

NORTHERN IRELAND ELECTRICITY PLC

INTERIM SETTLEMENT CODE

VERSION ~~4.0~~4.01

[•] ~~APRIL~~AUGUST 2004

This Code was developed by NIE under Condition 24 of Part III of the Transmission Licence and approved by the Director in accordance with that Condition.

This Code applies to all those who are a party to an Interim Settlement Agreement with NIE.

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(~~20958098.04~~20958098.05)/[~~01-April~~[•] August 2004]

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Section 1

Definitions and Interpretation

1. Definitions and interpretation

1.1 Definitions

In this Code, unless the context otherwise requires:

- 1.1.1 capitalised words and phrases have the meaning given to them in Part I of Schedule 1;
- 1.1.2 acronyms, abbreviations and subscripts have the meaning given to them in Part II of Schedule 1.

1.2 Interpretation

The rules of interpretation applicable to this Code are set out in Part III of Schedule 1.

1.3 Multiple capacities

A Participant may participate in the Interim Settlement Arrangements in more than one capacity (for example, as both a Participating Supplier and an Interconnector Capacity Holder). Where that is the case, they must (except to the extent that NIE agrees otherwise) comply with all obligations imposed on them in each capacity even if they must also comply with those obligations in another capacity.

Section 2

Administrative matters

2. Standing Data

2.1 Provision of Standing Data

Each Participant must, subject to paragraph 2.3 and Section 2 of Schedule 5, no later than 10 Business Days before it first proposes to participate in the trading arrangements established by this Code, give NIE all Standing Data relevant to the Participant.

2.2 Changes to Standing Data

Each Participant must keep the Standing Data relating to it under review to ensure that the data is accurate and complete. Each Participant must promptly notify NIE if there is any change to that Participant's Standing Data (subject to NIE's agreement to changes to Standing Data referred to in paragraph 2.3). The notice must be given at least 10 Business Days before the change comes into effect and, where that is not possible, as soon as practicable after the Participant becomes aware of the change.

2.3 Standing Data subject to agreement

The following items of Standing Data for each Generating Unit, and any changes to them, must (in accordance with Section 2 of Schedule 5) be agreed between NIE and the Participating Generator concerned, or in default of agreement, determined by the Expert:

2.3.1 Unit Works Adjustment;

2.3.2 Unit Heat Rate;

2.3.3 Fuel Index and corresponding methodology for calculating the Indexed Fuel Price;

2.3.4 Fuel Delivery Cost Allowance (if any); and

2.3.5 Excise Duty Allowance (if any).

3. Supply Points, PLG Connection Points and metering

3.1 Supply Points to be registered

Each Participating Supplier must register with NIE the Supply Points of all Eligible Customers the Participating Supplier is to supply, in accordance with the registration procedures specified in the Second Tier Guidelines. Information to be registered for each Supply Point will include the identification of the Supply Point, the identity and contact address of the Eligible Customer, the Supply

Voltage of the Supply Point and the date the registration takes effect for the purposes of this Code (which must be after the date of completion of the registration procedures).

3.2 Changes to registration

Where an Eligible Customer changes Participating Supplier, then the new Participating Supplier must give NIE notice of the change signed by both the new Participating Supplier and the Eligible Customer concerned and must register the relevant Supply Point in its name in accordance with this Code. The notice must be in the form required under the Second Tier Guidelines and must confirm that the new Participating Supplier has notified the old Participating Supplier of the change and must state the date the change in registration takes effect for the purposes of this Code, which may only coincide with the beginning of a Payment Period. If the date in the notice does not comply with this requirement then the change will take effect from the beginning of the next Payment Period after the date in the notice. NIE must alter the registration of the Supply Point in accordance with the notice and new registration details.

3.3 PLG Connection Points to be registered

If a Participating Supplier wishes PLG Output it has purchased or otherwise acquired from a PLG to be taken into account for the purposes of this Code then it must register the relevant PLG Connection Point with NIE. Registration must be in accordance with the procedures specified in the Second Tier Guidelines and must be signed by both the Participating Supplier and the PLG concerned. Information to be registered for each PLG Connection Point will include the identity and contact address of the PLG, the identification and Supply Voltage of the PLG Connection Point, the date the registration takes effect for the purposes of this Code (which must be after the date of completion of the registration procedures) and the date on which the registration ceases to be effective.

3.4 Changes to PLG Connection Point registration

If a Participating Supplier wishes to change the registration of a PLG Connection Point, then the new Participating Supplier must give NIE notice of the change signed by both the new Participating Supplier and the PLG concerned and must register the relevant PLG Connection Point in accordance with this Code. Paragraph 3.2 applies (with any necessary changes) to the change in registration under this paragraph.

3.5 Effect of registration

A Participating Supplier is responsible for the purposes of this Code for each Supply Point and PLG Connection Point registered in its name until a change in the registration takes effect or until, at the request of the Participating Supplier, NIE agrees to cancel the registration of the Supply Point or the PLG Connection Point (as the case may be), such agreement not to be unreasonably withheld having regard to the need to ensure that all charges relating to Supply Points and PLG Connection Points are paid for. NIE must agree to cancel a registration if the Supply Point or PLG Connection Point has been decommissioned or (in the case of a Supply Point), if another Participating Supplier or the Public Electricity

Supplier is supplying the relevant Eligible Customer in place of the first Participating Supplier.

3.6 Metering

Each Participating Supplier must ensure that metering is in place for any Supply Point registered in its name before any Nomination relating to electricity supplied at that Supply Point is submitted. Each Participating Supplier must ensure that metering is in place for any PLG Connection Point registered in its name before the registration takes effect. Such metering must meet the requirements of the Metering Code.

3.7 Metering Code compliance

NIE and Participants must comply with the Metering Code in relation to the metering and metering data used for the purposes of this Code.

Section 3

Nominations and Allocations

4. General requirements for Nominations

4.1 Timing and form

Before Gate Closure for each Trading Day, each Participant must give NIE the information referred to in paragraphs 5, 6 and 7, as applicable. The information must be in the form applicable to that type of Nomination as set out in Schedule 3 or 4 (as the case may be) or in such other form as NIE may reasonably specify from time to time.

Additional requirements, to be performed before NTN Gate Closure, exist for Interconnector Capacity Holders entitled to use capacity on the N/S Interconnector, and these are set out in paragraph 6.5.

4.2 Virtual busbar/Interconnector Connection Point

This Code specifies whether quantities of electricity in Nominations, estimates and Allocations should be expressed as Equivalent Generator Sent Out Energy or at the relevant Interconnector Connection Point. For settlement, quantities of electricity are expressed as Equivalent Generator Sent Out Energy. Where quantities of electricity are to be expressed at the Interconnector Connection Point, NIE will adjust them as necessary to convert them into Equivalent Generator Sent Out Energy (and in the case of Transit Nominations, to express the amount being exported at the other Interconnector Connection Point). It is the responsibility of Participants to ensure that they express quantities of electricity in the correct form when submitting information to NIE under this Code.

4.3 Definition of Equivalent Generator Sent Out Energy

Equivalent Generator Sent Out Energy is a term used to enable settlement to take place at a notional point (the virtual busbar) and means, in relation to:

- 4.3.1 any quantity of electricity supplied or to be supplied to a Supply Point as measured in accordance with the Metering Code, that quantity adjusted by the relevant Adjustment Factor;
- 4.3.2 any quantity of electricity delivered or to be delivered at a PLG Connection Point into the NIE System as measured in accordance with the Metering Code, that quantity adjusted by the relevant Adjustment Factor; and
- 4.3.3 any quantity of electricity transferred or to be transferred via an Interconnector, and expressed in kWh at the Interconnector Connection Point, that quantity adjusted by the relevant Interconnector Adjustment Factor.

4.4 Cross checking data

NIE uses information provided by Participating Generators and Interconnector Capacity Holders for settlement under the Interim Settlement Arrangements. It is the responsibility of each Participant to ensure that they agree with information affecting them given by other Participants to NIE. This should be done before Gate Closure for each Trading Day (or NTN Gate Closure in the case of the N/S Interconnector).

5. Demand Nominations (Participating Suppliers)

5.1 Expected Actual Demand

Each Participating Supplier must, if required by NIE from time to time, notify NIE of its best estimate of its expected Actual Demand for each Settlement Period in the Trading Day.

5.2 Local Demand Nomination

Each Participating Generator will nominate the energy it is supplying to Participating Suppliers under paragraph 7.2. NIE will use this information to determine the Local Demand Nomination of Participating Suppliers. Accordingly, for each Participating Supplier, the Local Demand Nomination for a Settlement Period equals the total of the amounts (in kWh, expressed as Equivalent Generator Sent Out Energy) specified for that Participating Supplier in the relevant Local Unit Nominations made by Participating Generators.

5.3 VIPP Demand Nomination

Subject to paragraph 5.4, each VIPP Capacity Holder must notify NIE of the number of kWh of electricity (“VIPP Demand Nomination”), expressed as Equivalent Generator Sent Out Energy, to be supplied to the VIPP Capacity Holder under its VIPP Capacity and Energy Agreement for each Settlement Period in the Trading Day. VIPP Demand Nominations, together with any relevant Adjusted VIPP Export Allocations submitted under paragraph 6.6, must:

5.3.1 not exceed the VIPP Contracted Capacity of that VIPP Capacity Holder in that Settlement Period; and

5.3.2 be in whole numbers of kWh.

5.4 VIPP Export

To the extent that a VIPP Capacity Holder intends to export any energy sold to it under a VIPP Capacity and Energy Agreement, then in addition to the VIPP Demand Nomination, a Nominated Trade Notification (in the case only of an export over the N/S Interconnector) and an Export Nomination must be submitted for that export (expressed at the Interconnector Connection Point) under paragraph 6.6 by an Interconnector Capacity Holder.

6. Transfer Nominations (Interconnector Capacity Holders)

6.1 Source, Sink and Interconnector User

For the purposes of this Code, the Interconnector Capacity Holder must identify the Source and Sink of each transfer of electricity via an Interconnector (including transits). The Source and Sink for each transfer is determined in accordance with the following table. There can only be one Source and one Sink for each Transfer Nomination. The Interconnector Capacity Holder must be either the Source or the Sink for each transfer. A Source or a Sink that is not also the Interconnector Capacity Holder is, for the purposes of this Code, called an Interconnector User.

Transfer type	Source	Sink
Transfer into Northern Ireland (import)	The generator located in the Interconnected System that is generating the electricity to be exported.	The Participating Supplier located in Northern Ireland to whom the imported electricity will be allocated for settlement purposes.
Transfer out of Northern Ireland (export)	The Participating Generator or VIPP Capacity Holder in Northern Ireland that is supplying the electricity to be exported.	The person located in the Interconnected System to whom the electricity is being supplied.
Transit across Northern Ireland	The generator located in the first Interconnected System that is generating the electricity to be sent via transit.	The person located in the second Interconnected System to whom the electricity is being supplied.

It is the obligation of the Interconnector Capacity Holder or Interconnector User (as the case may be) when it is a Participating Supplier in Northern Ireland to have arrangements with the generator and/or generators it is purchasing electricity from in an Interconnected System such that they are required under those arrangements to ensure that where there would be a shortfall in the output of that generator (or generators when taken together), the shortfall is made up within that Interconnected System such that the Import Nomination flow across the Interconnector is met.

6.2 Role of Interconnector Users

All Import Nominations and Export Nominations must be signed by both the Interconnector Capacity Holder and the Interconnector User (or in the case of a

deemed Transfer Nomination submitted in relation to the N/S Interconnector, meet the requirements, including in relation to verification, of the Guidance Notes). In signing an Import Nomination or Export Nomination (or otherwise effecting verification), the Interconnector User is (in addition to and without prejudice to any other obligations it may have under the Interim Settlement Arrangements or any other agreements with NIE) acknowledging the accuracy of that Nomination (including allocations in it). NIE and its employees and agents accept no liability whatsoever to any person for claims by any Interconnector User (in that Interconnector User's capacity as such, and without prejudice to the other provisions of the Interconnector Capacity Agreements and Framework N/S Interconnector Access Agreements) in connection with any transfer of electricity via an Interconnector and each Interconnector Capacity Holder must indemnify NIE and its employees and agents against any losses or costs (including legal costs) any of them may suffer in connection with claims arising out of or in connection with any Nominated Trade Notification submitted or transfer of electricity via an Interconnector nominated by that Interconnector Capacity Holder.

6.3 Submitting Transfer Nominations

Only Interconnector Capacity Holders are entitled to submit Nominated Trade Notifications and Transfer Nominations under this Code and only Interconnector Capacity Holders with Transit Capacity may nominate a transit under paragraph 6.6.3. Transfer Nominations given by an Interconnector Capacity Holder for a Settlement Period must, in relation to use of the Moyle Interconnector, not exceed that Participant's Interconnector Capacity Entitlement (ICE) in that direction on that Interconnector for that Settlement Period.

6.4 Nominations in MW

NIE may agree with a Participant (with or without conditions) that the Participant may submit Nominations under this paragraph 6 in MW to be converted by NIE into kWh.

6.5 N/S Interconnector Specific – Nominated Trade Notifications

6.5.1 Before NTN Gate Closure for each Trading Day, each Interconnector Capacity Holder must in relation to the N/S Interconnector submit a Nominated Trade Notification containing information in the form applicable to that type of Nomination as set out in Schedule 3 or 4 (as the case may be) or in such other form as NIE may reasonably specify from time to time, and in each case as further provided in the Guidance Notes.

6.5.2 Nominated Trade Notifications must:

- (a) be signed by the Interconnector Capacity Holder, or be issued in an electronic form with such verification requirements as required by the Guidance Notes;
- (b) be accompanied by confirmation of any Matching Nominated Trade Notifications either signed by the relevant party or in an

electronic form with such verification requirements as required by the Guidance Notes;

- (c) state:
 - (i) the amount of the requested transfer (expressed in kWh at the Interconnector Connection Point);
 - (ii) the amount to be achieved using Short Term Units;
 - (iii) the amount to be achieved using Superposition Units;
 - (iv) the amount of any Matching Nominated Trade Notification(s); and
 - (v) the identity of any party or parties submitting Matching Nominated Trade Notification(s); and
- (d) comply with any other requirements set out in the Guidance Notes.

