|  |  |
| --- | --- |
| 8 September 2023 | SEMOpx Exchange Committee Procedures |
|   | Version 7.0 |

Contents

[A INTRODUCTION 4](#_Toc19709748)

[A.1 BACKGROUND AND PURPOSE 4](#_Toc19709749)

[A.1.1 Exchange Committee Processes and Procedures 4](#_Toc19709750)

[A.1.2 Legal basis for Procedures 4](#_Toc19709751)

[A.1.3 Modifications to Procedures 4](#_Toc19709752)

[A.1.4 Compliance with Procedures 4](#_Toc19709753)

[A.1.5 Role of the Regulatory Authorities 5](#_Toc19709754)

[A.3.1. Content 6](#_Toc19709755)

[A.3.2 Definitions 6](#_Toc19709756)

[B FORMS OF ADVICE 7](#_Toc19709757)

[C EXCHANGE COMMITTEE 8](#_Toc19709758)

[C.1.1 Number of Members 8](#_Toc19709759)

[C.1.2 Chairperson and deputy chairperson appointments 8](#_Toc19709760)

[C.1.3 Categories of members, and observers 8](#_Toc19709761)

[C.1.4 Diversity of interests represented 8](#_Toc19709762)

[C.1.5 Member qualifications 9](#_Toc19709763)

[C.1.6 Members to act in furtherance of SEMOpx Objective 9](#_Toc19709764)

[D EXCHANGE COMMITTEE MEETINGS 10](#_Toc19709765)

[D.1.1 Frequency of meetings 10](#_Toc19709766)

[D.1.2 Notice of meetings 10](#_Toc19709767)

[D.2 CONDUCT OF MEETINGS 10](#_Toc19709768)

[D.2.1 Quorum 10](#_Toc19709769)

[D.2.2 Attendance of observers 11](#_Toc19709770)

[D.2.3 Resolutions and voting 11](#_Toc19709771)

[D.2.4 Minutes 11](#_Toc19709772)

[E EXCHANGE COMMITTEE COMPOSITION 12](#_Toc19709773)

[E.1.1 Initial Exchange Committee observers 12](#_Toc19709774)

[E.1.2 Initial Exchange Committee observers 12](#_Toc19709775)

[E.1.3 Timing for future appointments 12](#_Toc19709776)

[F SUBSEQUENT EXCHANGE COMMITTEE ARRANGEMENTS 13](#_Toc19709777)

[F.1.1 Application of this Chapter 13](#_Toc19709778)

[F.1.2 Administration of Committee Elections 13](#_Toc19709779)

[F.1.3 Authority to make nominations and appointments 13](#_Toc19709780)

[F.2.1 Notification of vacancies 13](#_Toc19709781)

[F.2.2 Nominations 14](#_Toc19709782)

[F.2.3 Appointment where vacancies exceed nominations 14](#_Toc19709783)

[F.2.4 Election where nominees exceed vacancies 15](#_Toc19709784)

[F.2.5 Determination and publication of results 16](#_Toc19709785)

[F.4.1 Removal by Exchange Committee 17](#_Toc19709786)

[F.4.2 Resignation 18](#_Toc19709787)

[G PROCEDURES FOR MODIFICATION PROPOSALS 19](#_Toc19709788)

[G.1.1 Sources of Modification Proposals 19](#_Toc19709789)

[G.1.2 Purpose of this Chapter 19](#_Toc19709790)

[G.1.3 Exchange Committee-initiated Modification Proposals 19](#_Toc19709791)

[G.2.1 Timely advice 19](#_Toc19709792)

[G.2.2 An Effort commensurate with significance of matter 19](#_Toc19709793)

[G.2.3 Accurately represent views 20](#_Toc19709794)

[G.3.1 Preliminary steps by SEMOpx 20](#_Toc19709795)

[G.3.2 Notification of Modification Proposals 20](#_Toc19709796)

[G.3.3 Urgent Modification Proposals 21](#_Toc19709797)

[G.3.4 Expedited process for simple changes 21](#_Toc19709799)

[G.3.5 Procedure for developing Recommendations Submissions and reports 22](#_Toc19709801)

[G.3.6 Reporting timeline 22](#_Toc19709802)

[G.3.7 Alternative Proposals 23](#_Toc19709803)

[G.3.8 Exchange Committee consideration and voting on Modification Proposals 23](#_Toc19709804)

[G.3.9 Report 24](#_Toc19709805)

[H NOTICES 26](#_Toc19709806)

[H.1.1 Exchange Committee notices 26](#_Toc19709807)

[H.1.2 Exchange Member representative 26](#_Toc19709808)

[H.1.3 Service of notices 27](#_Toc19709809)

[I SECRETARIAT 28](#_Toc19709810)

[I.1. DUTIES 28](#_Toc19709811)

[I.2. MEETINGS 29](#_Toc19709812)

|  |  |  |  |
| --- | --- | --- | --- |
| **Version** | **Date** | **Author** | **Comment** |
| 1.0 | 17/09/18 | SEMOpx | Baseline Documentation at V1.0 |
| 2.0 | 20/09/19 | SEMOpx | Baseline Documentation at V2.0 |
| 3.0 | 18/06/21 | SEMOpx | Baseline Documentation at V3.0 |
| 4.0 | 26/01/22 | SEMOpx | Baseline Documentation at V4.0 |
| 5.0 | 12/08/22 | SEMOpx | Baseline Documentation at V5.0 |
| 6.0 | 10/03/23 | SEMOpx | Baseline Documentation at V6.0 |
| 7.0 | 08/09/23 | SEMOpx | Baseline Documentation at V7.0 |
| 7.0 | 06/06/23 | SEMOpx | SPX\_02\_23 Recommendation Reporting Timeline |

# A INTRODUCTION

## A.1 BACKGROUND AND PURPOSE

### A.1.1 Exchange Committee Processes and Procedures

A.1.1.1 These Procedures set out the detailed processes and procedures for the Exchange Committee established under the SEMOpx Rules.

