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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)* |
| **Moyle Interconnector Ltd.** | **08/08/19** | **Standard**  | **Mod\_14\_19** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Paul McGuckin** |  | **Paul.McGuckin@mutual-energy.com**  |
| **Modification Proposal Title** |
| **Interconnector representation on the Modifications Committee** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **T&SC Part B****Agreed Procedure Part B 12** | **T&SC B.17.3, B.17.7, B.17.8 and Glossary** **AP12 3.7 and Appendix 1** | **T&SC V21 and AP12 V21** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| This modification seeks to amend Section B.17 and the Glossary of the T&SC to create a position on the Modifications Committee for a representative of Interconnector Owners, as exists for representatives of Generation Participants, Supply Participants, Demand Side Participants and Assetless Participants. It also makes a minor amendment to paragraph B.17.7.4 of the T&SC to be less prescriptive around the circumstances leading to a vacancy on the Modifications Committee which require an election to fill. This is required as the creation of a new position on the Modifications Committee will automatically create a vacancy that requires an election to fill, and this circumstance is not currently accounted for in paragraph B.17.7.4.Finally, it amends Agreed Procedure 12 (Modification Committee Operation) to ensure consistency with the amended T&SC. |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| * + 1. Constitution of the Modifications Committee and Voting Rules
			1. The Modifications Committee shall consist of:
				1. one member appointed by the Commission and one member appointed by UREGNI;
				2. no more than 17 further members appointed as follows, such persons to include at all times:

at least three members nominated by or elected in respect of Generation Participants; at least three members nominated by or elected in respect of Supply Participants; one member appointed by the Market Operator; one member appointed by each of the System Operators; one member appointed by each of the Meter Data Providers (to the extent not already represented);a member nominated by or elected in respect of Demand Side Participants;a member nominated by or elected in respect of Assetless Participants; anda member nominated by or elected in respect of Interconnector Owners.* + - 1. A member elected or appointed to represent a particular type of party shall represent the interests of the type of party it is elected or appointed to represent.
			2. Unless directed otherwise by the Regulatory Authorities and subject to paragraphs B.17.3.1(b) and B.17.3.5, there shall at all times be an equal number of persons nominated by or elected in respect of Generation Participants and persons nominated by or elected in respect of Supply Participants on the Modifications Committee.
			3. If the Regulatory Authorities determine at any time that any particular type of party is not adequately represented on the Modifications Committee, the Regulatory Authorities may seek nominations from relevant persons and appoint a person from such nominations, or otherwise to represent that type of person. Such a person shall be a voting member of the Modifications Committee and shall be appointed for an initial term of two years. A member appointed in accordance with this paragraph shall not be deemed to be a representative of Generation Participants, Supply Participants, Demand Side Participants, Assetless Participants or Interconnector Owners (as the case may be) for the purposes of paragraph B.17.3.1 or B.17.3.5.
			4. The Regulatory Authorities may from time to time stipulate the minimum or maximum representation for Supply Participants, Generation Participants, Demand Side Participants, Assetless Participants or Interconnector Owners.
			5. Save as expressly provided otherwise, only members appointed or elected to represent Nominating Participants shall be entitled to vote at any Committee Meeting and those members shall have one vote each.
			6. Save as expressly provided in paragraph B.17.21.1, those members who are appointed by, and to represent, the Commission, UREGNI, System Operators, Meter Data Providers and the Market Operator shall not have any vote.
			7. The Market Operator shall make available to the Modifications Committee a fulltime Secretariat. None of the Secretariat’s personnel shall be a member of the Modifications Committee.
			8. The Market Operator shall be responsible for the performance by the Secretariat of its functions necessary for the proper functioning of the Modifications Process under the Code.
			9. Agreed Procedure 12 “Modifications Committee Operation” sets out the rules for the Quorum of the Modifications Committee and the voting rules. No decision or recommendation of the Modifications Committee can be reached without a Quorum. Voting will be by simple majority, with the chairperson casting the deciding vote in the event of a tied vote.
