

Trading and Settlement Code Modifications Committee
C/O Sherine King
SMO Modifications Committee Secretariat
The Oval
160 Shelbourne Road
Dublin 4

02 April 2014

Our Ref: F/9714

SEM Committee Decision for the Regulatory Authorities in relation to Mod_01_14 (Recommendation Report FRR_01_14 v.2.0)

Dear Sherine,

On 6 March 2014, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod_01_14 (Removal of Obligation to Publish Ex-Ante Margin), in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, which was raised by the Market Operator (SEMO), proposes to remove the obligation to publish an ex-ante value for Margin in advance of a given Month. The Code obliges the System Operators to determine values for the Margin in each Trading Period in each Capacity Period (month), five Working Days prior to each Capacity Period. This calculated Margin is subsequently used in the determination of Loss of Load Probability, which is published. The Central Market Systems have no facility to publish the Margin values, which have not been published since SEM go live.

The SEM Committee notes that the Modifications Committee agreed unanimously that the Modification Proposal furthers the Code Objective “to provide transparency in the operation of the Single Electricity Market”. The Modifications Committee also recommended that the Modification Proposal should be implemented on a Trading Day basis, one Working Day after the Regulatory Authority decision is made.

Considering the above and in accordance with paragraph 2.218 of the Code, the SEM Committee is of the view that a modification should be made as set out the Final Recommendation Report of the Modifications Committee (FRR_01_14). The SEM Committee directs that a Modification, as set out in Appendix 1 of FRR_01_14 v.2.0, be made on a Trading Day basis with effect from one Working Day after the date of this letter.

Yours sincerely,

A handwritten signature in black ink that reads "Clive Bowers". The signature is written in a cursive style with a long horizontal stroke at the end.

Clive Bowers
Manager - Wholesale Electricity Market