A.1.1.2 These Procedures enable the Exchange Committee to perform its role and functions in promoting SEMOpx Rules and Procedures to (i) remain current and relevant over time; and (ii) facilitate the SEMOpx Objective; through timely consultation and advice to SEMOpx on proposed changes to SEMOpx Rules and Procedures.

### A.1.2 Legal basis for Procedures

A.1.2.1 These Procedures are made under section B.3.3 of the SEMOpx Rules.

A.1.2.2 The content of these Procedures supports provisions in:

1. Section B.2 of the SEMOpx Rules which sets out the Exchange Committee’s
2. role and functions;
3. composition;
4. arrangements for a chairperson and deputy chairperson;
5. meeting requirements;
6. arrangements for costs; and
7. confidentiality requirements; and
8. Section J.2.3 of the SEMOpx Rules which sets out the Exchange Committee’s role in relation proposed Modifications to the SEMOpx Rules or Procedures.

### A.1.3 Modifications to Procedures

A.1.3.1 These Procedures can be modified only in accordance with Chapters J or K of the SEMOpx Rules.

### A.1.4 Compliance with Procedures

A.1.4.1 These Procedures are binding on SEMOpx, the Exchange Committee, and each Exchange Member, and are enforceable in accordance with the SEMOpx Rules.

A.1.4.2 Each Exchange Member shall execute an undertaking to comply with these Procedures and the confidentiality requirements under section B.2.7.1 of the SEMOpx Rules and return it to the SEMOpx Exchange Committee Secretariat (whose role is provided for in Section I of this Procedure), upon his or her election or appointment and will not take office until they have done so.

### A.1.5 Role of the Regulatory Authorities

A.1.5.1 These Procedures allow for the Regulatory Authorities’ involvement in some aspects of Exchange Committee and SEMOpx meetings and decisions. That involvement arises from Nominated Electricity Market Operator (NEMO) conditions in the Market Operator Licences issued to each of EirGrid and SONI **(the NEMO Licence Conditions).**

A.1.5.2 Upon cessation of the NEMO Licence Conditions, references to the Regulatory Authorities in these Procedures shall no longer apply.

**A.2 COMMITTEE MEMBERS TO FURTHER SEMOPX OBJECTIVE**

A.2.1 In performing their duties under the SEMOpx Rules and these Procedures, the Exchange Committee and each Exchange Committee Member shall promote the SEMOpx Objective set out in section A.1.2 of the SEMOpx Rules.

A.2.1.1 Unlike a market participant under the Trading and Settlement Code, Exchange Members do not join the exchange as generators, suppliers, etc. They are simply members.

 A.2.1.2 Notwithstanding the particular interests of the Exchange Member that nominated an Exchange Committee member, the Exchange Committee and all Exchange Committee members must act in good faith to progress the SEMOpx Objective as defined in the SEMOpx Rules; supported by the SEMOpx Principles, rather than the interests of any nominating organisation.

A.2.1.3 Individual members will bring a perspective from particular sectors, but that cannot override a member’s obligations to the Exchange Committee.

**A.3 OVERVIEW OF THESE PROCEDURES**

### A.3.1. Content

A.3.1.1 These Procedures deal with:

1. The Exchange Committee composition (Chapter C), including:
	1. The number of members;
	2. Categories of members and observers;
	3. Interests to be represented;
	4. Member qualifications;
2. Exchange Committee meetings (Chapter D),
3. Initial Exchange Committee arrangements (see Chapter E);
4. Ongoing Exchange Committee procedures (Chapter F) including:
	1. Vacancies, nominations and elections of Exchange Committee members;
	2. The terms and conditions of Exchange Committee member appointments;
	3. Resignation and removal of Exchange Committee members
5. Timelines for consultation on SEMOpx Rules and Procedures Modification Proposals (Chapter G).

### A.3.2 Definitions

A.3.2.1 Terms defined in the SEMOpx Rules have the same meaning when used in these Procedures.

**“Recommendation Submission”** means the summary submission to be sent by the Secretariat to SEMOpx or to the Regulatory Authorities as appropriate, where required under Chapter G of these Procedures.

# B FORMS OF ADVICE

**B.1 GUIDELINES**

B.1.2 SEMOpx may develop and publish guidelines for the specific types of decisions, recommendations and reports of the Exchange Committee, in relation to its:

1. Consideration of proposed Modifications to the SEMOpx Rules of the Procedures (see Chapter J of the SEMOpx Rules; Chapter G of these Procedures);
2. Development of Recommendation Submissions to SEMOpx on proposed Modifications to the SEMOpx Rules or the Procedures, that present Exchange Committee members’ views (see Chapter G of these Procedures);
3. Suggestions to SEMOpx that external advice be procured (see section G.3.8.2 of these Procedures); and
4. Decisions on whether to remove a member in accordance with section F.4.1 of these Procedures.

# C EXCHANGE COMMITTEE

**C.1 MEMBERSHIP REQUIREMENTS**

## C.1.1 Number of Members

The composition of the Exchange Committee shall be as set out in section B.2.3 of the SEMOpx Rules.[[1]](#footnote-1)

## C.1.2 Chairperson and deputy chairperson appointments

C.1.2.1 The chairperson and deputy chairperson of the Exchange Committee are appointed by SEMOpx in accordance with section B.2.4 of the SEMOpx Rules.

## C.1.3 Categories of members, and observers

C.1.3.1. In accordance with section B.2.3.2 of the SEMOpx Rules, an Exchange Committee member may be either:

1. One of the members nominated by and elected from the Exchange Committee in accordance with these Procedures; or
2. One of two members appointed by SEMOpx.

