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	**20th April 2023**	**Standard**	**SPX_03_23**
Contact Details for Modification Proposal Originator			
Name	**Telephone number**		**Email address**
John Rooney			John.Rooney@soni.ltd.uk
Modification Proposal Title			
Inclusion of HMMCP methodology for IntraDay Auctions			
Documents affected *(delete as appropriate)*	**Section(s) Affected**		**Version number of SEMOpx Rules or Operating Procedure used in Drafting**
SEMOpx Operating Procedures	Appendix A: Schedule A.3		Version 6.0
Explanation of Proposed Change *(mandatory by originator)*			

Please read section below on "Modifiation Proposal Justification" first to obtain the rationale for the change outlined below.

The change consists of referencing the SEM Intraday HMMCP methodology in the SEMOpx Operating Procedure, Appendix A, Schedule A.3 which relates to the Intraday Auctions.

The text to be added under the "Minimum Intraday Auction Price; Maximum Intraday Auction Price" row of the schedule will ensure that any change in the max/min prices for the IDA1, IDA2 and IDA3 auctions are triggered and updated based on SEM IDA HMMCP methodology.

The wording to be added is:

"The harmonised minimum and maximum clearing prices set out in the SEM Intraday HMMCP Methodology, as amended from time to time in accordance with the process set out in that methodology. As at the Commencement Date, they are -150 Euro/MWh; +3000 Euro/MWh.!

The update is limited to the SEMOpx Operating Procedure. No updates to the SEMOpx Operating Procedures Glossary, SEMOpx Rules document or SEMOpx Rules Glossary are seen as necessary.

The section of the SEMOpx Operating Procedures with the change tracked and highlighted in <mark>yellow</mark> is below:

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)*

SCHEDULE A.3: → INTRADAY AUCTION PRODUCT SPECIFICATIONS

Contracts for electricity	
Bidding areas	Two bidding areas: • → Ireland (ROI)—orders submitted and settled in Euro; and • → Northern Ireland (NI) — orders submitted and settled in Pounds Sterling Auction cleared using orders in both bidding areas assuming a virtual unlimited interconnection between bidding areas
Trading procedure	Auction—three times each day
Trading Days	Year round
Order Book opening	The order book opens at 23.00, 19 days before Trading Day. Orders can be submitted 24 hours a day while the order book remains open.
Order Book Closure	IDA 1: Daily at 17:30 on the day the Trading Day commences IDA 2: Daily at 08:00 on the Trading Day IDA 3: Daily at 14:00 on the Trading Day
Coupling	IE and NI will be coupled to GB through the two Interconnectors, i.e. the Moyle Interconnector and the East-West Interconnector. IDA3 is a local auction where ROI and NI are not coupled to GB.
Trading Period duration	30 minutes 2 coupled auctions: • → IDA-1 for 48 x ½hr periods with auction at D-1 17:30 covering 23:00 - 23:00 • → IDA-2 24 x ½hr periods with auction held in the morning of D at 08:00 covering 11:00-23:00 1 non-coupled auction: • → IDA-3 12 x ½hr periods with auction held in the afternoon of D at 14:00 covering 17:00-23:00 On the day of the change from summer time to winter time, there are 50 Trading Periods in IDA-1, and in this case there will be two records for each of the periods 01:00-01:30 and 01:30-02:00. On the day of the change from winter time to

	summer-time,·there·are·46·Trading·Periods,·and·in·this·case·the·periods·01:00–01:30·and·01:30–02:00·cannot·be·traded.
Products	Simple·Orders·and·Scalable·Complex·Orders,·as·described·in·Chapter·C·are·available·in·each·Intraday·Auction.
Currency	Bidding·and·settlement·in·Euro·in·ROI Bidding·and·settlement·in·Pounds·Sterling·in·NI Matching·in·Euro Conversion·using·the·Trading·Day·Exchange·Rate·published·for·the·Trading·Day·by·the·Market·Operator·under·the·Trading·and·Settlement·Code.
Provision·of·Results (privately·available·within·the·Trading·System)	**Preliminary·Provision·of·Results** IDA1:·As·soon·as·practicable·from·18:00· IDA2:·As·soon·as·practicable·from·08:30 IDA3:·Preliminary·results·are·not·published·for·this·auction Preliminary·results·are·published·for·information·purposes·only.·Only·final·results·are·binding·for·Exchange·Members. **Provision·of·Final·Results** IDA1:·As·soon·as·practicable·from·18:10 IDA2:·As·soon·as·practicable·from·08:40 IDA3:·As·soon·as·practicable·from·14:15 Final·results·will·be·published·according·to·the·above·timelines·except·in·the·case·of·delays·due·to·technical·issues·or·decoupling·(decoupling·technical·deadline).
Minimum·Intraday·Auction·Price;··Maximum·Intraday·Auction·Price	The·harmonised·minimum·and·maximum·clearing·prices·set·out·in·the·SEM·Intraday·HMMCP·Methodology,·as·amended·from·time·to·time·in·accordance·with·the·process·set·out·in·that·methodology.·As·at·the·Commencement·Date,·they·are· -150·Euro/MWh;·+3,000·Euro/MWh ·Or·Pounds·Sterling·equivalent,·converted·using·the·Trading·Day·Exchange·Rate·published·for·the·Trading·Day·by·the·Market·Operator·under·the·Trading·and·Settlement·Code.
Price·increment	0.01·Euro/MWh· 0.01·Pounds·Sterling/MWh· (publication·of·prices·with·three·decimal·places)
Volume·increment	0.1·MW

| Modification Proposal Justification |
|---|
| *(Clearly state the reason for the Modification)* |
| In 2022 increased energy prices being experienced in Europe lead to SDAC auction prices in some jurisdictions hitting maximum technical price caps specified in the SDAC auction. The existing Harmonised Maximum and Minimum Clearing Prices (HMMCP) methodology for SDAC- which defines under what circumstances the max/min prices in SDAC market will be adjusted -was found under these circumstances to not be appropriate.