Where in relation to a Nominated Trade Notification the number of Matching Nominated Trade Notifications identified are greater than one, the provisions of this Code set out how this is to be dealt with.

Allocation of Transfer Usage

- 6.5.3 Allocation of transfer usage for each Settlement Period in response to such Nominated Trade Notifications shall be determined in accordance with the procedure set out in paragraphs 6.5.4 to 6.5.7.

Calculation of Flows

- 6.5.4 The Transmission System Operator shall in conjunction with EirGrid calculate the Total Notified Energy Flows in both directions on the N/S Interconnector for each Settlement Period and determine the Dominant Direction for each Settlement Period.

Non-Dominant Allocation

- 6.5.5 The Transmission System Operator shall allocate transfer usage in the full amount of each Nominated Trade Notification for a transfer, including one using Short Term Units and Superposition Units, in the Non-Dominant Direction for each Settlement Period.

Dominant Allocation - Flows less than Net Transfer Capacity

- 6.5.6 If the Total Notified Energy Flow in the Dominant Direction for a Settlement Period is less than or equal to the Net Transfer Capacity in the Dominant Direction, the Transmission System Operator shall allocate transfer usage in the full amount of each Nominated Trade Notification for a transfer, including one using Short Term Units and Superposition Units, in the Dominant Direction for that Settlement Period.

Dominant Allocation - Flows more than Net Transfer Capacity

6.5.7 If the Total Notified Energy Flow in the Dominant Direction exceeds the Net Transfer Capacity in the Dominant Direction, the Transmission System Operator shall allocate transfer usage in response to Nominated Trade Notifications for transfers in the Dominant Direction for that Settlement Period on the following basis:

- (a) *Matched:* The Transmission System Operator shall allocate transfer usage in the full amount of each Nominated Trade Notification for a transfer using Superposition Units in respect of which there is one or more Matching Nominated Trade Notifications. Participants may notify NIE that one or more North/South Nominated Trade Notifications are to be associated together and that it or they are to be matched with one or more Matched Nominated Trade Notification(s).
- (b) *Long Term Units:* The Transmission System Operator shall allocate transfer usage in the full amount of each Nominated Trade Notification for a transfer using Long Term Units provided that in doing so the Net Transfer Capacity in the Dominant Direction is not exceeded.
- (c) If allocating transfer usage in the full amount of each Nominated Trade Notification for a transfer using Long Term Units would otherwise cause the Net Transfer Capacity in the Dominant Direction to be exceeded, the Transmission System Operator shall allocate transfer usage in response to such Nominated Trade Notifications on a pro rata basis to the extent possible without exceeding the Net Transfer Capacity in the Dominant Direction.
- (d) *Short Term Units and Superposition Units:* If the Transmission System Operator is able to allocate transfer usage in the full amount of each Nominated Trade Notification for a transfer using Long Term Units and each Nominated Trade Notification for a transfer using Superposition Units with a Matching Nominated Trade Notification without exceeding the Net Transfer Capacity in the Dominant Direction, the Transmission System Operator shall then allocate transfer usage in response to any further Nominated Trade Notifications for transfers using Short Term Units or Superposition Units. The allocation of transfer usage shall be on a pro rata basis where the remaining Net Transfer Capacity is insufficient to allow each such Nominated Trade Notifications, provided that the ratio of allocations of transfer usage in response to Nominated Trade Notifications for transfers using Short Term Units to allocations of transfer usage in response to Nominated Trade Notifications for transfers using Superposition Units shall be 1:1 until transfer usage has been allocated in the full amount of any Nominated Trade Notifications for transfers using Short Term Units.

Transfer Schedule

- 6.5.8 By 16.00 hours on the day the relevant Nominated Trade Notifications are submitted, or such other time as is specified in the Guidance Notes, the Transmission System Operator shall in conjunction with EirGrid prepare and issue a transfer schedule confirming for each Interconnector Capacity Holder which has submitted a Nominated Trade Notification the transfer usage, for each Settlement Period in the relevant Trading Day, that has been allocated to it in response to the Nominated Trade Notifications submitted by it (“Interconnector Transfer Schedule”).

Deemed Transfer Nominations

- 6.5.9 Each Interconnector Capacity Holder which has submitted a Nominated Trade Notification shall be deemed to have submitted Transfer Nominations and made Allocations that equal the transfer usage allocated to it as set out in the relevant Interconnector Transfer Schedule and be deemed to have satisfied the requirements of paragraphs 6.1, 6.6 and 6.7 in relation to those Transfer Nominations and Allocations by its compliance with the requirements of paragraphs 6.5.1 and 6.5.2.

6.6 Import Nominations and Transit Allocations

Each Interconnector Capacity Holder must notify NIE of the number of kWh of electricity (“Import Nomination”), expressed in kWh at the Interconnector Connection Point, to be transferred for the Interconnector Capacity Holder via any Interconnector into Northern Ireland for each Settlement Period in the Trading Day. Import Nominations must also be used for transits across Northern Ireland. A separate Import Nomination must be given for each Interconnector User involved in the total transfer. Import Nominations must:

- 6.6.1 be signed by the Interconnector Capacity Holder and the Interconnector User (or in the case of a deemed Transfer Nomination submitted in relation to the N/S Interconnector, meet the requirements, including in relation to verification, of the Guidance Notes);
- 6.6.2 identify each Participating Supplier to whom the electricity is to be allocated for the purposes of settlement under the Interim Settlement Arrangements and state the amount (“Import Allocation”) to be allocated to each (expressed in kWh at the Interconnector Connection Point);
- 6.6.3 identify the amount (if any) of electricity that the Interconnector Capacity Holder wishes to be transferred out of Northern Ireland during the Settlement Period (“Transit Allocation”) by stating:
- (a) the amount to be exported at the second Interconnector Connection Point, but expressed in kWh at the first Interconnector Connection Point;
 - (b) the identity of each person to whom the energy is to be supplied in the second Interconnected System;

- 6.6.4 meet the requirement that, in each Settlement Period, the sum of Import Allocations and Transit Allocations must equal the Import Nomination, each expressed in kWh at the first Interconnector Connection Point; and
- 6.6.5 be in whole numbers of kWh.

6.7 **Export Nominations, Export Allocations and VIPP Export Allocations**

Each Interconnector Capacity Holder must notify NIE of the number of kWh of electricity (“Export Nomination”), expressed in kWh at the Interconnector Connection Point, to be transferred for the Interconnector Capacity Holder via any Interconnector outside Northern Ireland for each Settlement Period in the Trading Day. A separate Export Nomination must be given for each Interconnector User involved in the total transfer. Export Nominations must:

- 6.7.1 be signed by the Interconnector Capacity Holder and the Interconnector User (or in the case of a deemed Transfer Nomination submitted in relation to the N/S Interconnector, meet the requirements, including in relation to verification, of the Guidance Notes);
- 6.7.2 identify:
 - (a) each Participating Generator or VIPP Capacity Holder to whom the electricity is to be allocated for the purposes of settlement under the Interim Settlement Arrangements;
 - (b) the amount (“Export Allocation”) to be allocated to each of the Participating Generators referred to in paragraph 6.7.2(a) and the amount (“VIPP Export Allocation”) to be allocated to each of the VIPP Capacity Holders referred to in paragraph 6.7.2(a)
 - (c) in the case of Participating Generators, the amount to be allocated to each of its Generating Units (“Export Unit Allocation”),(all amounts expressed in kWh at the Interconnector Connection Point);
- 6.7.3 comply with the requirements that:
 - (a) the sum of the amounts in the Export Allocations and VIPP Export Allocations equals the amount of the Export Nomination; and
 - (b) the sum of the amounts in the Export Unit Allocations equals the amount of the Export Allocation to the relevant Participating Generator;(all amounts expressed as kWh at the Interconnector Connection Point); and
- 6.7.4 be in whole numbers of kWh.

7. Unit Nominations

7.1 Timing and form

Before Gate Closure for each Trading Day, each Participating Generator must give NIE the information referred to in paragraphs 7.2 and 7.3 for each of its Generating Units. The information must be in the form set out in Schedule 4 or such other form as NIE may reasonably specify from time to time.

7.2 Local Unit Nomination

Each Participating Generator must notify NIE of the number of kWh of electricity (“Local Unit Nomination”) the Participating Generator wants to deliver onto the NIE System for supply by the Participating Generator to Participating Suppliers for each Settlement Period in the Trading Day. Local Unit Nominations must:

7.2.1 specify the number of kWh of electricity being supplied to each Participating Supplier; and

7.2.2 be in whole numbers of kWh.

7.3 Availability

When converted into MW at the Generator Terminals the Unit Nomination for a Generating Unit for a Settlement Period must not exceed the Availability of the Generating Unit for that Settlement Period.

7.4 Despatch

For the purposes of Despatch, NIE will apply the Unit Works Adjustment for the relevant Generating Unit to the Unit Nomination.

7.5 Minimum Generation

If the Unit Nomination of a Generating Unit for a Settlement Period (also adjusted by the Unit Works Adjustment) is less than the Minimum Generation of that Generating Unit for that Settlement Period, then NIE must give a Despatch Instruction corresponding to the Minimum Generation of that Generating Unit.

Section 4

Supplemental Energy Bids

8. Supplemental Energy Bids

8.1 Making a Bid

A Participating Generator may, in relation to any of its Generating Units for a Trading Day, offer to sell electricity to NIE on the terms of the Interim Settlement Arrangements and in accordance with the Grid Code by giving NIE a Supplemental Energy Bid for the Generating Unit before Gate Closure for the Trading Day.

8.2 Form of Bids

Supplemental Energy Bids must be in the form specified in Part 3 of Schedule 4 or such other form as NIE may reasonably specify from time to time and must comprise, in respect of the Generating Unit for a Trading Day, a single:

- 8.2.1 Start Up Price (in £);
- 8.2.2 Fixed Price (in £/hour); and
- 8.2.3 Incremental Price (in £/MWh).

Section 5

Trading Data procedures

9. Timetable and modification

9.1 When modifications may be made

A Participant may modify Trading Data for a Trading Day by notice to NIE at any time before Gate Closure for that Trading Day, save that Nominated Trade Notifications may only be modified in this manner at any time before NTN Gate Closure for that Trading Day. Between Gate Closure (or, in the case of Nominated Trade Notifications, NTN Gate Closure) and the start of the Trading Day the Trading Data may only be modified with the consent of NIE or as expressly provided in this Code. Trading Data cannot be modified by a Participant after the Trading Day has started other than as expressly provided in this Code.

9.2 Confirmation and failure to submit

NIE will confirm receipt of or otherwise make available Trading Data as soon as reasonably practical after its receipt. If a Participant does not submit Trading Data in respect of any Trading Day or Settlement Period, then the relevant values are taken to be zero.

9.3 Availability reduction

Where after Gate Closure a Participating Generator notifies a reduction in the Availability of a Generating Unit in respect of any Settlement Period of the relevant Trading Day, and the instructions for Despatch are modified accordingly, settlement under this Code must take place on the basis of the relevant Unit Nomination and not Despatch (as reflected in the definition of Despatched Output).

Section 6

Validation of Trading Data

10. Validation

10.1 Validation check

NIE will review Trading Data to check whether, for each Settlement Period, Nominations comply with the requirements of this Code.

10.2 Non-compliance

NIE may reject any Nomination, in whole or in part, where the Nomination does not comply with the requirements of this Code (including for the avoidance of doubt the Guidance Notes) or where NIE is of the view that it would be unable to Despatch in accordance with the Nomination due to constraints on the NIE System or any Interconnector. NIE may reject any Nomination, in whole or in part, where to accept the Nomination would be likely to involve NIE being:

- 10.2.1 in breach of its duties under Article 12 of the Order;
- 10.2.2 in breach of the Electricity Supply Regulations (Northern Ireland) 1991 or of any regulations made under Article 32 of the Order or of any other enactment relating to the safety or standards applicable in respect of NIE;
- 10.2.3 in breach of the Transmission Licence including the Supply Competition Code and the operating security standard (as defined in the Transmission Licence);
- 10.2.4 in breach of the Grid Code; or
- 10.2.5 in breach of any Interconnector Operating Arrangement.

Section 7

Interconnectors: General Requirements and Adjustments

11. General requirements

11.1 Constraints on transfers

Acceptance by NIE of any Transfer Nomination is subject to:

- 11.1.1 NIE and the relevant Interconnected System Operator reaching agreement about Participants transferring electricity via the Interconnector, including operational and commercial matters, such that NIE can perform its obligations in relation to Transfer Nominations under this Code. Accordingly, all Transfer Nominations will be taken to be zero for the purposes of this Code unless NIE and the relevant Interconnected System Operator have reached such agreement;
- 11.1.2 the person submitting the Nomination being a party to an Interim Settlement Agreement, and, where applicable, as the case may be, the Interim ROF Arrangements or a ROF Agreement (from the time that such agreements, taken together with the ROF Code, supersede the Interim ROF Arrangements);
- 11.1.3 the Net Transfer Capacity of the Interconnector, which may vary according to the time of year and the effect of any event or circumstance affecting the capability of the Interconnector to transfer power at the relevant time, including events on the NIE System or Interconnected System, and disconnection or de-energisation of the Interconnector from either of those systems.

11.2 Action by Interconnected System Operators

NIE is not responsible for the methodology used by any Interconnected System Operator to deal with changes in Net Transfer Capacity nor for any failure of the relevant Interconnected System Operator to notify changes to NIE or any other act or omission of the Interconnected System Operator in relation to that change or any request or nomination made to the Interconnected System Operator relating to transfers over a interconnector.

