

System Services Code Development

Plain English Version

Version 2.0

Contents

1.1	Document Review History	5
1.2	Change History	5
1.3	Relevant Documents	7
1.4	Copyright Notice	7
2	Overview	7
2.1	Background	7
2.1.1	TSO/DSO Co-ordination	10
2.2	Assumptions	10
2.3	Requirements of the System Services Code	11
3	Legal and Governance	13
3.1	Code Scope and Objectives	13
3.1.1	Appendices and Agreed Procedures	14
3.1.2	Governing Law	14
3.1.3	Jurisdiction	14
3.1.4	Term	14
3.1.5	System Services Code Hierarchy/Priority	15
3.2	Roles and Obligations	15
3.2.1	The Regulatory Authorities	15
3.2.2	The TSOs	15
3.3	Modification Process	16
3.3.1	Membership of System Services Modification Committee	17
3.3.2	Meetings of the Modifications Committee	18
3.3.3	Modification Proposals	18
3.3.4	Procedure for Developing Proposals	19
3.3.5	Intellectual Property Issues Associated with Modification Proposals	20
3.3.6	No Retrospective Effect	20
3.3.7	Urgent Modification Proposals	20
3.3.8	Alternative Modification Proposals	21
3.3.9	Decision of the Regulatory Authorities	21
3.4	Dispute Resolution	22
3.4.1	Objectives of the Dispute Process	23
3.4.2	Types of Disputes	23
3.4.3	System Services Dispute Resolution Board (SSDRB)	24
3.4.4	Obtaining System Services Dispute Resolution Board (SSDRB) Decision	29
3.4.5	Amicable Dispute Settlement	30

3.4.6	Court Proceedings	30
3.4.7	Failure to Comply with SSDRB's Decision.....	30
3.5	Other Administrative Sections	32
4	Participation, Accession and Registration	33
4.1	Participation under Trading and Settlement Code.....	33
4.2	Accession to the System Services Code.....	34
4.3	Party Registration	36
4.4	Providing Unit Registration.....	37
4.5	Intermediaries	38
4.6	Deregistration, Suspension and Termination	39
5	Qualification	40
5.1	Qualification Registration	40
5.1.1	Qualification Testing Process	41
5.1.2	Qualification Outcomes	41
5.2	Eligibility for DASSA	41
5.3	Eligibility for Secondary Trading	42
5.4	Qualification Trial Process	42
6	Auction Format of DASSA	42
6.1	Products to be Procured	42
6.2	Zones and Locational Requirements	47
6.3	Volume Requirements.....	47
6.3.1	Volume Insufficiency	48
6.4	DASSA Timings	49
6.4.1	DASSA Auction Time Frame.....	49
6.4.2	DASSA Trading Period	50
6.4.3	DASSA Volume Requirements	50
6.5	DASSA Bidding Structure	50
6.5.1	Bidding Format and Process	50
6.6	Validation of Bids.....	51
6.7	DASSA Clearing Overview	52
6.8	DASSA Clearing Optimisation.....	53
6.8.1	Price Based Bid Selection.....	53
6.8.2	Valuation Functions	53
6.8.3	Constraints.....	54
6.9	DASSA Clearing Prices	55
6.9.1	Single Clearing Price per Product	55
6.9.2	DASSA Outcomes	55

7	Secondary Trading	57
7.1	Central Secondary Trading Platform	58
7.2	Secondary Trading Window	58
7.3	Secondary Trading Mechanics.....	59
7.3.1	Placing Buy and Sell Orders	59
7.3.2	Validation of Buy and Sell Orders	60
7.3.3	Matching of Buy and Sell Orders.....	60
7.3.4	Bilateral Trading of DASSA Orders.....	61
7.3.5	Validation of Matched Trades and Bilateral Trades.....	61
7.3.6	Notification.....	61
7.3.7	Commitment Obligation and Right to Payment.....	62
7.4	TSOs Participation in Secondary Trading	62
8	Obligations	62
9	System Services Supplier Charge	62
9.1	Overview	62
9.2	Calculation of the All-Island System Service Charge Rate	63
9.2.1	All-Island System Service Charge Rate.....	63
9.2.2	Forecast Costs.....	64
9.2.3	K-Factor	64
9.2.4	Forecast Demand	66
9.3	Calculation and Settlement of the All-Island System Service Charge	66
9.3.1	All-Island System Service Charge for Supplier Units	66
9.3.2	Calculation of the All-Island System Service Charge in a Charging Period	66
9.3.3	Settlement Timing.....	67
9.4	Cashflow Risk and Deficits	67
10	Long Term Contracts	68
11	Delivery - Performance Monitoring	68
12	Migration to FASS for Existing DS3 Contracts	68
13	Settlement	68
14	Approvals	68
15	Glossary	68
15.1	Acronyms	68

15.2	Definitions	69
------	-------------------	----

16 Appendices 73

17 Agreed Procedures 73

17.1	Agreed Procedure 1: Registration	74
17.2	Agreed Procedure 2: Data Storage and IT Security	26
17.3	Agreed Procedure 3: Data Publication and Data Reporting.....	26
17.4	Agreed Procedure 4: Management of Credit Cover and Credit Default	26
17.5	Agreed Procedure 5: Modifications Committee Operation.....	26
17.6	Agreed Procedure 6: Settlement Queries	26
17.7	Agreed Procedure 7: Disputes	27
17.8	Agreed Procedure 8: Settlement and Billing.....	27
17.9	Agreed Procedure 9: Banking and Participant Payments	2
17.10	Agreed Procedure 10: Metering and Signalling	2
17.11	Agreed Procedure 11: Suspension and Termination	3
17.12	Agreed Procedure 12: Transaction Submission and Validation	26
17.13	Agreed Procedure 13: Emergency Communication	26
17.14	Agreed Procedure 14: DASSA IT System Operation, Testing, Upgrading and Support...	26
17.15	Agreed Procedure 15: Communication Channel Qualification.....	26
17.16	Agreed Procedure 16: Providing Unit Qualification.....	26

1.1 Document Review History

Review and Sign-Off:

Name	Title	Department/Role	Date

1.2 Change History

Version	Date	Author	Description of Changes
.1	26 June 24	Carole Devlin	Initial Draft
.2	01 October 24	Carole Devlin	Updates following 1 st Code Development Working Group including: <ul style="list-style-type: none"> • Market integrity as part of objectives in section 3.2.2 • Update to Membership of Modifications Committee and Quorum in section 3.3 • Removal of References to FAM following <u>SEM 24-066</u>

Version	Date	Author	Description of Changes
.3	22 November 24	Carole Devlin	<p>Updates following 2nd Code Development Working Group including:</p> <ul style="list-style-type: none"> • Update to section 3.3 to facilitate non-binding voting for Modifications Committee • Inclusion of DASSA and Secondary Trading Chapters
.4	22 January 2025	FASS Project Team	<p>Key updates following 3rd Code Development Working Group including:</p> <ul style="list-style-type: none"> • Inclusion of reference to Settlement in Trading and Settlement Code in Section 2.3 • Inclusion of Capacity Market Code in Hierarchy in Section 3.1.5. • Inclusion of Market Operator for Membership of System Services Modifications Committee in Section 3.3.1 • Update from day to Working Days (WD) in table 2, Section 3.4.7 in relation • Addition of text in Section 4.3 with regard to registration to align with Section B.7.4.6 of Trading and Settlement Code • Insertion of text in relation to Governance of Zones in Section 6.2 • Insertion of Table showing DASSA outcomes on a Trading Period basis in Section 6.10 • Update of Agreed Procedures
2	April 2025		<ul style="list-style-type: none"> • Update to Section 3.4: for General Disputes the timeline for raising a dispute has been changed from within 1 year of the Disputed Event having occurred to 2 years of the Disputed Event having occurred • Updates to Section 4.3: Change of wording from Participant to Service Provider to align with Agreed Procedure presented at last Working Group Meeting • Update to Chapter 4: Inclusion of Suspension and Termination in section 4.6 • Inclusion of Supplier Charge Chapter 9

Version	Date	Author	Description of Changes

1.3 Relevant Documents

Version	Date	Author	Title/Description

1.4 Copyright Notice

COPYRIGHT © EirGrid and SONI

All rights reserved. No part of this work may be modified or reproduced or copied in any form or by means - graphic, electronic or mechanical, including photocopying, recording, taping or information and retrieval system, or used for any purpose other than its designated purpose, without the written permission of EirGrid and SONI

2 Overview

2.1 Background

The main objective of Future Arrangements of System Services (FASS) is to deliver a competitive framework for the procurement of system services, that ensures secure operation of the electricity system with higher levels of non-synchronous generation while adhering to EU regulations including the Clean Energy Package, the Electricity Balancing Guideline and System Operation Guideline. As such, the FASS programme will ensure non-discrimination between service providers and implement market-based procedures whereby 40% of standard balancing products and a minimum of 30% of all products used for balancing capacity, shall be concluded for no more than one day before the provision of the balancing.

The market arrangements comprise three main frameworks:

1. Daily Auction Framework which is under development for the procurement of System Services within one day of energy dispatch - Day Ahead System Services Auction (DASSA).
2. Layered Procurement Framework (LPF) for longer-term contracts of up to 12 months will be established to work in parallel with the daily auctions to ensure appropriate volumes of System Services are procured. The need for LPF implementation will be annually assessed by the TSOs, per the most recent SEM Committee Decision paper published in December 2023²

² [SEM-23-103 System Services Future Arrangements - Detailed Design & Implementation - Phased Implementation Roadmap - Decision Paper 3](#)

3. The already established Fixed Contract Framework will continue to be utilised to remove barriers to entry for new technologies and ensure sufficient volumes of System Services, as required.

This document provides a view of how the System Services Arrangements will be reflected in the System Services Code, with explanations of the reasoning for this design. The System Services Code itself will be further developed and presented through the System Services Code Development Working Group process. This Plain English Guide will be followed by an updated Plain English guide and then an initial legal draft of the System Services Code followed by the final legal draft of the System Services Code.

This document is based on SEM Committee decision documents, High Level Design Documents and TSO reports, these documents collectively describe the design to be implemented in the System Services Code. The key documents are shown in table 1 below:

Published by	Document Name	Document Reference	Link
SEM Committee	System Services Future Arrangements High Level Design Decision	SEM-22-012	link
SEM Committee	System Services Future Arrangements Phase III: Detailed Design & Implementation Phased Implementation Roadmap for the System Services High Level Design Decision Paper	SEM-23-103	link
DotEcon/Afry	Future Arrangements for System Services (FASS) Proposals for enduring arrangements and transition	SOEF Markets - Future Arrangements for System Services - Auction Design - DotEcon Afry Recommendations Paper	EirGrid link, SONI link
TSOs	Supporting cover note from EirGrid and SONI on DotEcon proposal for enduring arrangements and transition	SOEF Markets - Future Arrangements for System Services - Auction Design - DotEcon Afry Recommendations Paper - Supporting Note	EirGrid link, SONI link
TSOs	FASS - Proposals for enduring arrangements and transition - DotEcon / Afry Industry Workshop presentation	Future Arrangements for System Services - Auction Design - DotEcon Afry Workshop Slides	EirGrid link, SONI link
TSOs	DotEcon/Afry Proposals for enduring arrangements and transition - Questions captured in the 20 th of September Industry Workshop and TSOs' responses	Future Arrangements for System Services - Auction Design - DotEcon Afry Workshop Q&A	EirGrid link, SONI link

TSOs	Day-Ahead System Services Auction (DASSA) Design Consultation Paper V0.01	Future Arrangements for System Service - DASSA Consultation Paper	EirGrid link, SONI link
TSOs	All-Island System Services Supplier Charge	All-Island System Services Supplier Charge Consultation Paper	EirGrid link, SONI link
TSOs	Day-Ahead System Services Auction (DASSA) Design Recommendations Paper V1.0	Day-Ahead System Services Auction (DASSA) Design Recommendations Paper	EirGrid link, SONI link
SEM Committee	Future Arrangements for System Services DASSA Market Design - Decision Paper	SEM-24-066	link
SEM Committee	Future Arrangements for System Services Product Review and Locational Methodology	SEM-24-074	link
TSOs	All-Island System Services Supplier Charge - Recommendations Paper	SEM 25 007A	link
SEM Committee	All-Island System Services Supplier Charge - Decision Paper	SEM 25 007	link
TSOs	FASS: DASSA Top-Up Mechanism	FASS: DASSA Top-Up Mechanism: Consultation Paper	EirGrid link, SONI link
TSOs	Day-Ahead System Services Auction (DASSA) Volume Forecasting Methodology	Day-Ahead System Services Auction (DASSA) Volume Forecasting Methodology Recommendations Paper V1.0	link
SEM Committee	Day-Ahead System Services Auction (DASSA) Volume Forecasting Methodology - Decision Paper	SEM 25-011	link

Table 1: Previous Documentation relevant to System Services Code Development

The following SEM Committee decisions that will also inform the design are yet to be published:

- Parameters and Scalars
- Real Time System Security System Needs Analysis
- Second Product Review

- Non-Reserves

In respect of design issues under consultation or not decided, this document has been drafted either to reflect a relatively generic view of the options under consideration without considering detailed methodologies or has deferred discussion of the topic until more information is available (e.g. regarding management of locational issues and some aspects of the auction design).

