



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

6 October 2023

**Our Ref:** F/25/572

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_17\_22 (Final Recommendation Report FRR\_17\_22)**

Dear Esther,

On 16 March 2023, the Modifications Committee submitted its Final Recommendation Report (FRR) with regards to Modification Proposal Mod\_17\_22 'System Action Repricing V2' in accordance with Paragraph B.17.18.1 of Part B of the SEM Trading and Settlement Code (TSC).

Modification Proposal Mod\_17\_22 was first submitted to the Modifications Committee by SSE on 17 November 2022 and discussed at Mods Committee Meeting 114 on 1 December 2022. Version 2 of the proposed modification was submitted to the Modifications Committee by SSE on 8 February 2023 and was discussed and voted on at Mods Committee Meeting 115 on 22 February 2023.

With this modification SSE aims to address system action repricing during periods when no energy action has been identified in the same direction as the Net Imbalance Volume (NIV).

SSE notes that high volume TSO redispatch of the interconnectors in the Balancing Market has become a more frequent event and is of the view that there are not enough measures to address this in balancing market pricing.

This modification will modify the calculation of the Marginal Energy Action Price (PMEA) to reflect the maximum of the Strike Price (PSTR) and Market Back Up Price (PMBU) rather than the Market Price Cap (PCAP) during periods when no energy action has been identified in the direction of the NIV. This should ensure periods of Reliability Option (RO) exposure is evident in the balancing market at times of true scarcity, while addressing system action repricing during periods when an energy action has not been taken in the same direction as the NIV. The modification will provide the potential for the market to trade through the RO strike level and ensure uncontracted units face scarcity pricing exposure during these periods of stress. Not implementing this modification could lead to generator units which hold RO obligations being exposed to difference charges (where the imbalance price is higher than the RO strike price) at times where large volumes being imported across the interconnectors would likely be accompanied by such units being dispatched down.

The RAs note that this Modification was recommended for approval on a majority basis by the Modifications Committee on 22 February 2023.

Considering the above, and in accordance with Paragraph B.17.20 of the Code, the SEM Committee directs that a Modification, as set out in Appendix 1 of FRR\_17\_22, is implemented on a Trading Day basis following the implementation of the relevant changes to the Market Systems.

Yours sincerely,

**Kevin Hagan**  
**Manager**  
**Wholesale Electricity Markets**  
**Commission for Regulation of Utilities**

**Leigh Greer**  
**Manager**  
**Wholesale Electricity Markets**  
**Utility Regulator**

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