11.3 Capacity acquired from EirGrid

Each Interconnector Capacity Holder that is not a party to an Interconnector Capacity Agreement or Framework N/S Interconnector Access Agreement with NIE agrees and acknowledges that its use of any Interconnector is, as between NIE and that Interconnector Capacity Holder, subject to the terms of these Interim Settlement Arrangements and, where relevant, as the case may be, the Interim ROF Arrangements or the ROF Arrangements (from the time that such arrangements supersede the Interim ROF Arrangements).

12. Capacity and transfer usage allocation and adjustment

12.1 Calculation of ICE

The Interconnector Capacity Entitlement (ICE) of an Interconnector Capacity Holder for a Trading Day in a direction on an Interconnector is, for each Settlement Period in the Trading Day, the amount in MW of Interconnector capacity consisting of Long Term Units for which the Interconnector Capacity Holder is (i) entitled to submit a Transfer Nomination and (ii) in the case of the N/S Interconnector, a Nominated Trade Notification in respect of each Settlement Period in that direction on that Interconnector. ICEs will be derived by NIE from:

- 12.1.1 except where paragraph 12.1.2 applies, the nominal MW value of the Long Term Units acquired by the Interconnector Capacity Holder under an Interconnector Capacity Agreement; and
- 12.1.2 in the case of transfers from the Republic of Ireland to Northern Ireland, information provided by EirGrid,

in each case adjusted for relevant events including reduction as described in this paragraph 12, termination, assignment and suspension.

12.2 ICE reductions

NIE will reduce the ICE of each Interconnector Capacity Holder in respect of each Settlement Period and in each direction and for each Interconnector for which reduction is required (as defined in paragraph 12.4) in accordance with the procedures referred to in paragraph 12.5 and notify that reduction or otherwise make the information available as soon as practicable. A reduction under this paragraph will only be made by NIE up until:

- 12.2.1 in relation to the Moyle Interconnector, 09.00 hours on the day on which the relevant Transfer Nomination is due to be made; and
- 12.2.2 in relation to the N/S Interconnector, 12.00 hours on the day on which the relevant Nominated Trade Notification is due to be made or such other time as is specified in the Guidance Notes.

12.3 Energy reductions

NIE will, for the purposes of settlement, reduce Allocations in respect of each Settlement Period and in each direction and for each Interconnector for which a reduction is required (as defined in paragraph 12.4) in accordance with the procedures referred to in paragraph 12.5 and notify that reduction or otherwise make the information available as soon as practicable. A reduction under this paragraph may be made by NIE at any time after:

- 12.3.1 in relation to the Moyle Interconnector, 09.00 hours on the day the relevant Transfer Nomination is due to be made; and

- 12.3.2 in relation to the N/S Interconnector, 12.00 hours on the day on which the relevant Nominated Trade Notification is due to be made or such other time as is specified in the Guidance Notes,

and can be made even if a reduction has already been made under paragraph 12.2.

12.4 When reductions are made

A reduction under paragraph 12.2 or 12.3 (as the case may be) must be made during a Settlement Period in a direction for an Interconnector in the following circumstances:

- 12.4.1 if the NTC in that direction for that Settlement Period for that Interconnector is less than the sum of the ICE values for all Interconnector Capacity Holders for that time and in that direction for that Interconnector except that, in the case of the N/S Interconnector in respect of a reduction under paragraph 12.3 after the relevant Interconnector Transfer Schedule is issued or such other time as is specified in the Guidance Notes, the reduction must be made if the NTC is less than the sum of the ICE values taken together with any transfer usage allocated pursuant to paragraph 6.5.7 for transfers using Short Term Units and/or Superposition Units for that time and in that direction for the N/S Interconnector (before reduction under this paragraph 12); and
- 12.4.2 in the case of an ICE or Transfer Nomination of an Interconnector Capacity Holder with Transit Capacity, the circumstances described in paragraph 12.4.1 apply to either Interconnector. In those circumstances, reductions to ICE or Allocations (as the case may be) will be made for that Interconnector Capacity Holder on both Interconnectors to ensure that its position on each Interconnector, in so far as it reflects Transit Capacity, is consistent.

12.5 Procedures

- 12.5.1 Subject to paragraph 12.5.2, NIE will from time to time notify the procedures, and any subsequent modifications to the procedures, for calculating capacity and/or transfer usage and energy reductions and how reductions are to be allocated among holders of capacity and/or transfer usage and how this interrelates with the Interconnector Transfer Schedule. NIE must obtain the approval of the Director to the procedures and any modifications before they come into effect for the purposes of this Code.
- 12.5.2 The procedures for calculating capacity and/or transfer usage and energy reductions and how reductions (and any subsequent increase in relation to the same Settlement Period) are to be allocated shall ensure that reductions (and such increases) are allocated pro rata.

Section 8

Settlement calculations (energy)

13. Supplier Payments

13.1 Types of payment

The payment that arises from a Demand Error for a Participating Supplier for a Settlement Period will either be a Supplier Spill Payment (if the Demand Error is positive) or a Supplier Makeup Charge and a Makeup Capacity Charge (if the Demand Error is negative), as calculated under this paragraph 13 and paragraph 17.

13.2 Calculation of Demand Error

The Demand Error for Participating Supplier “s” for Settlement Period “j” is calculated as follows:

$$NE_{sj} = ADN_{sj} - (AD_{sj} + AVEA_{sj})$$

where:

NE_{sj} is the Demand Error (in kWh);

ADN_{sj} is the Aggregate Demand Nomination (in kWh) as calculated from the summation of the Local Demand Nominations, the PLG Adjustments and the Adjusted Import Allocation, i.e. $ADN_{sj} = (DN_{sj} + IA_{sj} + PLGA_{sj})$

DN_{sj} is the Local Demand Nomination (in kWh);

$PLGA_{sj}$ is the PLG Adjustment (in kWh);

IA_{sj} is the Adjusted Import Allocation (in kWh);

AD_{sj} is the Actual Demand (in kWh);

$AVEA_{sj}$ is the Adjusted VIPP Export Allocation (in kWh).

13.3 Calculation of Supplier Spill Payment

For a Settlement Period “j” in which the Demand Error of Participating Supplier “s” is positive, NIE must pay the Participating Supplier a Supplier Spill Payment calculated as follows:

$$SSP_{sj} = NE_{sj} * PSS_{sj}$$

where:

SSP_{sj} is the Supplier Spill Payment (in £);

NE_{sj} is the Demand Error (in kWh);

PSS_{sj} is the Supplier Spill Price (converted into £/kWh).

13.4 Calculation of Supplier Spill Price

The Supplier Spill Price is determined in accordance with Table 1 below, subject to the following:

- 13.4.1 the Demand Error of Participating Supplier “s” is within tolerance in Settlement Period “j” if its absolute value is less than or equal to the lesser of 10MWh and 10% of the value of the relevant Aggregate Demand Nomination;
- 13.4.2 the Demand Error of Participating Supplier “s” is outside tolerance in all other cases;
- 13.4.3 the summer price applies to all Settlement Periods in a Trading Day starting between 1 April and 30 September (inclusive) in any year; and
- 13.4.4 the winter price applies to all other Settlement Periods.

Table 1:

Demand Error	Summer price	Winter price
within tolerance	1.0p/kWh	1.0p/kWh
outside tolerance	0.8p/kWh	0.8p/kWh

13.5 Supplier Makeup Charge

For Settlement Period “j” in which the Demand Error of Participating Supplier “s” is negative, the Participating Supplier must (in addition to any Makeup Capacity Charge calculated under paragraph 17) pay NIE a Supplier Makeup Charge calculated as follows:

If the Demand Error is within tolerance

then

$$SMC_{sj} = ANE_{sj} * UR_j$$

If the Demand Error is outside tolerance

$$SMC_{sj} = ADN_{sj} * MUT_j * UR_j \\ + (ANE_{sj} - (ADN_{sj} * MUT_j)) * UR_j * MAF_j$$

where:

SMC_{sj} is the Supplier Makeup Charge (in £);

ANE_{sj} is the absolute value of the Demand Error (in kWh);

UR_j is the Unit Rate (in £/kWh);

ADN_{sj} is the Aggregate Demand Nomination (in kWh);

MUT is the Makeup Tolerance factor;

MAF_j is the Makeup Adjustment Factor.

13.6 Tolerance and Makeup Adjustment Factor

13.6.1 the Demand Error of Participating Supplier “s” is within tolerance in Settlement Period “j” if its absolute value is less than or equal to 15% of the value of the relevant Aggregate Demand Nomination;

13.6.2 the Demand Error of Participating Supplier “s” is outside tolerance in all other cases;

13.6.3 the Makeup Adjustment Factor is determined from Schedule 6.

14. Generator Payments

14.1 Types of payments

The payment that arises from a Despatch Error, Over/Under Nomination Despatch or Frequency Transient Output for a Generating Unit of a Participating Generator for a Settlement Period may comprise a Unit Spill Payment, a Unit Makeup Charge, a Supplemental Energy Payment, an Under Nomination Despatch Payment and a Frequency Transient Payment, all as calculated under this paragraph 14, and a Makeup Capacity Charge, as calculated under paragraph 17.

14.2 Calculation of energy quantities

For Generating Unit “i” for Settlement Period “j”:

14.2.1 the Over/Under Nomination Despatch (which may be negative) is calculated as follows:

$$OND_{ij} = D_{ij} - N_{ij}$$

where:

OND_{ij} is the Over/Under Nomination Despatch (in kWh);

D_{ij} is the Despatched Output (in kWh);

N_{ij} is the Unit Nomination (in kWh);

14.2.2 the Despatch Error is calculated as follows:

$$DE_{ij} = D_{ij} - A_{ij}$$

where:

DE_{ij} is the Despatch Error (in kWh);

D_{ij} is the Despatched Output (in kWh);

A_{ij} is the Actual Output (in kWh); and

14.2.3 the Minimum Generation Required Output is calculated as follows:

(a) for a Settlement Period in which the Unit Nomination was zero or equal to or greater than the Minimum Generation, the Minimum Generation Required Output is zero; and

(b) in all other Settlement Periods:

$$MGRO_{ij} = MG_{ij} - N_{ij}$$

where:

$MGRO_{ij}$ is the Minimum Generation Required Output (in kWh);

MG_{ij} is the Minimum Generation (in kWh);

N_{ij} is the Unit Nomination (in kWh).

14.3 Supplemental Energy Payment

If $OND_{ij} > 0$, then NIE must pay the Participating Generator a Supplemental Energy Payment for Generating Unit “i” for Settlement Period “j” calculated as follows:

$$SEP_{ij} = [BID_{id} * (OND_{ij} - MGRO_{ij})] + PSU_{id} + (PFE_{id}/2) + (PUS_{ij} * MGRO_{ij})$$

where:

SEP_{ij} is the Supplemental Energy Payment (in £);

BID_{id} is the Incremental Price (in £/kWh);

OND_{ij} is the Over/Under Nomination Despatch (in kWh);

$MGRO_{ij}$ is the Minimum Generation Required Output (in kWh);

PSU_{id} is the Start Up Payment and:

(a) for a Settlement Period where $N_{ij} = 0$ and the Generating Unit was instructed to Start Up, is the Start Up Price (in £);

(b) for all other Settlement Periods, is 0;

PFE_{id} is the Fixed Energy Payment and:

- (a) for a Settlement Period where $N_{ij} = 0$ and the Generating Unit is Synchronised to the NIE System, is the Fixed Price (in £/hour); and
- (b) for all other Settlement Periods, is 0;

PUS_{ij} is the Unit Spill Price (in £/kWh).

14.4 Under Nomination Despatch Payment

If $OND_{ij} < 0$, then the Participating Generator must pay NIE an Under Nomination Despatch Payment for Generating Unit “i” for Settlement Period “j” calculated as follows:

$$UNDP_{ij} = NFP_{ij} (N_{ij} - D_{ij}) + CP_{ij}$$

where:

$UNDP_{ij}$ is the Under Nomination Despatch Payment (in £);

NFP_{ij} is the Nominal Fuel Price (in £/kWh);

N_{ij} is the Unit Nomination (in kWh);

D_{ij} is the Despatched Output (in kWh).

CP_{ij} is:

- (a) where $N_{ij} - D_{ij} = N_{ij}$, then equal to one half of the Fixed Price, in £/hour, nominated under paragraph 8.2.2 for that Trading Day. If no Fixed Price was nominated for that Trading Day, then NIE will calculate a substitute price in £/hour using the Standing Data for that Generating Unit; and
- (b) in all other cases, 0.

14.5 Unit Spill Payment

For Settlement Period “j” in which the Despatch Error for Generating Unit “i” is negative, NIE must pay the Participating Generator a Unit Spill Payment calculated for Generating Unit “i” for the Settlement Period “j” as follows:

$$USP_{ij} = ADE_{ij} * PUS_{ij}$$

where

USP_{ij} is the Unit Spill Payment (in £);

ADE_{ij} is the absolute value of the Despatch Error (in kWh);

PUS_{ij} is the Unit Spill Price (converted into £/kWh).

14.6 Calculation of Unit Spill Price

The Unit Spill Price in a Settlement Period in which there is a Frequency Transient is the Nominal Fuel Price for the Generating Unit. In all other Settlement Periods, the Unit Spill Price is determined in accordance with Table 3 below, subject to the following:

- 14.6.1 a Despatch Error of Generating Unit “i” is within tolerance in Settlement Period “j” if the absolute value of the relevant Despatch Error is:
- (a) where 5% of the Despatched Output is less than or equal to 3MWh, then within the range from 0 to 3MWh; or
 - (b) in all other cases, within the range from 0 to the lesser of 5% of the Despatched Output and 5MWh;
- 14.6.2 a Despatch Error is outside tolerance in all other cases;
- 14.6.3 the summer price applies to all Settlement Periods in a Trading Day starting between 1 April and 30 September (inclusive) in any year; and
- 14.6.4 the winter price applies to all other Settlement Periods.

