (Witness’ Signature)  (Witness’ Address) (Witness’ Occupation) | *{Common Seal}**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**(Director)**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**(Director/Secretary)* |

**Trading and Settlement Code Part B**G.16.1.1 In this sectiona Settlement Reallocation Agreement is an agreement between two Participants and the Market Operator, under which the parties agree that the Market Operator shall allocate to one Participant (the “**Principal Participant**”) all amounts owed by or to the other Participant (the “**Secondary Participant**”) under Settlement Documents for Trading Payments, Trading Charges, Capacity Payments and Capacity Charges, together with Market Operator Charge invoices issued under this Code;(a) a Settlement Reallocation Agreement does not apply to invoices for Accession or Participation Fees(b) a Participant may be the Principal Participant in respect of more than one Settlement Reallocation Agreement with other Secondary Participants;(c) a Principal Participant cannot also be the Secondary Participant in respect of any Settlement Reallocation Agreements; and(d) a Participant may be the Secondary Participant in respect of only one Settlement Reallocation Agreement with one Principal Participant**Part B Glossary**

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| **Central Market System or CMS** | means the IT systems within the control of the Market Operator used to perform its functions under the Code which relate specifically to the:* receipt, processing and provision of data in accordance with the Code;
* calculation of Imbalance Prices or Imbalance Settlement Prices;
* calculations required for Settlement or Credit Assessment or management of Credit Cover; and
* format, content or issuance of Market Operator Charge invoices and/or Settlement Documents
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| --- | --- | --- | --- | --- |
| Variable | SRAPapbc | Settlement Reallocation Agreement Amount for Trading Payments, Trading Charges, Capacity Payments and Capacity Charges in respect of Principle Participant | The Settlement Reallocation Agreement Amount in respect of a Principle Participant, p, for a Settlement Reallocation Agreement, a, in a Billing Period, b, for Trading Payments and Trading Charges and a Capacity Period, c for Capacity Payments and Capacity Charges. | € |
| Variable | SRASapbc | Settlement Reallocation Agreement Amount for Trading Payments, Trading Charges, Capacity Payments and Capacity Charges in respective of, Secondary Participant | The Settlement Reallocation Agreement Amount in respect of a Secondary Participant, p, for a Settlement Reallocation Agreement, a, in a Billing Period, b, for Trading Payments and Trading Charges and a Capacity Period, c for Capacity Payments and Capacity Charges. | € |

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| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| The rules do not currently provide for Settlement Reallocation Agreements to apply to transfer of amounts owing related to Market Operator Charges. Since the decision during the rules working groups was that Market Operator Charge should be included, this proposal aims to reflect that decision.This Modification will ensure that the Settlement Reallocation Agreements as proposed to be amended in Agreed Procedure 1 would now cover Market Operator Charges in addition to Settlement Documents and thus covering all periodical financial obligations, as was anticipated in the revised SEM Rules Working Group decision.  |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by the MO Licences;to provide transparency in the operation of the Single Electricity Market;to promote the short-term and long term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity. |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| If this proposal is not implemented then the Trading and Settlement Code would not adequately reflect the rules working group decision to apply Settlement Reallocation Agreements to all financial obligations which includes Market Operator Charges.The market systems would also need to be amended to remove the functionality to apply the Settlement Reallocations to Market Operator Invoices. |
| **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.)* |