		1. Chairperson
			1. The Modifications Committee shall have a chairperson and vice-chairperson who shall be elected from the voting members of the Modifications Committee by the voting members of the Modifications Committee. In the event of a tie for the election of the chairperson or vice-chairperson, a subsequent ballot or ballots shall take place until a chairperson and vice-chairperson are elected.
			2. The term of appointment for the chairperson and the vice-chairperson shall be one year.
			3. In the event that the chairperson cannot attend a meeting or chair a meeting for its entirety for any reason, the vice-chairperson shall take his or her place as the chairperson of the meeting.
			4. In the event that the chairperson retires, resigns or is removed from the Modifications Committee, or otherwise becomes unavailable to act as chairperson of the Modifications Committee, the vice-chairperson shall take his or her place for the remainder of the term for which that person was appointed chairperson and a new vice-chairperson shall be elected from the voting members of the Modifications Committee by the voting members of the Modifications Committee.
			5. The chairperson will chair meetings of the Modifications Committee and seek to ensure the efficient organisation and conduct of the functions of the Modifications Committee pursuant to the Code.
		2. Nomination of Participant Members
			1. Each Nominating Participant may put forward one nominee and an alternate for that nominee for appointment to the Modifications Committee at such times as may be notified by the then existing Modifications Committee.
		3. Nominations of Other Members
			1. The Commission, the UREGNI, the Market Operator, each of the System Operators and each of the Meter Data Providers shall each nominate one member and one alternate member for appointment to the Modifications Committee at such times as the then existing Modifications Committee may notify.
		4. Appointment of Subsequent Members
			1. On the termination of the appointment or the removal of any member of the Modifications Committee who is a nominee of any of the Market Operator, either System Operator or any Meter Data Provider, that person shall be replaced by a nominee of the relevant Party, who shall be automatically appointed to the Modifications Committee.
			2. The Commission and the UREGNI shall be entitled to replace any member nominated by the Commission or the UREGNI (as representatives of the Commission and the UREGNI) at any time by giving notice to the Secretariat and with effect from the date specified in such notice.
			3. At least 8 weeks prior to the expiry of any person’s membership of the Modifications Committee, the existing Modifications Committee shall:
				1. where that person is a member appointed by the Commission, UREGNI, the Market Operator, a System Operator or a Meter Data Provider, notify the relevant party that is required to appoint a new member and new alternate member;
				2. where that person is a member appointed in respect of Generation Participants, Supply Participants, Demand Side Participants, Assetless Participants or Interconnector Owners, request the Secretariat to arrange an election in accordance with paragraph B.17.7.4; and
				3. where that person is a member appointed by the Regulatory Authorities in accordance with paragraph B.17.3.4, inform the Regulatory Authorities of the pending expiry of the member’s term.
			4. Prior to the expiry of membership of any Nominating Participant member, or where a member is removed, resigns or retires from the Modifications Committee, or where a position on the Modifications Committee is otherwise vacant and the Modification Committee agrees that an election is required, the Secretariat shall arrange a Nominating Participant Election to fill that vacancy in accordance with such of the following steps as are necessary:
				1. relevant Nominating Participants shall be requested to propose new nominees and alternates for election;
				2. each Nominating Participant shall be entitled to vote to elect members from the Participant nominees in accordance with paragraphs B.17.7.5 to B.17.7.10;
				3. Nominating Supply Participants shall be entitled to vote to elect a member from the persons nominated by them;
				4. Nominating Generation Participants shall be entitled to vote to elect a member from the persons nominated by them;
				5. Nominating Demand Side Participants shall be entitled to vote to elect a member from the persons nominated by them;
				6. Nominating Assetless Participants shall be entitled to vote to elect a member from the persons nominated by them;
				7. Nominating Interconnector Owners shall be entitled to vote to elect a member from the persons nominated by them;
				8. the number of nominees with the most votes from Supply Participants but not exceeding five nominees in number, shall be appointed to the Modifications Committee to replace any retiring, terminated or removed Supply Participant member;
				9. the number of nominees with the most votes from Generation Participants, but not exceeding five nominees in number, shall be appointed to replace any retiring, terminated or removed Generation Participant member;
				10. the number of nominees with the most votes from Demand Side Participants, but not exceeding one nominee in number, shall be appointed to replace any retiring, terminated or removed Demand Side Participant member;
				11. the number of nominees with the most votes from Assetless Participants, but not exceeding one nominee in number, shall be appointed to replace any retiring, terminated or removed Assetless Participant member;
				12. the number of nominees with the most votes from Interconnector Owners, but not exceeding one nominee in number, shall be appointed to replace any retiring, terminated or removed Interconnector Participant member.