C.1.3.2 An Exchange Committee observer may be either:

1. A regular observer appointed by the Regulatory Authorities in accordance with section B.2.3.3 of the SEMOpx Rules; or
2. An *ad hoc* observer authorised by the chairperson to attend a specific meeting in accordance with section D.2.2 of these Procedures.

## C.1.4 Diversity of interests represented

C.1.4.1 The Exchange Committee members shall include:

1. At least three members who have knowledge of or expertise in the role of Generation Participants (as defined under the Trading and Settlement Code);
2. At least three members who have knowledge of or expertise in the role of Supplier Participants (as defined under the Trading and Settlement Code); and
3. At least one member who has knowledge of or expertise in the role of an Assetless Participant (as defined under the Trading and Settlement Code).
4. At least one member to represent the Transmission System Operators.
5. At least one member to represent interconnector owners.

## C.1.5 Member qualifications

C.1.5.1 SEMOpx and Exchange Members shall ensure that their nominees for Exchange Committee members have the requisite skills, authority and capacity to fulfil the role, including:

1. Knowledge of and experience in electricity markets, including knowledge of particular sectors from which they are drawn;
2. Knowledge and understanding of the SEMOpx Rules, and the related European, Irish and Northern Ireland legislative and regulatory framework;

## C.1.6 Members to act in furtherance of SEMOpx Objective

C.1.6.1 Notwithstanding:

1. The interests of the Exchange Member who nominated an Exchange Committee member; and
2. Sections C.1.4 and C.1.5 of these Procedures,

in performing their duties under the SEMOpx Rules and these Procedures, each Exchange Committee member must act at all times in accordance with the provisions of these Procedures, in the overall best interests of SEMOpx and in furtherance of the SEMOpx Objective supported by the SEMOpx Principles.

# D EXCHANGE COMMITTEE MEETINGS

**D.1 SCHEDULING OF MEETINGS**

## D.1.1 Frequency of meetings

D.1.1.1 The Exchange Committee shall meet:

1. At least twice each year, or as frequently as is required under section A.1.3 of the SEMOpx Rules;
2. With such greater frequency as is deemed appropriate by the Exchange Committee, taking into account the number, complexity and importance of Modification Proposals to be considered by the Exchange Committee;
3. When either SEMOpx or a quorum of three Exchange Committee members call a meeting in accordance with section B.2.5.2 of the SEMOpx Rules.

## D.1.2 Notice of meetings

D.1.2.1 SEMOpx shall:

1. Endeavour to publish the dates of Exchange Committee meetings 14 days in advance;
2. Give Exchange Committee members at least 14 days’ notice of an Exchange Committee meeting, with such notice to include:
	1. Details of the date, time and venue;
	2. A draft agenda;

D.1.2.2 Prior to each Exchange Committee meeting:

1. SEMOpx shall notify members of telephone conferencing arrangements for the meeting where applicable.
2. SEMOpx shall provide to Exchange Committee members the details of Modification Proposals set out in section G.3.2.1 of these Procedures.

# D.2 CONDUCT OF MEETINGS

## D.2.1 Quorum

D.2.1.1 The quorum for a meeting of the Exchange Committee is half of its members present. No decision of the Exchange Committee member may be reached without a quorum.

D.2.1.2 If an Exchange Committee member is unable to attend an Exchange Committee meeting, that Exchange Committee member may provide in advance written materials to be considered by the Exchange Committee, where appropriate. In addition, in accordance with B.2.3.6 of the SEMOpx Rules if any member is unable to attend an Exchange Committee Meeting, the alternate member shall be entitled to take the place of that member in that meeting and to vote at the Exchange Committee meeting. The Secretariat must be informed of any such occurrence in writing in accordance with B.2.3.6 of the SEMOpx Rules.

# D.2.2 Attendance of observers

D.2.2.1 In accordance with section B.2.5.4 of the SEMOpx Rules, any person may attend a meeting of the Exchange Committee as an observer provided that:

1. The person has informed the chairperson at least 8 Working Days beforehand, of their request to attend the meeting, and the nature of their interest;
2. The person has provided any appropriate undertaking of confidentiality;
3. The person has provided in a timely manner any additional information or undertakings reasonably requested by the chairperson; and
4. The chairperson has confirmed in writing that the person may attend a specified meeting or meetings.

D.2.2.2 Other than observers appointed by Regulatory Authorities, observers are not entitled to participate in discussions or debates, if any, at meetings unless approval has been received from the chairperson.

D.2.2.3 Observers cannot vote at Exchange Committee meetings.

D.2.2.4 Where meeting space is limited, attendance of observers may be limited on a first come first served basis (other than observers appointed by Regulatory Authorities who may always attend meetings).

# D.2.3 Resolutions and voting

D.2.3.1 Resolutions shall be passed by a simple majority of the valid votes cast. In the event of a tied vote, the chairperson of the meeting shall cast the deciding vote. If the chairperson abstains from voting, the resolution shall be deemed rejected.

D.2.3.2 An Exchange Committee member may request a debate or discussion before voting, and the chairperson shall comply with such a request where reasonable and practicable.

# D.2.4 Minutes

D.2.4.1 The Secretariat shall summarise in writing at a high-level the content and outcome of Exchange Committee meetings, in minutes signed by the chairperson.

D.2.4.2 Meeting minutes shall have due regard to commercial sensitivity of issues discussed.

# E EXCHANGE COMMITTEE COMPOSITION

**E.1 INITIAL EXCHANGE COMMITTEE**

# E.1.1 Initial Exchange Committee observers

E.1.1.1 The Regulatory Authorities may nominate in writing to SEMOpx one observer each to attend Exchange Committee meetings.

