



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

2 November 2022

Our Ref: F/25/442

SEM Committee Decision for the Regulatory Authorities in relation to Mod_21_21 (Final Recommendation FRR_21_21)

Dear Esther,

On 22 September 2022, the Modifications Committee submitted its Final Recommendation Report (FRR) with regard to Modification Proposal Mod_21_21 'Undo Instruction Scenario 4' in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC). The Modification Proposal Mod_21_21 was submitted to the Modifications Committee by SEMO on 18 November 2021 and discussed and voted on at Meeting 112 on 6 September 2022.

This Modification deals with one of four 'undo' scenarios where non-compliance with the TSC was identified as part of the Imbalance Pricing Certification Report during the I-SEM market trial. Specifically, Mod_21_21 deals with the scenario where a sync instruction has been issued, followed by a desync instruction, before the unit has reached its minimum stable generation. SEMO's analysis identified two instances of this scenario occurring since 2018.

Given that the impact assessment of changing the system to correspond to the TSC in the case of this scenario is high risk and high cost, and that the materiality and likelihood of this scenario arising is considered by SEMO to be relatively low, this modification proposes to align the TSC with the system in order to address the non-compliance. The RAs note that this Modification was recommended for approval on a majority basis by the Modifications Committee.

While the RAs recognise that the ideal approach would be to align the system with the TSC rather than the other way around, the overall approach proposed to the four scenarios appears a good compromise given the high risk and cost of system changes versus the relatively low materiality of the scenario that Mod_21_21 relates to. The RAs note that the overall approach to the four scenarios is to amend the system in the case of the two with the highest materiality, and to amend the TSC in the case of the two with the lowest materiality only. The RAs note the Modifications Committee's support for this overall approach, as well as Mod_21_21 specifically.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee directs that a Modification, as set out in Appendix 1 of FRR_21_21, is implemented on a Settlement Day basis on the second Settlement Day following publication of this decision.

Yours sincerely,

Gráinne Black
Manager
Wholesale Electricity Markets
Commission for Regulation of Utilities

Leigh Greer
Manager
Wholesale Electricity Markets
Utility Regulator

(Sent by email with no signature)