

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

06 January 2012

Our Ref: D/11/20275

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_29_11
(Recommendation Report FRR_29_11)**

Dear Sherine,

On 16th November 2011, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod_29_11 (Revision of Standard Letter of Credit Template) in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, proposed by the Market Operator (SEMO), proposes to standardise the Letter of Credit form in Appendix A of the T&SC to align with “internationally recognised finance standards”.

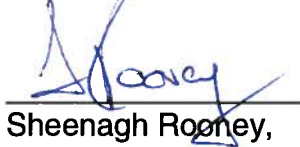
The SEM Committee notes that the Modifications Committee agreed unanimously that the Modification Proposal furthers the Code Objectives “to facilitate the efficient operation and administration of the Single Electricity Market”. The SEM Committee also notes that the Modification Proposal does not require changes to the Central Market Systems.

The SEM Committee believes that it is important to ensure that the standard letter of credit used in SEM is aligned with internationally recognised finance standards. The SEM Committee also notes that paragraph 6.16.1.b of the Code requires that Letters of Credit submitted by Participants shall comply with the standard in Appendix A. This means that any change to the form set out in Appendix A will apply to new Letters of Credit but not to those already submitted. The SEM Committee is also aware that the Modifications Committee is considering a further amendment to the Letter of Credit standard template (Mod_23_11).

Considering the above, and in accordance with paragraph 2.218 of the Code, the SEM Committee directs that a Modification be made in accordance with the Final Recommendation Report of the Modifications Committee (FRR_29_11), for the avoidance of doubt based upon the legal drafting set out in Appendix 1 of that report.

The Regulatory Authorities therefore direct that a Modification be made on a Settlement Day basis with effect from the next Working Day after the date of this letter.

Yours sincerely,

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

Sheenagh Rooney,
Manager - Wholesale Electricity Market