



SEMOpX Rules Committee
C/O Michael Kelly
The Oval
160 Shelbourne Rd
Dublin 4

28 March 2017

Our Ref: D/18/4971

SEM Committee Decision for the Regulatory Authorities in relation to SEMOpX MCF_01_18 (Modification Change Forms MCF_01_18)

Dear Michael,

On 23 February 2018, the SEMOpX submitted its Modification Change Form (MCF) in regard to SEMOpX Rules Modification Proposal _01_18: No Trading when not authorised under TSC, in accordance with Paragraph J.4.1.1 of the SEMOpX Rules.

The SEMOpX MCF_01_18 was submitted to the Interim Committee by the SEMOpX on 6 December 2017.

The Proposer requested an additional criteria under which Exchange Members should have the responsibility not to trade with a Unit on the Exchange before its effective date and time under the TSC. The proposal is to add to the criteria under clause C 2.4.3 of the SEMOpX Rules.

Via the SEMOpX Rules, SEMOpX put an obligation on Exchange Members not to trade under particular criteria. In the current draft of the SEMOpX rules the existing criteria under which an Exchange Members has a responsibility not to trade are when:

- a) the Participant has been Suspended under the Trading and Settlement Code; or,
- b) the Balancing Market Operator is prohibited from accepting Contracted Quantities for a Unit.

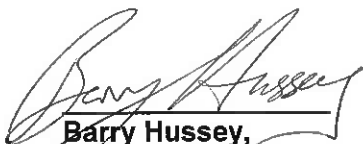
The Regulatory Authorities note that a presentation was made to the Interim Committee (BLG meeting) on 6 December 2017 where the reasoning for the proposal was explained and proposed changes to the SEMOpX rules were set out. Following the presentation a consultation process has followed giving the opportunity to the Market Participants to comment on the proposed change.

The Regulatory Authorities see the value in including this amendment in order to prohibit ex-ante trading if a Unit is not effective in the Balancing Market (BM) given the possibility of the same Unit building up some level of an imbalance exposure, the cost of which may not be recoverable from the Unit in the Balancing Market, and could cause the potential for unnecessary costs being passed on to Exchange members.

The Regulatory Authorities also note the responses submitted were unanimous in their view that the SEMOpX modification proposal would better facilitate the achievement of the SEMOpX Rules Objective and supporting principles, set out in A.1.2.1 and A.1.2.2 respectively.

Considering the above, and in accordance with Paragraph J.4.1.1 of the SEMOpX Rules, the Regulatory Authorities direct that a Modification, as set out in MCF_01_18, be made on a Trading Day basis with effect from two Working Days after the date of this letter.

Yours sincerely,



Barry Hussey,
Manager

Wholesale Electricity Markets