				13. the constitution of the Modifications Committee shall, unless agreed otherwise by the Regulatory Authorities, continue to comply with section B.17.3; and
				14. each member shall be appointed for a maximum term of two years, provided that, where an ad-hoc election has taken place to fill a vacancy, because a member has been removed, resigned or retired from the committee, the newly elected member shall be appointed in principle for a maximum term of two years, and this term will expire in accordance with the annual election date which is closest to the term expiry date.
			5. Nominating Participant Elections shall take place, where practicable, not later than 4 weeks prior to the date of expiry of the membership of any one or more of the elected nominee(s) to replace such persons on the Modifications Committee.
			6. In the event that a nominee of any Nominating Participant is elected, the person put forward as an alternate to that nominee shall automatically be deemed to be that person’s alternate member.
			7. The Modifications Committee may at any time stipulate that an outgoing member who is a nominee of Generation Participants, Supply Participants, Demand Side Participants, Assetless Participants or Interconnector Owners must be replaced in any election with a nominee of Generation Participants, Supply Participants Demand Side Participants, Assetless Participants or Interconnector Owners respectively in order to preserve the requisite constitution of the Modifications Committee in accordance with paragraph B.17.3.1 or as may be stipulated from time to time by the Regulatory Authorities pursuant to paragraph B.17.3.3 or B.17.3.5.
			8. Members who have previously served on the Modifications Committee may be re-appointed or re-elected to the Modifications Committee provided that they have not at any time been removed from the Modifications Committee or otherwise ceased to be eligible in accordance with paragraph B.17.8.1.
			9. If for any reason these procedures do not result in a sufficient number of Nominating Participant members, the Regulatory Authorities may appoint additional members.
			10. Without prejudice to paragraph B.17.7.9, membership of the Modifications Committee shall automatically terminate at the end of a member’s term unless such termination would leave the Modifications Committee with fewer than 11 members, in which case the term of membership may be extended until a replacement member is appointed or elected to the Modifications Committee.
		5. Resignation and Removal of Members of the Modifications Committee
			1. Any member may be removed during his or her term by the majority decision of the Modifications Committee (subject to veto by the Regulatory Authorities) if that person:
				1. ceases to be in a position to represent those Supply Participants, Generation Participants, Demand Side Participants, Assetless Participants or Interconnector Owners from which the member was nominated;
				2. becomes incapable of performing the functions of a member of the Modifications Committee;
				3. has been, or is, in the reasonable opinion of the majority of the other members of the Modifications Committee, engaged in conduct which is inconsistent with or detrimental to being a member of the Modifications Committee; or
				4. fails to discharge the obligations of a member of the Modifications Committee.
			2. A member may resign by giving at least two weeks’ notice, prior to the next scheduled Modifications Committee meeting, in writing to the Secretariat which shall convey the notice to the Modifications Committee.