Table 3:

Despatch Error	Summer price	Winter price
within tolerance	1.0p/kWh	1.0p/kWh
outside tolerance	0.8p/kWh	0.8p/kWh

14.7 Unit Makeup Charge

For a Settlement Period “j” in which the Despatch Error of Generating Unit “i” is positive, the Participating Generator must (in addition to any Makeup Capacity Charge calculated under paragraph 17) pay NIE a Unit Makeup Charge for Generating Unit “i” calculated as follows:

If the Despatch Error is within tolerance

then

$$UMC_{ij} = DE_{ij} * UR_j$$

If the Despatch Error is outside tolerance

$$\begin{aligned} UMC_{sj} &= D_{ij} * MUT_j * UR_j \\ &+ (DE_{ij} - (D_{ij} * MUT_j)) * UR_j * MAF_j \end{aligned}$$

where:

UMC_{ij} is the Unit Makeup Charge (in £);

DE_{ij} is the Despatch Error (in kWh);

UR_j is the Unit Rate (in £/kWh);

D_{ij} is the Despatched Output (in kWh);

MUT is the Makeup Tolerance factor;

MAF_j is the Makeup Adjustment Factor.

14.8 Tolerance and Makeup Adjustment Factor

14.8.1 a Despatch Error of Generating Unit “i” is within tolerance in Settlement Period “j” if the absolute value of the relevant Despatch Error is less than or equal to 15% of the Despatched Output;

14.8.2 a Despatch Error is outside tolerance in all other cases;

14.8.3 the Makeup Adjustment Factor is determined from Schedule 6.

15. Unit Trip Error Adjustments

15.1 Notifying arrangements to NIE

A Participating Generator and a Participating Supplier may give notice to NIE that for the purposes of this paragraph they have entered into an arrangement under which the Participating Supplier has agreed to reduce its load at the request of the Participating Generator. Where such a notice is given it must specify a Generating Unit to which the arrangement relates and the first and last Trading Days to which the arrangement applies. The notice must be given no later than Gate Closure for the first Trading Day to which the arrangement applies.

15.2 Calculation in Peak Settlement Periods

Where a notice has been given under paragraph 15.1 in respect of a Generating Unit, then in respect of any Peak Settlement Period for which:

15.2.1 the Unit Nomination of the Generating Unit named in the notice is greater than zero;

15.2.2 the Actual Output of the Generating Unit is zero due to an unplanned forced outage of the Generating Unit (other than an STPM Outage, as defined in the Grid Code) for which notice was given to NIE by the relevant Generator after Gate Closure; and

15.2.3 the Participating Supplier named in the notice has a positive Demand Error,

then for the purposes of calculating Unit Makeup Charges under paragraph 14.7 and the Makeup Capacity Charge under paragraph 17 for that Generating Unit and Supplier Spill Payments for that Participating Supplier under paragraph 13.3 in respect of that Settlement Period, the relevant Despatch Error and the relevant Demand Error will each be reduced by an amount equal to the lesser of the relevant Despatch Error and the relevant Demand Error.

Section 9

Settlement calculations (other)

16. System Charges

For each Settlement Period “j”, each Participating Supplier “s” must pay NIE System Charges as approved by the Director and subsequently published by NIE.

17. Capacity Charges

17.1 Makeup Capacity Charge to be paid

Each Participant must pay NIE a Makeup Capacity Charge calculated under paragraph 17.2 in respect of each Trading Year.

17.2 Calculation of charge

The Makeup Capacity Charge for a Participant for a Trading Year equals the Capacity Rate for that Trading Year multiplied by the Chargeable Peak Demand of that Participant for that Trading Year as calculated under paragraph 17.3.

17.3 Calculation of Chargeable Peak Demand

The Chargeable Peak Demand is calculated as follows:

- 17.3.1 subject to paragraph 17.3.2, the Chargeable Peak Demand of a Participant for a Trading Year means the average of the Participant’s Demand (as calculated under paragraph 17.3.3) for that Participant during each Peak Settlement Period in the Trading Year;
- 17.3.2 in the case of a Participating Supplier who is itself a Load Management Customer or who has contracted to supply one or more Load Management Customers, the Participant’s Chargeable Peak Demand must be reduced by a Load Management Reduction as calculated in accordance with paragraph 9 of the Bulk Supply Tariff, substituting the Participant’s Demand for the Supplier’s Demand referred to in that paragraph; and
- 17.3.3 the Participant’s Demand in any Settlement Period (expressed in kW) equals:
 - (a) in the case of a Participating Supplier:
 - (i) in a Settlement Period in which the Demand Error is positive, zero; and
 - (ii) in all other Settlement Periods, twice the absolute value of Demand Error of that Participating Supplier in that Settlement Period; and

- (b) in the case of a Participating Generator, the aggregate of the amounts calculated for each of its Generating Units as follows:
 - (i) in a Settlement Period in which the Despatch Error of the Generating Unit is negative, zero; and
 - (ii) in all other Settlement Periods, twice the aggregate Despatch Error of the Generating Unit in that Settlement Period.

17.4 Advance payment and reconciliation

NIE must estimate the likely total Makeup Capacity Charges for the period 1 April to 31 March each year for each Participant either by agreement with the Participant concerned or on the basis of the previous year's Chargeable Peak Demand of the Participant (or if that information is not available, of a similar Participant). Each of the settlement statements given under paragraph 19.2 for the Payment Periods starting on the first day of each month from April to October and the first day of March will include 3% of the estimated Makeup Capacity Charge. The settlement statements for the Payment Periods starting on the first day of each of November, December, January and February will include 19% of the estimated Makeup Capacity Charge. The settlement statement for the Payment Period starting on the first day of March will include an additional payment to or from NIE (as the case may be) to account for any under or over recovery of the Makeup Capacity Charges during the previous 12 month period (ignoring interest).

17.5 Amendments to reflect BST changes

The Participants acknowledge that the Makeup Capacity Charge is based on the corresponding charges under the Bulk Supply Tariff and that this paragraph 17 may need to be amended (using the procedures in the Transmission Licence) in order to reflect changes to the calculation of Capacity Charges under the Bulk Supply Tariff.

18. Settlement Administration Charge

For each Payment Period, each Participant must pay NIE a charge ("Settlement Administration Charge") to cover NIE's costs and expenses associated with the Interim Settlement Arrangements. The amount and method of calculation of the Settlement Administration Charge will be as determined by NIE, subject to the approval of the Director and notified to Participants from time to time.

Section 10

Payment

19. Payments

19.1 Daily statement

NIE will, if requested, give a statement to each Participant (other than Interconnector Capacity Holders) showing the payments calculated under paragraphs 13, 14 and 15 for that Participant for each Trading Day. NIE will use reasonable endeavours to give this information daily, and within a reasonable time after the Trading Day taking into account the time needed to collect and process data (expected to be between 5 and 12 Business Days).

19.2 Settlement statements

NIE must send a settlement statement to each Participant (other than Interconnector Capacity Holders) within 15 Business Days of the end of each Payment Period. Each settlement statement must include the following information:

19.2.1 in the case of a Participating Supplier:

- (a) the Supplier Spill Payments, Supplier Make-up Payments and System Charges calculated for that Participating Supplier for each Settlement Period in the Payment Period. The settlement statement must show the aggregate for each Trading Day in the Payment Period and the aggregate for the Payment Period;
- (b) the Makeup Capacity Charge for that Participating Supplier for that Payment Period;
- (c) the Shortfall Payment (if any) for that Participating Supplier for that Payment Period;
- (d) the Settlement Administration Charge for that Participating Supplier for that Payment Period; and

19.2.2 in the case of a Participating Generator:

- (a) for each Generating Unit, the Supplemental Energy Payments, Under Nomination Despatch Payments, Unit Spill Payments and Unit Make-up Payments calculated for the Generating Unit for each Settlement Period in the Payment Period. The settlement statement must show the aggregate for each Trading Day in the Payment Period and the aggregate for the Payment Period;
- (b) the Makeup Capacity Charge for that Participating Generator for that Payment Period;

- (c) the Shortfall Payment (if any) for that Participating Generator for that Payment Period; and
- (d) the Settlement Administration Charge for that Participating Generator for that Payment Period;

19.2.3 any Value Added Tax payable.

19.3 Other information

If requested by a Participant in respect of any Trading Day, NIE must also give the Participant the information referred to in paragraphs 19.2.1(a) or 19.2.2(a) (as the case may be) relevant to that Participant broken down to show the amount calculated for each Settlement Period in the Trading Day.

19.4 Estimated

If the data needed to prepare a settlement statement is not available or is incomplete at the time it is due to be sent to the Participant, or any item of Standing Data referred to in paragraph 2.3 has not been agreed or determined, then NIE must prepare the settlement statement using data reasonably estimated by NIE or in the case of items of Standing Data, the default figures as specified under Section 2 of Schedule 5.

19.5 Amendment and disputes

A settlement statement must be amended to correct any undisputed errors but only where the error has been agreed no later than 12 months after the date of the settlement statement. Any dispute in relation to a settlement statement must be raised promptly after the date of the settlement statement and in any event within 3 months of the date of the settlement statement and if the dispute is not raised within that time, then the settlement statement is taken to have been agreed. Where a settlement statement is disputed it will be amended in accordance with the outcome of the dispute.

19.6 Replacement settlement statement

NIE must issue a replacement statement for a Payment Period stating the correct amount payable in the following cases:

- 19.6.1 where a settlement statement is amended under paragraph 19.5;
- 19.6.2 in the case of a Payment Period for which a settlement statement based on estimated data was issued under paragraph 19.4, when the actual data becomes available; and
- 19.6.3 in the case of a Payment Period for which an item of Standing Data referred to in paragraph 2.3 was not agreed at the time of the settlement statement, when the item is agreed or determined.

If payment has already been made in relation to the original settlement statement then the replacement settlement statement must also state the amount payable by NIE or the Participant (as the case may be) to ensure the correct amount paid by

each of them in respect of the Payment Period (including any interest). Interest on disputed amounts is calculated under paragraph 19.10. In the case of undisputed errors and settlement statements issued under paragraph 19.4, interest is calculated on a daily basis at the base lending rate of the Bank of Ireland on the basis of days elapsed from the date payment fell due in relation to the original settlement statement until the date of the replacement settlement statement.

19.7 Invoices given by NIE

NIE must invoice each Participant for amounts owed to NIE by the Participant in respect of each Payment Period. The invoice must be based on the relevant settlement statement (whether or not the settlement statement is the subject of a dispute or is based on estimated data).

19.8 Invoices given by Participants

Each Participant must invoice NIE for amounts owed to the Participant by NIE in respect of each Payment Period. The invoice must be based on the relevant settlement statement (whether or not the settlement statement is the subject of a dispute or is based on estimated data).

19.9 Payment of invoices

Invoices under paragraphs 19.7 and 19.8 must be paid, free of any charge, set off or counterclaim, within 10 Business Days of their receipt by making payment to the account at a bank notified by the relevant party for the purposes of the Interim Settlement Arrangements from time to time. If any amount in an invoice is in dispute, then the undisputed amount of the invoice must be paid. Any dispute in relation to an invoice must be raised promptly and in any event within 3 months of the invoice and if the dispute is not raised within that time then the invoice is taken to have been agreed. Disputes must be resolved in accordance with paragraph 20 below.

19.10 Late payments

Interest will be charged on overdue amounts (including any amounts the subject of a dispute and subsequently found to be payable) after as before judgment on a daily basis at a default rate which is three percentage points per annum above the base lending rate of the Bank of Ireland from the date due for payment until the date paid. Interest accrues daily on the basis of actual days elapsed and is payable on the first day of each Payment Period and if unpaid when due is capitalised on the first Business Day after the due date for payment.

19.11 Security cover and shortfall payments

Each Participant and NIE must comply with their respective obligations under their Interim Settlement Agreements with respect to the provision of Security Cover and Shortfall Payments as if those provisions were incorporated into this Code.

19.12 VAT

Value Added Tax, at the rate and to the extent applicable at the time of supply, will be applied to all charges made under this Code.

Section 11

Dispute resolution

20. Disputes and Expert Determination

20.1 Disputes subject to Code

Except as otherwise expressly provided for in the Interim Settlement Arrangements or where the matter is required to be referred to an Expert, any disagreement, difference of opinion or any other dispute between NIE and a Participant in relation to the Interim Settlement Arrangements (“Dispute”) must be resolved in accordance with paragraph 20.2.

20.2 Amicable settlement

Where there is a Dispute, a representative of each of NIE and the Participant concerned with authority to resolve the Dispute must meet within 10 Business Days of a request by either party and seek to resolve the Dispute. If they are unable to do so within 10 Business Days of the meeting (or such longer time as may be agreed) then the parties may agree to refer the Dispute to arbitration pursuant to the rules of the Electricity Arbitration Association in force from time to time or to an Expert in accordance with paragraph 20.5. In default of that agreement within 5 Business Days of either party making a request to agree, each party may take such other action in relation to the Dispute as it considers appropriate.

20.3 Metering disputes

Disputes relating to metering data or metering to which the Metering Code applies must be resolved in accordance with the dispute resolution procedures in the Metering Code.

20.4 Applicable law

The law of Northern Ireland is the proper law of reference to arbitration under this paragraph and the Arbitration Act 1996 applies to any such arbitration.

20.5 Expert determination

Where the Code requires any matter to be referred to an Expert for determination, the following provisions apply:

20.5.1 NIE or the Participant concerned must give notice to the other that it wishes the matter to be referred to the Expert stating the details of the matter the subject of the reference. NIE and the Participant concerned (in this paragraph 20.5, the “parties”) must within 5 Business Days of the notice meet to agree upon an independent person with suitable qualifications and experience to act as the Expert. In default of agreement within 5 Business Days, the Expert will be the person appointed by the President of the Electricity Arbitration Association at

the request of either party. The request must ask the President to appoint an independent person with suitable qualifications and experience;

- 20.5.2 the Expert acts as an expert and not as an arbitrator and the Expert's determination is final and binding upon the parties;
- 20.5.3 the costs and expenses of the Expert must be borne equally by the parties and the parties must each bear their own costs and costs incurred by them in relation to the reference to the Expert;
- 20.5.4 the terms of reference of the Expert must include provisions in accordance with the following:
 - (a) the Expert must within 3 Business Days of the appointment invite NIE and the Participant concerned to give the Expert any information and evidence they consider relevant to the reference, within 10 Business Days of the request. The Expert must give a copy of all such information and evidence to the other party. Each party may within a further 10 Business Days give its response to the Expert, who will give a copy to the other party;
 - (b) the Expert may invite both parties to make additional written submissions and provide additional information on any matters requiring clarification and may obtain such additional information as may be reasonably necessary to make the determination. Copies of all such additional information and submissions must be given to both parties;
 - (c) the Expert must give its determination within 40 Business Days of the reference (or such longer time as may be agreed by the parties). The determination must be in writing and include reasons. A draft of the determination must be given to the parties for comment a reasonable time before it is made; and
 - (d) the costs and expenses of the Expert will be paid by the parties.