As much as possible, the naming conventions and common variables used have been made consistent with Trading and Settlement Code terminology. The names and abbreviations for variables used in this document should not be considered final as they may be further refined during the drafting of further Plain English Documents and Legal Documents.

2.1.1 TSO/DSO Co-ordination

EirGrid will engage bilaterally with ESB Networks when developing the System Services Code under the FASS Programme to ensure that there are no unintended consequences for ESB Networks. EirGrid has included its joint work with ESB Networks in this area within the TSO-DSO Multi-Year Plan 2024-2028 call for input consultation²⁴ and will be providing progress updates through the PR5 Incentive Framework. EirGrid will also be engaging with ESB Networks in the context of the regulatory framework in Ireland, including any development that is required to the licence conditions to implement FASS.

SONI will engage bilaterally with NIE Networks when developing the System Services Code under the FASS Programme to ensure that there are no unintended consequences for NIE Networks. SONI has included its joint work with NIE Networks in this area within the Forward Work Plan for 2023/2024²⁵ and will be providing progress updates through its Evaluative Performance Framework. SONI will also be engaging with NIE Networks in the context of the regulatory framework in Northern Ireland, including any development that is required to the Transmission Interface Arrangements (TIA) or licence conditions to implement either the FASS or Flex Arrangements

2.2 Assumptions

The following conventions are used in this document.

- The SEM Committee is referred to as having various roles and functions in the System Services Market Decisions. The SEM Committee is not a separate legal entity. It is established under an inter-governmental memorandum of understanding, and recognised in legislation in each jurisdiction, as exercising certain functions of the Regulatory Authorities relating to the SEM. In this document when we refer to the 'Regulatory Authorities' having a certain role or function, the SEM Committee will be carrying out that role or function.
- In reflecting the FASS decisions this document makes statements about actions of the Regulatory Authorities. However, the Regulatory Authorities are not part of the

System Services framework agreement and are not bound by the System Services Code.

2.3 Requirements of the System Services Code

In SEM-22-012² the SEM Committee state, “All arrangements relating to the governance, settlement and procurement of System Services will be set out in a System Services Code”.

The System Services Code covers:

1. Administration and Governance arrangements, including:
 - a. Roles and responsibilities, including that of the TSOs
 - b. Modification process
 - c. Disputes
 - d. The content of any relevant Agreed Procedures, which will form part of the System Services Arrangements must be approved by the Regulatory Authorities as part of the approval process of the System Services Code.
2. Accession to the System Services Code
3. Registration for DASSA, Secondary Trading
 - a. Party registration;
 - b. Providing Unit registration
4. Qualification for the DASSA, Secondary Trading:
 - a. Qualification and Testing
 - b. Qualification Trial Process: the TSOs are required to establish a formalised process for the QTP to ensure the transparency of the process for the enduring arrangements. The TSOs are required to publish a call for evidence at least every 12 months to allow for stakeholders to input into the design of the trial; following this, the TSOs may publicly consult on a QTP proposal.
5. The operation of the DASSA, including:
 - a. The governance of the auction timetable;
 - b. Determination of DASSA Volume Requirements including constraints (Zonal, Quality, Continuous Provision, Locational);
 - c. Validation of offers in the DASSA;

- d. DASSA clearing, pricing rules;
- e. Measures to address Volume Insufficiency;
- f. Publication of DASSA results;
 - i. DASSA Orders
 - ii. Clearing Prices
- g. Rules governing the DASSA Auction suspension or cancellation;
- h. Prohibition on market manipulation;
- i. Prohibition on other unreasonable business methods;
- j. Role of the Auction Monitor and System Services Market Auditor.

6. Participant Obligations

- a. Confirmation of DASSA Order (or Lapse)
- b. Compensation payment to be made to the TSOs for failing to provide the entire volume specified in its DASSA Order and the appropriate level of compensation payment
- c. Application of Availability and Event Performance Scalars to payments

7. Secondary Trading

- a. Matching and Validation of Buy and Sell Orders
- b. Timing of Trades
- c. Notification of Trades

8. Bilateral Trades

9. Service Availability Requirements

10. Market Governance

- a. Prohibition on market manipulation;
- b. Prohibition on other unreasonable business methods;
- c. Role of the Auction Monitor and System Services Market Auditor

11. Performance Monitoring

12. Settlement functions will be included in the System Services Code. The detailed rules for the remuneration of system service providers, including settlement of

secondary trades, and the associated rules for system service charges on suppliers will also be set out in the Code. There will be monthly invoicing one month in arrears.

13. Long Term Contracts

14. Layered Procurement Framework

15. Arrangements for services that do not partake in DASSA, Secondary Trading i.e. Ramping, Inertia and Voltage services.

3 Legal and Governance

3.1 Code Scope and Objectives

The System Services Code scope will follow the form of equivalent sections in the Trading and Settlement Code and is expected to describe:

- The legal and regulatory framework under which the System Services Code is formed.
- The objectives of the System Services Market.
- The various trading arrangements in FASS governed by different Codes, and the need for coordination between these trading arrangements for the successful operation of the FASS overall.
- The licence obligations on the TSOs with respect to the operation, administration, and development of the System Services Market.

The objectives of the System Services Code, based on the wording of the Transmission System Operator Licences due to take effect at a later date³, are expected to be as follows:

1. to facilitate the efficient discharge by the TSOs of the obligations imposed upon it by the Transmission System Operator Licences.
2. to facilitate the efficient, economic, and coordinated operation, administration and development of the System Services Market in a financially secure manner.
3. to facilitate the participation of undertakings including electricity undertakings engaged or seeking to be engaged in the provision of System Services in the System Services Market.

³ As set out in the RAs Decision Notices in XX

4. to promote competition in the provision of System Services.
5. to provide transparency in the operation of the System Services Market.
6. to ensure no undue discrimination between persons who are or may seek to become parties to the System Services Code; and
7. through the development of the System Services Market, to promote the short-term and long-term interests of consumers of electricity with respect to price, quality, reliability, market integrity and security of supply of electricity across the island of Ireland.
8. The above objectives must also align with EU regulations such as the Clean Energy Package, the Electricity Balancing Guideline (EU 2017/2195) and System Operation Guideline (EU 2017/1485) in developing an overarching commercial and legal framework to drive necessary third-party investment to meet challenges of high renewables.

3.1.1 Appendices and Agreed Procedures

The Appendices and the Agreed Procedures, as may be amended or modified from time to time, shall be construed as and form part of the Code and shall be subject to the terms of the Code. The Agreed Procedures set out the detail of procedures to be followed by Parties in performing obligations and functions under the Code.

Appendix [?] “Scope of Agreed Procedures” describes and sets out the scope of each of the Agreed Procedures.

A description of individual products will also be included within the Agreed Procedures. Per SEM Committee Decision 23- 103², these are subject to a Product Review with a SEM Committee decision due in Q4 2024.

3.1.2 Governing Law

This Code and any disputes arising under, out of, or in relation to the Code shall be interpreted, construed and governed in accordance with the laws of Northern Ireland.

3.1.3 Jurisdiction

Subject to the provisions relating to the Dispute Resolution Process, the Parties hereby submit to the exclusive jurisdiction of the Courts of Ireland and the Courts of Northern Ireland for all disputes arising under, out of, or in relation to the Code.

3.1.4 Term

The Code shall commence on the Commencement Date and shall have no fixed duration.

3.1.5 System Services Code Hierarchy/Priority

In the event of any conflict between any Party's obligation pursuant to any Legal Requirements and the Code, such conflict shall be resolved according to the following order of priority:

- (a) requirements under Applicable Laws;
- (b) any applicable requirement, direction, determination, decision, instruction or rule of any Competent Authority;
- (c) the applicable Licence;
- (d) the Grid Code applicable to the relevant Providing Unit concerned;
- (e) the Metering Code applicable to the relevant Providing Unit concerned;
- (f) the Capacity Market Code
- (g) the Trading and Settlement Code;
- (h) this Code.

3.2 Roles and Obligations

3.2.1 The Regulatory Authorities

The Regulatory Authorities will have the following roles/powers with respect to the System Services Code:

- Making final decisions on the approval, amendment or rejection of modifications to the System Services Code as proposed by the Modifications Committee.
- Resolution of Disputes should TSOs be party to Dispute.

3.2.2 The TSOs

The responsibilities of the TSOs will include:

- Running the Registration and Qualification process,
- Maintaining a system to support the Registration and Qualification process;
- Maintaining a register of Registration and Qualification data;

- Calculating the Volume Requirement for DASSA including any locational considerations;
- Maintaining a system to validate DASSA offers and conduct DASSA Auction clearing;
- Maintaining a system to conduct and validate Secondary Trades;
- Maintaining a system to validate Bilateral Trades;
- Under exceptional circumstances as detailed in Section 7, participation in Secondary Trading
- Monitoring and enforcing commitment obligations of service providers
- Maintaining a register of awarded DASSA orders, Secondary and Bilateral Trade data and associated prices;
- Publishing auction parameters in accordance with the System Services Code or as otherwise directed by the Regulatory Authorities;
- Maintaining a register for Fixed Term Contracts
- Annual Assessment of Layered Procurement Framework
- Managing and maintain a system to calculate and levy System Services Charges
- Releasing/publishing DASSA in accordance with the System Services Code or as otherwise directed by the Regulatory Authorities;
- Supporting the process for resolution of Disputes
- Advising the Regulatory Authorities of proposed changes to the System Services Code to better achieve the objectives of the Code
- Monitoring performance of System Service Providers.
- Tendering for and contracting the Auction Monitor and System Services Market Auditor
- Management of Credit Cover arrangements under the Code; and
- Administering the System Services Code, including Agreed Procedures.

3.3 Modification Process

This section describes the process for modifying the System Services Code. From [SEM Committee High Level Design Decision \(SEM 22-012\)](#), the Regulatory Authorities stated that:

- A System Services Panel will be established.

- The panel will be consulted on any changes to the System Services Code or other documentation relating to the procurement of System Services. Membership of the Panel will comprise representatives from industry.
- The TSOs will be responsible for drafting and submitting modification recommendations to the Regulatory Authorities and will ensure the views expressed by the Panel are clearly set out.

Detail on the workings of System Services Modifications Committee would form part of an Agreed Procedure in a similar manner to the Trading and Settlement Code. Some high-level principles with regard to the Modification Process are set out here.

The TSOs shall establish and maintain the System Services Modification Committee which shall be a standing body constituted to:

- generally, review and discuss the System Services Code and its workings;
- review and discuss suggestions for modifications to the System Services Code which the TSOs, the Regulatory Authorities, or any system service participant may wish to submit to the TSOs for consideration by the System Services Modification Committee from time to time;
- discuss what changes are necessary to the System Services Code arising out of any unforeseen circumstances referred to it by the TSOs; and
- publish recommendations and ensure that consultation upon such recommendations has occurred through System Services Modifications Committee members

3.3.1 Membership of System Services Modification Committee

The System Services Modifications Committee shall comprise of no more than 20 members, which shall include at least the following at all times:

- A chairperson to be appointed by the SEM Committee
- A representative from the CRU
- A representative from the UR
- A representative from EirGrid
- A representative from SONI
- A representative from the Market Operator
- A representative from ESBN DSO
- A representative from NIEN DSO
- At least 1 Generator Unit representatives
- At least 1 DSU representative

- At least 1 Interconnector representative
- At least 1 Assetless representatives
- At least 1 Flexible Participant representative
- At least 1 Supplier representative
- At least 1 Renewable Generator representative
- At least 1 Storage representative

The TSO shall provide the secretariat to the Panel.

