

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

04 January 2011

Our Ref: D/11/20268

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_33\_11  
(Recommendation Report FRR\_33\_11)**

Dear Sherine,

On 14th November 2011, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod\_33\_11 (Temporary exclusion of Interconnector Error Unit Testing Charges from Settlement calculations), 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), seeks to give effect to the temporary removal of the Testing Charges for Interconnector Error Units from the Billing Period Currency Charge (6.136 & 6.136A), Unsecured Bad Debt Energy Charge (6.153) and the Actual Generator Exposure (6.187) calculations. The purpose of the Modification Proposal is to facilitate the implementation of a manual application of Testing Charges during the testing of the East West Interconnector (EWIC) testing. The Interim Provisions proposed will automatically cease to have effect when the changes to the Central Market Systems (CMS) to give effect to Testing Charges for Interconnectors are implemented (expected in October 2012).

The SEM Committee notes that the Modifications Committee agreed unanimously that the Modification Proposal furthers the Code Objectives “to ensure no undue discrimination between persons who are parties to the Code”, “to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner” and “to provide transparency in the operation of the Single Electricity Market”

The Modifications Committee also recommended that the Modification Proposal should be made effective on a Settlement Day basis and that the proposed implementation date should be the first day of EWIC commissioning where power flows on the Interconnector. The Modification proposal does not require any changes to the CMS.

This Modification Proposal is related to Mod\_10\_11 (Interconnector Under Test) which was approved by the SEM Committee on 21st July 2011. It is not possible to implement Mod\_10\_11 in the CMS ahead of EWIC commissioning and so in Mod\_33\_11, SEMO has proposed an

internal business process to apply Testing Tariffs to EWIC in the interim. This Modification Proposal (which simplifies some of the settlement calculations by excluding Testing Charges applied to Interconnector Error Units) was deemed to be required in order to make the business process workable. This Modification proposal will also require the direction by the SEM Committee of a new effective date for Mod\_10\_11 and a letter to this effect has been issued along with this correspondence.

Considering the above and recognising that Interconnectors should be subject to Testing Tariffs, the SEM Committee directs that a Modification, as set out in FRR\_33\_11, be made on a Settlement Day basis with effect from the first day of EWIC commissioning where power flows on the Interconnector.

Yours sincerely,



Sheenagh Rooney  
Manager - Wholesale Electricity Market