|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **MODIFICATION PROPOSAL FORM** | | | | | |
| **Proposer**  *(Company)* | **Date of receipt**  *(assigned by Secretariat)* | | **Type of Proposal**  *(delete as appropriate)* | | **Modification Proposal ID**  *(assigned by Secretariat)* |
| **SEMO** |  | | **Standard** | |  |
| **Contact Details for Modification Proposal Originator** | | | | | |
| **Name** | | **Telephone number** | | **Email address** | |
| **Christopher Goodman** | |  | | **christopher.goodman@sem-o.com** | |
| **Modification Proposal Title** | | | | | |
| **Transitional Provisions for Cutover** | | | | | |
| **Documents affected**  *(delete as appropriate)* | | **Section(s) Affected** | | **Version number of T&SC or AP used in Drafting** | |
| **T&SC Part C** | | **Part C Sections 12 through 15 (new sections)** | | **Version 20** | |
| **Explanation of Proposed Change**  *(mandatory by originator)* | | | | | |
| This proposal seeks to introduce a number of provisions to facilitate the transition from SEM Part A rules to ISEM Part B rules. It also includes a correction for a typo in the preface to Part C  A summary of the proposed changes is as follows;   * Correct a typo in the preface to part C where there appear to be omitted words * Explicitly define transitional Billing Periods and a Capacity Periods for the final Part A and initial Part B periods and address the calculation of Eligible Availability for Energy Limited and Storage Units in the final Part A Capacity Period * Codify details of interim gate opening times for ISEM where these differ from business as usual operations and therefore the current Part B rules * Provide for the cancellation of the final Within Day MSP Software Run to facilitate Interconnector Transition   Please see below for additional details in relation to each transitional change which this modification proposes   1. Transitional Billing Periods and Capacity Periods   Although TSC Part C Section 3 clearly defines the Cutover Time and stipulates that Part A provisions apply to Trading Periods before this time and Part B applies thereafter, the definition of Billing Period is still one week commencing at 00:00 each Sunday and the definition of Capacity Period is still a Month commencing at 00:00 on the first day of each Month in both Parts A and B. As such, the rules are not clear that there will be final SEM/Initial ISEM periods which will be less than a week or a month for Trading Payments and Charges or Capacity respectively. This has implications for settlement processes and calculations most notably for Make Whole Payments, treatment of Energy Limited and Pumped Storage Units for Capacity and for the issuance of settlement publications and the periods to which they apply.  This proposal takes a simple approach to the issue by defining transitional periods for each item so that the existing settlement rules can be applied to arrive at the correct outcome including for cost recovery via Make Whole Payments and Capacity treatments for payments and charges and for special units where applicable.   1. Interim Gate Opening times for ISEM   For a number of reasons, it is necessary to have gate opening times for offer data for a transitional period which differ from the business as usual operational timings. In a general sense this is to facilitate an orderly cutover from SEM and Market Trial to active ISEM Market Operation and the requirement for this is to do with limiting the amount of time for which Market Trial overlaps with live activities and allowing as much time as possible for cutover activities. Intended gate timings for the Balancing Market are as follows;  **First Gate Opening/Closing Times:**   | **No.** | **Milestone** | **Start Date** | **End Date** | | --- | --- | --- | --- | | 24 | First Balancing Market Gate Open @12:00 for I-SEM Day 1 ("D") | 14/05/18 | 14/05/18 | | 25 | First Balancing Market Gate Closure 1 (GC1) @13:30 for D | 22/05/18 | 22/05/18 | | 25 | First Balancing Market Gate Closure 2 (GC2) @t-1 (22:00) | 22/05/18 | 22/05/18 | | 26 | Balancing Market Go-Live @23:00 | 22/05/18 | 22/05/18 |   **Transitional Gate Opening/Closing Times thereafter:**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **No.