

| 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 | 13 th July 2020 | Standard | SPX_04_20 |
| Contact Details for Modification Proposal Originator | | | |
| Name | Telephone number | Email address | |
| John Rooney | | John.rooney@soni.ltd.uk | |
| Modification Proposal Title | | | |
| Change to MRC Operational Timings | | | |
| Documents affected (delete as appropriate) | Section(s) Affected | Version number of SEMOpX Rules or Operating Procedure used in Drafting | |
| SEMOpX Operating Procedure | Section E.1.1.4, E.1.2.1, E.1.3.1, E.1.5.1 and Schedule A.1 | Version 2.0 | |
| Explanation of Proposed Change (mandatory by originator) | | | |
| <p>This modification proposes to amend MRC operational timings within the SEMOpX Operating Procedures in line with the changes made at PCR MRC level. The agreed OPSCOM change to timings are to increase the Market Coupling Session time by 10 minutes as well as modifying the pre-coupling cross zonal capacity deadlines to align with CACM firmness requirements.</p> <p>This has impacted the below timings:</p> <ul style="list-style-type: none"> • Partial-Decoupling (PD1) trigger from 10:45 to 10:30 • Partial-Decoupling (PD2) deadline set to 11:45 (instead of 11:40) • DAM Auction provisional results publication time to 11:45 (instead of 11:42) • Full-Decoupling (FD1) deadline set to 13:00 (instead of 12:50) <p>To achieve this, updates to the SEMOpX Operating Procedures and SEMOpX Operating Procedure Glossary are required. The updates are limited to the operating procedure. No updates to the main SEMOpX Rules document are seen as necessary.</p> <p>A brief summary of the SEMOpX Operating Procedure changes is provided below:</p> <p><u>SEMOpX Operating Procedure</u></p> <p>E.1.1.4 – table outlining the target times for each of the decoupling scenarios associated with the DAM auction</p> <p>E.1.2.1 – description of the PD1 – Late submission of Cross-Zonal Capacities scenario, which includes the 10:45 timing</p> <p>E.1.3.1 – description of the PD2 – Technical or Market Issues Experienced by Participating Exchanges(s) scenario, which includes the 11:40 timing</p> <p>E.1.5.1 – description of the FD1 – Day-ahead Auction results cannot be determined scenario, which includes the 12:50 timing</p> <p>Schedule A.1 – table outlining the Day-Ahead Market Segment Product Specifications which includes the Provision of Results publication timing of 11:42</p> | | | |
| 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) | | | |
| ***Due to the extent of the changes and to ensure they are seen in context, the tracked changes have been | | | |

made to a copy of the full SEMOpx Operating Procedures ****

“SEMOpx-Operating-Procedures - Updates for MRC timing changes”

Modification Proposal Justification

(Clearly state the reason for the Modification)

This modification proposes the changing of the trigger (PD1), deadline (PD2 & FD1) and DAM auction publication timings in line with changing occurring at a European-wide level.

NEMOs and TSOs of the MRC OPSCOM agreed (around March 2019) to grant an extension of 10 minutes directed to extend Algorithm calculation time, as part of a preventive measure due to increasing systems constraints and in order to avoid Euphemia performance deterioration. This change in the calculation length takes into account a possible second calculation, according to exceptional situations covered in procedures.

These timings changes will be applied in two phases, with the first step of this change around the CACM firmness requirements. The following timing change will be implemented first and by **September 1st 2020**:

- Partial-Decoupling (PD1) trigger from 10:45 to 10:30

The second step will be the coupling timings related to the increased Euphemia calculation time:

- Partial-Decoupling (PD2) deadline set to 11:45 (instead of 11:40)
- DAM Auction provisional results publication time to 11:45 (instead of 11:42)
- Full-Decoupling (FD1) deadline set to 13:00 (instead of 12:50)

This second phase will be implemented later in 2020, currently targeted for November.

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 objective of the SEMOpx rules is:

“A.1.2 Objective and principles

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. “*

This modification proposal furthers the SEMOpx Objective by aligning with the timings set out at MRC level, ensuring that market participants receive communications in line with the expected timelines set out in the SEMOpx Operating procedures.

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 shall receive the provisional publication of market markets, as well as decoupling notifications, later than detailed within the SEMOpx Operating Procedures. The biggest impact would occur with the PD1 trigger timing as obligation to operate to the existing timing of 10:45 could lead to the partial decoupling of SEMOpx from the DAM auction, which would impact market participants and interconnectors financially, as well as impact the credibility of SEM within the MRC region.

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 Procedure and Glossary will require update (this modification). There is no foreseen update to the associated SEMOpx rules as the changes are limited to the operating procedure.
- Exchange members may need to revise internal procedures regarding the expected timings for the communications relating to each of the scenarios detailed above.
- SEMOpx will be required to update internal work procedures, checklists and exception handling documentation detailing all impacted timings
- SEMOpx will be required to update participant training materials and website content detailing all impacted timings
- Simulation testing will be available prior to go-live to allow exchange members to test submission systems.
- SEMOpx and its service providers will need to scenario test and simulation test taking into account the new timings.

Note: The effective date of this modification should align with the implementation of the timing changes at PCR level.

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.