



**SEM TRADING AND SETTLEMENT CODE**

**Proposed  
Calculations and Methodology  
for  
Administered Settlement**

**CONSULTATION PAPER**

**18 October 2007  
AIP/SEM/07/512**

## Background

The SEM Trading and Settlement Code (TSC) was commenced on 3<sup>rd</sup> July 2007, when the Framework Agreement was signed by the original signatories.

The TSC specifies that in the event of the need to implement Administered Settlement, the Market Operator shall obtain the prior written approval of the Regulatory Authorities for the detailed calculations and methodology used.<sup>1</sup> The Regulatory Authorities have now received the Market Operator's proposal for the high-level implementation approach to be followed and it is included in the addendum to this paper.

The purpose of this consultation is to seek views from participants on the Market Operator's high-level proposals.

The Regulatory Authorities welcome all comments on the proposals set out in the addendum to this paper. Comments should be sent, preferably in electronic form, to:

Philip Newsome,  
Commission for Energy Regulation,  
The Exchange,  
Belgard Square North,  
Dublin 24  
[pnewsome@cer.ie](mailto:pnewsome@cer.ie)

The closing date for comments is Thursday 31<sup>st</sup> October 2007.

## Next Steps

The Regulatory Authorities will provide all comments received to the Market Operator and will seek its responses, and if necessary changes to the proposed high-level methodology, based on those comments. On the basis of that information and the comments on the consultation, and indeed further discussion with industry participants if required, the Market Operator will proceed to develop the detailed calculations and methodology to be adopted in the event of Administered Settlement. . This will be subject to regulatory approval and the Regulatory Authorities will write to the Market Operator with their decision. The decision paper will then be published..

It is intended that all comments and the Market Operator's responses to this consultation will be published and it is therefore preferred that any comments received are not indicated to be confidential.

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<sup>1</sup> See TSC paragraph 6.247.

Any party that wishes any part of its comments to be kept confidential should clearly indicate which parts of the comments are confidential.