** | **Description** | **Trade Date** | **Activity Date** | **Gate Open Duration (Calendar Days)** | | 1 | Gate Open | 23/05/2018 | 14/05/2018 | 9 | | Gate Closed | 23/05/2018 | 22/05/2018 | | 2 | Gate Open | 24/05/2018 | 14/05/2018 | 10 | | Gate Closed | 24/05/2018 | 23/05/2018 | | 3 | Gate Open | 25/05/2018 | 14/05/2018 | 11 | | Gate Closed | 25/05/2018 | 24/05/2018 | | 4 | Gate Open | 26/05/2018 | 14/05/2018 | 12 | | Gate Closed | 26/05/2018 | 25/05/2018 | | 5 | Gate Open | 27/05/2018 | 14/05/2018 | 13 | | Gate Closed | 27/05/2018 | 26/05/2018 | | 6 | Gate Open | 28/05/2018 | 14/05/2018 | 14 | | Gate Closed | 28/05/2018 | 27/05/2018 | | 7 | Gate Open | 29/05/2018 | 14/05/2018 | 15 | | Gate Closed | 29/05/2018 | 28/05/2018 | | 8 | Gate Open | 30/05/2018 | 14/05/2018 | 16 | | Gate Closed | 30/05/2018 | 29/05/2018 | | 9 | Gate Open | 31/05/2018 | 14/05/2018 | 17 | | Gate Closed | 31/05/2018 | 30/05/2018 | | 10 | Gate Open | 01/06/2018 | 14/05/2018 | 18 | | Gate Closed | 01/06/2018 | 31/05/2018 | | 11 | Gate Open | 02/06/2018 | 14/05/2018 | 19 | | Gate Closed | 02/06/2018 | 01/06/2018 | | 12 | Gate Open | 03/06/2018 | 15/05/2018 | 19 | | Gate Closed | 03/06/2018 | 02/06/2018 | | Balancing Market Gate Open @12:00 on activity date and @12:00 D-19 from this point forward | | | | | | Balancing Market Gate Closure 1 (GC1) @13:30 on D-1 throughout | | | | | | Balancing Market Gate Closure 2 (GC2) @t-1 for each Imbalance Settlement Period throughout | | | | |  1. Cancellation of the final Within Day MSP Software Run   In order to facilitate an orderly cutover of Interconnector operation from SEM to ISEM it is necessary to cancel the final Within Day MSP Software Run. Although this would mean five hours of lost Within Day Interconnector Trading Opportunity in SEM it would also mean that the traded position on Moyle and EWIC at the Cutover Time would be known 20.5 hours sooner (at 13:00 the day before cutover as opposed to 09:30 on the day of cutover). This would allow the control rooms within EirGrid and SONI to significantly more time to carry out activities associated with an orderly cutover of Interconnector operation from SEM to ISEM including activities to reflect the initial Interconnector positions at the Cutover Time. | | | | | |
| **Legal Drafting Change**  *(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* | | | | | |
| **Transitional Billing Periods and Capacity Periods**  **NOTE:**  The SEM Trading and Settlement Code consists of three parts A, B and C.  This is Part C of the SEM Trading and Settlement Code (**Part C of the Code**).  This Part C of the Code consists of these Sections 1 to 15 and the Part C Glossary.    This Part C of the Code sets out certain transitional and savings provisions to manage the implementation of, and transition to, the new trading and settlement arrangements under Part B of the Code. Part C of the Code has priority over the other Parts of the Code.  **12 Transitional Billing Periods and Capacity Periods**  12.1The Billing Periods and Capacity Periods which contain the Cutover Time will be defined as follows;   1. **Final Part A Billing and Capacity Periods**   **Billing Period or BP -** means the period commencing at 00:00 on Sunday of the week containing the Cutover Time and ending at the Cutover Time. It is the period of time over which Trading Payments and Trading Charges are based for the final Part A billing period.  **Capacity Period or CP -** means the period commencing at 00:00 on the first day of the Month containing the Cutover Time and ending at the Cutover Time. It is the period of time over which Capacity Payments and Capacity Charges are based for the final Part A capacity period.   1. **Initial Part B Billing and Capacity Periods**   **Billing Period or BP -** means the period commencing at the Cutover Time and ending at the 00:00 on the subsequent Sunday. It is the period of time over which Trading Payments and Trading Charges are based for the first Part B billing period.  **Capacity Period or CP -** means the period commencing at the Cutover Time and ending at 00:00 on the first day of the subsequent calendar Month. It is the period of time over which Capacity Payments and Capacity Charges are based for the first Part B capacity period.  **13 Transitional Eligible Availability for Energy Limited, Pumped Storage and Battery Storage Units**  13.1 For the final Part A Capacity Period, defined in Part C clause 12(a), the factor of 0.75 contained in condition 1 of Part A clauses 5.105, 5.108, 5.132, 5.132A, 5.136 and 5.136A shall be replaced with 17/24 to reflect the fraction of a Trading Day which falls within that Capacity Period.  **Transitional Gate Opening Times for ISEM**  **14 Transitional Gate Opening**  14.1 Gate Opening for the first 10 Trading Days after the Cutover Time will be as detailed in this Part C section 14, after which Part B section D.2.1.1 shall take effect.  14.2 Gate Opening in respect of a Trading Day is the time from which Data Transactions for that Trading Day may be submitted and Accepted for use, and is 12:00 9 Days prior to the Cutover Time for the first 10 Trading Days after the Cutover Time.  **Cancellation of the Final Within Day MSP Software Run**  **15 Transitional MSP Software Run Cancellation**  15.1 The Market Operator shall determine that an MSP Software Run Cancellation shall apply in respect of the Within Day One MSP Software Run for the Trading Day which contains the Cutover Time. The Result of this cancellation shall be as detailed in Part A clause 4.82H. | | | | | |