# E.1.2 Initial Exchange Committee observers

E.1.2.1 In order to facilitate market commencement, the Exchange Committee shall consist of:

1. A minimum of seven (7) and a maximum of fifteen (15) members chosen:
2. To reflect the diversity of Exchange Members set out in section C.1.4 of these Procedures; and
3. Drawn from persons nominated in writing to the Secretariat by prospective Exchange Members; and
4. Appointed for an initial term not exceeding two years;
5. At least two other members appointed by SEMOpx, one of whom shall be the chairperson.

E.1.2.2 An appointment made under section E.1.2.1(a) of these Procedures expires after the stipulated term, or when elections are held under Chapter C of these Procedures, whichever is the earlier.

E.1.2.3 Subject to section F.3.1.2 of these Procedures, an Exchange Committee member appointed under Section E.1.2.1(a) of these Procedures may be subsequently reappointed under Chapter F of these Procedures.

# E.1.3 Timing for future appointments

E.1.3.1 At its first meeting, the Exchange Committee shall agree the timing for Exchange Committee members to be appointed in accordance with Chapter F of these Procedures[[2]](#footnote-2).

# F SUBSEQUENT EXCHANGE COMMITTEE ARRANGEMENTS

**F.1 GENERAL PROVISIONS**

# F.1.1 Application of this Chapter

F.1.1.1 If at any time after the establishment of the Exchange Committee an Exchange Committee member position becomes vacant for any reason, including any general elections proposed under section E.1.3.1 of these Procedures, then the procedures in this Chapter F shall apply.

# F.1.2 Administration of Committee Elections

F.1.2.1 A Secretariat established by SEMOpx to carry out the duties identified in Section I of these Procedures, shall administer any election of Exchange Committee members.

# F.1.3 Authority to make nominations and appointments

F.1.3.1 Exchange Members may nominate Exchange Committee members at such times as may be notified by the Secretariat.

F.1.3.2 On the termination of the appointment or the removal of any member of the Exchange Committee who is a nominee of SEMOpx, that person shall be replaced by a nominee of SEMOpx, who shall be automatically appointed to the Exchange Committee.

F.1.3.3 Each Regulatory Authority shall be entitled to replace their respective nominated observers at any time by giving notice to SEMOpx and the Exchange Committee and with effect from the date specified in such notice.

**F.2 ELECTION PROCEDURES**

# F.2.1 Notification of vacancies

F.2.1. At least 8 weeks prior to the expiry of any person’s membership of the Exchange Committee, or prior to an election date set under section E.1.3.1 of these Procedures, the Secretariat shall:

1. Notify the Exchange Members of the pending expiry; and
2. Where the vacancy is not subject to appointment by SEMOpx under section C.2.2 of these Procedures, invite nominations in accordance with section F.2.2 of these Procedures.

F.2.1.2 Where an Exchange Committee member is removed, resigns or retires form the Exchange Committee, the Secretariat shall within thirty (30) days:

1. Notify Exchange Members of the removal, resignation or retirement; and
2. Where the vacancy is:
3. Not subject to appointment by SEMOpx under section F.1.3.2 of these Procedures; and
4. The Exchange Committee chairperson agrees that an election is required and warranted;
5. Invite nominations to fill such vacancy in accordance with section F.2.2 of these Procedures.

F.2.1.3 SEMOpx shall arrange an election to fill that vacancy in accordance with such of the steps in sections F.2.3 and F.3 of these Procedures as are necessary.

F.2.1.4 Elections shall take place, where practicable, not later than four (4) weeks prior to the date of expiry of the membership of any one or more of the elected Exchange Committee members to replace such persons on the Exchange Committee.

# F.2.2 Nominations

F.2.2.1 The Secretariat shall provide details of the form of nomination to Exchange Members which shall require as a minimum those nominations:

1. Are made in writing;
2. Are signed by the authorised representative of the nominating Exchange Member;
3. Identify the skills and qualifications of the nominee and the alternate for that nominee (see section C.1.5.1of these Procedures) that would be relevant to his or her appointment to the Exchange Committee;

F.2.2.2 In calling for nominations, the Exchange Committee may request nominees with particular skills or qualifications, in order to achieve the diversity described in section C.1.4 of these Procedures.

F.2.2.3 Each Exchange Member is entitled to nominate two nominees.

# F.2.3 Appointment where vacancies exceed nominations

F.2.3.1 If the number of nominees fulfilling the qualifications for an Exchange Committee member is less than or equal to the number of vacancies, the Secretariat shall:

1. Declare those nominees to have been successfully elected to be Exchange Committee members; and
2. If the minimum number of Exchange Committee members is not achieved, inform Exchange Committee members and allow them five (5) Working Days to propose new nominees and alternates for appointment for election in accordance with paragraph (a) above, or with section F.2.4 of these Procedures, as appropriate.

F.2.3.2 If no further nominations are made, the Exchange Committee shall be deemed to have satisfied its obligation under these Procedures to establish the Exchange Committee and the Exchange Committee shall notify Exchange Committee members that the election has failed.

F.2.3.3 Notwithstanding the election has failed, at least 75% of Exchange Committee members may request the Exchange Committee to seek further nominations relating to an unfilled Exchange Committee vacancy, within six (6) months after the date of the notification of the failed election. The Exchange Committee shall comply with such request.

# F.2.4 Election where nominees exceed vacancies

F.2.4.1 If the number of nominees fulfilling the qualifications for an Exchange Committee member is more than the number of vacancies, the Secretariat shall prepare and distribute to Exchange Committee members:

1. A ballot paper listing the nominees in alphabetical order; and
2. A biography for each nominee prepared by that nominee and addressing the criteria in section C.1.5 of these Procedures.