20.6 Interim relief

Nothing in this paragraph 20 prevents either party from at any time seeking interim or interlocutory relief from a court.

Section 12

Payment defaults

21. Payment Defaults

21.1 Recovery of Shortfall Amounts

If requested to do so by one or more Participants, NIE will take such steps as it sees fit, acting reasonably, in connection with recovery of a Shortfall Amount (including interest, costs and expenses) against a defaulting Participant on behalf of those Participants making the request. NIE's obligation under this paragraph is subject to those Participants making the request first agreeing with NIE to hold NIE harmless and indemnify NIE to its reasonable satisfaction against any and all costs, claims, expenses (including legal fees) and liabilities it may incur or sustain in connection with those proceedings, and giving such security as NIE reasonably requests in respect of those amounts.

21.2 Payment obligation continues

Paragraph 21.1 does not affect the obligation of any Participant to pay Shortfall Payments. Any amount recovered as a result of steps taken by NIE in accordance with paragraph 21.1 must be applied as agreed between NIE and the Participants making the request and entering into the agreement with NIE referred to in that paragraph.

21.3 Notices to Eligible Customers

If any Participating Supplier fails to pay any amount owed by it under the Interim Settlement Arrangements within the time due for payment and the amount remains unpaid for a period of 10 Business Days, NIE must, unless the Director approves otherwise, notify each Eligible Customer of the Participating Supplier concerned (using information available to it through the registration of Supply Points) that the Participating Supplier is in default and that, unless the Participating Supplier remedies the default or NIE is notified of an alternative supply arrangement for that Eligible Customer's Supply Point within the number of Business Days specified in the notice, NIE may take steps to alleviate the risk that it is not paid for electricity supplied to the Supply Point, including if appropriate de-energising the Supply Point. The notice must also refer the Eligible Customer to the Public Electricity Supplier's obligations under Article 19 of the Order. A copy of each notice may also be given to the Public Electricity Supplier to enable it to contact the Eligible Customers concerned.

21.4 Ceasing to be a party

Each Participant acknowledges that if it ceases to be a party both to an Interim Settlement Agreement and to an agreement with NIE to buy from NIE at the Bulk Supply Tariff then, if the Participant is a Participating Supplier (subject to paragraph 21.3) NIE may de-energise the Supply Points of the Eligible Customers of the Participant.

Section 13

General

22. Information

22.1 Other Code Participants

NIE must on request give any Participant and any person that has requested an Interim Settlement Agreement the names of all other persons who have entered into an Interim Settlement Agreement.

22.2 Interconnector information

For the purpose of performing its obligations under this Code and in accordance with the requirements of Condition 15 of Part III of the Transmission Licence, NIE may disclose to a relevant Interconnected System Operator information relating to transfers over the Interconnector including Transfer Nominations and reductions of ICEs and energy allocations made under paragraph 12.

23. Notices and data

23.1 Notices

NIE and Participants must comply with the provisions as to notices in the Interim Settlement Agreement in relation to all data, notices and other communications to be given under this Code (other than data which is the subject of a specific requirement of the Code as to the manner of its delivery).

23.2 Trading Data

Trading Data (including any changes to Trading Data) must be submitted to the address, in the format and in the manner reasonably specified by NIE from time to time. For this purpose, NIE may (without limiting the foregoing) require the file to be in electronic form and submitted to a website or e-mail address specified by NIE. Participants must pay their own costs relating to the provision of any associated software or hardware.

23.3 Metering Code Communications

Where the Metering Code applies to a notice or other communication, then the communication must be given in the manner specified in the Metering Code.

Schedule 1

Part I

“Actual Demand”	AD_{sj}	means in relation to a Participating Supplier for a Settlement Period, the aggregate quantity of electricity (in kWh) supplied to each Supply Point registered in the name of that Participating Supplier in the Settlement Period multiplied by the Adjustment Factor applicable to that Supply Point;
“Actual Output”	A_{ij}	means in relation to a Generating Unit for a Settlement Period, the quantity of Generator Sent Out Energy (in kWh) in the Settlement Period for the Generating Unit;
“Adjusted Import Allocation”	AIA_{sj}	means an Import Allocation expressed as Equivalent Generator Sent Out Energy;
“Adjusted Export Unit Allocation”	$AEUA_{ij}$	means an Export Unit Allocation expressed as Equivalent Generator Sent Out Energy;
“Adjusted Transit Allocation”	ATA_j	means a Transit Allocation expressed as Equivalent Generator Sent Out Energy;
“Adjusted VIPP Export Allocation”	$AVEA_{sj}$	means a VIPP Export Allocation expressed as Equivalent Generator Sent Out Energy;
“Adjustment Factor”		means a factor to account for transmission and distribution losses as determined by the following table. The Adjustment Factor for a Supply Point or PLG Connection Point (as the case may be) corresponds to the supply voltage of the relevant Supply Point or PLG Connection Point (as the case may be):

Supply voltage of Supply Point or PLG Connection Point	Adjustment Factor
275 kV	1.011
110 kV	1.020
33 kV	1.039
11 kV	1.062
6.6 kV	1.062
0.4 kV or less	1.114

“Aggregate Demand Nomination”

has the meaning given to it in paragraph 13.2;

“Allocation”

means an Import Allocation, Export Allocation, Transit

		Allocation, Export Unit Allocation and VIPP Export Allocation (as the case requires);
“Availability”		has the meaning given to it in the Grid Code;
“Bulk Supply Tariff”		means the tariff of that name published by NIE under Condition 3 of Part III of the Transmission Licence for sales of electricity by NIE acting through the Power Procurement Business (as defined in the Transmission Licence);
“Business Day”		has the meaning given to it in the Grid Code;
“Capacity Rate”		means in relation to a Trading Year, the rate (in £) used in the calculation of Capacity Charges under the Bulk Supply Tariff in that Trading Year;
“Chargeable Peak Demand”		has the meaning given to it in paragraph 17.3;
“Code”		means this Interim Settlement Code;
“Currency Conversion Rate”	CCR_m	has the meaning given to it in Schedule 5;
“Demand Error”	NE_{sj}	means in relation to a Participating Supplier for a Settlement Period, the Demand Error calculated under paragraph 13.2;
“Department”		has the meaning given to it in the Transmission Licence;
“Despatch”		has the meaning given to it in the Grid Code;
“Despatch Error”	DE_{ij}	means in relation to a Generating Unit for a Settlement Period, the difference between its Actual Output and its Despatched Output calculated under paragraph 14.2;
“Despatched Output”	D_{ij}	<p>means in relation to a Generating Unit for a Settlement Period, the quantity of Generator Sent Out Energy (in kWh) corresponding to:</p> <ul style="list-style-type: none"> (a) except where paragraph (b) applies, the instructions for Despatch given by NIE for that Settlement Period; and (b) where the Generator has reduced the Availability of the Generating Unit to below the level corresponding to the Unit Nomination at any time after Gate Closure, the relevant Unit Nomination;
“Director”		means the Director General of Electricity Supply for Northern Ireland;

“Dominant Direction”		means, for each Settlement Period, the direction on the N/S Interconnector in respect of which the amount of the Total Notified Energy Flow in that direction less the amount of the Total Notified Energy Flow in the other direction is positive;
“EC Index”		has the meaning given to it in Schedule 5;
“EirGrid”		means the transmission system operator in the Republic of Ireland, however named;
“Electricity Arbitration Association”		means the unincorporated members’ club of that title, or if that body ceases to exist, any replacement body agreed between NIE and all Participants for the time being and in default of agreement, nominated by the Director at the request of NIE or any Participant;
“Eligible Customer”		has the meaning given to it in the Supply Competition Code;
“Equivalent Generator Sent Out Energy”		has the meaning given to it in paragraph 4.3;
“Excise Duty Allowance”	EDA_i	has the meaning given to it in Schedule 5;
“Expert”		means in relation to a matter in dispute, the person appointed to determine the matter under paragraph 20.5;
“Export Allocation”	EA_{ij}	means in relation to a Participating Generator for a Settlement Period, any Export Allocation given for it under paragraph 6.7.2(b) or deemed to have been given for it under paragraph 6.5.9, as modified or replaced in accordance with this Code;
“Export Nomination”		means in relation to an Interconnector Capacity Holder for a Settlement Period, any Export Nomination given by it under paragraph 6.7 or deemed to have been given by it under paragraph 6.5.9, as modified or replaced in accordance with this Code;
“Export Unit Allocation”	EUA_{ij}	means in relation to a Generating Unit for a Settlement Period, any Export Unit Allocation given for it under paragraph 6.7.2(b) or deemed to have been given for it under paragraph 6.5.9, as modified or replaced in accordance with this Code;
“Fixed Price”		means in relation to a Generating Unit for a Trading Day, the Fixed Price (in £/hr) stated in the relevant Supplemental Energy Bid;
“Fixed Energy	PFE_{id}	means in relation to a Generating Unit in a Settlement Period, the payment for fixed energy under paragraph

Payment		14.3;
“Framework N/S Interconnector Access Agreement”		means any agreement with NIE or EirGrid granting rights to use Short Term Units and Superposition Units;
“Frequency Transient”		has the meaning given to it in the Grid Code;
“Fuel Delivery Cost Allowance”	FDCA _i	has the meaning given to it in Schedule 5;
“Fuel Index”		means in relation to a Generating Unit, the index of fuel prices agreed or determined for that Generating Unit under paragraph 2.3 and Section 2 of Schedule 5;
“Gate Closure”		means in relation to a Trading Day, 11.00 hours on the previous Trading Day;
“Generating Unit”		has the meaning given to it in the Grid Code;
“Generating Unit Works Units”		has the meaning given to it in the Grid Code;
“Generator”		means a person authorised to generate electricity by licence or exemption granted under the Order;
“Generator Sent Out Energy”		means in relation to a Generating Unit, the quantity of electricity delivered or to be delivered by the Generating Unit into the NIE System calculated by measuring generation at the main generator terminals (the stator terminals) and adjusting by multiplying by the Unit Works Adjustment for that Generating Unit;
“Grid Code”		has the meaning given to it in the Transmission Licence;
“Guidance Notes”		means the procedural guidance notes in relation to the N/S Interconnector issued from time to time by NIE;
“Heren Within Day Index”		has the meaning given to it in Schedule 5;
“Import Allocation”	IA _{sj}	means in relation to a Participating Supplier for a Settlement Period, any Import Allocation given for it under paragraph 6.6.2 or deemed to have been given for it under paragraph 6.5.9, as modified or replaced in accordance with this Code;
“Import Nomination”		means in relation to an Interconnector Capacity Holder for a Settlement Period, any Import Nomination given by it under paragraph 6.6 or deemed to have been given by it under paragraph 6.5.9, as modified or replaced in

		accordance with this Code;
“Incremental Price”	BID_{id}	means in relation to a Generating Unit for a Trading Day, the Incremental Price offered in the Supplemental Energy Bid;
“Indexed Fuel Price”	IFP_{ij}	has the meaning given to it in Schedule 5;
“Interconnected System”		means the transmission system in Scotland or the Republic of Ireland, as the case requires;
“Interconnected System Operator”		means: <ul style="list-style-type: none"> (a) in the case of the Moyle Interconnector, Scottish Power or any other person having the role of transmission system operator in Scotland; (b) in the case of the N/S Interconnector, EirGrid or any other person having the role of transmission system operator in the Republic of Ireland;
“Interconnector”		means the N/S Interconnector or the Moyle Interconnector;
“Interconnector Adjustment Factor”		means a factor determined by NIE to adjust for electrical losses on the Interconnector. The losses are: <ul style="list-style-type: none"> (a) on the N/S Interconnector, 2%; and (b) on the Moyle Interconnector, 2.26%;
“Interconnector Capacity Agreement”		means: <ul style="list-style-type: none"> (a) any agreement with NIE granting rights to use capacity on the Moyle Interconnector or the N/S Interconnector or both, depending on the nature of the rights sold; and (b) any agreement with EirGrid granting rights to use capacity on the N/S Interconnector for transfers from the Republic of Ireland to Northern Ireland;
“Interconnector Capacity Entitlement” or “ICE”		has the meaning given to it in paragraph 12.1;
“Interconnector Capacity Holder”		means a party to an Interconnector Capacity Agreement and/or a Framework N/S Interconnector Access Agreement under which the right to use capacity has commenced and has not expired or been terminated;

