

Single Electricity Market

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| Final REcommendation Report  Mod 23\_18 Payment and invoice day exchange rates for part a currency cost calculations post cutover  14 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 |  | 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_23_18%20Payment%20and%20Invoice%20Day%20Exchange%20Rates%20for%20Part%20A%20Currency%20Costs%20Post%20Cutover.docx) |
| [Presentation](http://www.sem-o.com/MarketDevelopment/ModificationDocuments/Mod_23_18%20Payment%20and%20Invoice%20Day%20Exchange%20Rates%20for%20Part%20A%20Currency%20Cost%20Calculations%20Post%20Cutover.pptx) |
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Table of Contents

[1. MODIFICATIONS COMMITTEE RECOMMENDATION 3](#_Toc524709990)

[**Recommended for approval– unanimous Vote** 3](#_Toc524709991)

[2. Background 3](#_Toc524709992)

[3. PURPOSE OF PROPOSED MODIFICATION 3](#_Toc524709993)

[**3A.) justification of Modification** 3](#_Toc524709994)

[**3B.) Impact of not Implementing a Solution** 4](#_Toc524709995)

[**3c.) Impact on Code Objectives** 4](#_Toc524709996)

[4. Assessment of Alternatives 4](#_Toc524709997)

[5. Working Group and/or Consultation 4](#_Toc524709998)

[6. impact on systems and resources 4](#_Toc524709999)

[7. Impact on other Codes/Documents 4](#_Toc524710000)

[8. MODIFICATION COMMITTEE VIEWS 4](#_Toc524710001)

[**Meeting 85 – 16 august 2018** 4](#_Toc524710002)

[9. Proposed Legal Drafting 4](#_Toc524710003)

[10. LEGAL REVIEW 4](#_Toc524710004)

[11. IMPLEMENTATION TIMESCALE 4](#_Toc524710005)

[1 Appendix 1: Mod\_23\_18 Payment and invoice day exchange rates for part a currency cost calculations post cutover 5](#_Toc524710006)

# MODIFICATIONS COMMITTEE RECOMMENDATION

## Recommended for approval– unanimous Vote

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| --- | --- | --- |
| **Recommended for Approval by Unanimous Vote** | | |
| Adelle Watsion | MDP Member | Approved |
| 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 |
| Anne Trotter | TSO Alternate | Approved |
| Mark Phelan | Supplier Alternate | Approved |
| William Steele | Supplier Member | Approved |
| Julie-Ann Hannon | Supplier Member (Chair) | Approved |

# Background

This Modification Proposal was raised by SEMO and was received by the Secretariat on 2 August 2018. This Modification Proposal was discussed and voted on at Meeting 85 on 16 August 2018.

Trading Day Exchange Rates from the dates when invoices are produced and payments are made are used to calculate Invoice and Payment Period Currency Costs and Settlement Reallocation Agreement Currency Costs.

Since Part A does not apply to Trading Days after the Cutover Time there will not be any Part A Trading Day Exchange Rates to use for Part A Currency Cost calculations for the final Billing Periods and Part A resettlement after the Cutover Time which are invoiced and for which payments are received after the Cutover Time.

This proposal seeks to explicitly state that the rates used for these calculations for days after the Cutover Time are be the Part B Trading Day Exchange Rates to ensure that this is catered for and avoid any ambiguity.

# PURPOSE OF PROPOSED MODIFICATION

**3A.) justification of Modification**

To ensure clarity in the exchange rates used for Currency Cost calculations under Part A for invoice and payment days after the Cutover Time.

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

If this proposal is not implemented it will not be unclear how Part A Currency Costs are calculated after the Cutover Time.

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

1. to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by its Market Operator Licences;

5. to provide transparency in the operation of the Single Electricity Market;

1. **Assessment of Alternatives**

N/A

# Working Group and/or Consultation

N/A

# impact on systems and resources

No system impacts, minor impact on SEMO processes to apply the correct exchange rates.