F.2.4.2 In order to be counted, the ballot paper shall be completed as per any instructions accompanying the ballot paper and lodged with the Secretariat:

1. By 17:00 on the specified return date;
2. To the person noted as the person to whom the ballot paper should be returned; and
3. At the address noted as the address for the return of the ballot paper.
4. The ballot paper may be returned electronically to a specified email address, manned by the Secretariat, upon agreement of the Exchange Committee;

F.2.4.3 In order to ensure the intended diversity of membership, SEMOpx may structure the ballot paper to:

1. Divide it into the categories listed in section C.1.4 of these Procedures, and require at least one vote for a nominee in each category; or
2. Require Exchange Members to distribute their votes among the candidates and not place all their votes against the name of one preferred candidate.

F.2.4.4 Each Exchange Member shall be entitled to one vote.

F.2.4.5 Voting by each Exchange Member shall be by way of a mark in the box against the name of the nominees.

F.2.4.6 If a ballot paper contains more marks against the names of the nominees than the votes that can be cast or (more than one mark against a single candidate) or the intention of the Exchange Member is otherwise unclear, such vote shall not be valid and shall not be included in any count.

# F.2.5 Determination and publication of results

F.2.5.1 The Secretariat shall determine those nominees who have been successfully elected to the Exchange Committee as follows (and in this order):

1. The nominee who receives the highest number of votes shall be provisionally elected.
2. The nominee who receives the next highest number of votes shall be provisionally elected, and so on until all vacancies are provisionally filled.
3. Where there are an equal number of votes for two (2) or more nominees, if there are sufficient vacancies, each of those nominees shall be provisionally elected in priority to a nominee who has received fewer notes. If there are insufficient vacancies, the Secretariat shall place the names of the nominees receiving equal number of votes in a container and without favour randomly draw a name and that nominee shall be provisionally elected. Such procedure shall be repeated until all vacancies are provisionally filled.
4. Where after all vacancies have been provisionally filled an insufficient number of members who are or represent Generation Participants, Supplier Participants, Assetless Participants, TSO or interconnector owners, has been provisionally elected as required under section C.1.4.1 of these Procedures, the Secretariat shall determine that the nominee representing the relevant category poling the highest number of votes is elected in place of the last person provisionally elected under the foregoing provisions and so on until a sufficient number of members who are or represent each of the relevant categories are elected.
5. An insufficient number of members who are or represent Generation Participants, Supplier Participants, TSOs or Assetless Participants has been provisionally elected as required under section C.1.4.1 of these Procedures, the Secretariat shall determine that the nominee representing the relevant category polling the highest number of votes is elected in place of the last person provisionally elected under the foregoing provisions and so on until a sufficient number of members who are or represent each of the relevant categories are elected.
6. The nominees who have been provisionally elected under the foregoing provisions, and who have not been replaced under paragraph (d) of this section F.2.5.1, are elected.

F.2.5.2 The Secretariat shall within five (5) Working Days of the count in section F.2.5.1 of these Procedures publish the results of the election.

F.2.5.3 If for any reason these Procedures do not result in the diversity of interests set out in section C.1.4 of these Procedures, SEMOpx may appoint additional members.

**F.3 TERM OF APPOINTMENT**

F.3.1 Each Exchange Committee member shall be appointed for a maximum term of two years, provided that, where an *ad hoc*, election has taken place to fill a vacancy, because a member has been removed, resigned or retired from the Exchange Committee, the newly elected member shall be appointed in principle for a maximum term of two years, and this terms will expire in accordance with the annual election date which is closest to the term expiry date.

F.3.2 Members who have previously served on the Exchange Committee may be re-appointed or re-elected to the Exchange Committee provided that they have not at any time been removed from the Exchange Committee or otherwise ceased to be eligible in accordance with section C.3.2 of these Procedures.

F.3.3 Membership of the Exchange Committee shall automatically terminate at the end of a member’s term unless such termination would leave the Exchange Committee with fewer than nine (9) members, in which case the term of membership may be extended until a replacement member is appointed or elected to the Exchange Committee.

**F.4 RESIGNATION AND REMOVAL OF MEMBERS OF THE EXCHANGE COMMITTEE**

# F.4.1 Removal by Exchange Committee

F.4.1.1 Any Exchange Committee member may be removed during his or her term by the majority decision of the Exchange Committee if that person:

1. Ceases to be in a position to represent those Generation Participants, Supply Participants, or Assetless Participants form which the member was nominated;
2. Becomes incapable of performing the functions of a member of the Exchange Committee;
3. Has been, or is, in the reasonable opinion of the majority of the other members of the Exchange Committee, engaged in conduct which is inconsistent with or detrimental to being a member of the Exchange Committee; or
4. Fails to discharge the obligations of a member of the Exchange Committee, including through repeated non-attendance at meetings.

# F.4.2 Resignation

F.4.2.1 A member may resign by giving at least two weeks’ notice in writing to the Exchange Committee chairperson.

# G PROCEDURES FOR MODIFICATION PROPOSALS

**G.1 BACKGROUND**

## G.1.1 Sources of Modification Proposals

G.1.1.1 Under the SEMOpx Rules[[3]](#footnote-3), any Party to the Exchange Membership Agreement, the Exchange Committee itself, the Regulatory Authorities or SEMOpx may propose a modification to the SEMOpx Rules or the Procedures, in the form of a Modification Proposal, if any, published by SEMOpx.

## G.1.2 Purpose of this Chapter

G.1.2.1 Following its initial consideration, clarification and assessment of a Modification Proposal, the SEMOpx Rules require SEMOpx to consult with the Exchange Committee on all Modification Proposals that are to be progressed[[4]](#footnote-4).

G.1.2.2 For the purposes of that consultation, this Chapter G sets out the principles to be applied by the Exchange Committee, the deliverables required of the Exchange Committee, information and timelines for SEMOpx and the Exchange Committee in relation to Modification Proposals generated by persons other than the Exchange Committee itself.

## G.1.3 Exchange Committee-initiated Modification Proposals

G.1.3.1 Where the Exchange Committee itself initiates a Modification Proposal (and provides a supporting report), then the consultation required by the Exchange Committee under the SEMOpx Rules shall be deemed to have occurred, and SEMOpx may make a decision under section J.3 of the SEMOpx Rules.