Any person may register to be a member of the Modifications Committee where that person holds a licence, where applicable, relevant to the activities of the Appointor and such activities represent a material element of that person's business. The chairperson shall have the right to add additional members should it be deemed necessary.

The Secretariat shall arrange a Nominating Participant Election for the initial Modifications Panel to fill the vacancies listed above. Each Nominating Participant may put forward one nominee and an alternate for that nominee for appointment to the Modifications Committee.

3.3.2 Meetings of the Modifications Committee

The Modifications Committee shall have a Meeting at least once every 2 months. The Modifications Committee, acting through the Secretariat, shall set the date of each Meeting and, where possible, shall publish such date at least two weeks in advance. Meetings will take place in person.

To form a Quorum the Chairperson or Vice-chairperson must be present, together with the following Members:

- (a) at least four system service provider representatives.
- (b) at least one Regulatory Authorities appointee; and
- (c) at least one System Operator appointee.

Any person may attend Meetings of the Modifications Committee in an observatory capacity where that person has informed the Secretariat to the Modifications Committee in advance and the Secretariat has confirmed that person's attendance. Where space is limited, and with the agreement of the Chairperson of the Modifications Committee, attendance of non-members may be limited on a first come first served basis.

3.3.3 Modification Proposals

A change to the Code or Agreed Procedures can be administered via the Modifications process per section 3.3 of this document. Any proposed change shall be in the form of a Modification Proposal using the template available on the TSO website.

3.3.4 Procedure for Developing Proposals

Any person may submit a Modification Proposal. Modification Proposals to the Code can be proposed by any person including the TSOs and the Regulatory Authorities. Any Modification Proposal shall be submitted to the Secretariat.

When raising a Modification Proposal, the Proposer shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Modifications Committee. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.

At a duly convened meeting of the System Services Modification Committee, the Proposal shall be presented to the Members by the Proposer, who shall endeavour to answer any initial questions which the other Members may have in respect of the Proposal or the presentation. The Modification Committee shall discuss the Proposal. Members of the System Services Modification Committee shall be entitled to one, non-binding, vote. Voting may be conducted by open ballot. Each voting Member may communicate their approval or disapproval of the Proposal by a show of hands.

The Chairperson taking into account the views and votes cast of the System Services Modifications Committee may determine that the Proposal:

- does not merit any further consideration, particularly where the Proposal is deemed, in the Chairperson's opinion, to be contrary to the SEM Objective or System Services Code Objectives or does not further any of those objectives;
- shall be submitted by the TSOs to the Regulatory Authorities as a System Services Code modification for approval. The modification application shall include the original Proposal and the views and considerations of the System Service Modifications Committee; or
- merits further consideration.

In the event further consideration is required, the Chairperson may set up a working group to consider the Proposal further in liaison with the Modifications Committee. Each working group shall be chaired by a representative from the TSOs or such other nominees as may be designated by the TSOs who shall coordinate the further consideration of the Proposal. The working group shall report to the System Services Modifications Committee at each meeting to the progress of the working group. When the work of the working group is complete, and following final review by the System Services Modification Committee, the TSOs may submit the Proposal to the Regulatory Authorities for a revision of the System Services Code and in doing so shall include the original Proposal and the views and considerations of the System Services Modifications Committee.

3.3.5 Intellectual Property Issues Associated with Modification Proposals

Each Party submitting a Modification Proposal shall be deemed to have irrevocably licensed any Intellectual Property Rights or other rights to, and to have waived any moral rights in, the content, form or other aspect of the Modification Proposal and such licence and waiver shall be a precondition to the valid submission of a Modification Proposal.

Each Proposer, who is not a Party, shall be required to irrevocably licence any Intellectual Property Rights or other rights to and waive any moral rights in the content, form or other aspect of the Modification Proposal and such licence and waiver shall be a precondition to the acceptance of a Modification Proposal.

A form for Modification Proposals shall be made available on the provided by the TSOs and such form shall include a licence of Intellectual Property Rights, and waiver of moral rights in respect of the content, format or other aspects of the proposal.

3.3.6 No Retrospective Effect

For the avoidance of doubt, a Modification shall have effect as and from the date specified by the Regulatory Authorities and in no event shall that date be earlier than the date on which the Modification is approved by the Regulatory Authorities. Under no circumstances shall Modifications have retrospective effect.

3.3.7 Urgent Modification Proposals

A Proposer may mark a Modification Proposal as “Urgent”. A Proposer submitting a Modification Proposal marked “Urgent” shall submit the Modification Proposal to the TSOs and to the Regulatory Authorities.

The TSOs shall, as soon as possible on receipt of a Modification Proposal which is marked “Urgent”, contact the Regulatory Authorities which shall determine whether or not it shall be treated as Urgent.

A Modification Proposal shall be determined to be Urgent by the Regulatory Authorities where, if not made, it can reasonably be anticipated that the event or circumstance with which the Modification Proposal is concerned would imminently:

- threaten or prejudice safety, security or reliability of supply of electricity; or
- unduly interfere with, disrupt or threaten the operation of the System Services Market or any of its component markets;
- or if a Modification is required to correct a material error or inconsistency in the Code or between the Code and another market code.

If the Regulatory Authorities determine that a Modification Proposal is Urgent, the System Services shall convene an Emergency Workshop.

If the TSOs consider that any of the criteria for an Urgent Modification apply in respect of any Modification Proposal that has not been marked “Urgent” by the Proposer, the TSOs shall promptly submit the Modification Proposal to the Regulatory Authorities for consideration as an Urgent Modification

In the event that a Modification Proposal is determined by the Regulatory Authorities to be Urgent, the Regulatory Authorities shall propose the procedure and timetable to be followed in making a recommendation in respect of the Urgent Modification which may fast-track the normal processes provided for in this Code in accordance with Agreed Procedure 5 - Modifications Committee Operation.

3.3.8 Alternative Modification Proposals

If any person does not agree with a Modification Proposal to the Code, it may propose an alternative Modification Proposal, which if received in sufficient time to be considered within the Regulatory Authorities’ plans for progressing the initial Modification Proposal may be considered in conjunction with, or in substitution for, the initial Modification Proposal.

3.3.9 Decision of the Regulatory Authorities

Following receipt of responses to the public consultation, the Regulatory Authorities shall decide whether to make a Modification in accordance with the proposals laid out in the consultation paper or otherwise. The Regulatory Authorities may make a Modification that is different (including materially different) from that proposed in a Modification Proposal if the Regulatory Authorities are satisfied that, having regard to the issue or issues that were raised by the Modification Proposal that, the different Modification will or is likely to better contribute to the achievement of the SEM Objectives and the System Services Code Objectives.

The Regulatory Authorities shall make their decision in relation to a Modification Proposal as soon as reasonably practicable following closure of the public consultation.

Any decision of the Regulatory Authorities to reject a Modification Proposal must set out the reasons for the decision in writing and the Regulatory Authorities must provide the reasons to the person making the Modification Proposal and the Parties to the Code.

A Modification shall become effective [x] Working Days after the date of the decision of the Regulatory Authorities or such other date as may be specified by the Regulatory Authorities in its decision.

Once any Modification has been made, the TSOs will be required to implement the Modification, including making the necessary changes to systems and processes with effect from the date provided for. The TSOs shall publish the decision of the Regulatory Authorities promptly on its receipt.

3.4 Dispute Resolution

It is proposed to define Dispute per the Trading and Settlement Code and Capacity Market Code. A “Dispute” means any claim, dispute or difference of whatever nature between any of the Parties howsoever arising under, out of or in relation to the Code or the System Services Framework Agreement (including the existence or validity of the same) in respect of which (i) one Party has served a Notice of Dispute, or (ii) a Notice of Dispute is deemed to have been served. A Dispute also includes any Settlement Dispute.

The first step is a written Notice of Dispute issued from one party to another party or parties. The Notice of Dispute shall include the following:

- details of the Dispute including the paragraphs of the Code relevant to the matters being disputed;
- additional supporting documentation;
- counterparties to the Dispute;
- the proposed negotiation timeframe; and
- any corrective actions sought.

A copy of the notice must be sent to the TSOs, who can inform third parties impacted by the dispute of its existence, nature and progress. Where the TSOs are a party to the Dispute, they send a copy of the dispute notice to the Regulatory Authorities.

Disputes are designed to guarantee the correct application of the provisions of the System Services Code in operating and settling the System Services Market and to provide assessment and remedial measures in the event of a non-compliance being identified.

Disputes may address *‘any claim, dispute or difference of whatever nature between any of the Parties howsoever arising under, out of or in relation to the Code or the Framework*

*Agreement*⁴. Disputes also require the Regulatory Authorities to receive updates and provide approval at key stages of the process and, if no agreement can be reached, entitle the affected parties to a higher-level independent recourse to a System Services Dispute Resolution Board and ultimately Court proceedings.

The SEM Committee decisions in relation to FASS did not make direct mention of the Dispute Resolution process, therefore the existing provisions for the Trading & Settlement Code and Capacity Market Code will be adapted where possible. The entities, roles and functions involved for the Trade & Settlement Code as well as the Capacity Market Code are largely valid and adaptable to the new System Services market structure.

3.4.1 Objectives of the Dispute Process

The general objectives of the Dispute Process, as stated in paragraph B.19.5.1 of the Trade & Settlement Code, are also valid for the System Services Code:

It is intended that the Dispute Resolution Process set out in or implemented in compliance with the Code and described in detail in the following paragraphs should to the extent possible:

- 1. be simple, quick and inexpensive;*
- 2. preserve or enhance the relationship between the Disputing Parties;*
- 3. resolve and allow for the continuing and proper operation of the Code having regard to the Objectives of the Code;*
- 4. resolve Disputes on an equitable basis in accordance with the provisions of the Code having regard to the Objectives of the Code;*
- 5. take account of the skills and knowledge that are required for the relevant procedure; and*
- 6. encourage resolution of Disputes without formal legal representation or reliance on legal procedures.*

3.4.2 Types of Disputes

A Dispute is deemed to exist when one Party notifies another Party or Parties in writing of the Dispute by way of a Notice of Dispute within the applicable timeframe, as follows:

⁴ Extract from T&SC 2.276. Section 6.59, however, excludes from the Dispute process any actions to recover Unsecured Bad Debt.

- for Disputes in relation to Settlement Queries within five Working Days of receipt of the TSO's response to the relevant Settlement Query; or Dispute will be deemed to have arisen automatically if the System Operator fails to resolve a Settlement Query and a Notice of Dispute is not required;
- for a Pricing Dispute, within five Working Days of the relevant DASSA Price being published;
- for all other Disputes ("General Disputes"), 20 Working Days of that Party having become aware of the Disputed Event and in any event within 2 years of the Disputed Event having occurred.

Referral to a System Services Dispute Resolution Board (SSDRB) may take place should disputing parties fail to reach an agreement within a prescribed number of Working days following the Notice of Dispute. This detail is outlined for each dispute type in the following sections.

3.4.3 System Services Dispute Resolution Board (SSDRB)

It is intended to adopt principles for Dispute Resolution similar to those set out in both the Trading and Settlement and Capacity Market Codes. Any Dispute in respect of which a Notice of Dissatisfaction has been issued may only be finally settled by proceedings in a Court having competent jurisdiction. The provisions set out in this Dispute Resolution Process shall not prejudice or restrict any Party's entitlement to seek interim or interlocutory relief directly from the appropriate Court or Courts having competent jurisdiction. The timelines and process flow for each type of dispute is discussed in more detail in the preceding sections.

The TSOs shall establish and maintain a panel (the "Panel") consisting of members which have been approved by the Regulatory Authorities.

The Panel shall include suitably qualified experts from relevant disciplines who:

- are experienced in and familiar with alternative dispute resolution procedures which do not involve litigation; and/or
- have an understanding of the electricity industry or have the technical competence to acquire such an understanding.

The TSOs shall review the membership of the Panel, confirming the continued willingness and availability of members to be included at least once every year. The TSOs shall publish the name and a brief curriculum vitae for each Panel member.

A person may be appointed as a member of the Panel and the equivalent panel established and maintained under the corresponding dispute resolution provision in the Trading and Settlement Code and Capacity Market Codes.