In January 2023 ACER decided on a new HMMCP methodology for SDAC. |

SEM-GB coupled markets (IDA1 and IDA2) and SEM local market IDA3 are not governed by SDAC and hence a similar HMMCP methodology for SEM-GB coupled auctions does not exist. This has led to ambiguity and uncertainty about how any max/min clearing price changes would be applied in SEM IDA auctions.

Given this lack of clarity all SEM-GB power exchange agreed to implement a SEM-GB HMMCP procedure to govern the triggering and update of max/min price caps in the SEM-GB coupled auctions (IDA1 and IDA2). The procedure developed was based on the SDAC HMMCP methodology.

The SDAC HMMCP methodology is already referenced in the SEMOpx Operational Procedures. However no similar reference is currently in the SEMOpx Operating Procedure relating to the SEM Intraday HMMCP methodology. Hence this modification proposal.

To ensure the SEM Intraday HMMCP methodology is incorporated into the SEMOpx Operating Procedure correctly it would ideally reference the SEM-GB HMMCP procedure directly. However the SEM-GB Procedures are not publicly available, do not cover IDA3, and contain operational details that are only relevant for the SEM-GB parties operating the auctions not for use in public.

To ensure SEMOpx members have transparency of the SEM Intraday HMMCP methodology, SEMOpx have created a SEM Intraday HMMCP methodology document which mirrors the methodology related details in the SEM-GB HMMCP Procedure and will be referenced in the SEMOpx Operating Procedure. This methodology will be published on the SEMOpx website for transparency and be kept in synch with the SEM-GB HMMCP Procedure. The policy will also include reference to the IDA3 auction which is not covered by the SEM-GB HMMCP Procedure as IDA3 is a local and not a coupled auction.
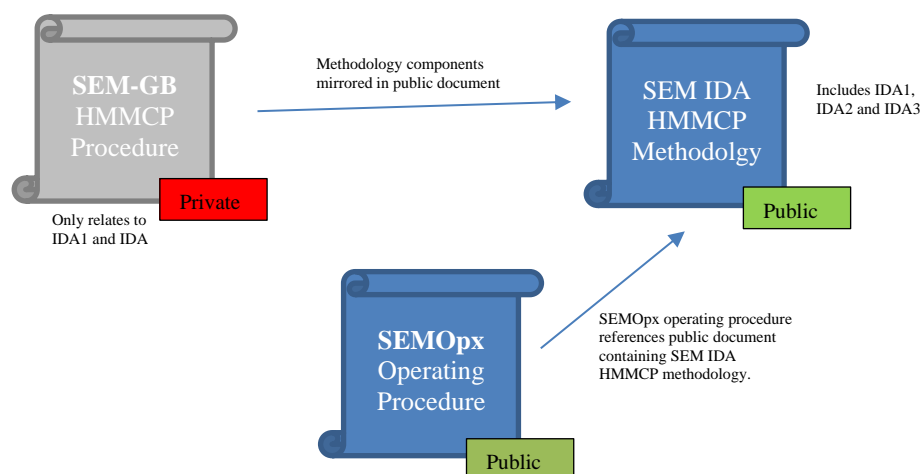
The benefits of incorporating the SEM Intraday HMMCP methodology in the SEMOpx Operating Procedure are:

- Provides clarity and transparency on the triggers and magnitude of updates to the min/max ceiling prices for SEM coupled IDAs (IDA1 and IDA2) and for local IDA3.
- Removes ambiguity and uncertainty about amendment of price caps in SEM IDAs.
- Mitigates other SEM-GB parties suggesting cap increases in the IDAs due to subjective views.
- Delinks max/min price changes in SEM IDAs from SDAC.
- Is consistent with similar HMMCP methodology used for SDAC.

The go-live date for the use of the SEM Intraday HMMCP will be determined in consultation with the other SEM-GB power exhanges.

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 (c) and (d) above by ensuring:

- the implementation of agreed methodology that protects SEMOpx members from increasing max/min price caps on a subjective basis.

- conformity with regional arrangements for market coupling to align with the SEM-GB Procedures agreed by all regional parties.

- provides a fully transparent and detailed outline of the policy requirements needed to trigger a change in market price caps

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

If this modification is not implemented then the SEMOpx Operating Procedures will be inconsistent with the SEM-GB Procedures leading to potential ambiguity and disagreement on when and how to apply max/min price changes for IDAs.

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 Marker Code, Grid Code, Exchange Rules etc.)

- The SEMOpx Operating Procedures require an update (this modification). There is no foreseen update to the associated SEMOpx Operating Procedures Glossary, SEMOpx Rules or SEMOpx Rules Glossary.
- Exchange members may need to review internal procedures regarding SEM-GB Price Cap increases for IDAs.
- SEMOpx will be required to update participant training materials and website content detailing all impacted changes
- SEMOpx and its service providers have scheduled scenario testing and simulation testing with the new methodology

- The Market Coupling Operators for the SEM-GB and IDA3 auctions will need to implement monitoring of prices to identify price trigger events.

Please return this form to Secretariat by email to exchangecommittee@semopx.com

<p style="text-align:center">Notes on completing Modification Proposal Form:</p>

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.