



Trading and Settlement Code Modifications Committee  
c/o Esther Touhey  
SEMO Modifications Committee Secretariat  
The Oval  
160 Shelbourne Rd  
Dublin 4

27 February 2020

Our Ref: F/20/832

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_17\_19 V2 (Final Recommendation FRR\_17\_19 V2)**

Dear Esther,

On 7 January 2020, the Modifications Committee submitted its Final Recommendation Report (FRR) with regard to Modification Proposal Mod\_17\_19 V2 'DSU State Aid Compliance Interim Approach' in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

The Modification Mod\_17\_19 was raised by SEMO and voted on at Meeting 95 on 5 December 2019.

The Modification was developed following the DSU State Aid Compliance Decision Paper (SEM-19-029) where it was decided to implement an interim solution for the treatment of DSUs from October 2020 to ensure compliance with the State Aid approval for the CRM. An interim approach was chosen due to the longer timescales involved in implementing a solution which

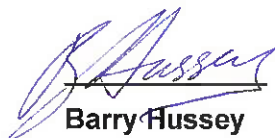
provides for measurement of actual demand reduction delivered by DSUs for the purpose of energy settlement.

The Regulatory Authorities note the discussion at a number of Modifications Committee meetings regarding the options in relation to energy payments to DSUs and recovery from Suppliers, along with the decision as part of the Modification Proposal to recover costs from Suppliers via the Imperfections Charge and to provide energy payments by setting the Metered Quantity for the Trading Site Supplier Unit to Metered Volume where an RO event occurs in any market.

This Modification was voted for approval by all Committee Members at Meeting 95.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee direct that a Modification, as set out in Appendix 1 of FRR\_17\_19, is implemented and made effective from 1 October 2020.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Barry Hussey', is written over a horizontal line.

**Barry Hussey**

**Manager**

**Wholesale Electricity Markets**