The Panel shall consist of no less than 10 members subject to any vacancies which may arise from time to time which shall be filled as soon as reasonably practicable. Any vacancies arising from time to time shall not invalidate the Panel.

The SSRB shall be comprised of either a sole member or three members, except where the Disputing Parties cannot agree on the number of members. In this case, it shall be comprised of three members.

The Regulatory Authorities shall from time to time nominate a member of the Panel to act as chairperson of the Panel. The Regulatory Authorities shall appoint a replacement chairperson immediately on the position of chairperson being vacated on a permanent basis for any reason.

The identity of the members of the Panel and the Panel Chairperson shall be published by the TSOs.

The Panel Chairperson shall, with the prior agreement of the Regulatory Authorities, from time to time nominate a vice-chairperson from the members of the Panel, to perform the Panel Chairperson's functions in the event of the latter's unavailability or in the event of the Panel Chairperson's position being vacant.

The Panel Chairperson and the vice-chairperson shall be retained under contract to the Regulatory Authorities. Where appropriate and at the sole discretion of the Regulatory Authorities, the contract may include provision for payment of a stipend to the Panel Chairperson and vice-chairperson in order to cover the reasonable and vouched expenses incurred by that person in connection with carrying out his or her duties under this Code. The TSOs shall reimburse the Regulatory Authorities for any payments made under any such contract.

The TSOs shall with the prior approval of the Regulatory Authorities nominate further members to the Panel from time to time as may be necessary to fill any vacancies and to maintain the membership of the panel at a minimum of 10 members.

There shall be no restriction on the ability or entitlement of the Panel Chairperson or vice-chairperson to act as a member of a SSRB by virtue of holding those positions except where

a dispute arises between the Disputing Parties in respect of the number of Members or the identity of Members of the SSDRB in relation to the Dispute concerned in which case the Panel Chairperson and vice-chairperson shall be proscribed from appointing himself or herself to the SSDRB.

No Party to this Code shall hold (or seek to hold) the Panel Chairperson or vice-chairperson liable for any claims for anything done or omitted in the discharge or purported discharge of the Panel Chairperson's or vice-chairperson's functions under this Code, unless the act or omission is shown to be in bad faith. The Disputing Parties shall jointly and severally indemnify and hold the Panel Chairperson or vice-chairperson (as applicable) harmless from and against claims made by any Party or any other person against the Panel Chairperson or vice-chairperson (as applicable) in connection with their discharge or purported discharge of the Panel Chairperson's or vice-chairperson's (as applicable) functions under this Code, unless the claim is in connection with an act or omission shown to be in bad faith.

3.4.3.1 SSDRB General Disputes

In the case of a General Dispute, if, having met, the Disputing Parties are unable to reach agreement within a period of 10 Working Days of first meeting, the General Dispute may within a further period of 20 Working Days be referred by any Disputing Party to the SSDRB by way of notice in writing to the other Disputing Party or Parties ("Referral Notice"), otherwise the Notice of Dispute in relation to the General Dispute will be deemed to be withdrawn.

A Referral Notice shall be in the form published from time to time by the TSOs. The Disputing Party shall immediately send a copy of the Referral Notice to the TSOs (or to the Regulatory Authorities where the TSOs are a Disputing Party), and the TSOs shall forward the Referral Notice to the Panel Chairperson.

In the case of a General Dispute, the SSDRB shall be comprised of either a sole member or three members, except where the Disputing Parties cannot agree on the number of members, in which case, it shall be comprised of three members, and shall be appointed from the Panel in accordance with the following process:

- where there are no more than two Disputing Parties, the Disputing Parties may agree within 10 Working Days after the date of receipt by the receiving Party of the Referral Notice to establish a sole member SSDRB or a three member SSDRB. If the Disputing Parties to a Dispute agree to establish a sole member SSDRB, they shall agree to appoint the sole SSDRB member from the Panel within a further five Working Days. If the Disputing Parties agree on a three member SSDRB, then each Disputing Party shall within a further period of five Working Days nominate one member from the Panel to the SSDRB and the two members so nominated shall appoint the third member from the Panel within a further period of five Working Days. Each Disputing Party shall promptly notify the Panel Chairperson of the

identity of any member of the SSDRB that it has agreed with the other Disputing Party and/ or nominated;

- in the event the Disputing Parties do not within the relevant period notify the Panel Chairperson of their agreement on:
 - (i) the number of members of the SSDRB, then the SSDRB shall be comprised of three members; or
 - (ii) having agreed a sole member SSDRB, the identity of the sole member, then the Panel Chairperson shall within a further period of 10 Working Days appoint the sole member from the Panel. In making any such determination and appointment, the Panel Chairperson shall take account of the complexity of the General Dispute as set out in the Notice of Dispute and the range of issues which may be relevant;
- in the event that the Disputing Parties agree upon a three member SSDRB but a Disputing Party does not notify the Panel Chairperson of its nomination from the Panel, then the Panel Chairperson shall make the necessary nomination from the Panel within 10 Working Days of the end of the relevant period;
- where there are more than two Disputing Parties to any Dispute, then the SSDRB shall comprise of three members and shall be appointed by the Panel Chairperson unless all Disputing Parties have, within 10 Working Days after the date of receipt by the counterparties of the Referral Notice, notified the Panel Chairperson as to the identity of member(s) to be selected from the Panel. In making any such appointment, the Panel Chairperson shall:

take account of the complexity of the General Dispute as set out in the Notice of Dispute and the range of issues which may be relevant; and

- if the Panel Chairperson (or, where applicable, the vice-chairperson of the Panel) makes an appointment in relation to a Dispute, then the Panel Chairperson (or, where applicable, the vice-chairperson of the Panel) shall promptly notify the Disputing Parties.

3.4.3.2 SSDRB Pricing Dispute

In ISEM and other electricity markets there is provision for scenarios where manifest errors may occur in determination of market prices. Attention should therefore be given to the possibility of re-opening DASSA prices should a manifest error occur. For example, the incorrect DASSA price could be published due to an input error or system defect.

In establishing an appropriate process for any error in relation to imbalance prices for ISEM it was agreed by market participants that both accuracy and publication of prices in a timely manner were important objectives. It was also agreed within this working group that the imbalance price should be capable of being re-opened to remedy errors but subject to a materiality threshold and some limitations on the time allowable to raise a pricing dispute. The purpose of the Price Materiality Threshold value is to achieve a balance between the value to the market of repricing and resettlement of a material error, and the operational overhead of the effort and resources required to adjust for the error⁵.

On 7th July 2017, the SEM Committee published the I-SEM Policy Parameters and Scheduling and Dispatch Parameters Decision Paper (SEM-17-046). In this paper, the SEM Committee set the Price Materiality Threshold at 5%, to be applied from 1st October 2018. Under paragraph B.19.3.1 of Part B of the Trading and Settlement Code, the Market Operator is required to report to the Regulatory Authorities proposing parameters to be used in determining the occurrence of recalculating the Imbalance Settlement Price as required from time to time.

Under the Trading and Settlement Code, if as part of an upheld Pricing Dispute it is determined that there is a manifest error in the pricing calculation which leads to a change in price greater than a certain Price Materiality Threshold, the price is recalculated and included in resettlement.

A materiality threshold will similarly be applied in respect of pricing disputes in the context of the System Services Code, with the onus being on the party raising the dispute to provide supporting evidence to enable the TSO to make an assessment as to whether it considers it likely that the matter being disputed will, if the dispute is upheld, satisfy the materiality threshold. The TSOs shall make this assessment within 5 working days.

The TSOs will also be limited to directing a re-opening of price only where it determines that the threshold will be exceeded. The threshold would be determined as a parameter to be reviewed from time to time as necessary. If the TSOs consider that the threshold has not been exceeded, the matter may be referred to the SSDRB with the panel being comprised in a manner similar to a General Dispute as outlined in section 3.4.3.1.

With regard to other settlement or Code-related matters, it is the experience of the Market Operator that unexpected issues, such as system defects or incorrect input data affecting Settlement, that do not affect prices may be discovered well after publication of statements. Where these issues have material impact, the current timelines allowing the resolution of undiscovered errors for a period of up to two years can still be maintained. The resolutions of such errors will also be subject to the same limits that will apply to Settlement Queries such as the Materiality Threshold.

⁵ [SEM-19-042a Recommended Values for SEM Price Materiality Threshold.pdf \(semcommittee.com\)](#)

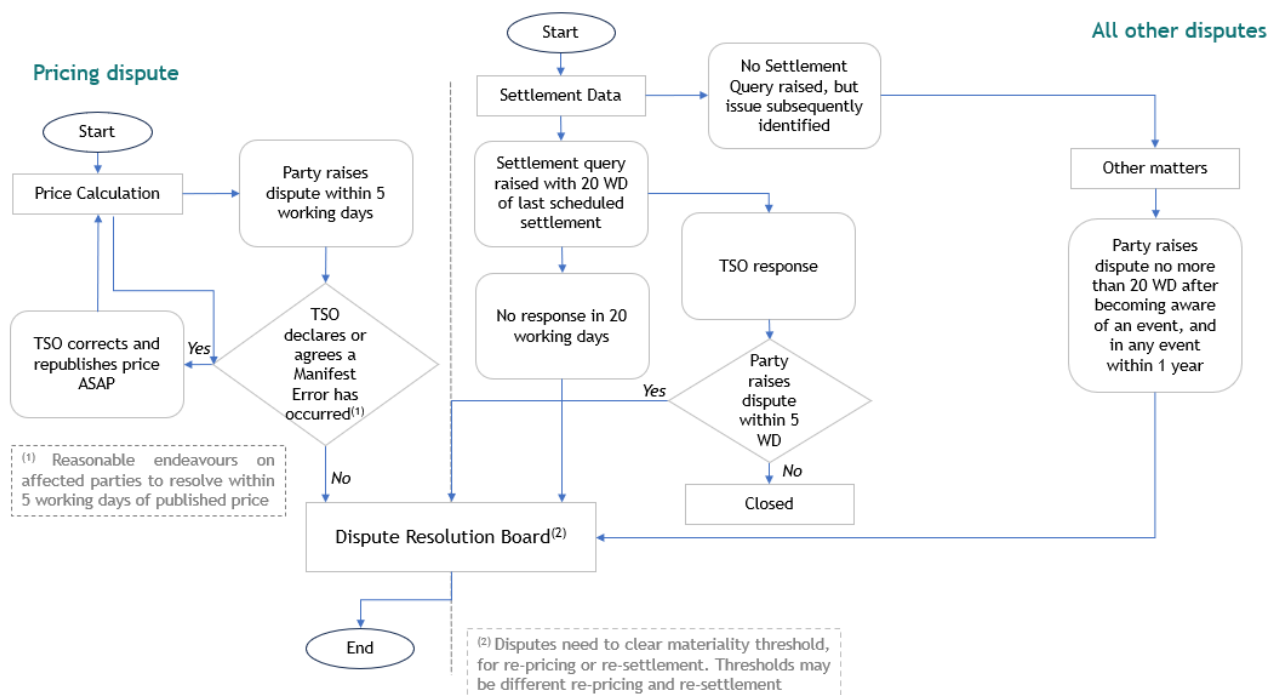


Figure 1: Overview of Dispute Process

3.4.4 Obtaining System Services Dispute Resolution Board (SSDRB) Decision

The SSDRB shall give its decision in the case of a Dispute (where the TSOs have determined that a manifest error has not occurred) within:

- 30 Working Days after the appointment of the SSDRB where there are no more than two Disputing Parties;
- 40 Working Days after the appointment of the SSDRB where there are more than two Disputing Parties; or
- such other period as may be proposed by the SSDRB and approved by the Disputing Parties.

Its decision shall be in writing providing reasons, the decision shall be binding on all Disputing Parties, who shall promptly give effect to it unless or until it shall be revised in an amicable settlement. Parties (including SSDRB) shall continue to comply with the Code in all respects.

If during its work the SSDRB identified that a Dispute or its Decision is likely to have an impact on the Trading and Settlement Code, it shall promptly notify the Regulatory Authorities and TSOs of the anticipated impact.

If any Disputing Party is dissatisfied with the SSDRB's decision, then that Party may within 15 Working Days in the case of a General or Pricing Dispute, after receiving the decision,

give a Notice of Dissatisfaction in writing to the other Disputing Party or Parties and the SSDRB. If the SSDRB fails to give its decision within the relevant period set out, then any Disputing Party may, within the period specified in the relevant Disputes Process Timetable after such period has expired, give a Notice of Dissatisfaction to the other Disputing Party or Parties and the SSDRB in writing of its dissatisfaction. A Notice of Dissatisfaction may not be given until after these steps have been taken.

