



Trading and Settlement Code Modifications Committee
c/o Esther Touhey
SEMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

17 October 2017

Our Ref: D/17/18975

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_05_17
(Recommendation Report FRR_05_17)**

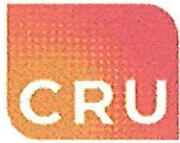
Dear Esther,

On 25 August 2017, the Modifications Committee submitted its Modification Recommendation Report with regard to Modification Proposal, Mod_05_17 (Amendment to the Part B Form of Authority for the purpose of removing the Restricted Authority provision) in accordance with paragraph B.17.18.1 of Part B of the Trading and Settlement Code ("the Code").

On 2 June 2017, the Regulatory Authorities submitted Mod_05_17. The purpose of the proposal is to align the Trading and Settlement Code Part B Appendix C: Form of Authority with the Capacity Market Code (CMC).

This misalignment has arisen from the Restricted Authority concept being rendered redundant, as a result of the SEM Committee decision within SEM-17-033 to amend CRM Decision 1 (SEM-15-103, paragraph 4.3.30). This amendment means that Variable Generator Units that intend to qualify at zero MW in a Capacity Auction do not have to qualify under the Capacity Market Code (CMC). As a result these units no longer have to register and may not be obliged to accede to the CMC. To avoid any uncertainty and to address an obvious material inconsistency between the Code and another Market Code, the Regulatory Authorities proposed that Appendix C: Form of Authority be amended to reflect this change.

The Regulatory Authorities note that a presentation was made to the Modification Committee meeting on 9 June 2017 where the reasoning for the proposal was explained and proposed changes to the Code were set out. The presenter explained that any Form of Authority submitted to the SEMO which contained reference to the Restricted Authority concept will continue to be valid and Market Participants will not be required to resubmit a new Form of Authority.



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The Regulatory Authorities also note that the Modifications Committee voted unanimously to recommend approval of this Modification Proposal.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the Regulatory Authorities direct that, in line with the recommendation of the Modifications Committee in FRR_05_17, the Modification Proposal Mod_05_17 should be made and should be implemented. For the avoidance of doubt, the version of Mod_05_17 to be made is that set out in the legal drafting in Appendix 1 of FRR_05_17 and should be implemented two Working Day after the receipt of this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Barry Hussey', written over a horizontal line.

Barry Hussey
Manager, Wholesale Electricity Market

