

SEMOPX MODIFICATION PROPOSAL FORM			
Proposer (Company)	Date of receipt (assigned by Secretariat)	Type of Proposal (delete as appropriate)	Modification Proposal ID (assigned by Secretariat)
SEMOPx	20 th April 2022	Standard	SPX_02_22
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Amy Yeung		Amy.Yeung@Eirgrid.com	
Modification Proposal Title			
Updates to SEMOPx Operating Procedures as a result of Complex Orders being replaced by Scalable Complex Orders.			
Documents affected (delete as appropriate)	Section(s) Affected	Version number of SEMOPx Rules or Operating Procedure used in Drafting	
SEMOPx Operating Procedures SEMOPx Operating Procedures Glossary	SEMOPx Operating Procedures: Sections A.4, B.1, B.2, C.1, C.2 and Appendix A SEMOPx Operating Procedures Glossary: All Sections	Version 4.0	
Explanation of Proposed Change (mandatory by originator)			
<p>This modification proposes to update the SEMOPx Operating Procedures and SEMOPx Operating Procedures Glossary to replace Complex Orders (COs) with Scalable Complex Orders (SCOs), including the removal of Variable Terms and a revision of the Minimum Income Condition definition. A new condition relating to Scalable Complex Orders called Minimum Acceptance Volume is also added. These proposed changes apply to the Day-Ahead Market and IntraDay Market and is planned to take effect in November 2022 with the planned SCOs go live.</p> <p>The updates are limited to the SEMOPx Operating Procedures and SEMOPx Operating Procedures Glossary. No updates to the main SEMOPx Rules document or SEMOPx Rules Glossary are seen as necessary.</p> <p>A brief summary of the SEMOPx Operating Procedure change is provided below:</p> <p><u>SEMOPx Operating Procedures:</u></p> <p>The following sections include updates to the text “Complex Order” to read “Scalable Complex Order”:</p> <p>A.4 Submissions: Section A.4.1.6 B.1 Day-Ahead Auctions, Products, Orders: Sections B.1.2.1, B.1.4, B.1.4.1, B.1.4.3, B.1.4.4, B.1.4.5 and B.1.4.7 B.2 Day-Ahead Auctions – Order Matching and Processing: Sections B.2.2.1 and B.2.2.3 C.1 Intraday Auctions, Products, Orders: Sections C.1.2.1, C.1.4, C.1.4.1, C.1.4.3, C.1.4.4, C.1.4.5 and C.1.4.7 C.2 Intraday Auctions – Order Matching and Processing: Sections C.2.2.1 and C.2.2.3 Appendix A: Schedule A.1 and Schedule A.3</p> <p>The following sections include the addition of the text “Minimum Acceptance Volume” as point C: B.1.4 Complex Orders in Day-ahead Auctions: Section B.1.4.1</p>			

C.1.4 Complex Orders in Intraday Auctions: Section C.1.4.1

The following sections include removal of the text “variable” to read “PQ Pair”:

B.1.4 Complex Orders in Day-ahead Auctions: Section B.1.4.2

C.1.4 Complex Orders in Intraday Auctions: Section C.1.4.2

New sections are included for the inclusion of a new condition associated with SCO called “Minimum Acceptance Volume” or “MAV”. The following sections were added in relation to the MAV:

B.1.4.8 and B.1.4.9

C.1.4.8 and C.1.4.9

B.2.2.3(c)

C.2.2.3(c)

New “Allowable Conditions” are added to the following sections in the Appendix:

Appendix A: Schedule A.1 – added text “4. Minimum Acceptance Volume as described in paragraphs B.1.4.8 and B.1.4.9”

Appendix A: Schedule A.3 – added text “4. Minimum Acceptance Volume as described in paragraphs C.1.4.8 and C.1.4.9”

Refresh of the Table of Contents required to include updates.

SEMOpX Operating Procedures Glossary:

Section A to L: Updates to “Complex Orders” to read “Scalable Complex Orders” and moved to section S to Z.

Section M to R: Addition of “MAV” and “Minimum Acceptance Volume” definitions

Section S to Z: Under Scheduled Stop Condition, updates to “Complex Order” to read “Scalable Complex Order”

Legal Drafting Change

*(Clearly show proposed change to SEMOpX Rules (including Appendices and Operating Procedures) using **tracked** changes, if proposer fails to identify changes, please indicate best estimate of potential changes)*

The sections of the document with changes tracked as shown in the below embedded SEMOpX Operating Procedures and SEMOpX Operating Procedures Glossary:



SEMOpX Operating
Procedures V4.0_TraGlossary



SEMOpX OP
Procedures V4.0_Tracked

Modification Proposal Justification

(Clearly state the reason for the Modification)

ACER is requiring improvements in the efficiency of the EUPHEMIA algorithm in order to facilitate the increasing number of jurisdictions joining SDAC and new features to provide better coupling solutions. Research and development of the EUPHEMIA algorithm have shown that significant gains in efficiency could be achieved with the substitution of SCO product for the current COs. SCOs were found to increase scalability by improving the time to first solution and to cater for the future demands of SDAC.

SDAC is therefore requiring the introduction of the SCOs and the retirement of the COs. In preparation of this change, SEMOpX have initiated a Scalable Complex Orders Project to ensure changes to our trading systems and the systems of SEMOpX members are implemented in time for the planned SCO Go-live in November 2022.

With a number of SEMOpX Members currently utilising the Complex Orders, the change to Scalable Complex Orders is necessary in order to ensure members have all products available to them to trade effectively in the SEM Ex-Ante Markets. Therefore, these changes must be accurately reflected in the SEMOpX Operating

Procedures and SEMOpx Operating Procedures Glossary at the time of SCO Go-live to clearly outline the conditions and definitions of the new SCO product and its attributes.