“Interconnector Connection Point”		means:
		(a) in relation to the N/S Interconnector, the metering point at the Louth substation; and
		(b) in relation to the Moyle Interconnector, the metering point at the Auchencrosh substation;
“Interconnector Operating Arrangement”		means the arrangements between NIE and the relevant Interconnected System Operator relating to operation and maintenance of the Interconnector and its interoperability with a relevant Interconnected System;
“Interconnector Transfer Schedule”		has the meaning given to it in paragraph 6.5.8;
“Interconnector User”		has the meaning given to it in paragraph 6.1;
“Interim ROF Arrangements”		means the temporary arrangements entered into by NIE and certain suppliers of renewable source electricity for the settlement of such electricity supplied to non-domestic customers;
“Interim Settlement Agreement”		means in relation to a Participant, the agreement of that title between NIE and the Participant referred to in Condition 24 of Part III of the Transmission Licence;
“Interim Settlement Arrangements”		means the Interim Settlement Agreement and this Code, taken together;
“Load Management Customer”		has the meaning given to it in the Bulk Supply Tariff;
“Local Demand Nomination”	DJ _{sj}	in relation to a Participating Supplier, for a Settlement Period in a Trading Day means the nomination of energy (in kWh) to be supplied to Supply Points registered to it for that Settlement Period derived under paragraph 5.2;
“Local Unit Nomination”		means in relation to a Generating Unit for a Settlement Period, the Local Unit Nomination given under paragraph 7.2 as modified or replaced in accordance with this Code;
“Long Term Unit”		has the meaning given to “Unit” in Interconnector Capacity Agreements with NIE and EirGrid granting rights to use capacity on the N/S Interconnector for transfers from Northern Ireland to the Republic of Ireland and from the Republic of Ireland to Northern Ireland;
“Makeup Capacity Charge”		means in relation to a Participant for a Trading Year, the Makeup Capacity Charge calculated under paragraph

17.2;

“Makeup Adjustment Factor”	MAF_j	means a factor to be applied to the Bulk Supply Tariff unit rate to produce a secondary unit rate as calculated under paragraphs 13.5 and 14.7 in relation to the Demand Error of Participating Suppliers and the Despatch Error of Generating Units respectively;
“Makeup Tolerance”	MUT	means 15%, or as amended from time to time by NIE with the approval of the Director and notified to Participants;
“Matching Nominated Trade Notification”		means a South/North Nominated Trade Notification on the N/S Interconnector the amount of which is equal, but in the opposite direction, to the amount of the Nominated Trade Notification for a transfer submitted under an Interconnector Capacity Agreement or a Framework N/S Interconnector Access Agreement and in accordance with this Code provided that the parties submitting such Nominated Trade Notifications shall have agreed that the Nominated Trade Notifications shall be associated;
“Metering Code”		has the meaning given to it in the Grid Code;
“Minimum Generation”	MG_{ij}	means in relation to a Generating Unit for a Settlement Period, the quantity of Generator Sent Out Energy (in kWh) corresponding to the minimum generation (as defined in the Grid Code) of that Generating Unit for that Settlement Period;
“Minimum Generation Required Output”	$MGRO_{ij}$	means in relation to a Generating Unit for a Settlement Period, the Minimum Generation Required Output calculated under paragraph 14.2.3;
“Month Average Oil Price”	$MAOP_m$	has the meaning given to it in Schedule 5;
“Moyle Interconnector”		means the 275kV line from Coylton to Auchencrosh and the switchgear bay at Auchencrosh owned by ScottishPower, the converter stations in Scotland and Northern Ireland and the cables connecting the converter stations owned by Moyle Interconnector plc and the 275kV feeder-bays, busbars and bus coupler in Northern Ireland owned by NIE;
“Net Transfer Capacity” or “NTC”		means, for an Interconnector, in relation to a Settlement Period for a Trading Day, the maximum amount of electricity that may be transferred over that Interconnector in that Settlement Period, as determined by NIE (and where necessary agreed with the Interconnected System Operator) using a methodology

		approved by the Director and expressed in MW at the Interconnector Connection Point, provided that all references to “Available Transfer Capacity” in Interconnector Capacity Agreements (and other relevant agreements and documents) with NIE granting rights to use capacity on an Interconnector shall be treated as though they were references to Net Transfer Capacity. A Net Transfer Capacity is calculated separately for transfers into and out of Northern Ireland (for this purpose, treating a transit as first a transfer in and then a transfer out) and for each Interconnector;
“New System Charge”		means a charge approved by the Director or the Department from time to time to be levied by NIE to enable it to recover monies from Participating Suppliers and to the extent that such monies are not already recoverable under the SSS Charge or the PSO Charge or any other New System Charge;
“NIE”		means Northern Ireland Electricity plc;
“NIE System”		has the meaning given to it in the Grid Code;
“Nominal Fuel Price”	NFP_{ij}	means in relation to a Generating Unit for a Settlement Period, the price (in £/kWh) calculated under Section 3.1 of Schedule 5;
“Nominated Trade Notification” or “NTN”		means for a Settlement Period a request for a transfer on the N/S Interconnector using Long Term Units, Short Term Units or Superposition Units, which, subject to the provisions of paragraph 9.1, is binding;
“Nomination”		means a Nominated Trade Notification, Local Unit Nomination, Import Nomination, Local Demand Nomination, Export Nomination, or VIPP Demand Nomination (as the case may be);
“Non-Dominant Direction”		means, for each Settlement Period, the direction on the N/S Interconnector in respect of which the amount of the Total Notified Energy Flow in that direction less the amount of the Total Notified Energy Flow in the other direction is negative;
“N/S Interconnector”		means the interconnector between NIE’s System and EirGrid’s transmission system located between Louth substation and Tandragee substation;
“NTN Gate Closure”		means in relation to a Trading Day, 12.00 hours on the day 2 days before the Trading Day or such other time as NIE may notify all relevant Participants from time to time in writing;

“Order”		means the Electricity (Northern Ireland) Order 1992;
“Over/Under Nomination Despatch”	OND _{ij}	means in relation to a Generating Unit in a Settlement Period, the amount by which the Despatched Output varied from the Nominated Output as calculated under paragraph 13.2;
“Participant’s Chargeable Peak Demand”		has the meaning given to it in paragraph 15.3;
“Participant”		means a Participating Generator, Participating Supplier or Interconnector Capacity Holder (as the case may be);
“Participant’s Demand”		means in relation to a Participant for a Settlement Period, the amount calculated as such under paragraph 17.3.3;
“Participating Generator”		means a Generator that has entered into an Interim Settlement Agreement with NIE;
“Participating Supplier”		means a Relevant Supplier that has entered into an Interim Settlement Agreement with NIE;
“Payment Period”		means each period starting at 06.00 hours on the first day of each calendar month and finishing at the end of the last Trading Day of that month;
“Peak Settlement Period”		means each of the Settlement Periods by reference to which the Supplier's Chargeable Peak Demand is calculated under the Bulk Supply Tariff;
“Platts Oilgram Report”		has the meaning given to it in Schedule 5;
“PLG”		means a Generator authorised to generate electricity by an exemption under the Order;
“PLG Adjustment”	PLGA _{sj}	means in relation to a Participating Supplier for a Settlement Period, the aggregate PLG Output in that Settlement Period from all PLG Connection Points registered with NIE in the name of that Participating Supplier;
“PLG Connection Point”		means in relation to a PLG, the point at which the facilities of the PLG are connected to the NIE System;
“PLG Output”		means in relation to a PLG Connection Point, the quantity of electricity (in kWh) delivered into the NIE System by the relevant PLG at the PLG Connection Point as metered in accordance with the Grid Code, multiplied by the Adjustment Factor applicable to that PLG Connection Point;

“Power Station”	has the meaning given to it in the Grid Code;
“PSO Charge”	means the charge of that name published by NIE under Condition 3 of Part III of the Transmission Licence for sales of electricity by NIE acting through the Power Procurement Business (as defined in the Transmission Licence);
“Public Electricity Supplier”	means the holder of a licence issued under Article 10(1)(c) of the Order;
“Relevant Supplier”	has the meaning given to it in the Supply Competition Code;
“Renewable Output Factor Agreement” or “ROF Agreement”	means an agreement in the form of the proforma agreement of that name referred to in Condition 27 Part III of the Transmission Licence and approved by the Director, as amended from time to time;
“ROF Arrangements”	means the Interim ROF Arrangements until such time as they are superseded by the Renewable Output Factor Agreement and ROF Code, taken together;
“ROF Code”	means the renewable output factor code prepared in accordance with the Transmission Licence and approved by the Director, as amended from time to time;
“Second Tier Guidelines”	means the guidelines published by NIE in accordance with Condition 26 of Part III of the Transmission Licence;
“Security Cover”	has the meaning given to it in the Interim Settlement Agreement;
“Settlement Administration Charge”	has the meaning given to it in paragraph 18;
“Settlement Period”	means each of the 30 minute periods in each Trading Day commencing on the hour and at half past the hour;
“Shortfall Payment”	has the meaning given to it in the Interim Settlement Agreement;
“Short Term Unit”	means a right to transfer usage on the N/S Interconnector having a term, transfer direction and nominal MW value (at the Interconnector Connection Point) and made available by allowing the use of short term capacity, which is taken from such unutilised long term capacity as is available, on a daily basis;
“Sink”	has the meaning given to it in paragraph 6.1;

“Source”		has the meaning given to it in paragraph 6.1;
“SSS Charge”		means the charge of that name published by NIE under Condition 16A of Part III of the Transmission Licence for sales of electricity by NIE acting through the Transmission System Operator Business (as defined in the Transmission Licence);
“Standing Data”		means in relation to a Participant, the information specified in Schedule 2 to be given to or agreed with NIE or determined by the Expert under paragraph 2 as modified from time to time;
“Start Up”		has the meaning given to it in the Grid Code;
“Start Up Payment”	PSU _{id}	means in relation to a Generating Unit for a Settlement Period, the payment for start up under paragraph 14.3;
“Start Up Price”		means in relation to a Generating Unit for a Trading Day, the Start Up Price stated in the Supplemental Energy Bid;
“Superposition Unit”		means a right to transfer usage on the N/S Interconnector additional to that in respect of which the rights to its use have been granted pursuant to any Interconnector Capacity Agreement and that made available by allowing the use of Short Term Units, and made available through superpositioning of Transfer Nominations so as to match equal and opposite energy flows on the N/S Interconnector;
“Supplemental Energy Bid”		means in relation to a Generating Unit for a Trading Day, the offer to sell energy to NIE made under paragraph 8.1;
“Supplemental Energy Payment”	SEP _{ij}	means in relation to a Generating Unit for a Settlement Period, the payment for positive Over Nomination Despatch calculated under paragraph 14.3;
“Supplier’s Chargeable Peak Demand”		has the meaning given to it in the Bulk Supply Tariff;
“Supplier’s Demand”		has the meaning given to it in the Bulk Supply Tariff;
“Supplier Makeup Charge”	SMC _{sj}	means in relation to a Participating Supplier for a Settlement Period, the charge for a negative Demand Error calculated under paragraph 13.5;
“Supplier Spill Payment”	SSP _{sj}	means in relation to a Participating Supplier for a Settlement Period, the payment for a positive Demand Error calculated under paragraph 13.3;

“Supplier Spill Price”	PSS _s _j	means in relation to a Participating Supplier for a Settlement Period, the price paid for a positive Demand Error determined under paragraph 13.4;
“Supply Competition Code”		has the meaning given to it in the Transmission Licence;
“Supply Point”		means in relation to an Eligible Customer, the point at which electricity supplied to it is metered in accordance with the Metering Code;
“Synchronised”		has the meaning given to it in the Grid Code;
“System Charge”		means in relation to a Participating Supplier for a Settlement Period, the charge to be paid to NIE consisting of the PSO Charge, the SSS Charge and any New System Charges;
“System Support Services”		has the meaning given to it in the Transmission Licence;
“Total Notified Energy Flow”		means, for each direction on the N/S Interconnector in each Settlement Period, the sum of all Nominated Trade Notifications for transfers using Long Term Units, Short Term Units and Superposition Units in that direction;
“Trading Data”		means the Nominations, Allocations and other information provided by Participants under paragraphs 4, 5, 6, 7 and 8, as modified or replaced in accordance with this Code;
“Trading Day”		means the 24 hour period starting at 06.00 hours each day;
“Trading Year”		means each 12 month period commencing at the start of the Trading Day commencing on 1 April in a year and ending at the end of the Trading Day commencing on 31 March in the following year;
“Transfer Nomination”		means an Import Nomination or Export Nomination (as the case may be);
“Transit Allocation”	TA _j	means in relation to an Interconnector Capacity Holder for a Settlement Period, the Transit Allocation given by it under paragraph 6.6.3, as modified or replaced in accordance with this Code;
“Transit Capacity”		means rights under Interconnector Capacity Agreements that together grant the right to use both the Moyle Interconnector and the N/S Interconnector to transfer electricity from one Interconnected System to the other during a Settlement Period;

“Transmission Licence”		means the Transmission and Public Electricity Supply Licence Document granted to NIE under the Order;
“Transmission System Operator”		means the person who from time to time performs the function of operating the NIE System;
“Under Nomination Despatch Payment”	UNDP _{ij}	means in relation to a Generating Unit for a Settlement Period, the payment for Under Nomination Despatch calculated under paragraph 14.4;
“Unit Heat Rate”		means in relation to a Generating Unit, the factor (in GJ/kWh) used to calculate the Nominal Fuel Price for the Generating Unit as agreed or determined under paragraph 2.3 and Section 2 of Schedule 5;
“Unit Makeup Charge”	UMC _{ij}	means in relation to a Generating Unit for a Settlement Period, the charge for a positive Despatch Error under paragraph 14.7;
“Unit Nomination”	N _{ij}	means in relation to a Generating Unit for a Settlement Period, the total of the Local Unit Nomination and the Adjusted Export Unit Allocations (in kWh) for that Generating Unit for that Settlement Period;
“Unit Rate”	UR _i	means in relation to a Settlement Period, the unit rate used to calculate Unit Charges under the Bulk Supply Tariff for that Settlement Period, including the fuel price adjustment (if any) referred to in the Bulk Supply Tariff;
“Unit Spill Payment”	USP _{ij}	means in relation to a Generating Unit for a Settlement Period, the payment for a negative Despatch Error calculated under paragraph 14.5;
“Unit Spill Price”	PUS _{ij}	means in relation to a Generating Unit for a Settlement Period, the price paid for a negative Despatch Error and Minimum Generation Required Output determined under paragraph 14.6;
“Unit Works Adjustment”		means in relation to a Generating Unit, a factor to take into account Generating Unit Works Units and electrical inputs to the Power Station as agreed or determined under paragraph 2.3 and Section 2 of Schedule 5;
“VIPP Capacity and Energy Agreement”		means in relation to a Participating Supplier, an agreement of that name between NIE and the Participating Supplier relating to the sale of capacity and energy;
“VIPP Capacity Holder”		means a party (other than NIE) to a VIPP Capacity and Energy Agreement under which the right to the capacity has commenced and has not expired or been terminated;

“VIPP Contracted Capacity”

means in relation to a Participating Supplier for a Settlement Period, 0.5 MWh multiplied by the total number of Contracted Capacity Units (as defined in the VIPP Capacity and Energy Agreement) allocated to that Participating Supplier;

“VIPP Demand Nomination”

means in relation to a Participating Supplier for a Settlement Period, the VIPP Demand Nomination given under paragraph 5.3, as modified or replaced in accordance with this Code;

“VIPP Export Allocation”

VEA_{ij}

means in relation to a Participating Supplier for a Settlement Period, any VIPP Export Allocation given for it under paragraph 6.7.2 or deemed to have been given for it under paragraph 6.5.9.