A Notice of Dissatisfaction shall set out the Dispute and the reason(s) for dissatisfaction. Except as stated in this section, no Disputing Party shall be entitled to commence any Court proceedings of whatever nature in relation to or in connection with a Dispute unless a Notice of Dissatisfaction has been given.

If the SSDRB has given its decision on a Dispute to the Disputing Parties and no Notice of Dissatisfaction has been given by any Disputing Party within the period specified in the relevant Disputes Process Timetable after the date of the SSDRB's decision, then the decision shall be final and binding upon all Disputing Parties.

3.4.5 Amicable Dispute Settlement

Where Notice of Dissatisfaction has been given, the Disputing Parties shall attempt to settle the dispute amicably before the commencement of any court proceedings may take place. However, unless both Parties agree otherwise, Court proceedings may be commenced on or after the date specified in the relevant Disputes Process Timetable after the day on which Notice of Dissatisfaction was given, even if no attempt at amicable settlement has been made.

3.4.6 Court Proceedings

Unless settled amicably, any Dispute in respect of which a Notice of Dissatisfaction has been issued may only be finally settled by Court proceedings.

A Disputing Party may, in the proceedings before any Court having jurisdiction, adduce evidence or raise arguments not previously put before the SSDRB in the course of its consideration of the Dispute or included in the Notice of Dissatisfaction given by that Party. Any decision of the SSDRB shall be admissible as evidence in any Court proceedings.

3.4.7 Failure to Comply with SSDRB's Decision

In the event that:

1. no Disputing Party has given Notice of Dissatisfaction within the period allowed; and

2. the SSDRB's related decision (if any) has become final and binding; and
3. a Disputing Party fails to comply with this decision,

then any other Disputing Party may take such action as it deems necessary, including the commencement of court proceedings, to enforce the relevant SSDRB decision. There shall be no mandatory reference to the SSDRB or requirement to refer the matter to amicable settlement in respect of such a reference.

The actions and timelines associated with disputes are summarised and shown in Table 2 below.

Action	Entity	How	When
Raise a Dispute	Any Party to the SSC	Submitting a Dispute Notice to the TSO (or RAs if TSO is a disputing Party)	Within 5 WD of unsatisfactory Settlement Query response or within '20 WD of that Party having become aware of the Disputed Event and... within 2 years of the Disputed Event' for General Disputes.
Notify all affected Parties and RAs	TSOs	Sending details of Dispute Notice to relevant Parties	Within 5 WD of receipt of Dispute Notice
Facilitate the Dispute Resolution process	TSOs (or RAs if TSO is disputing party)	Organise and chair meetings between counterparties to agree a resolution and arrange extensions	First meeting as soon as practical within 10 WD; extension to be agreed within all counterparties.
Resolve Dispute or refer it to Dispute Resolution Board	Raising party	Submit a Dispute Resolution Form or Referral Notice to Dispute Resolution Board	Within 20 WDs of conclusion of the negotiation meetings
Approve members and nominate chair of Dispute Resolution Board Panel	RAs	Provide relevant list to TSOs	From time to time
Nominate DRB members to address the	All disputing counterparties	Hold meeting	Within 10 WD of receipt of Referral Notice

Action	Entity	How	When
referred issue			
Refer issue to Court proceedings	Any disputing counterparties	Issue Notice of Dissatisfaction	Within 15WDs of receipt of decision or there being no decision from the DRB within a set timeframe
Assess materiality of Dispute	TSOs	Replicate calculation independently from system	As required in the negotiating meeting
Report on quantities, topic and outcome of Disputes	TSOs	Various performance reports	According to publication of monthly, quarterly and yearly TSO reports

Table 2 Dispute Resolution process steps

3.5 Other Administrative Sections

The System Services Code will include a range of general legal and administrative sections similar to those in the Trading and Settlement Code.

In what follows, a number of standard administrative section headings are presented with potential design considerations described in sub-bullets. A number of headings are included without any sub-bullets. These are included only to facilitate discussion if stakeholders can identify any potential design issues but otherwise would follow the same wording as the Trading & Settlement Code.

1. Default, Suspension and Termination
2. Limitation of Liability
3. Force Majeure
4. Waiver
5. Severance
6. Assignment
7. Third Party Beneficiaries
8. No Association
9. Publication of the Code

10. Confidential Information

11. Freedom of Information Acts

12. Data Protection

13. Notices

Notices which shall, for the avoidance of doubt, include:

- Default Notices;
- Suspension Orders;
- Termination Orders;
- Notice of Dispute (including Settlement Disputes) and the current status of each;
- Notices of Dissatisfaction;
- Referral Notices;
- notification of Force Majeure;
- Notice of revocation of an Intermediary's authority
- Notice of proposed revocation of an Interconnector Administrator's authority
- Notice of resignation of an Interconnector Administrator
- Notice of proposed revocation of the authority of the Participant in respect of an Interconnector Error
- Notices required for the purposes of disputes determination procedure as described in detail in Agreed Procedure 7 "Disputes";

4 Participation, Accession and Registration

A person may only become a Party to the System Services Code ("the Code") in accordance with the terms of the Code and the System Services Framework Agreement. The original signatories to the System Services Framework Agreement, as determined by the Regulatory Authorities, are Parties to the Code and are not required to complete the Accession Process.

4.1 Participation under Trading and Settlement Code

For provision of certain services and technologies there will be a requirement to be registered under the Trading and Settlement Code.

The Participant under the Code with respect to:

- an Interconnector must be the same Party that is, or will be, the Party registered in respect of that Interconnector under Section B.10.1 of the Trading and Settlement Code.
- a Providing Unit that provides any of the following services
TOR2, RR, SSRP, SIR, RM1, RM3 and RM8
must be registered by the same Party that is, or will be, the Party registered in respect of that Providing Unit under Section B.7.1 of the Trading and Settlement Code;
- A DSU must be registered by the same Party that is, or will be, the Party registered in respect of that Providing Unit under Section B.7.1 of the Trading and Settlement Code⁶
- In the case of an Aggregator, the Providing Unit is the collection of sites which is controlled by the Aggregator, and the interface with the TSO shall be with the Aggregator.

4.2 Accession to the System Services Code

The process described here for Accession to the Code is based on that for the Trading and Settlement Code. While there will be separate requirements for each Code, it is intended to explore possible approaches to combine the accession and registration process as far as is possible.

For Units that have no involvement in providing System Services, Parties are not required to accede to the Code in respect of these units. In order to become a Party, a person (the “Applicant”) who is not an Original Party shall complete and sign an application form provided for in Agreed Procedure 1 [“Registration”] and shall submit it to the TSOs. The application form specifies all conditions which the Applicant must meet to become a Party including that the Applicant shall;

1. pay the Accession Fee⁷. The Accession Fee shall be non-refundable;

⁶ This requirement may change should a Grid Code Modification with regard to DSUs be approved.

⁷ From the T&SC “G.1.2.7 - In relation to the conversion between pounds sterling and euro for any Accession Fee or Participation Fee, the TSOs shall apply the Annual Exchange Rate determined one

2. [be registered as a Party under the Trading and Settlement Code where necessary as per section 4.1]; and
3. when provided, execute the Accession Deed to adhere to the System Services Framework Agreement and this Code.

Where the TSOs receive an application from an Applicant, in accordance with Agreed Procedure 1 “Registration”, if they consider that further information or clarification is required in order to complete the application, they must within 10 Working Days of receiving the application, send a notice to the Applicant informing the Applicant of any further information or clarification which is required in relation to the application or where the application is incomplete.

If the TSOs do not receive the clarification or the additional information required within 20 Working Days of the Applicant having been informed by the TSOs of the need for such clarification, the Applicant shall be deemed to have withdrawn the application. An Applicant may request additional time to provide any clarification or additional information and the TSOs shall not unreasonably withhold consent to any such request.

On receipt of a completed application form and any clarification or additional information requested by the TSOs and provided that the Applicant fulfils the conditions for accession specified in the application form, the TSOs shall within 10 Working Days of final receipt of all required information send to the Applicant by registered post an Accession Deed signed by them. The Applicant must return the executed Accession Deed to the TSOs by registered post within 20 Working Days of receipt. An Applicant may request additional time to submit an executed Accession Deed and the TSOs shall not unreasonably withhold consent to any such request, provided that the date of receipt of the executed Accession Deed shall be earlier than the effective date specified in the Accession Deed.

Following receipt by the TSOs of an executed Accession Deed the Applicant shall become a Party on the date specified in the Accession Deed unless the TSOs and the Applicant agree on a different date separately in writing.

The TSOs shall publish the fact and date of the accession of each new Party to the Code.

Obligations on a Party that accede to the code will be as for the Trading and Settlement Code. And can be paraphrased as follows:

1. Comply-with the Code
2. Grant authority to the System Services TSOs to recover shortfalls /bad debt under the Code

month before the start of each year.” It would seem reasonable to apply the identical provisions to the Accession Fee, rather than using a potentially different System Services exchange rate determined for other purposes. Ideally, it would be possible for the Accession Fee to be settled under the T&SC rules, though this may depend on the finer workings of the Accession process.

3. Act only with the approval of the Regulatory Authorities where this is required.
4. Comply with Prudent Electric Utility Practice.
5. Maintain and comply with all other regulatory/legal instruments required of it under the Code.
6. Make payments required of it.
7. Provide accurate data when required.
8. Provide data in a timely manner when required; and
9. Provide all reasonable assistance to the TSOs.

4.3 Party Registration

Registration is a process whereby a Party gains the ability to participate in certain System Services Market processes as a Service Provider⁸ [as distinct from being a Party to the System Services Code].

Party registration will be an open application process maintained by the TSOs throughout the year with party registration forms and a registration pack available on the TSO website. Party registration submissions can be made at any time via a portal managed by the TSOs.

Following submission of the relevant documentation the TSOs will contact the Party within 40 Working Days of the information being submitted and request clarification where necessary. Should clarifications be required from a Party, this must be received within 20 Working Days following the date on which the TSOs requested the clarification, otherwise the application will be deemed to have been withdrawn. The TSOs will within 50 Working Days of receiving a complete application, when applicable, confirm formally that all required information has been submitted by the applicant and send an acceptance notification to the applicant informing them that they have registered as a party and notify them of the associated Effective Date and Expiry date.

Each Party shall have a unique identifier ID, which cannot be changed once assigned.

There are several key elements to party registration for which documentation will need to be submitted, these will be outlined in detail in an Agreed Procedure and Registration Pack. This includes information relating to Declarations (e.g. Director, Group Affiliate, Sub-contractor), Financial and Economic Standing, Health & Safety, Environment and Employment.

⁸ The term Service Provider is analogous to a Participant under the Trading and Settlement Code, i.e., a Party which has been registered and approved to participate in the System Services Markets and provide System Services, subject to registration and qualification of one or more Units.

4.4 Providing Unit Registration

Providing Unit registration submissions can also be made via a portal managed by the TSOs. Only a registered party is allowed to register a Providing Unit. However, Providing Unit registration can occur simultaneously if the Party registration application is currently in progress.

Following submission of the relevant documentation the TSOs will contact the Party or Service Provider within 10 working days of the information being submitted and request clarification where necessary. The TSO when applicable will confirm formally when all required information has been submitted by the registered party and will send acceptance to the applicant so that the unit can be confirmed as registered.

Providing Unit registration will be outlined in a Agreed Procedure 1 “Registration” with required forms included in a Registration Pack. This however would require information relating to:

- Unit Identifier (unique)
- Providing Unit Name
- Site name
- Confirmation that there is a corresponding registered unit in the Balancing Market (a prerequisite to register a unit for the DASSA)
- Grid coordinates of the Connection Point
- Metering reference (MPRN)
- Jurisdiction
- Zone

Specific requirements that must be met to successfully complete unit registration which would be outlined in detail in an Agreed Procedure may include:

- For Distribution connected Providing Units, formal notification from the relevant Distribution Operator confirming appropriate operational protocols are in place is required.
- Provision of:
 - a TSO-approved System Services Test Report demonstrating the Providing Unit's capability to provide the service. If this is not provided,

a testing date with the TSO should be scheduled. There is further information on the testing process outlined in section 5.1.1.

