|  |
| --- |
| **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** | **28 April 2021** | **Standard** | **SPX\_01\_21** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| John Rooney |  |  |
| **Modification Proposal Title** |
| Updates to SEMOpx Operating Procedures as a result of UK/EU Trading and Cooperation Agreement |
| **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 | Section A.2.4.4, B.1.1.2, E.1.2.2 (b), E.1.2.2 (d), E.1.3.4 (d), E.1.5.2 (d) and Schedule A.1, A.2Glossary Term | Version 2.0 |
| **Explanation of Proposed Change***(mandatory by originator)* |
| This modification proposes to update the SEMOpx Operating Procedures to align with the changes made to Single Day Ahead Coupling (SDAC) as a result of the UK/EU Trading and Cooperational Agreement (TCA) which came in to effect from 1st January 2021. The changes implemented by SDAC have resulted in the SEM Day-Ahead Market (DAM) no longer being coupled with GB and the SEM DAM being treated as a local auction (all be it still run by SDAC in a isolated mode).They key to accommodate the changes as a result of the TCA is the inclusion of B.1.1.2. This states that the DAM will now not include submission of cross-zonal capacities for the Interconnectors linking SEM to GB. The updates are limited to the operating procedure and glossary. No updates to the main SEMOpx Rules document are seen as necessary.A brief summary of the SEMOpx Operating Procedureschanges is provided below:*SEMOpx Operating Procedures*A.2.4.4 – update of table to reflect DAM is not coupled nowB.1.1.2 – specifies for the interconnectors that cross-zonal capacities will not be submitted for the DAME.1.2.2 (b)– removed example which is not relevant nowE.1.2.2 (d)– removed reference to “not allocating cross-zonal capacities” in the fallback procedure as cross-zonal capacities have already be removed as per B.1.1.2E.1.3.4 (d)– removed reference to “not allocating cross-zonal capacities” in the fallback procedure as cross-zonal capacities have already be removed as per B.1.1.2E.1.5.2 (d)– removed reference to “not allocating cross-zonal capacities” in the fallback procedure as cross-zonal capacities have already be removed as per B.1.1.2Schedule A.1 – updated - “Coupling” type for DAM product specification to not be coupledSchedule A.2 – removed - as market coupling contracts for DAM no longer relevant. ECC does not nominate interconnector flows to TSOs for DAM anymoreSEMOpx Operating Procedures GlossaryDefinitions: Region definition updated to account for the fact that DAM is run via the MRC but not coupled. |
| **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)* |
| ***SEMOpx Operating Procedures*** \*\*\*\* To ensure the changes are seen in context, the tracked changes have been made to a copy of the full SEMOpx Operating Procedures. The document is attached with changes tracked [***here***](https://www.semopx.com/documents/market-modifications/SPX_01_21/SEMOpx-Operating-Procedures-Final.pdf)***.*****SEMOpx Operating Procedures Glossary**

|  |  |
| --- | --- |
| Region | means a bidding zone (within the meaning of CACM) which may be subject to Market Coupling within the MRC, and includes the SEM and GB bidding zones. |

 |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| Under the TCA, GB can no longer operate under SDAC. Consequently, interconnectors between the SEM and GB can no longer be included within the SDAC process. As a result the SEM DAM is now a local auction, all be it still run by SDAC in isolated mode. The TCA came in to effect from 1st January 2021 and the related changes to the SEM DAM have been active since this date. However the SEMOpx Operating Procedures still need to be updated to reflect the final outcome of the TCA. |
| **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.1.1.2*** *The SEMOpx Objective is supported by the following principles: that the SEMOpx Rules should:* * + - * 1. ***enable compliance with the regulatory requirements of the European Union, Ireland and Northern Ireland;***
				2. *promote competitive outcomes through provision of efficient and effective exchange services;*
				3. ***conform with regional and European-wide arrangements for Market Coupling;***
				4. *be transparent, not unduly discriminatory, and promote market integrity and confidence;*
				5. ***reflect the system design and capabilities and service provider arrangements;***
				6. *provide Exchange Members with opportunities to be consulted on changes to SEMOpx Rules and Procedures; and*
				7. *promote data security, integrity and confidentiality,*

*being the “****SEMOpx Principles”****.*This modification proposal furthers the SEMOpx Principles (a), (c), (d) above by ensuring:* compliance with the regulatory requirements of the EU, Ireland and Northern Ireland
* conformance with arrangements for market coupling regionally and European-wide
* the SEMOpx operating procedures reflect the system setup
 |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| If this modification is not implemented, the SEMOpx Operating Procedures would not reflect the true operating conditions underwhich SEMOpx run the SEM DAM. In addition, the divergence between the true operating conditions and the market rules could lead to ambiguity and/or uncertainty as to the applicable market conditions for Exchange Members who are trading in the Ex-Ante markets and to potential Exchange Members |
| **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 and SEMOpx Operationg Procedures Glossary need to be updated, which will be achieved through this modification.. There are no foreseen updates required to the associated SEMOpx Rules or SEMOpx Rules Glossary in this context as the required changes are limited to the SEMOpx Operating Procedures and the the SEMOpx Operating Procedures Glossary.
* SEMOpx is in the process of updating participant training materials and website content as a result of the stated changed market operating conditions.

Noting that the new trading conditions have been relevant since 1st January 2021:* Exchange members will already have revise internal procedures and trading strategies as a result of the changed market operating conditions.
* SEMOpx has already updated internal work procedures, checklists and exception handling documentation as a result of the changed market operating conditions.
 |
| ***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. **to the SEMOpx and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;**
	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;**
	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.**