**G.2 PRINCIPLES/ APPROACH**

## G.2.1 Timely advice

G.2.1.1 It is not necessary for the Exchange Committee to reach a consensus on advice. However, it is important that the Exchange Committee captures its members’ views in a timely and accurate way, to provide timely and effective feedback to SEMOpx.

## G.2.2 An Effort commensurate with significance of matter

G.2.2.1 The Exchange Committee shall apply such resources, call such meetings, and impose such consultation timelines on Exchange Committee members as are commensurate with the potential importance, complexity, urgency and impact of any Modification Proposals under consideration.

G.2.2.2 Consistent with the principle above, where a simple change is proposed, the provision in section G.3.4 of these Procedures shall apply.

## G.2.3 Accurately represent views

G.2.3.1 In producing Recommendation Submissions to SEMOpx, the Exchange Committee shall identity any varying opinions of Exchange Committee members.

**G.3 TIMELINES FOR CONSIDERING MODIFICATION PROPOSALS**

## G.3.1 Preliminary steps by SEMOpx

G.3.1.1 Before presenting Modification Proposals at Exchange Committee meetings SEMOpx shall:

1. Consider and assess each Modification Proposal against the SEMOpx Objective and Principles as soon as practicable;
2. If the Modification Proposal is spurious, notify its proponent, and reject the Modification Proposal;
3. Decide whether to modify the Modification Proposal or combine it with another; and
4. Request additional information from the proponent, if required.

## G.3.2 Notification of Modification Proposals

G.3.2.1 SEMOpx shall provide for each Exchange Committee meeting:

1. With respect to any **new** Modification Proposal that is ready to be referred to the Exchange Committee for its consideration:
2. Full details of the Modification Proposals;
3. SEMOpx initial assessment against the SEMOpx Objective and Principles;
4. A draft of the text of the proposed Modification;
5. Available background information; and
6. Any specific questions, input or guidance that SEMOpx seeks from the Exchange Committee;
7. Details of the status of all active Modification Proposals;
8. Details of any Modification Proposal rejected as spurious, and the rationale for that assessment.

G.3.2.2 The details provided under section G.3.2.1(b) of these Procedures shall include:

1. A list of Modification Proposals that SEMOpx has received since the previous Exchange Committee meeting;
2. Details of any Modification Proposal in respect of which the proponent has requested urgent consideration;
3. Details of how SEMOpx has responded to, or proposes to approach, each Modification Proposal that has not yet been referred to the Exchange Committee for consultation; and
4. Where SEMOpx has modified or combined Modification Proposals, details of the changes made and the supporting rationale.

## G.3.3 Urgent Modification Proposals

G.3.3.1 SEMOpx shall, as soon as possible on receipt of a Modification Proposal which is marked “Urgent”, determine whether or not it shall be treated as urgent.

G.3.3.2 A Modification Proposal shall be determined to be urgent by SEMOpx where, in its opinion:

1. If not made, it can reasonably be anticipated that the event or circumstance with which the Modification Proposal is concerned would imminently unduly interfere with, disrupt or threaten the efficient operation of the exchange; or
2. The Modification with which the Modification Proposal is concerned is required to correct:
3. A material error or inconsistency in the SEMOpx Rules or Procedures;
4. A conflict between the provisions of the SEMOpx Rules and one or more Legal Requirements (including the SEM Trading and Settlement Code).

## G.3.3.3 If SEMOpx considers that a Modification Proposal is urgent under section G.3.3.2 of these Procedures, it shall schedule an additional Exchange Committee meeting or meetings in accordance with section B.2.5.2 of the SEMOpx Rules.

## G.3.4 Expedited process for simple changes

G.3.4.1 SEMOpx may identify to the Exchange Committee that a Modification Proposal is of a minor or routine nature, such that SEMOpx considers the change can be made expeditiously. Examples include changes to:

1. Correct formatting, numbering or typographical errors;
2. Update references;
3. Add boxes with explanatory text or examples;
4. Implement minor changes that are considered likely to be widely accepted or desired by Exchange Members;

## G.3.4.2 The Exchange Committee may consider and vote on Modification Proposals identified under section G.3.4.1 of these Procedures, without following the procedures set out in section G.3.5 to G.3.9 of these Procedures.

## G.3.5 Procedure for developing Recommendations Submissions and reports

G.3.5.1 SEMOpx may publish Recommendation Submissions as appropriate but as SEMOpx is a commercial exchange operating in a competitive NEMO market there is no obligation for SEMOpx to do so. Modification Proposals may be confidential or their contents may be received in confidence and accordingly SEMOpx shall use its discretion in this regard.

## G.3.6 Reporting timeline

G.3.6.1 Save as expressly provided otherwise, the Exchange Committee, assisted by the Secretariat shall produce a Recommendation Submission in respect of each Modification Proposal which shall be submitted to SEMOpx for decision and to the Regulatory Authorities where applicable.

G.3.6.2 The Report shall be submitted to SEMOpx within:

1. 20 Working Days of the Exchange Committee’s meeting at which the Exchange Committee considered and/or voted on the specific Modification Proposal;
2. Such other date as SEMOpx and the Exchange Committee agree, (the **Reporting Date**)**.**

G.3.6.2.i Where there is a clear view from the Exchange Committee, then the Recommendation Submission may provide the Exchange Committee’s views on:

1. Whether and if so how the “resulting SEMOpx Rules or Procedures would be consistent with the SEMOpx Objective and Principles” (precondition for changes under section J.4.2.1(a) of SEMOpx Rules)
2. How the resulting SEMOpx Rules or Procedures would affect or impact different sectors
3. How the resulting SEMOpx Rules or Procedures would affect or impact small players vs. large.