- a site-specific Wiring Certificate demonstrating the Providing Unit's compliance with the signalling requirements for the provision of the service, as applicable to the service and the Providing Unit's technology.
- A minimum capability 1MW / 1Mvar / 100MWs² as applicable to each service.
- For system security reasons, designation of the Providing Unit's technology as "Proven" for the service on the System Services Proven Technologies List. The list may be amended at the TSO's discretion. For technologies not listed the participant must provide evidence to the TSO's satisfaction that the Providing Unit's technology can provide the service.
- Unless stated otherwise, the requirement to provide the relevant quantities at the Connection Point.
- For Fast Acting Reserve services monitoring equipment installed on site at the Providing Unit that meets the standards set out by the TSOs.

It is important to note that all information submitted as part of the unit registration process will be superseded by that contained within Approved TSO test reports.

A unit may only qualify to participate in DASSA and Secondary Trading following the Qualification process set out in section 5.

4.5 Intermediaries

A Party (or an Applicant, as applicable) may, as an Intermediary, register a system services Providing Unit, which is owned or controlled by a third party (the Unit Owner), as a Providing Unit under the Code.

A person applying to register a Providing Unit as an Intermediary must either already be a Party to the Code, or an Applicant, provided that in the latter case registration of any Providing Units shall not take effect until the Applicant acceded/registered as a Party. For the purposes of the appointment of an Intermediary under the Code, the person appointing the Intermediary is not required to be a Party to the Code.

An Intermediary may register any Providing Unit in accordance with the registration procedure provided that:

- the Regulatory Authorities have consented to the registration of the relevant Providing Unit by the Intermediary; and
- the Intermediary has submitted a Form of Authority to the TSOs, executed by the Intermediary and the Providing Unit Owner;

The Intermediary shall, for the purposes of the Code, be the Service Provider for any Providing Unit registered in respect of the Intermediary in accordance with the Code unless and until its authority under the Form of Authority has expired or been revoked.

4.6 Deregistration, Suspension and Termination

A Party may apply at any time to Deregister any Providing Units registered in its name. A Party shall notify the TSOs and the Regulatory Authorities of its intention to Deregister any Providing Units at least 40 Working Days in advance of its intended date of Deregistration, using the appropriate form for Deregistration set out in Agreed Procedure 11 - “Suspension and Termination”.

A Party may apply at any time to Voluntarily Terminate from the System Services Code, which will have the effect of Deregistering all of the Party’s Providing Units, and the Party will cease to be a Party to the System Services Code. To do so, the Party will submit the Voluntary Termination Form the System Operator at least 90 Working Days prior to the date upon which it is intended that the Voluntary Termination will take effect.

Default, Suspension and Termination arrangements will follow those of the TSC. A Party shall be in Default when it is in a material breach of the Code. The System Operator will issue a Default Notice, and if the Default is not remedied, the System Operator will issue a Suspension Order that sets out the details of the Suspension Order including the date and time that the Suspension shall take effect.

The System Operator may Terminate a Party by issuing a Termination Order with the written approval of the Regulatory Authorities. Termination may occur if a Party:

- The Party is in breach of a Suspension Order;
- Has not remedied the Default(s) giving rise to the Suspension Order or Default Notice; or
- Has not taken action(s) required by the System Operator within the timeframe specified in the Suspension Order

5 Qualification

5.1 Qualification Registration

Following completion of Party and Providing Unit Registration as outlined in Sections 4.3 and 4.4, the Qualification Process may commence. The qualification process will determine a service provider's capabilities to provide one or more services together with the quality levels and maximum quantity of service a unit can provide, where applicable.

Only Qualified Units can participate in the FASS processes (DASSA, Secondary Trading, settlement).

The TSO will make available a Qualification Pack, which will contain a unique identifier/publication date and shall contain a full list of information required for a Unit to be successfully verified as qualified to provide a specific Systems Services product. The Qualification Pack is expected also to be published manually via the TSO website(s). The Qualification application will be validated by the TSOs for completeness.

Qualification submissions can be made on a rolling basis via a portal managed by the TSOs. The participant Information to be received as part of the Qualification Process will be outlined in detail in a Qualification Pack and includes:

- Party Name
- Providing Unit Name
- System Service Product
- Reserve Characteristic
- PQ Capability
- Eligible Capacity

The TSOs will review the Qualification information provided by the registered Party and request clarifications where necessary from the registered Party. The TSO shall request information from the relevant Distribution Operator should the service provider be connected to the distribution network.

All of the information included as part of the Qualification Process must be supported by an Approved TSO Test report. Unit information emanating from the Qualification Process supersedes any indicative information provided as part of Unit or Qualification Registration. Should the unit not hold an approved TSO Test report, a test must be booked as part of the Qualification Process. Qualification cannot complete in the absence of an approved TSO Test report.

Where units have previously qualified to provide system services under DS3, those testing results are considered valid (TBC on product review) for FASS unless the unit has applied to alter any details e.g. quality type/ maximum generation.

5.1.1 Qualification Testing Process

The qualification process will undergo a highly iterative process for testing between the TSO, Service Providers and DSOs (where necessary) in order to provide specific test evidence for different System Service Products.

5.1.1.1 Testing Requirements

All of the relevant Testing requirements and procedures will also be made available within the Qualification Pack. Following completion of testing, the TSO will issue an Approved Test Report to the unit outlining the approved volumes and quality levels for participation in DASSA, Secondary Trading, following completion of the Testing process.

5.1.2 Qualification Outcomes

All information arising from the Qualification Process will supersede that provided as part of unit registration or earlier in qualification registration. TSOs have a 90-day SLA to confirm acceptance or rejection of the qualification application. Once approved Service Providers, Party/Unit and Product is added to System Service Register.

5.2 Eligibility for DASSA

The TSO will confirm whether a unit is eligible or ineligible for a given System Service Product and will confirm the following information:

- Eligible Y/N
- Eligible Capacity (max potential delivery quantity, taking into account any limits included by the DSO/DNO)
- Product Quality Coefficient
- TSO justification (particularly for ineligible applications)

Where applicable, Continuous Provision (Bundle) flag (continuous provision indicator) to be assigned.

Following completion of the qualification process a unit, the corresponding Party/Unit/System Service Product shall be added to the System Service Register and be eligible to trade in the DASSA.

5.3 Eligibility for Secondary Trading

Providers may also register for Secondary Trading and be added to the Eligibility Matrix to identify which partners they may trade with.

Separate eligibility matrixes will be maintained per product in the Auction Platform based on technical data

Secondary trading eligibility will be based on quality levels (response times, response types, frequency triggers etc.)

Only providers registering for Secondary Trading will be maintained on the matrixes

5.4 Qualification Trial Process

The Qualification Trial Process (QTP) is a periodic process carried out to determine the ability of new technologies to provide System Services; it has also been used to trial communications protocols and performance monitoring improvements. This process is the responsibility of the TSOs.

As set out in the HLD⁹, the TSOs were required to establish a more formalised process for the QTP to ensure the transparency of the process for the enduring arrangements. The TSOs are required to publish a call for evidence at least every 12 months to allow for stakeholders to input into the design of the trial; following this, the TSOs may publicly consult on a QTP proposal.

6 Auction Format of DASSA

6.1 Products to be Procured

The DASSA will initially procure reserve services in both upward (an increase in generated output or a decrease in power consumption) and downward (a reduction in generated

⁹ Section 3.3 of [SEM-22-012 System Services Future Arrangements High Level Design Decision Paper](#).

output or an increase in power consumption) directions for the following reserve products:

- Fast Frequency Response (FFR)
- Primary Operating Reserve (POR)
- Secondary Operating Reserve (SOR)
- Tertiary Operating Reserve 1 (TOR1)
- Tertiary Operating Reserve 2 (TOR2)
- Replacement Reserve
- Implicit Bundle of Reserve Services

A brief description of these products as outlined in the SEM Committee Decision in relation to Product Review and Locational Methodology ([SEM 24-074](#)) is outlined below:

Reserve Product	Brief Description
Upward FFR	“The “The additional MW Output or MW Reduction in Demand required compared to the pre -incident MW Output or MW Reduction, which is fully available from a Providing Unit within 1 seconds after the start of an Event and sustainable up to 10 seconds after the start of the Event. The increase in energy provided in the 1 to 10 second timeframe by the increase in MW output /or decrease in demand must be greater than any subsequent decrease in energy output or increase in demand in the 10 to 20 second timeframe.”
Downward FFR	“The amount of energy (MW) reduction /withdrawal (i.e. demand increase or generation decrease) compared to the pre-event unit MW Output or MW Demand, which is fully available from a Providing Unit within 1 seconds after the start of an Event and sustainable up to 10 seconds after the start of the event. The reduction in energy provided in the 1 to 10 second timeframe by the decrease in MW output /or increase in demand must be greater than any subsequent increase in energy output or decrease in demand in the 10 to 20 second timeframe.”
Upward POR	“The automatic response (additional energy output and/or reduction in Demand) to System Frequency changes released increasingly from the time of Frequency change with a full activation time of 5 seconds, and sustainable until at least 15 seconds from the time of Frequency change”
Downward POR	“Downward POR is the automatic energy output reduction (generation output decrease or increase in demand) in response to System Frequency changes, released increasingly from the time of Frequency change with a full activation time of 5 seconds, and sustainable until at least 15 seconds from the time of Frequency change”
Upward SOR	“The additional MW Output (and/or Reduction in demand) required compared to the pre -incident Output (or Demand), which is fully available and sustainable over the period from 15 to 90 seconds following an Event”
Downward SOR	“Downward SOR is the additional energy output reduction (generation output decrease or increase in demand) in response to System Frequency changes, released increasingly from

	the time of Frequency change with a full activation time of 15 seconds and sustainable out to 90 seconds following an Event”
Upward TOR 1	“The additional MW output (and/or reduction in Demand) required compared to the pre incident output (or Demand) which is fully available and sustainable over the period from 90 seconds to 5 minutes following an Event”
Downward TOR 1	“Downward TOR1 is the additional energy output reduction (generation output decrease or increase in demand), compared to pre-incident output or demand, which is fully available within 90 seconds and sustainable for 5 minutes following an Event”
Upward TOR 2	“The additional MW output (and/or reduction in Demand) required compared to the pre incident output (or Demand) which is fully available and sustainable over the period from 5 minutes to 20 minutes following an Event”
Downward TOR2	“Downward TOR2 is the additional energy output reduction (generation output decrease or increase in demand) compared to pre -incident /dispatch output or demand, fully available within 5 minutes and sustainable for 20 minutes following an Event”
Upward Replacement Reserve	“the additional MW output (and/or reduction in Demand) required compared to the pre Event /dispatch output (or Demand) which is fully available and sustainable over the period from 20 minutes to 1 hour following an event /dispatch instruction”
Downward Replacement Reserve	“the additional energy output reduction (Generation output decrease or increase in Demand) required compared to the pre-incident (dispatch) output or demand which is fully available and sustainable over the period from 20 minutes to 1 hour following an event/dispatch instruction”
Implicit Bundle of Reserve Services	is expressed by the TSOs “as an operational requirement to procure the continuous provision of individual services from service providers.”

Table 3: Brief Descriptions of Upward and Downward Reserves

In addition, there are sub-categories of System Services describing one or more Quality attributes, which may be:

- Type of Response - which can be Dynamic or Static
- Response Category, which describes the allowed Full Activation Time (FAT) of the response and the duration of the response.

These quality attributes are important in trading. The DASSA can impose minimum requirements on the total volume provided by one or more Products having specific Quality attributes. Quality attributes are also relevant in Secondary Trading as trade can in some instances be allowed between Providing Units providing Products with different quality attributes.

Table 4 below lists the Type of Response and Response Category applicable to the Day Ahead System Services. The table applies to both Upward and Downward Reserves which are distinct Day Ahead System Services.

