

SEMOPX MODIFICATION PROPOSAL FORM			
Proposer <i>(Company)</i>	Date of receipt <i>(assigned by Secretariat)</i>	Type of Proposal <i>(delete as appropriate)</i>	Modification Proposal ID <i>(assigned by Secretariat)</i>
SEMOpX	6th October 2022	Standard	SPX_06_22
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
John Rooney		John.Rooney@soni.ltd.uk	
Modification Proposal Title			
Changes to the Full Decoupling Scenario's in the IntraDay Auctions.			
Documents affected <i>(delete as appropriate)</i>	Section(s) Affected	Version number of SEMOpX Rules or Operating Procedure used in Drafting	
SEMOpX Operating Procedures SEMOpX Operating Procedures Glossary	Section E.2.1.1, E.2.1.2, E.2.1.3, E.2.2.1, E.2.2.2, E.2.2.3, E.2.2.4, E.2.3.1 and E.2.3.2	Version 2.0	
Explanation of Proposed Change <i>(mandatory by originator)</i>			
<p>The proposed changes are based on a review of IDA fallback procedures by the SEM-GB OPSCOM, with the goal of minimise further any impact on market coupling due to operational issues with the IDA auctions.</p> <p>This modification proposes to apply changes to both of the SEM-GB IDA Full Decoupling processes and deadline timings within the SEMOpX Operating Procedures</p> <p>The SEM-GB OPSCOM have agreed to implement the following changes (subject to Power Exchange rule updates being approved):</p> <ul style="list-style-type: none"> • Full-Decoupling (FD1) event to be changed to Partial-Decoupling (PD1) event and coupled auction to be run for non-impacted NEMOs, with the impacted NEMO to have a local auction run. • Full-Decoupling (FD2) deadline (for IDA1) set to 19:15 (instead of 18:50) with the introduction of a local auction available upon declaration of Full Decoupling • Full-Decoupling (FD2) deadline (for IDA2) set to 09:45 (instead of 09:20) with the introduction of a local auction available upon declaration of Full Decoupling <p>The updates are limited to the SEMOpX Operating Procedures and SEMOpX Operating Procedures Glossary. No updates to the SEMOpX Rules document or SEMOpX Rules Glossary are seen as necessary.</p> <p>Target go-live date of the changes to the IDA partial and full decoupling procedural and deadline timings are to be confirmed in November, 2022.</p> <p>A brief summary of the SEMOpX Operating Procedure and SEMOpX Operating Procedures Glossary changes are provided below:</p> <p><u><i>SEMOpX Operating Procedures:</i></u> E.2.1.1 & E.2.1.2 – introduction of Partial Decoupling and the trigger associated as a SEM-GB decoupling outcome E.2.1.4 – outline of the updated decoupling trigger and timeline associated with each updated IDA decoupling scenario.</p>			

The IDA1 Trigger has been changed from “FD1” to “PD1”, with the Target Time for the IDA FD2 Trigger changing from “18:50” to “19:15”.

The IDA2 Trigger has been changed from “FD1” to “PD1”, with the Target Time for the IDA FD2 Trigger changing from “09:20” to “09:45”.

E.2.2 – Description of the updated “PD1 – Late submission of cross-zonal capacities” process to reflect the change from a Full Decoupling to Partial Decoupling

E.2.3 - Description of the updated “FD2 – Intraday Auction results cannot be determined” process to reflect the updated decoupling deadline and provision of a local auction.

SEMOpx Operating Procedures Glossary:

“Fully Decoupled” description to include reference to E.2.2.1 and remove reference to E2.1.1

“Partially Decoupled” description to include reference to this process now applying to both the MRC and SEM-GB markets.

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 and can be viewed in the embedded SEMOpx Operating Procedures and SEMOpx Operating Procedures Glossary.

Modification Proposal Justification

(Clearly state the reason for the Modification)

Post-Brexit the IDA1 and IDA2 auctions are the key auctions for market coupling between SEM and GB.

The SEM-GB NEMOs and TSOs have been looking at ways to further protect the execution of these coupled auctions from issues that may lead to decoupling.

This modification proposes changes to the IDA1 and IDA2 fallback procedures to:

- a) Provide more opportunities for those NEMOs that do not have issues to remain coupled (FD1 full decoupling changed to PD1 partial decoupling only)
- b) Provide more time to resolve issues before full decoupling occurs
- c) Provide local auctions where full decoupling does occur

The measures proposed will not impact on the normal processing times of the IDA1 and IDA2 auctions but only in the case where fallback procedures are required due to issues or delays in the operation of the auction.

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 intraday market meets the needs of current and prospective Exchange Members and promotes the long-term interests of consumers
- the promotion of competitive outcomes through providing better fallback procedures to maximise the inclusion of market coupling capacity in the IDA auctions.
- conformity with regional and European-wide arrangements for Market Coupling to align with the timings set out at SEM-GB level, ensuring that SEMOpx members receive the relevant communications in line with the expected timelines set out in the SEMOpx Operating Procedures
- the SEMOpx Operating Procedures reflect the system and procedural setup with the new partial and full decoupling timings at SEM-GB level

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 operational issues occurring with the IDA1 and IDA2 that could not be resolved by the existing full decoupling deadlines would result in higher likelihood of decoupling of the auctions and loss of the potential market coupling opportunity.

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 both require an update (this modification). There is no foreseen update to the associated SEMOpx Rules or SEMOpx Rules Glossary.

- 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
- SEMOpx and its service providers have already completed scenario testing and simulation testing with the new timings.

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.