Part II

Acronyms, Abbreviations and Subscripts

The acronyms and abbreviations used in this Code have the meanings given to them below.

A_{ij}	Actual Output
AD_{sj}	Actual Demand
ADN_{sj}	Aggregate Demand Nomination
ADE_{ij}	absolute value of a Despatch Error
$AEUA_{ij}$	Adjusted Export Unit Allocation
AIA_{sj}	Adjusted Import Allocation
ANE_{sj}	absolute value of a Demand Error
ATA_j	Adjusted Transit Allocation
$AVEA_{sj}$	Adjusted VIPP Export Allocation
BID_{id}	Incremental Price
CCR_m	Currency Conversion Rate
DE_{ij}	Despatch Error
D_{ij}	Despatched Output
DN_{sj}	Demand Nomination
$E A_{ij}$	Export Allocation
EDA_i	Excise Duty Allowance
$FDCA_i$	Fuel Delivery Cost Allowance
IFP_{ij}	Indexed Fuel Price
MG_{ij}	Minimum Generation
MAF_j	Makeup Adjustment Factor
$MAOP_m$	Month Average Oil Price
$MGRO_{ij}$	Minimum Generation Required Output
MUT	Makeup Tolerance
NE_{sj}	Demand Error
NFP_{ij}	Nominal Fuel Price
N_{ij}	Unit Nomination
OND_{ij}	Over/Under Nomination Despatch
PFE_{id}	Fixed Energy Payment
$PLGA_{sj}$	PLG Adjustment
PSS_{sj}	Supplier Spill Price
PSU_{id}	Start Up Payment

PUS_{ij}	Unit Spill Price
SEP_{ij}	Supplemental Energy Payment
SMC_{sj}	Supplier Makeup Charge
SSP_{sj}	Supplier Spill Payment
STR_j	SN Transfer Reduction
UMC_{ij}	Unit Makeup Charge
$UNDP_{ij}$	Under Nomination Despatch Payment
UR_j	Unit Rate
USP_{ij}	Unit Spill Payment
VEA_{sj}	VIPP Export Allocation

The following subscripts used in the formulae and other algebraic expressions contained in this Code have the meanings given to them below.

d	refers to a variable associated with a Trading Day
i	refers to a Generating Unit
g	refers to a Participating Generator
s	refers to a Participating Supplier
j	refers to a variable associated with a Settlement Period
m	refers to a variable associated with a calendar month
p	refers to a variable associated with a Payment Period

Part III

Interpretation

In this Code (including its Schedules) unless the context otherwise requires:

- (a) the singular indicates the plural and vice versa;
- (b) references to one gender include all other genders;
- (c) the table of contents and the headings (other than paragraph numbering) are inserted for convenience only and are to be ignored for the purposes of interpretation of this Code;
- (d) the word “including” and its variations are to be construed without limitation;
- (e) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;
- (f) any reference in this Code to a “paragraph” is a reference to a paragraph contained in the Code (excluding the Schedules), any reference in a Schedule to a “Section” is a reference to a section contained in that Schedule and any reference to a “Schedule” is a reference to a Schedule to the Code;
- (g) any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;
- (h) any reference to a day, month or year is to be construed as a reference to a calendar day, month or year as the case may be;
- (i) a reference to time is a reference to Belfast time;
- (j) zero is to be treated as a positive, whole number;
- (k) the symbol * requires multiplication to be effected;
- (l) conversion of amounts expressed in £, MW and MWh to amounts expressed in pence, kW and kWh (either way) is to be carried out by NIE as required; and
- (m) if there is any inconsistency between the provisions of this Code and the Interim Settlement Agreement, then the Interim Settlement Agreement prevails to the extent of the inconsistency.

Schedule 2

STANDING DATA

1. Standing Data for Participating Generators

- 1.1 Generator details (name, address);
- 1.2 Generating Unit details;
- 1.3 For each Generating Unit:
 - 1.3.1 Unit Works Adjustment;
 - 1.3.2 Unit Heat Rate;
 - 1.3.3 Fuel Index and corresponding methodology for calculating the Indexed Fuel Price;
 - 1.3.4 Fuel Delivery Cost Allowance (if any); and
 - 1.3.5 Excise Duty Allowance (if any).
- 1.4 Bank account;
- 1.5 Notices (address, fax, attention).

2. Standing Data for Participating Suppliers

- 2.1 Relevant Supplier details;
- 2.2 Bank account;
- 2.3 Notices (address, fax, attention).

3. Standing Data for Interconnector Capacity Holders

- 3.1 Interconnector Capacity Holder details.
- 3.2 Notices (address, fax, attention).

Schedule 3
Trading Data: Participating Suppliers and Imports/Transits
PART 1: DAILY ESTIMATE

1. **Name of Participating Supplier**

2. **Date on which Trading Day commences**

3. **Estimate of Eligible Customer Demand (paragraph 5.1)**

Settlement Period		Demand Estimate
Start	End	(kWh)
06.00	06.30	
06.30	07.00	
07.00	07.30	
07.30	08.00	
08.00	08.30	
08.30	09.00	
09.00	09.30	
09.30	10.00	
10.00	10.30	
10.30	11.00	
11.00	11.30	
11.30	12.00	
12.00	12.30	
12.30	13.00	
13.00	13.30	
13.30	14.00	
14.00	14.30	
14.30	15.00	
.....		
etc	etc	
.....		
05.00	05.30	
05.30	06.00	

Notes:

All amounts are to be expressed as Equivalent Generator Sent Out Energy and be in whole numbers of kWh.

Schedule 3

PART 2: IMPORT NOMINATION

1. Name of Interconnector Capacity Holder
2. Name of Interconnector User
3. Interconnector Connection Point identification
4. Date on which Trading Day commences
5. Import Nomination, Import Allocations, Transit Allocation

Settlement Period		Transit Allocation	Import Allocations			Import Nomination
			P1	P2	(etc)	
		kWh	kWh	kWh	KWh	kWh
Start	End					
06.00	06.30					
06.30	07.00					
07.00	07.30					
07.30	08.00					
08.00	08.30					
08.30	09.00					
09.00	09.30					
09.30	10.00					
10.00	10.30					
10.30	11.00					
11.00	11.30					
11.30	12.00					
12.00	12.30					
12.30	13.00					
13.00	13.30					
13.30	14.00					
14.00	14.30					
14.30	15.00					
etc	etc					
05.00	05.30					
05.30	06.00					

6. Identification of Participants

P	Name
P1	
P2	
etc	

7. Signatures

.....
Interconnector Capacity Holder

.....
Interconnector User

Notes:

Both the Interconnector Capacity Holder and the Interconnector User must sign this Nomination.

Submit a separate Import Nomination for each Interconnector User.

All amounts must be expressed in whole kWh at the Interconnector Connection Point.

Import Nominations must not exceed ICE.

In each Settlement Period, total Transit Allocations and Import Allocations must equal the Import Nomination.

ICE and transfer usage allocations are subject to adjustment under the Code.

Schedule 3
PART 3: VIPP DEMAND NOMINATION

1. **Name of Participating Supplier**
2. **Date on which Trading Day commences**
3. **VIPP Demand Nomination (paragraph 5.3)**

Settlement Period		VIPP Demand Nomination
Start	End	(kWh)
06.00	06.30	
06.30	07.00	
07.00	07.30	
07.30	08.00	
08.00	08.30	
08.30	09.00	
09.00	09.30	
09.30	10.00	
10.00	10.30	
10.30	11.00	
11.00	11.30	
11.30	12.00	
12.00	12.30	
12.30	13.00	
13.00	13.30	
13.30	14.00	
14.00	14.30	
14.30	15.00	
etc	etc	
05.00	05.30	
05.30	06.00	

Notes:

All amounts must be expressed as Equivalent Generator Sent Out Energy and be in whole numbers of kWh.

Schedule 3

PART 4: NOMINATED TRADE NOTIFICATION – IMPORT

Form as set out from time to time in the Guidance Notes.

Schedule 4
Trading Data: Participating Generators And Exports
PART 1: LOCAL UNIT NOMINATIONS

1. **Name of Participating Generator**
2. **Name of Generating Unit**
3. **Date on which Trading Day commences**
4. **Local Unit Nomination**

Settlement Period		Supplier Allocation				Local Unit Nomination
		PS1	PS2	PS3	(etc)	(Totals)
Start	End	(kWh)	(kWh)	(kWh)		(kWh)
06.00	06.30					
06.30	07.00					
07.00	07.30					
07.30	08.00					
08.00	08.30					
08.30	09.00					
09.00	09.30					
09.30	10.00					
10.00	10.30					
10.30	11.00					
11.00	11.30					
11.30	12.00					
12.00	12.30					
12.30	13.00					
13.00	13.30					
13.30	14.00					
14.00	14.30					
14.30	15.00					
etc	etc					
05.00	05.30					
05.30	06.00					

5. Identification

Participating Suppliers

P	Name
PS1	
PS2	
etc	

6. Signatures

.....
Participating Generator

Notes:

Submit a separate Local Unit Nomination for each Generating Unit.

All amounts must be expressed as Equivalent Generator Sent Out Energy and be in whole numbers of kWh.

Schedule 4
PART 2: EXPORT NOMINATION

1. Name of Interconnector Capacity Holder
2. Name of Interconnector User
3. Interconnector Connection Point identification
4. Date on which Trading Day commences
5. Export Nominations, Export Allocations, VIPP Export Allocations

Settlement Period		Export Allocations (Generators)			VIPP Export Allocations			Export Nomination
		G1	G2	(etc)	S1	S2	(etc)	
		kWh	kWh	kWh	kWh	kWh	kWh	kWh
Start	End							
06.00	06.30							
06.30	07.00							
07.00	07.30							
07.30	08.00							
08.00	08.30							
08.30	09.00							
09.00	09.30							
09.30	10.00							
10.00	10.30							
10.30	11.00							
11.00	11.30							
11.30	12.00							
12.00	12.30							
12.30	13.00							
13.00	13.30							
13.30	14.00							
14.00	14.30							
14.30	15.00							
etc	etc							
05.00	05.30							
05.30	06.00							

6. Export Unit Allocations

Settlement Period		Allocation to Generating Units (Export Unit Allocations)		
		GU1	GU2	(etc)
		KWh	kWh	kWh
Start	End			
06.00	06.30			
06.30	07.00			
07.00	07.30			
07.30	08.00			
08.00	08.30			
08.30	09.00			
09.00	09.30			
09.30	10.00			
10.00	10.30			
10.30	11.00			
11.00	11.30			
11.30	12.00			
12.00	12.30			
12.30	13.00			
13.00	13.30			
13.30	14.00			
14.00	14.30			
14.30	15.00			
etc	etc			
05.00	05.30			
05.30	06.00			

7. Identification

Generators

P	Name
P1	
P2	
Etc	

Generating Units

GU	Name
GU1	
GU2	
GU	
Etc	

VIPP Capacity Holders

VCH	Name
S1	
S2	
Etc	

8. Signatures

.....
Interconnector Capacity Holder

.....
Interconnector User

Notes:

Both the Interconnector Capacity Holder and the Interconnector User must sign this Nomination.

Submit a separate Export Nomination for each Interconnector User.

All amounts must be expressed in whole kWh at the Interconnector Connection Point.

In each Settlement Period, the sum of Export Allocations and VIPP Export Allocations must equal the Export Nomination.

In each Settlement Period, the total of Export Unit Allocations must equal the relevant Export Allocation.

Export Nominations must not exceed ICE.

ICE and transfer usage allocations are subject to adjustment under the Code.

Schedule 4
PART 3: SUPPLEMENTAL ENERGY BIDS

1. **Name of Participating Generator**
2. **Name of Generating Unit**
3. **Date on which Trading Day commences**
4. **Supplemental Energy Bid for Trading Day**

Start Up Price (£)

Fixed Price (£/hour)

Incremental Price (£/MWh)

Schedule 4

PART 4: NOMINATED TRADE NOTIFICATION – EXPORT

Form as set out from time to time in the Guidance Notes.