G.3.6.2.ii However, where there is no consensus within the timeframe, then the Secretariat should provide a Recommendation Submission which would:

1. Summarise the views of the Exchange Committee members supporting or opposing the Modification Proposal;
2. Suggest any changes what would increase support for the Modification Proposal;
3. Indicate any further analysis or actions by SEMOpx that the Exchange Committee recommends.

G.3.6.2.iii In preparing the Recommendation Submission the Exchange Committee and the Secretariat shall have due regard to the potentially commercially sensitive nature of Exchange Committee views. For this reason the Recommendation Submission shall be in summary form only by way of spreadsheet.

G.3.6.3 After receipt of a Modification Proposal from SEMOpx, the Exchange Committee shall consider the Modification Proposal at the next meeting.

G.3.6.4 SEMOpx or the chairman may invite the proponent of a Modification Proposal or its representative to present the Modification Proposal at the Exchange Committee meeting at which it is to be initially considered.

G.3.6.5 At the Exchange Committee meeting where it first considers a Modification Proposal, the Exchange Committee chairperson shall:

1. Note the Reporting Date set in accordance with section G.3.6.2 of these Procedures.
2. Make an initial assessment of the significance, urgency and potential impacts of the changes proposed;

G.3.6.6 The Exchange Committee shall agree a timetable and approach to develop its Recommendation Submission that is commensurate with the initial assessment in G.3.6.5(b) of these Procedures.

## G.3.7 Alternative Proposals

G.3.7.1 Any Exchange Committee member who does not support a Modification Proposal that is under consideration may propose an alternative Modification Proposal which, if received in sufficient time to be considered within the Exchange Committee’s original timeline to progress the initial Modification Proposal, may be considered in conjunction with, or in substitution for, the initial Modification Proposal.

## G.3.8 Exchange Committee consideration and voting on Modification Proposals

G.3.8.1 In considering whether to support a Modification Proposal, the Exchange Committee members may express views on:

1. Whether, and if so, how the resulting SEMOpx Rules or Procedures would be consistent with the SEMOpx Objective and supporting Principles;
2. How the resulting SEMOpx Rules or Procedures would affect or impact different Exchange Members; and
3. Whether and if so how the resulting SEMOpx Rules or procedures would affect Exchange Members differently based on their size (i.e. the impact on smaller market players).

G.3.8.2 Unless agreed otherwise, each Exchange Committee member shall bear its own costs, as set out in section B.2.6 of the SEMOpx Rules.

G.3.8.3 Generally, the Exchange Committee shall draw on the expertise and resources of its members to consider and assess Modification Proposals. The Exchange Committee may also:

1. Procure external advice, at its members’ cost, subject to confidential requirements of the SEMOpx Rules and these Procedures; or
2. Suggests to SEMOpx that SEMOpx either;
3. Procures itself external advice of a specified nature; or
4. Agrees to pay the costs associated with external advice provided to the Exchange Committee.

G.3.8.4 The Exchange Committee shall request a vote by its Exchange Committee members on whether each Modification Proposal is supported or not supported by each Exchange Committee member, which outcome shall be captured in the Recommendation Submission to SEMOpx in accordance with section G.3.9 of these Procedures.

G.3.8.5 Voting may be conducted by a show of hands at a meeting, or as may be otherwise agreed.

## G.3.9 Report

G.3.9.1 On or before the Reporting Date for a Modification Proposal, the Exchange Committee shall notify SEMOpx in writing of the outcomes of its consideration of the Modification Proposal.

G.3.9.2 Where a vote requested under section G.3.8.4 of these Procedures has been taken, the Exchange Committee shall report to SEMOpx that the Modification Proposal is either:

1. Supported by the Exchange Committee, if the majority of Exchange Committee members support the proposed implementation of the Modification Proposal; or
2. Not supported by the Exchange Committee if the majority of Exchange Committee members do not support the proposed implementation of the Modification Proposal.

G.3.9.3 The Recommendation Submission under section G.3.9.2 of these Procedures shall include a summary of any dissenting opinions of Exchange Committee members.

G.3.9.4 Where a vote requested under section G.3.8.4 of these Procedures either cannot take place due to an inquorate Exchange Committee, or where Exchange Committee members cannot reach a consensus as to whether they support, or do not support the proposed implementation of the Modification Proposal, the Exchange Committee shall include in its Recommendation Submission to SEMOpx:

1. Exchange Committee members’ views supporting or not supporting the Proposed implementation of the Modification Proposal;
2. Any further analysis or actions by SEMOpx that the Exchange Committee proposes; and
3. Any suggested changes to the Modification Proposal that the Exchange Committee considers will better facilitate achievement of the SEMOpx Objective and supporting SEMOpx Principles.
4. The members’ views on the impact of implementing, and/ or not implementing the Modification Proposal.

**G.4 DECISION OF SEMOPX**

G.4.1.1 Following receipt of Recommendation Submission from the Exchange Committee, SEMOpx shall decide which of the options in section J.3.1 of the SEMOpx Rules to pursue.

G.4.1.2 SEMOpx shall make its decision under section G.4.1.1 of these Procedures as soon as reasonably practicable following receipt of the Exchange Committee’s Recommendation Submission.

# H NOTICES

## H.1.1 Exchange Committee notices

H.1.1.1 Any nomination form or ballot paper issued by the Secretariat shall provide the details of the return date and the person to whom the nomination form or ballot paper should be returned, including their:

1. Name;
2. Position; and
3. Contact details (including a fixed and mobile phone number, fax number, postal and an email address).

H.1.1.2 The return date for a nomination form shall be a date which is not more than twenty (20) Working Days from the date of dispatch of a nomination form by the Exchange Committee.

H.1.1.3 The return date for a ballot paper shall be a date which is at least seven (7) Working Days from the date of dispatch of a ballot paper by the Exchange Committee.

