

Leigh Greer,  
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16<sup>th</sup> September 2015

**RE: MODIFICATION OF THE TRADING AND SETTLEMENT CODE TO IMPLEMENT I-SEM**

Dear Leigh,

Gaelectric Holdings Plc welcomes the opportunity to respond to the SEM Committee's information paper on the prospective structures and processes to modify the Trading and Settlement Code (T&SC) to align with I-SEM. The T&SC is fundamental to the operation of the current market and has largely served its purpose in the operation of the SEM. In light of the substantial changes required to the SEM as part of the I-SEM programme, we support the approach being taken by the SEM Committee here to review the T&SC. Specifically, Gaelectric support the proposal to set up a working group to progress the development of I-SEM specific measures.

Gaelectric have been involved in the modifications process since May 2012 when we raised mod\_11\_12; a modification designed to develop the T&SC to accommodate the definition and technical characteristics of Compressed Air Energy Storage (CAES).

At meeting 61 of the Modifications Code Committee, it was proposed by Gaelectric, and agreed by the committee, to remove mod\_11\_12 from the future agenda given that Project CAES Larne, NI will be operational in the I-SEM and implementation of the modification was therefore not appropriate in the SEM. At meeting 61, actions were taken by the secretariat to collate information and ensure that it would be captured in the I-SEM working group reviewing the T&SC. Gaelectric would like to emphasize our desire not to have this work forgotten and hope that it will be considered for the new I-SEM.

The first step in this process is to design a T&SC which accommodates new technologies such as CAES. Gaelectric are willing to ensure that adequate resources and information are available to the modification committee and working groups to aid them in their decision on how CAES should be included in the redesigned T&SC.

With this in mind, Gaelectric welcome any correspondence from the SEMC and are happy to discuss the matter with them further.

Yours Sincerely,



Brian Kennedy

*Senior Power Markets Analyst*