Schedule 5

Nominal Fuel Price

1. Definitions

In this Schedule, unless the context otherwise requires:

“Currency Conversion Rate”	CCR_m	means in relation to a month, the arithmetic mean of prices at which United States dollars can be purchased with Sterling on each day in the month as determined on the basis of the dollar/Sterling spot rate of exchange published in the Financial Times (specifically, the mid point of the range quoted in the table entitled “Pound Spot-Forward Against the Pound” in row entitled “US” and in the column entitled “Close” for the corresponding day (expressed in \$US/£));
“EC Index”		means the index of average prices for Power Station Coal imported from non-Member Countries published by the European Community (DG for Energy) pursuant to EC Decision 77/707/ECSC of 7 November 1977 concerning Community surveillance of imports of hard coal originating in third countries as amended by Decision 85/161/ECSC of 26 February 1985 concerning details of imports of Power Station Coal from third countries;
“Excise Duty Allowance”	EDA_i	means in relation to a Generating Unit, the allowance of that name agreed or determined in accordance with Section 2 of this Schedule;
“Fuel Delivery Cost Allowance”	$FDCA_i$	means in relation to a Generating Unit, the allowance of that name agreed or determined in accordance with Section 2 of this Schedule;
“Heren Within Day Index”		means the index of that name published in the Heren Report, which is the report relating to the prices for natural gas

published by PH Energy Analysis Limited;

“Indexed Fuel Price”	IFP _{ij}	means in relation to a Generating Unit for a Settlement Period, the price (in £/GJ) calculated under Section 4 of this Schedule;
“Month Average Oil Price”	MAOP _m	means in relation to a price for a month for a fuel as specified in the Platts Oilgram Report, the arithmetic mean of the mid points of the range of prices for that fuel (expressed in \$US/tonne) in respect of each day for which such prices are published in the period from (and including) the 26th day of the month two months prior to the relevant month, to (and including) the 25th day of the month preceding the relevant month;
“Platts Oilgram Report”		means the Platts Oilgram Price Report published by Standard & Poors, table entitled “Product Price Assessments: European Bulk” column entitled “CIF NWE Basis ARA”;

2. Agreed Standing Data

2.1 Subject to Section 2.2, the following items of Standing Data for each Generating Unit (and any changes to them) must be agreed between NIE and the Participating Generator concerned in accordance with paragraph 2 of the Code:

- 2.1.1 Unit Works Adjustments;
- 2.1.2 Unit Heat Rate;
- 2.1.3 Fuel Index and corresponding methodology for calculating the Indexed Fuel Price;
- 2.1.4 Fuel Delivery Cost Allowance (if any); and
- 2.1.5 Excise Duty Allowance (if any).

2.2 The items referred to in Section 2.1 must be agreed or determined having regard to the following principles:

- 2.2.1 the Units Works Adjustments must be an allowance (in GJ/hour and GJ/kWh as appropriate) to take into account the Generating Unit Works Units and electrical imports by the Power Station and to enable instructions for Despatch to reflect Unit Nominations in accordance with paragraph 5.5 of the Code;

- 2.2.2 the Unit Heat Rate must be an allowance (in GJ/kWh in Generator Sent Out Energy) which is the incremental energy consumed by the Generating Unit when Synchronised and generating electricity into the NIE System;
- 2.2.3 the Fuel Index and corresponding methodology for deriving the Indexed Fuel Price must be such that it will enable a price for the fuel consumed, or nominally consumed, by the Generating Unit to be derived that is consistent with the objectives of financial neutrality in the event of negative Over/Under Nomination Despatch and Frequency Transients such that there is no undue financial benefit or detriment for either party as a result of using that Fuel Index and methodology under this Code. The Fuel Index must also provide a price that can be used to calculate the Nominal Fuel Price;
- 2.2.4 the Fuel Delivery Cost Allowance for:
- (a) a Generating Unit that consumes gas must be zero;
 - (b) a Generating Unit that consumes coal must be an allowance (in £/kWh in Generator Sent Out Energy) to reflect the costs likely to be incurred by the Generator acting as a reasonable and prudent operator from the time that the coal passes over the vessel's rail at the relevant port to the point where the coal has been delivered to stock at the Power Station; and
 - (c) a Generating Unit that consumes oil must be an allowance (in £/kWh in Generator Sent Out Energy) to reflect the costs of landing at the relevant port and storing the oil and pumping it to the Power Station as required,
- and in both cases (b) and (c) must be consistent with the objective referred to in Section 2.2.3;
- 2.2.5 the Excise Duty Allowance for:
- (a) a Generating Unit that consumes coal or gas must be zero; and
 - (b) for a Generating Unit that consumes oil must be an allowance (in £/kWh in Generator Sent Out Energy) that accurately reflects the rate of UK excise duty payable on the fuel consumed or nominally consumed by the Generating Unit during the period for which the calculation is made, taking into account all relevant factors including the density of the fuel and must be consistent with the objective referred to in Section 2.2.3;
- 2.2.6 in the case of the Unit Works Adjustments, Unit Heat Rate and Fuel Delivery Cost Allowance for a Generating Unit that was at any time subject to an agreement with NIE relating to the sale of the output of the Generating Unit to NIE, NIE and the Participating Generator

concerned (and the Expert, where relevant) may have regard to the relevant provisions of that agreement in agreeing (or determining, as the case may be), the values for those items.

- 2.3 If agreement cannot be reached on any of the items referred to in Section 2.1 for a Generating Unit before the Participating Generator wishes to submit a Unit Nomination in respect of that Generating Unit, then for the purposes of this Code, the following default values will be used until the final value is agreed or determined:

- 2.3.1 the Unit Works Adjustments, Unit Heat Rate, Fuel Delivery Cost Allowance and Excise Duty Allowance will be the values proposed by NIE (acting reasonably); and
- 2.3.2 the Fuel Index and corresponding methodology for calculating the Indexed Fuel Price will be those corresponding to the fuel consumed by the Generating Unit used in the calculation of Indexed Fuel Prices in Section 4 of this Schedule.

An adjustment will be made under paragraph 19.6 of the Code when the item is agreed or determined.

- 2.4 If NIE and the Participating Generator cannot agree the item in dispute within 10 Business Days of a notice from either party requiring it to be agreed, then either party may refer the dispute to the Expert for determination in accordance with paragraph 20.5 of the Code.
- 2.5 If a Fuel Index that has been agreed or determined in accordance with this Section 2 ceases to be published or the method used for compiling the Fuel Index changes then NIE or the Participant concerned may by notice to the other require the other to agree a new Fuel Index or adjustments to the prices derived from the agreed Fuel Index. The parties must seek to agree the new Fuel Index or the adjustments in good faith and in default of agreement within 10 Business Days of the notice, Sections 2.3 and 2.4 of this Schedule apply.

3. Nominal Fuel Price

The Nominal Fuel Price for Generating Unit “i” for Settlement Period “j” is calculated as follows:

$$NFP_{ij} = (IFP_{ij} * UHR_i) + FDCA_i + EDA_i$$

where:

NFP_{ij} is the Nominal Fuel Price (in £/kWh);

IFP_{ij} is the Indexed Fuel Price (in £/GJ);

UHR_i is the Unit Heat Rate (in GJ/kWh in Generator Sent Out Energy);

FDCA_i is the Fuel Delivery Cost Allowance (in £/kWh in Generator Sent Out Energy); and

EDA_i is the Excise Duty Allowance (in £/kWh in Generator Sent Out Energy).

4. Indexed Fuel Price

4.1 If the Fuel Index and corresponding methodology for calculating the Indexed Fuel Price have been agreed or determined, then the Indexed Fuel Price for Generating Unit “i” in Settlement Period “j” is calculated in accordance with that agreement or determination. In all other cases, the Indexed Fuel Price is calculated under Sections 4.2, 4.3 or 4.4 (as appropriate).

4.2 In the case of a Generating Unit consuming natural gas, the Indexed Fuel Price for that Generating Unit “i” in Settlement Period “j” is calculated as follows:

$$IFP_{ij} = HWD_j * 0.09478$$

where:

IFP_{ij} is the Indexed Fuel Price (in £/GJ);

HWD_j is the price (in pence/therm) for natural gas for the day in which the Settlement Period falls as set out in the Heren Within Day Index. For Settlement Periods falling on a day which is not a Business Day, the price for that Settlement Period will be the price for the preceding Business Day.

4.3 In the case of a Generating Unit consuming coal, the Indexed Fuel Price for that Generating Unit “i” in Settlement Period “j” in month “m” is calculated as follows:

$$IFP_{ij} = [2/3 * LCI_m] + (1/3 * SCI_m) * \frac{CV}{ICV} * \frac{1}{CCR_m}$$

where:

IFP_{ij} is the Indexed Fuel Price (in £/GJ);

LCI_m is the value for coal (in \$US/tonne) under contracts of duration of one year or more as set out in the EC Index last published before the commencement of the month in which the Settlement Period falls;

SCI_m is the value for coal (in \$US/tonne) under contracts of duration of less than one year as set out in the EC Index last published before the commencement of the month in which the Settlement Period falls;

CV is the gross calorific value for coal which is 26.75 GJ/tonne;

ICV_p is the average gross calorific value of coal comprised in the EC Index which is 30.435 GJ/tonne;

CCR_m is the Currency Conversion Rate.

- 4.4 In the case of a Generating Unit consuming oil (including distillate), the Indexed Fuel Price for the Generating Unit “i” for Settlement Period “j” falling in month “m” is calculated as follows:

$$IFP_{ij} = MAOP_m * \frac{1}{CVO} * \frac{1}{CCR_m}$$

where:

IFP_{ij} is the Indexed Fuel Price (in £/GJ);

MAOP_m is the Month Average Price for the relevant month in which the Settlement Period falls (in \$US/tonne) derived from the Platts Oilgram Report using the price for “1% Fuel Oil”, “3% Fuel Oil” or “Gasoil 0.2”, as applicable to the Generating Unit by reference to the fuel it consumes; and

CVO is the calorific value (in GJ/tonne) of the oil corresponding to the price used to determine MAOP_{ij} where:

- (a) the CVO for “1% Fuel Oil” is 43;
- (b) the CVO for “3% Fuel Oil” is 42; and
- (c) the CVO for “Gasoil 0.2” is 45; and

CCR_m is the Currency Conversion Rate.

5. Indices

- 5.1 If any of the indices referred to in Sections 4.2, 4.3 and 4.4 of this Schedule cease to be published then NIE may, with the approval of the Director and by notice to the Participants, specify a replacement index and this Code will be taken to have been amended accordingly.
- 5.2 If the basis on which any of the indices referred to in Sections 4.2, 4.3 and 4.4 of this Schedule is materially altered, then NIE may, with the approval of the Director and by notice to the Participants, specify an adjustment to be applied in using the prices determined using the index for the purpose of this Code and this Code will be taken to have been amended accordingly.

Schedule 6

Makeup Adjustment Factor

	Summer			Winter		
	1 April - 31 October			1 November – 31 March		
Settlement Period Ending	Weekdays (May - Sept)	Weekdays (Apr & Oct)	Weekends & Public Holidays	Weekdays Peak	Weekdays Non-peak	Weekends, Public Holidays & 24 Dec – 1 Jan (Inclusive)
00:30	1.0	1.0	1.0	1.0	1.0	1.0
01:00	1.0	1.0	1.0	1.0	1.0	1.0
01:30	1.0	1.0	1.0	1.0	1.0	1.0
02:00	1.0	1.0	1.0	1.0	1.0	1.0
02:30	1.0	1.0	1.0	1.0	1.0	1.0
03:00	1.0	1.0	1.0	1.0	1.0	1.0
03:30	1.0	1.0	1.0	1.0	1.0	1.0
04:00	1.0	1.0	1.0	1.0	1.0	1.0
04:30	1.0	1.0	1.0	1.0	1.0	1.0
05:00	1.0	1.0	1.0	1.0	1.0	1.0
05:30	1.0	1.0	1.0	1.0	1.0	1.0
06:00	1.0	1.0	1.0	1.0	1.0	1.0
06:30	1.0	1.0	1.0	1.0	1.0	1.0
07:00	1.0	1.0	1.0	1.0	1.0	1.0
07:30	1.0	1.0	1.0	1.0	1.0	1.0
08:00	1.0	1.0	1.0	1.0	1.0	1.0
08:30	1.0	1.1	1.1	1.0	1.0	1.5
09:00	1.0	1.1	1.1	1.0	1.0	1.5
09:30	1.0	1.1	1.1	1.0	1.0	1.5
10:00	1.0	1.1	1.1	1.0	1.0	1.5
10:30	1.0	1.1	1.1	1.0	1.0	1.5
11:00	1.0	1.1	1.1	1.0	1.0	1.5
11:30	1.0	1.1	1.1	1.0	1.0	1.5
12:00	1.0	1.1	1.1	1.0	1.0	1.5
12:30	1.0	1.1	1.1	1.0	1.0	1.5
13:00	1.0	1.1	1.1	1.0 1.2	1.0 1.2	1.5
13:30	1.1	1.4	1.1	1.2	1.2	1.5
14:00	1.1	1.4	1.1	1.2	1.2	1.5
14:30	1.1	1.4	1.2	1.2	1.2	1.5
15:00	1.1	1.4	1.2	1.2	1.2	1.5
15:30	1.1	1.4	1.2	1.2	1.2	1.5
16:00	1.1	1.4	1.2	1.2	1.2	1.5
16:30	1.1	1.4	1.2	1.2	1.2	1.5
17:00	1.1	1.4	1.2	1.5	1.5	1.2
17:30	1.1	1.4	1.2	1.5	1.5	1.2
18:00	1.1	1.4	1.2	1.5	1.5	1.2
18:30	1.1	1.4	1.2	1.5	1.5	1.2
19:00	1.2	1.5	1.2	1.2	1.2	1.2
19:30	1.2	1.5	1.2	1.2	1.2	1.2
20:00	1.2	1.5	1.2	1.2	1.2	1.2
20:30	1.2	1.5	1.2	1.2	1.2	1.2
21:00	1.2	1.5	1.2	1.1	1.1	1.2
21:30	1.2	1.5	1.2	1.1	1.1	1.2
22:00	1.2	1.5	1.2	1.1	1.1	1.2
22:30	1.2	1.5	1.2	1.1	1.1	1.2
23:00	1.2	1.5	1.2	1.0	1.0	1.2
23:30	1.0	1.0	1.0	1.0	1.0	1.2

00:00	1.0	1.0	1.0	1.0	1.0	1.2
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1.1 For the year 2004/05 Winter Peak Weekdays are those weekdays from 22 November 2004 to 21 February 2005 inclusive.

1.2 For the year 2004/05 Winter Non-peak Weekdays are those weekdays from 1 November 2004 to 19 November 2004 inclusive and from 22 February 2005 to 31 March 2005 inclusive.

1.3 The Makeup Adjustment Factors may be amended by NIE from time to time with the approval of the Director and notified to Participants