

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/9716

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_03\_14  
(Recommendation Report FRR\_03\_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\_03\_14 (Change in Timeline for Submission of MO Report on Annual Capacity Exchange Rate), in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, which was raised by the Regulatory Authorities, proposes to amend the Code to reflect the current practice for the publication of the Annual Capacity Exchange Rate (ACER). Currently the ACER which will apply for the coming Year is published in December, whereas the Code requires the ACER value to be published four Months before the start of each Year. The methodology by which the Market Operator determined the ACER for 2011 is set out in the "*Trading and Settlement Code Annual Operational Parameters for 2011, Decision Paper*", of 17 November 2010 (SEM-10-077). This same methodology has been used since that time.

The SEM Committee notes that the Modifications Committee agreed unanimously that the Modification Proposal furthers the Code Objective "to facilitate the efficient discharge by the Market operator of the obligations imposed on it by its Market Operator Licenses". The Modifications Committee also recommended that the Modification Proposal should be implemented on a Settlement 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 directs that a Modification, as set out in Appendix 1 of FRR\_03\_14 v.2.0, be made on a Settlement Day basis with effect from one Working Day after the date of this letter.

Yours sincerely,



**Clive Bowers**  
**Manager - Wholesale Electricity Market**