Reserve product	Category	FAT	Response duration
FFR - Static response	I	150 ms	Response sustainable up to up to 10 s after the event
	II	≤ 300 ms	
	III	≤ 1s	
FFR - Dynamic response	IV	150 ms	
	V	≤ 300 ms	
	VI	≤ 1s	
Static POR	I	≤ 5 s	up to 15 s after the event
Dynamic POR	II		
Static SOR	I	15 s	up to 90 s after the event
Dynamic SOR	II		
Static TOR1	I	90 s	up to 5 minutes after the event
Dynamic TOR1	II		
Static TOR2	I	5 minutes	up to 20 minutes after the event
Dynamic TOR2	II		
RR		20 minutes	up to 1 hour after the event

Table 4: Response times and response duration for Upward and Downward Reserves

Table 5 specifies additional key requirements for Upward FFR, POR, SOR, TOR1 and TOR2, separately for Static and Dynamic categories, while Table 6 shows similar (but mirrored) requirements for the Downward products and categories. These requirements include the capability ranges for Reserve Trigger, Trajectory⁹, Reserve Step Sizes and Reserve Step Triggers, which the contracting TSOs may request to change in real-time as appropriate and determined by system conditions. Enabling and disabling of reserve response, alterations to the Reserve Trigger, Trajectory, Reserve Step Sizes and Reserve Step Triggers shall be implemented by the Providing Unit within 60 seconds of specification.

Criteria for	Trigger F_1	End of trajectory F_2	Reserve Steps Sizes	Reserve Step Triggers
Static FFR, POR, SOR, TOR1 and TOR2	configurable for each step between: $49.3 \leq F_1 \leq 49.8$ Hz	Not applicable	1 or more steps of ≤ 75 MW for a single discrete step.	Smallest available discrete step in response at any time must be no less than 20 % of the MW value of the Providing Unit's largest available step at that time

Dynamic FFR, POR, SOR, TOR1 and TOR2	configurable in range: $49.5 \leq F_1 \leq 49.985$ Hz	in configurable in range: $49.3 \leq F_2 \leq 49.8$ Hz and $F_1 - F_2 \geq 200$ mHz	Not applicable	Not applicable
--------------------------------------	---	---	----------------	----------------

Table 5: Additional key requirements for Upward FFR, POR, SOR, TOR1 and TOR2 (refer to Figure 2)

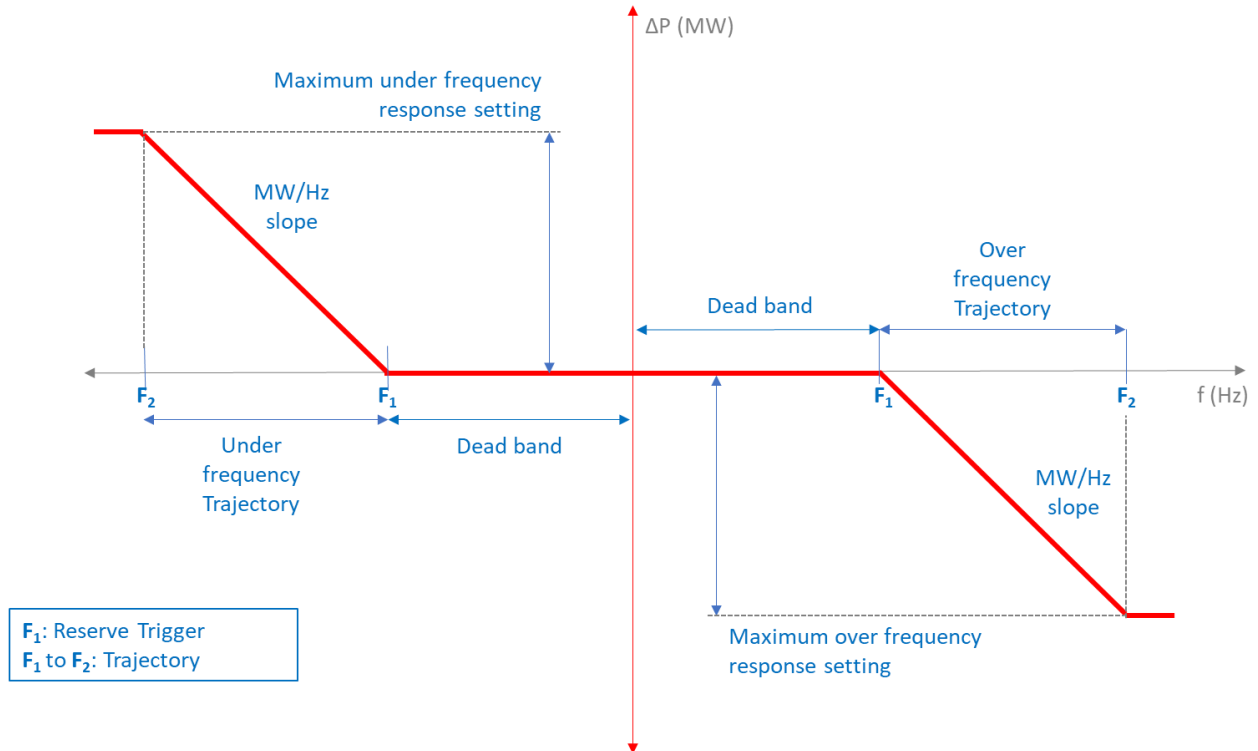


Figure 2: Illustration of Reserve Trigger F_1 and Trajectory $F_1 - F_2$

Criteria for	Trigger F_1	End of trajectory F_2	Reserve Steps Sizes	Reserve Triggers	Step
Static FFR, POR, SOR, TOR1 and TOR2	configurable in range for each step: $50.2 \leq F_1 \leq 50.7$ Hz	Not applicable	1 or more steps of ≤ 75 MW for a single discrete step.	Smallest available discrete step in response at any time must be no less than 20 % of the MW value of the Providing Unit's largest available step at that time	
Dynamic FFR, POR, SOR, TOR1 and TOR2	configurable in range: $50.015 \leq F_1 \leq 50.5$ Hz	configurable in range: $50.2 \leq F_2 \leq 50.7$ Hz and $F_2 - F_1 \geq 200$ mHz	Not applicable	Not applicable	

Table 6: Additional key requirements for Downward FFR, POR, SOR, TOR1 and TOR2 (refer to Figure 2)

In addition to individual reserve products, an implicit bundle of reserve products, would be expressed by the TSOs as an operational requirement to procure the continuous provision of

individual products from service providers e.g. a unit could provide FFR and POR as one product. The primary rationale for this is to limit the amount of energy volume to be excluded from the energy market. It is worth noting that there is no operational requirement for bundles, further detail is available in the TSO Recommendations paper in relation to Volume Forecasting Methodology. For clarity, bundling of both downward and upward reserves in any potential bundles will not be introduced, as previously indicated these will be procured separately in line with EU requirements.

Additional Notes:

- *Per the Product Review (SEM 24-074), there is no system requirement for explicit bundles, these will therefore not be included in the System Services Code at present.*
- *Auction based procurement of non-reserve services is expected to be introduced into the Code and DASSA in future, but in the meantime the current arrangements will prevail.*
- *Product Definitions will likely be housed in a subservient document under the Code. Per EBGL, these may be reviewed periodically.*

6.2 Zones and Locational Requirements

Locational zones reflect the jurisdictional constraints in Ireland and Northern Ireland. Per [SEM 24-074](#), the SEM Committee has decided to maintain current locational reserve requirements for upward reserves and to introduce the same locational requirements for downward reserves. In effect, there are two zones, Ireland and Northern Ireland.

The TSOs' determination of zones is based on TSO Operational Security Standards and Grid Codes. The TSOs could seek to adjust zones at a later stage should technical studies identify a need to do so.

Additional Note: Per [SEM 24-074](#), the SEM Committee also highlighted that the TSOs are directed to include proposals for a methodology to identify and define further locational zones based on system need in the next product review. Per [SEM 24 066](#) the SEM Committee considers it important that there is ongoing monitoring of the need for any further zones as a potential result of any observations of network constraints routinely causing distortions to the market clearing price.

6.3 Volume Requirements

There will be an all-island volume requirement for each product for each 30-minute Trading Period in the Auction Timeframe. The volume requirement will include the volume

of the product being auctioned, addressing any locational or zonal requirements, and reflecting the TSOs' operational requirements.

Additional Notes:

The details of Volume Requirements are dependent on the outcomes of Volume Forecasting Methodology Workstream, Real Time Security System Needs Analysis workstream and also the potential use of Layered Procurement Framework.

6.3.1 Volume Insufficiency

Volume Insufficiency is deemed to have occurred if the total volume offered by service providers for a service for a Trading Period in the DASSA (considering jurisdictional requirements) is less than the volume requirement set and published by the TSOs.

It is anticipated that auction preprocessing will evaluate the sufficiency of the volume per product offered by service providers in the auction. Where a volume deficit is identified, the measures available to the TSOs may include, but not be limited to:

- In the event that the daily auction has run, the volume deficit may be met in secondary trading at the DASSA scarcity price cap¹⁰.
- In the case of a volume scarcity due to tight system conditions, the DASSA clearing price will be set at the DASSA scarcity price cap for the product.
- In the event that the daily auction has not been run due to a technical difficulty, the solution will be determined as part of the Real Time Security System Needs Analysis Workstream.

In SEM Committee Decision paper, [SEM 24-066](#), rules have been set out outlining the TSOs' involvement in secondary trading. Where secondary trading is to be utilised, the TSOs may procure the volume deficit through issuing Sell Orders at a Secondary Trading Price of zero and assigning the DASSA Scarcity price cap to the additional volumes procured in secondary trading. Service providers will receive the DASSA scarcity price minus the secondary trading bid price they offer. For clarity, service providers will receive the scarcity price, which is a uniform price, minus their individual secondary trading bid price - which is not uniform across service providers in a batch. Per [SEM 24-066](#), in the event of an oversubscription of volumes, the TSOs will select matches on the basis of technical feasibility and then by the value of the buy order starting at the highest submitted order. This ensures the lowest price to the end consumer.

The method for matching will be decided as part of the Detailed Design Phase.

6.4 DASSA Timings

The DASSA will take place after the Day Ahead Market and before publication of the results of the first day-ahead Balancing Market Long-Term Schedule (LTS). DASSA Gate Closure Time will be 15:30, with the DASSA results published at 16:00. This timing allows participants sufficient time to consider bidding strategies for both EU IDA1 and DASSA while also ensuring that DASSA is run prior to publication of LTS outcomes (published at 16:00), this approach also has the advantage of attracting DASSA bids from a wider range of units, rather than only those which are potentially able to supply System Services given the LTS outcome.

DASSA Gate Opening Time will be determined as part of the Parameters and Scalars Workstream.

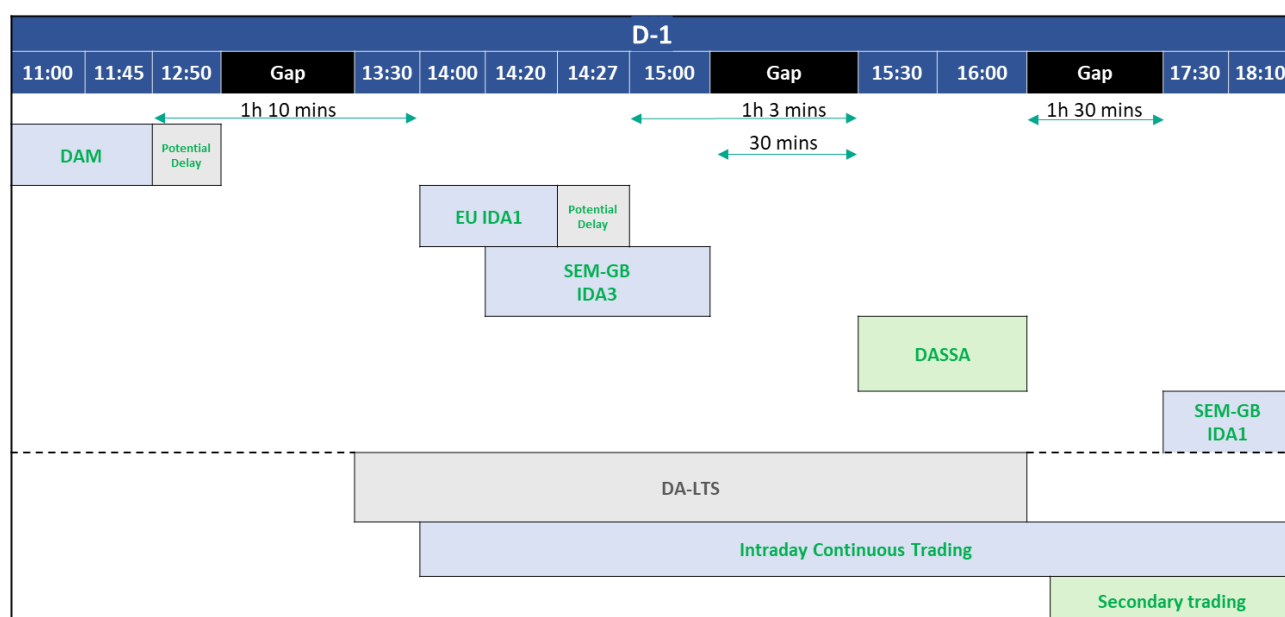


Figure 3: DASSA timing

6.4.1 DASSA Auction Time Frame

The Auction Timeframe refers to the time horizon to which each DASSA applies. The DASSA Auction Timeframe will be for 24 hours and will start at 23:00 day-ahead (D-1) and terminate at 23:00 the following day (D). This aligns with the European Day-Ahead energy market, and by extension the DAM auction timeframe.