SEMOpx Objective and SEMOpx Principles Furthered

(State the SEMOpx Objective and Principles the Proposal furthers, see Section A.1.2 of the SEMOpx Rules for further details)

The principles of the SEMOpx rules are:

A.1.2.1 *These SEMOpx Rules are designed to facilitate achievement of the following objective (the “SEMOpx Objective”):*

- (a)** *That participation and trading in commercially viable and sustainable product offerings in the SEMOpx day-ahead and intraday markets meets the needs of current and prospective Exchange Members, and promotes the long-term interests of consumers.*

A.1.2.2 *The SEMOpx Objective is supported by the following principles: that the SEMOpx Rules should:*

- (a)** *enable compliance with the regulatory requirements of the European Union, Ireland and Northern Ireland;*
- (b)** *promote competitive outcomes through provision of efficient and effective exchange services;*
- (c)** *conform with regional and European-wide arrangements for Market Coupling;*
- (d)** *be transparent, not unduly discriminatory, and promote market integrity and confidence;*
- (e)** *reflect the system design and capabilities and service provider arrangements;*
- (f)** *provide Exchange Members with opportunities to be consulted on changes to SEMOpx Rules and Procedures; and*
- (g)** *promote data security, integrity and confidentiality, being the “SEMOpx Principles”.*

This modification proposal furthers the SEMOpx Objective (a) and SEMOpx Principles (b), (c) and (e) above by ensuring:

- the participation and trading in commercially viable and sustainable product offerings in the SEMOpx day-ahead and intraday markets meets the needs of current and prospective Exchange Members and promotes the long-term interests of consumers
- promotion of competitive outcomes through provision of efficient and effective exchange services by the introduction of a new product, Scalable Complex Orders which will increase scalability while keeping the flexibility for the bidders
- conformity with regional and European-wide arrangements for Market Coupling to align with ACER's decision to remove Classical Complex Orders primarily for the introduction of the 15 min Market Trading Unit and the forecast of performance constraints
- the SEMOpx Operating Procedures and SEMOpx Operating Procedures Glossary reflect the system setup with the new Scalable Complex Orders product and attributes

Implication of not implementing the Modification Proposal

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

If this modification is not implemented, SEMOpx members would be limited to trade with Simple Orders only in the Day-Ahead Market and IntraDay Market beginning in November 2022 as the decision to retire Complex Orders on a European level has been confirmed by ACER and the replacement with Scalable Complex Orders is currently being implemented by the SDAC Committee. If large units in the SEM are limited to only Simple Order submissions, they will not be able to state the conditions associated with their orders to recoup minimum start-

up costs and to reflect ramping constraints etc. This will create inflexible trading submissions which would not reflect the true cost of the units.

Impacts

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

- The SEMOpx Operating Procedures and SEMOpx Operating Procedures Glossary require an update (this modification). There is no foreseen update to the associated SEMOpx Rules or SEMOpx Rules Glossary as the changes are limited to the Operating Procedures.
- SEMOpx Trading Platform (ETS) and ECC systems will need to be updated to replace Complex Orders with Scalable Complex Orders (and associated attributes). This include algorithm testing by EPEX.
- SEMOpx will need to perform an impact assessment on market systems and interface and if impacted, will need to test and update systems accordingly.
- SEMOpx Members will need to test and update their systems as a result of Complex Orders replacing Scalable Complex Orders (and associated attributes), as well as download and install ETS version 3.6.
- SDAC and SEM-GB testing will need to take place with NEMOs to ensure system updates, performance and algorithm calculates as it should.
- SEM-GB regional procedures will need to be updated to reflect the replacement of Complex Orders by Scalable Complex Orders (and associated attributes).
- SEMOpx will need to update internal training materials and internal procedural documents.
- SEMOpx will need to update member training materials and SEMOpx website content.
- SEMOpx will need to update live member publications such as Trading on Behalf submission templates, SEMOpx Data Publication Guide, ETS Trader Client Guide, ETS Technical Specification package and API package to reflect ETS version 3.6, to replace Complex Orders with Scalable Complex Orders (and associated attributes).

Please return this form to Secretariat by email to exchangecommittee@semopx.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 SEMOpx Objective and Principles to enable it to be fully considered by the Exchange Committee.
3. Each Modification Proposal will include a draft text of the proposed Modification to the SEMOpx Rules.
4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

Modification Proposal: means the proposal to modify the SEMOpx Rules and / or Operating Procedures 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

SEMOpx: has the meaning assigned to it in the glossary to the SEMOpx Rules

SEMOpx Rules: means the rules, including the Appendices and Procedures, as amended from time to time or otherwise modified in accordance with those SEMOpx rules.

SEMOpx Exchange Committee or "the Exchange Committee": has the meaning assigned to it in SEMOpx Rules.

Regulatory Authorities: has the meaning assigned to it in the SEMOpx Rules.

In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the SEMOpx Rules and Exchange Committee Procedures 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 SEMOpx and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
 - 1.2 to the Regulatory Authorities, the SEMOpx Exchange Committee and each member of the Exchange 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 SEMOpx Rules;
 - 1.3 to SEMOpx and the Regulatory Authorities to incorporate the Modification Proposal into the SEMOpx Rules;
 - 1.4 to all Parties to the SEMOpx Rules and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the SEMOpx Rules or otherwise, for any purpose arising out of or in connection with the SEMOpx Rules.
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 SEMOpx Rules 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 not be supported by the Exchange Committee, may be rejected by SEMOpx and / or the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the SEMOpx Rules.