

MODIFICATION PROPOSAL FORM			
Proposer (Company)	Date of receipt (assigned by Secretariat)	Type of Proposal (delete as appropriate)	Modification Proposal ID (assigned by Secretariat)
SEMO	29 th September 2023	Standard	Mod_09_23
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Gavin O'Brien		balancingmodifications@sem-o.com	
Modification Proposal Title			
Correction to the calculation of SDPIMB			
Documents affected (delete as appropriate)	Section(s) Affected	Version number of T&SC or Agreed Procedure used in Drafting	
T&SC Part B	G.14.2.4	V28	
Explanation of Proposed Change (mandatory by originator)			
<p>During some routine analysis regarding the Credit Assessment Price (PCA), it was discovered there is an incorrect subscript in the calculation of SDPIMB in subsection G.14.2.4.</p> <p>The formula is calculation the standard deviation of the PIMB as an such it should be using the same subscript within both determinants of the numerator of the formula as per below.</p> <p>Currently, the formula is using the summing based on two separate time spans, namely the undefined exposure period (UEP; g) and historical assessment period (HAP; H). These should both be the HAP.</p> <p>The Settlement system is currently calculating the SDPIMB as per the updated formula below.</p>			
Legal Drafting Change (Clearly show proposed code change using tracked changes, if proposer fails to identify changes, please indicate best estimate of potential changes)			
$SDPIMB_g = \sqrt{\frac{NDAPIMB_g \times \sum_{d \text{ in } gH} (DAPIMB_d)^2 - (\sum_{d \text{ in } H} DAPIMB_d)^2}{NDAPIMB_g \times (NDAPIMB_g - 1)}}$			
Modification Proposal Justification (Clearly state the reason for the Modification)			
This modification has been raised to correct an incorrect formula in the Code in relation to the calculation of SDPIMB and subsequently the PCA.			
Code Objectives Furthered (State the Code Objectives the Proposal furthers, see Section 1.3 of Part A and/or Section A.2.1.4 of Part B of the T&SC for Code Objectives)			
<p>(b) to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;</p> <p>(e) to provide transparency in the operation of the Single Electricity Market;</p>			

By correcting an incorrect formula in the Code.

Implication of not implementing the Modification Proposal

(State the possible outcomes should the Modification Proposal not be implemented)

An incorrect formula will remain in the Code and the Settlement system will need to be updated to reflect this incorrect formula and consequently the PCA will be calculated incorrectly.

Working Group

(State if Working Group considered necessary to develop proposal)

Impacts

(Indicate the impacts on systems, resources, processes and/or procedures; also indicate impacts on any other Market Code such as Capacity Market Code, Grid Code, Exchange Rules etc.)

N/A

N/A

Please return this form to Secretariat by email to balancingmodifications@sem-o.com

Notes on completing Modification Proposal Form:

1. If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.
2. Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Modifications Committee.
3. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.
4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

Agreed Procedure(s):	means the detailed procedures to be followed by Parties in performing their obligations and functions under the Code as listed in either Part A or Part B Appendix D "List of Agreed Procedures". The Proposer will need to specify whether the Agreed Procedure to modify refers to Part A, Part B or both.
T&SC / Code:	means the Trading and Settlement Code for the Single Electricity Market. The Proposer will also need to specify whether all Part A, Part B, Part C of the Code or a subset of these, are affected by the proposed Modification;
Modification Proposal:	means the proposal to modify the Code as set out in the attached form
Derivative Work:	means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal

The terms "Market Operator", "Modifications Committee" and "Regulatory Authorities" shall have the meanings assigned to those terms in the Code.

In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section 2 of Part A or Chapter B of Part B of the Code (and Part A Agreed Procedure 12 or Part B Agreed Procedure 12) , which I have read and understand, I agree as follows:

1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:
 - 1.1 to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
 - 1.2 to the Regulatory Authorities, the Modifications Committee and each member of the Modifications Committee to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;
 - 1.3 to the Market Operator and the Regulatory Authorities to incorporate the Modification Proposal into the Code;
 - 1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.
2. The licences set out in clause 1 shall equally apply to any Derivative Works.
3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.
4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.
5. I hereby acknowledge that the Modification Proposal may be rejected by the Modifications Committee and/or the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.