



An Coimisiún
um Rialáil Fóntas
**Commission for
Regulation of Utilities**



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

18 April 2018

Our Ref: D/18/6321

**SEM Committee Decision for the Regulatory Authorities in relation to SEMOpX MCF_04_18
(Modification Change Form MCF_04_18)**

Dear Michael,

On 14 March 2018, SEMOpX submitted its Modification Change Form with regard to SEMOpX rules Modification Change Form (MCF) 04_18: Market Coupling Facilitator in accordance with Paragraph J.4.1.1 of the SEMOpX Rules.

The SEMOpX MCF_04_18 was submitted to the Interim Committee by the SEMOpX on 13 February 2018.

The proposal seeks to include a new Exchange Member type and contract in the SEMOpX Rules to deal with the implicit allocation of the interconnectors' capacity. This new Member type is referred to as the Market Coupling Facilitator. The requirement for the concept of Market Coupling Facilitator was requested by ECC and requires the addition of a new product that is cleared on the Exchange.

The Regulatory Authorities understand that the Market Coupling Facilitator is an additional Exchange Member that can only be an interconnector owner or their agent. This Member is not allowed to submit Orders for any Product on the Exchange. The Market Coupling Contract is the result of the implicit allocation of an interconnector's capacity and only the Market Coupling Facilitator may be party to the Market Coupling Contract.

The modification states that this change to the Rules is required to ensure that SEMOpX are able to comply with its coupling requirements. The Regulatory Authorities note that a presentation was made to the Interim Committee (BLG meeting) on 13 February 2018 where the reasoning for the proposal was explained and proposed changes to the SEMOpX Rules were set out. Following the

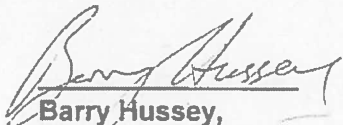
presentation a consultation process has followed, giving the opportunity to Market Participants to comment on the proposed change.

The Regulatory Authorities see the value of including this modification to ensure that SEMOpx is able to comply with ECC requirements and its overall coupling requirements. The Regulatory Authorities also support the decision of SEMOpx to consult on any future changes related to the Market Coupling Facilitator and Market Coupling Contract through the SEMOpx Exchange Committee.

The Regulatory Authorities also note that some of the responses submitted are of the view that further clarification of the Market Coupling Contract and the exact conditions under which changes to the Market Coupling Contract may be introduced would be beneficial. This said, the Regulatory Authorities are of the view that these comments have been sufficiently addressed by SEMOpx in their review of the response.

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_04_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