| **Modification Proposal Justification**  *(Clearly state the reason for the Modification)* | | | | | |
| 1. Transitional Billing Periods and Capacity Periods and Cost Recovery   At present, the Trading and Settlement Code defines a Cutover Time being the time at which the Part B rules come into effect on a Trading Period basis but does not define partial Billing Periods or Capacity Periods for final SEM or initial ISEM periods. As a result, the rules are at best unclear and at worst ambiguous or internally inconsistent on how such transitional periods should be treated.  This is particularly so in terms of cost recovery over Billing Periods via Make Whole Payments for Generators. This is also the case for rules governing data submission/application and also for other provisions which depend on these periods (e.g. optimisation of Eligible Availability for Pumped Storage and Energy Limited Units).  This proposal seeks to clarify these points in a simple way by defining transitional periods in these areas and including additional details on how they apply where relevant.   1. Interim Gate Opening times for ISEM   In order to minimise the parallel running of Market Trial and Post Go live submissions and to facilitate the cutover of the Central Market Systems for use in go live operations, noting that the same systems used for market trial will be used for live operations, it is necessary to amend offer data gate opening times for an interim period around go live. More specifically the aim of this change is to achieve the following;   * Limit the amount of time for which Participants will have to enter offer data into both Market Trial and live Trading Days to limit the potential for errors as a result of concurrent bidding in Market Trial and live * Alignment with similar gate opening transitions for Day Ahead and Intraday Markets to ensure cutover activities can be efficiently managed between markets and their associated systems * To allow time for completion cutover activities between the end of market trial and the first gate opening in the context of the same systems being used for market trial and live operations for the Balancing Market by allowing them to be carried out later due to later live gate openings  1. Cancellation of the final Within Day MSP Software Run   Cancelling the final Within Day MSP Software Run means that the Interconnector traded position at the Cutover Time is known 34 hours before the Cutover Time as opposed to 13.5 hours. This would facilitate cutover activities including system updates to reflect the initial Interconnector positions at the Cutover Time and any System Operator Trades which may be required to smooth the transition, ensure efficient dispatch and minimise error flows. | | | | | |
| **Code Objectives Furthered**  *(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code 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; 4. 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 then the practical activities required to cutover from Part A to Part B will be unclear and undertaking them will technically result in breaching the Code. It would also result in a lack of clarity on how some specific items should be approached including in terms of cost recovery and treatment of a partial capacity period. | | | | | |
| **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 | | | Changes to period durations for cutover requires a change to SEM settlement systems and Within Day cancellation would require SEMO to carry out its cancellation procedures outside the usual triggers.  Participant impacts to be garnered during committee deliberations but the main impact there is expected to be on trading processes in the context of changed gate opening times.  Note that the proposed interim gate opening times have been published in the Participant Cutover Guide V2.0 March 16th 2018 and presented at the subsequent PMG meeting on March 21st . To date, no issue has been raised by Participants with respect to this proposal. | | |
| ***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 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.**