

SEMOpX Exchange Committee
Secretariat Function
The Oval
160 Shelbourne Road
Dublin 4
D04 FW28

29 November 2021

SEMOpX Decision in relation to SEMOpX SPX_02_21 Exchange rate for the SEMOpX fees

Dear Exchange Members,

On 18th October 2021, SEMOpX submitted its Modification Proposal Form with regard to the SEMOpX Operating Procedures in accordance with Paragraph J.2.1.1 of the SEMOpX Rules.

The Modification Proposal was discussed at the Exchange Committee Meeting 8 on 11th November 2021. The aim of the Modification was to update the SEMOpX Operating Procedures to provide transparency as to how the exchange rate for SEMOpX fees, in Pounds, is derived from the calculated SEMOpX Fees, in Euro.

The Proposer justified the Modification by noting there is currently no guidance in the SEMOpX Rules regarding how the exchange rate is derived for the SEMOpX Fees when converting these fees from Euro into Pounds. Historically the exchange rate for the conversion of SEMOpX Euro Fees to Pounds has used the "Annual Capacity Payment Exchange Rate". However this was identified recently as not as relevant a source as it was based on estimates made in 2019 for exchange rates over a number of years, whereas the SEMOpX fees need an exchange rate that is relevant for just the next financial year and should be based on more recent fx rates. Due the historically used exchange rate being considered out of date, the SEMOpX Fees for 2021/2022 were derived using the 6 month historical average of the SEMO Trading Day Exchange Rate. This mod would formalise the same approach being used for subsequent years and provide more transparency in the calculation of the exchange rate to be used for the SEMOpX Fees each year. The advantages to the proposed approach are:

- a) It is not reliant on subjective forecasts of future exchange rates
- b) It utilises market relevant exchange rate information i.e. the SEMO Trading Day Exchange Rates
- c) It is relatively simple to determine and implement
- d) The raw data is readily available so is transparent for Exchange Members.

SEMOPx consulted with the Exchange Committee on this Modification Proposal, considering their views and the SEMOPx Objectives in deciding whether or not to modify the SEMOPx Procedures. The Modification Proposal was supported unanimously by the Exchange Committee Members.

Considering Modification Proposal SEMOPx SPX_02_21 and in accordance with Paragraph J.4.2.1 of the SEMOPx Rules, SEMOPx approves Modification Proposal SEMOPx SPX_02_21 and this will be implemented on a Trading day basis with effect two days following issue of this letter.

Yours sincerely,

A handwritten signature in black ink that reads 'Michael Kelly'.

Michael Kelly