## H.1.2 Exchange Member representative

H.1.2.1 In issuing notices to Exchange Members under these Procedures, the Secretariat shall contact the person designated by an Exchange Member as its contact, using the details provided by the Exchange Member (the **Membership Contact**). The Membership Contact may be either:

1. The designated person and details provided to SEMOpx during the admission process under Chapter C of the SEMOpx Rules; or
2. A person and details subsequently formally notified by the Exchange Member to SEMOpx, in accordance with the SEMOpx Rules and Procedures.

H.1.2.2 The Secretariat shall be deemed to have complied with any obligations concerning service of notices set out in these Procedures when it serves a notice to the Membership Contract. If an Exchange Member has not complied with its obligation to keep its contact details up-to-date, the Secretariat shall not be responsible for that Exchange Member failing to be aware of a notice.

## H.1.3 Service of notices

H.1.3.1 A Secretariat notice required under these election Procedures may be given to an Exchange Member by any of the below listed means:

1. Serving it to the Membership Contact personally;
2. Sending it by prepaid post addressed to the Membership Contact’s notified address;
3. Sending it by a fax transmission addressed to the Membership Contact’s notified fax transmission address; or
4. Sending it by electronic mail to the Membership Contact’s notified electronic (email) mail address.

H.1.3.2 Any notice served to the Membership Contact personally is deemed to have been served when delivered.

H.1.3.3 Any notice sent by post is deemed to have been served forty-eight (48) hours after the envelope containing the notice is posted; and in proving service, it is sufficient to prove that the envelope containing the notice was properly addressed and posted.

H.1.3.4 Any notice served on the Membership Contact by fax transmission is deemed to have been served when the transmission is sent and the sender has received electronic or other confirmation that the fax transmission has been successfully sent.

H.1.3.5 Any notice served to the Membership Contact by electronic mail is deemed to have been served when the electronic mail is sent, provided that the sender has not received electronic notification that the electronic mail was not deliverable or otherwise not successfully delivered to it is intended recipient.

# I SECRETARIAT

## I.1. DUTIES

I.1.1 The Secretariat shall maintain the list of Exchange Committee members to include name, organisation, business address, telephone number (including a mobile number to facilitate Urgent Modification Proposals) and electronic mail address for all members of the Exchange Committee.

I.1.2 The Secretariat shall maintain the website, updating it within five (5) Working Days of the relevant new material becoming available. The following information may be included on the website:

1. Relevant information related to the Modification Proposals, so long as this information is not commercially sensitive, received in confidence and where such information is subject to the confidentiality provisions set out in the SEMOpx Rules;
2. All meeting agendas and high-level summary minutes which are approved by the Exchange Committee chairperson prior to publication on the website;
3. A schedule of meetings published at the beginning of the year and the time and location of any new meetings, if any, as they arise;

I.1.3 The Secretariat shall prepare an agenda for each meeting to include:

1. Status updates on any Modification Proposals;
2. Status updates on Recommendation Submissions, if any;
3. Update on implementation;
4. Any other business; and
5. Any agenda item that can be generated by a person other than the Secretariat may be provided to the Secretariat up to and including the same Working Day of the issuance of the agenda for that meeting.

I.1.4 The Secretariat shall ensure that all Exchange Committee members and attending observers sign the undertaking with respect to confidentiality as required under these Procedures.

I.1.5 The Secretariat is also responsible for:

1. The management of the progression of Modification Proposals through the process, with responsibility on the Exchange Committee for the full development of Modification Proposals. The onus is on the Exchange Committee to review and further the progress of the Modification Proposal.
2. The production of Recommendation Submissions for each Modification where appropriate, with input from the Exchange Committee members.
3. Where a Modification Proposal has been deemed by the Regulatory Authorities or by SEMOpx as ‘requiring further work’, the Secretariat shall, based on the direction in the decision paper and with the Exchange Committee’s input, allocate responsibilities and track the progress of this work.
4. The management of responses to all queries on Exchange Committee business, delegating responses to members where appropriate.

I.1.6 The Secretariat shall take all minutes which shall be high-level summary minutes at all meetings and shall:

1. Circulate the high-level summary minutes to members within five (5) Working Days of an ordinary meeting or Extraordinary Meeting, and within two (2) Working Days of an Emergency Meeting, where such high-level summary minutes are approved by Exchange Committee chairperson.
2. Note in the minutes of the next ordinary meeting any comments which shall be recorded as high-level comments with respect to the content of the minutes from the previous meeting.

## I.2. MEETINGS

1.2.1 Meetings will be held as per the fixed yearly schedule, at least twice every year or as otherwise agreed by the Exchange Committee. If there are no proposed agenda items, the scheduled meeting may be cancelled with the agreement of the Exchange Committee.

I.2.2 Additional or extraordinary meetings may be called as specified in Section G.3.3.3 of these Procedures and section B.2.5.1 and B.2.5.2 of the SEMOpx Rules.

I.2.3 Emergency meetings will be limited to discussion of the relevant urgent Modification Proposal. If there are no Modification Proposals under discussion, a meeting can be cancelled.

I.2.4 Emergency meetings are called after an Urgent Modification Proposal has been raised and is deemed to be Urgent by SEMOpx.

I.2.5 Extraordinary meetings may be called:

1. By the Exchange Committee chairperson, or
2. By a notice mailed by at least four members of the Exchange Committee, or
3. Through agreement at an ordinary meeting.
1. At market commencement, the SEMOpx Rules provide for a minimum of 9 and a maximum of 17 members. [↑](#footnote-ref-1)
2. Note: Section K.3 of the SEMOpx Rules requires staggering of initial appointment terms, to promote continuity for the Exchange Committee. [↑](#footnote-ref-2)
3. Section J.2.1 of the SEMOpx Rules [↑](#footnote-ref-3)
4. Section J.2.3.1 of the SEMOpx Rules [↑](#footnote-ref-4)