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| Nominating Generation Participants | means, for the purposes of section B.17 in relation to the Modifications Committee, a Party which is a Generation Participant and is allowed to nominate and vote for Generation Participant nominees to the Modifications Committee. |
| Nominating Interconnector Owners | means, for the purposes of section B.17 in relation to the Modifications Committee, a Party which is an Interconnector Owner and is allowed to nominate and vote for Interconnector Owner nominees to the Modifications Committee. |
| Nominating Participant | means, for the purposes of section B.17 in relation to the Modifications Committee, a Party which is a Participant and is allowed to nominate Participant nominees to the Modifications Committee. |

**Agreed Procedure 12 Section 3.7:**5. Votes are cast as follows:1. Nominating Generation Participants cast one vote per Participant in relation to Generation Participant Members vacancy;
2. Nominating Supply Participants cast one vote per Participant in relation to Supply Participant Members vacancy;
3. Nominating Demand Side Participants cast one vote per Participant in relation to Demand Side Participant Members vacancy;
4. Nominating Assetless Participants cast one vote per Participant in relation to Assetless Participant Members vacancy; and
5. Nominating Interconnector Owners cast one vote per Owner in relation to Interconnector Owner Members vacancy.

**Agreed Procedure 12 Appendix 1:****Definitions**

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| **Ad-hoc Nominating Participant Election** | means an ad-hoc election for the replacement of members appointed in respect of Generation Participants, Supply Participants, Demand Side Participants, Assetless Participants or Interconnector Owners who have resigned, retired or been removed outside of the annual election timeframe or where a position is otherwise vacant. |
| **Annual Nominating Participant Election** | means an election for the replacement of members appointed in respect of Generation Participants, Supply Participants, Demand Side Participants, Assetless Participants or Interconnector Owners whose terms are due to expire on the annual membership expiry date. |

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| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| Interconnector flows and cross border trade have been significant features of the SEM in recent years, with their prominence only increasing with the I-SEM arrangements. Prior to the introduction of the I-SEM arrangements, ‘Interconnector Participants’ were represented on the Modifications Committee. These interconnector participants purchased interconnector capacity and explicitly traded energy across interconnectors subject to the rules in the TSC. They were therefore directly affected by modifications to the TSC so it was appropriate that their interests were represented and voiced within the Modifications Committee on an equal footing to other participants within the marketplace. The interests of interconnector owners and interconnector participants were largely aligned so this arrangement was satisfactory for interconnector owners. In the I-SEM arrangements there is no concept of interconnector participants in the TSC or CMC, as trade on the SEM-GB interconnectors takes place via financial transmission rights and implicit auctions of capacity via the market coupling process. In these arrangements it is the interconnector owner who is responsible for delivery of the market coupling scheduled flows across their interconnector under the TSC and participates in the capacity market so is directly affected by modifications to the TSC and CMC.On the modifications committee, ‘interconnector participants’ have de facto been replaced by Assetless Units in the I-SEM arrangements but this is not a like for like replacements as Assetless Units no longer trade energy across interconnectors and their interests in the TSC and CMC are not necessarily aligned with those of interconnector owners. Interconnectors are a significant and unique player in the SEM that are no longer adequately represented on the Modifications Committee and this modification seeks to rectify this issue. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of Part A and/or Section A.2.1.4 of Part B of the T&SC for Code Objectives)* |
| (d) to promote competition in the Single Electricity Market;(f) to ensure no undue discrimination between persons who are parties to the Code;There is currently no way for interconnector owners to be represented on the Modifications Committee. Interconnectors are large sources of generation and demand in the SEM and the only balance responsible units not currently afforded some form of representation and this mod seeks to correct that. |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| If this modification is not implemented it would leave interconnector owners without representation on the Modifications Committee and therefore limited in their ability to participate in code development, despite being a signatory to the code and significant part of the market. Without adequate representation at the Modifications Committee their unique perspective may be lacking in decision making processes and this can lead to more protracted modification processes where interconnectors are affected.  |
| **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.)* |
| n/a | Some additional administrative burden on the Modifications Committee secretariat to organise elections etc., but this should be marginal. |
| ***Please return this form to Secretariat by email to*** balancingmodifications@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.**