# Impact on other Codes/Documents

N/A

# MODIFICATION COMMITTEE VIEWS

## Meeting **85 – 16 august 2018**

Proposer delivered a [presentation](http://www.sem-o.com/MarketDevelopment/ModificationDocuments/Mod_23_18%20Payment%20and%20Invoice%20Day%20Exchange%20Rates%20for%20Part%20A%20Currency%20Cost%20Calculations%20Post%20Cutover.pptx%20%20) summarising the requirement for this proposal. The proposal would specify to use the Part B Trading Exchange Rate after the cutover time for Currency Costs under Part A by specifying this within Part A Agreed Procedure 15.

A question was raised whether the Part A Trading Day Exchange Rate would continue to be published in the SEM Systems post Cutover to I-SEM. Proposer advised that they believed this to be the case given that the same systems as currently used are to endure for this process but agreed to take an action to confirm.

# 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\_23\_18 Payment and invoice day exchange rates for part a currency cost calculations post cutover

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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)* |
| **Christopher Goodman (SEMO)** | **02/08/18** | | **Standard** | | **MOD\_23\_18** |
| **Contact Details for Modification Proposal Originator** | | | | | |
| **Name** | | **Telephone number** | | **Email address** | |
| **Christopher Goodman** | |  | |  | |
| **Modification Proposal Title** | | | | | |
| **Payment and Invoice Day Exchange Rates for Part A Currency Cost Calculations Post Cutover** | | | | | |
| **Documents affected**  *(delete as appropriate)* | | **Section(s) Affected** | | **Version number of T&SC or AP used in Drafting** | |
| **Agreed Procedures Part A** | | **Part A Agreed Procedure 15 Appendix 1** | | **Version 20** | |
| **Explanation of Proposed Change**  *(mandatory by originator)* | | | | | |
| Trading Day Exchange Rates from the dates when invoices are produced and payments are made are used to calculate Invoice and Payment Period Currency Costs and Settlement Reallocation Agreement Currency Costs.  Since Part A does not apply to Trading Days after the Cutover Time there will not be any Part A Trading Day Exchange Rates to use for Part A Currency Cost calculations for the final Billing Periods and Part A resettlement after the Cutover Time which are invoiced and for which payments are received after the Cutover Time.  This proposal seeks to explicitly state that the rates used for these calculations for days after the Cutover Time are be the Part B Trading Day Exchange Rates to ensure that this is catered for and avoid any ambiguity. | | | | | |
| **Legal Drafting Change**  *(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* | | | | | |
| Part A Agreed Procedure 15 Appendix 1:   | **Invoice Day Exchange Rate** | means the Trading Day Exchange Rate as defined in Part A of the Code for the day on which the Invoice and Self Billing Invoice is produced or means the Trading Day Exchange Rate as defined in Part B of the Code for the day on which the Invoice and Self Billing Invoice is produced where this day is after the Cutover Time as set out in Part C of the Code. | | --- | --- |  | **Trading Day Exchange Rate** | As defined in Part A of the Code or as defined in Part B of the Code for any day which is after the Cutover Time as set out in Part C of the Code | | --- | --- | | | | | | |
| **Modification Proposal Justification**  *(Clearly state the reason for the Modification)* | | | | | |
| To ensure clarity in the exchange rates used for Currency Cost calculations under Part A for invoice and payment days after the Cutover Time. | | | | | |
| **Code Objectives Furthered**  *(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* | | | | | |
| to facilitate the efficient discharge by the Market Operator of the obligations imposed upon it by its Market Operator Licences;  to provide transparency in the operation of the Single Electricity Market; | | | | | |
| **Implication of not implementing the Modification Proposal**  *(State the possible outcomes should the Modification Proposal not be implemented)* | | | | | |
| If this proposal is not implemented it will not be unclear how Part A Currency Costs are calculated after the Cutover Time. | | | | | |
| **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.)* | | |
| No | | | No system impacts, minor impact on SEMO processes to apply the correct exchange rates. | | |
| ***Please return this form to Secretariat by email to*** [***modifications@sem-o.com***](mailto:modifications@sem-o.com) | | | | | |