6.4.2 DASSA Trading Period

A Trading Period refers to an interval in the Auction Timeframe for which the DASSA will provide an outcome. The auction will be cleared for each Trading Period. Each Trading Period will be of 30 minutes duration, beginning on the hour; there will be 48 Trading Periods per Auction Timeframe. This aligns with the existing Balancing Market settlement period and with the settlement period for payments for system services under the existing Regulated Tariff Arrangements.

6.4.3 DASSA Volume Requirements

By 10:00 each day, the TSOs will publish the required reserves volumes that will be procured in the DASSA on that day D-1 for the following day D. The TSOs will specify volume requirements for all upward and downward reserves products (FFR, POR, SOR, TOR1, TOR2, RR) separately and will specify for each product minimum volumes per jurisdiction and minimum volumes of dynamic response. For FFR, minimum volume requirements for category 1 (Full Activation Time (FAT) = 150 ms) and category 2 ($150 \text{ ms} < \text{FAT} \leq 300 \text{ ms}$) will be specified. The required reserves volumes will be published for all trading periods of the following day D.

6.5 DASSA Bidding Structure

6.5.1 Bidding Format and Process

Service providers can submit a bid (which must be associated with a single Providing Unit) for each individual product for each Trading Period within the Auction Timeframe with no interdependency between bids i.e. all bids submitted for different products across different Trading Periods will be independent.

DASSA bids will take the form of a stepwise linear supply function:

- Service providers may submit one or more price/quantity pairs, which must be increasing in price with increasing aggregate quantity that is bid.
- The maximum number of price/quantity pairs that can be submitted is 10.
- Minimum acceptable values for Quantity and Price for each step will be implemented.

- There will be an Auction Price Cap and Scarcity Price Cap associated with each product and will be determined as part of the Parameters and Scalars Workstream.
- Bids may be updated up to the time of the DASSA gate closure only.
- Bids may be divisible or non-divisible. A divisible bid can clear to any level between 0 and the maximum bid quantity of that step. A non-divisible step can only clear to 0 or its maximum bid quantity step.

If an individual price-quantity step is accepted either partially or in full for a particular service provider, the previous price-quantity step(s) should have been accepted in full. This is called sequential filling guarantee (SFG). SFG does not apply across different service providers. This avoids accepting unnecessarily large volumes of non-divisible bids; however, over-procurement may occur subject to the optimality of the market clearing outcomes.

In the case of a non-divisible bid, a partial quantity of the final submitted step that meets the volume requirement will not be accepted in the auction i.e. only the entire volume may be accepted.

- Where the Providing Unit has submitted an offer for more than one reserve product, the characteristics of the response capability must be consistent across all products. For example, the Providing Unit cannot have Dynamic Response in the provision of POR, and Static Response in the provision of SOR.
- Only one quality type per product is permitted per unit. For example, the Providing Unit may not submit multiple bids for FFR with different quality levels applicable to each one.
- The Zone in which the unit is located must also be specified.

6.6 Validation of Bids

Auction preprocessing will include a step to validate whether bids may or may not be submitted to the DASSA. Validation will assess bids and either accept them (providing confirmation of that) or reject them (providing reasons).

For an offer to be accepted:

- Products offered must be consistent with qualified products for the providing unit.
- Quantities offered must be consistent with qualified quantity of the providing unit.
- The bid must be consistent with required formats as set out in section 6.5.1
- The bid must be submitted after gate opening and before gate closure

6.7 DASSA Clearing Overview

The SEM Committee has decided that the DASSA auction will be cleared on a pay-as-clear basis per Trading Period i.e. for each product for each Trading Period, the clearing price will be the value of the highest price/quantity pair that satisfies the auction volume requirements (including zonal requirements).

The high-level principles associated with the clearing of the auction will function as follows:

- The auction will be run on an all-island basis.
- The auction will be cleared respecting any locational and long run reserve constraints and operational requirements. Per [SEM 24-074](#), the SEM Committee has decided to approve the TSOs' recommendation to maintain current locational reserve requirements for upward reserves and to introduce the same locational requirements for downward reserves.
- The auction will be cleared to maximise the social welfare. Because DASSA is a one-sided auction (the single buyer (TSOs) does not submit P-Q pairs for demand), the buyer's payoff function is not included in the objective function of the Market Clearing Optimisation problem. As a result, maximising social welfare is equivalent to minimising the cost of procuring system services products.
- The submitted bids for each product per Trading Period will be stacked to create a system wide supply function¹¹.
- There will be a single supply function per product per Trading Period for the island of Ireland.

- A DASSA Order will be allocated to auction winners for each product for each Trading Period, detailing the volume of the service awarded and the price to be paid for the provision of the service.
- A DASSA Order will include a Commitment Obligation to provide the awarded service for the specified Trading Period.

6.8 DASSA Clearing Optimisation

The objective function of the market clearing optimisation problem is to minimise the cost of procuring system services. This objective aligns with the requirements set forth by the European Balancing Guidelines (EBGL), which mandate that TSOs strive to minimise the costs associated with providing reserve capacity.

Cost minimization during market clearing is a standard practice that allows TSOs to fulfil stability and security requirements while maintaining economic efficiency. By introducing constraints into the market clearing optimization process, TSOs guarantee the procurement of an adequate volume through DASSA.

The objective function will have three main components:

6.8.1 Price Based Bid Selection

The first component involves the selection of bids submitted by service providers on a price basis i.e. selecting the cheapest bids first (within limitations of non-divisible bids, as outlined in section 6.5.1), up to satisfying the volume requirement for the product.

6.8.2 Valuation Functions

The second component involves the processing of the value functions set by the TSOs for any operational requirements that will apply to the auction e.g. different qualities of a product or the continuous provision of selected product. These value functions represent the TSOs' willingness to allocate a better merit position, and potentially higher payments, to bidders that meet operational requirements.

TSOs operational requirements include:

- Individual reserve products.

- An implicit bundle of reserve products, which would be expressed by the TSOs as an operational requirement to procure the continuous provision of individual products from service providers.
- An operational requirement to procure different qualities or types of individual products.

Individual products will be cleared in the auction on a price basis i.e. selecting the cheapest bids first, up to satisfying the volume requirement for a service. Any operational requirements will be met as constraints in the market clearing optimisation problem i.e. the minimum specified requirement of implicit bundles of products (continuous provision) and qualities or types of product provision will be cleared.

Consequently, any feasible split between an implicit bundle of products and individual products, or between higher quality service provision and lower quality products, that is economically efficient will meet the remaining requirements.

The objective function will calculate a net offered price, which is the difference between the offered prices submitted by service providers for individual products and the value functions.

The net offered price will be evaluated during the optimisation process to determine the optimal allocation between the products that are subject to operational requirements beyond the specified minimum requirements and other products.

As a result, the value functions will establish a more favourable merit order for implicit bundles of products or higher qualities or types of products.

This enables the optimisation engine to achieve the most economically efficient split between the above-mentioned services and other services for the volumes beyond the minimum requirements.

6.8.3 Constraints

6.8.3.1 Service Requirements

There will be constraints requiring that (if feasible) the bids cleared for each zone, jurisdiction and island of Ireland satisfy the specified requirements.

6.8.3.2 Bid limits

These constraints require that bid steps clear in accordance with their bid quantities and divisible or non-divisible status as well as SFG requirements.

6.9 DASSA Clearing Prices

Given that the DASSA auction will be cleared on a pay-as-clear basis per Trading Period i.e. for each product for each Trading Period, the clearing price will be the value of the highest price/quantity pair that satisfies the auction volume requirement and operational requirements as set by the TSOs in the Objective function (as detailed in section 6.8) . The DASSA Clearing Arrangements are Single Clearing Price per Product.

6.9.1 Single Clearing Price per Product

A single price is cleared for each system product in the daily auction. Per [SEM 24 066](#):

- The all-island uniform price for a product will be applied to all zones with non-binding locational constraints for that product.
- In zones with binding locational requirements for a product, a zonal price will only apply if it exceeds the all-island uniform price for that product; otherwise, the all-island uniform price for that product will still apply

As part of the DASSA, a DASSA Order, along with associated commitment obligations, will be allocated to the auction winners for each product during each Trading Period within the Auction Timeframe.

6.9.2 DASSA Outcomes

The outcome of the daily auction for reserve products will be:

1. A set of cleared bid steps and product volume allocated to each provider unit per product per Trading Period.
2. A clearing price per service, per Trading Period; or a clearing price per service, per Trading Period, per zone (should a zone with a binding locational requirement for a product have a zonal price that exceeds the all-island uniform price).
3. A clearing price for an implicit bundle of products.
4. A clearing price for types of quality of products.

A DASSA Order, with its associated commitment obligations, will be awarded to successful service providers. This represents volume of System Services and clearing price that a winning bidder has been assigned. It is a contractual requirement to submit a compatible FPN that allows the DASSA Order to be met as opposed to the procurement of actual supply of System Services.

The total cleared volumes per service, per Trading Period, with the associated clearing prices, will be published. An illustrative table per Trading Period is shown in Table 7 below. Further information on bundles can be incorporated following publication of the SEM Committee Decision Paper in relation to Volume Forecasting Methodology. Per Trading Period there will be in the order of 30 Volume Quantities and associated prices per zone.

<i>Zone</i>	<i>Reserve product</i>	<i>Volume Cleared (MW)</i>	<i>Price (€/£)</i>
Ireland/Northern Ireland	Upward FFR Category 1 Dynamic		
	Upward FFR Category 1 Static		
	Upward FFR Category 2 Dynamic		
	Upward FFR Category 2 Static		
	Upward FFR Category 3 Dynamic		
	Upward FFR Category 3 Static		
	Downward FFR Category 1 Dynamic		
	Downward FFR Category 1 Static		
	Downward FFR Category 2 Dynamic		
	Downward FFR Category 2 Static		
	Downward FFR Category 3 Dynamic		
	Downward FFR Category 3 Static		
	Upward POR Dynamic		
	Upward POR Static		
	Downward POR Dynamic		
	Downward POR Static		
	Upward SOR Dynamic		

	Upward SOR Static		
	Downward SOR Dynamic		
	Downward SOR Static		
	Upward TOR1 Dynamic		
	Upward TOR1 Static		
	Downward TOR1 Dynamic		
	Downward TOR1 Static		
	Upward TOR2 Dynamic		
	Upward TOR2 Static		
	Downward TOR2 Dynamic		
	Downward TOR2 Static		
	Upward RR		
	Downward RR		
	Implicit Bundle Product 1 e.g. Upward Dynamic FFR, POR, SOR, TOR1		
	Implicit Bundle Product 2 e.g. Upward Dynamic FFR, POR, SOR		

Table 7: Matrix of Products per Trading Period

Additional Notes:

There is no text in relation to Volume Cap or Zero volume Bids as there is no alternative to FAM agreed at present.

7 Secondary Trading

Secondary trading allows service providers to buy and sell DASSA Orders after the daily auction has run.

DASSA Orders can be traded fully or partially (per MW for reserve products), subject to relevant limits as detailed in the Section 7.3. Trading a DASSA Order will transfer the relevant Commitment Obligation and right to payment associated with the Order.

Service providers will not be permitted to trade into positions that are infeasible, and a service provider must not purchase a DASSA Order that it knows it will not be capable of fulfilling e.g. within the range of service permissible as per the System Service Register.

Secondary trades are facilitated via a central trading platform. Buy and Sell Orders are validated against rules set by the TSOs, then added to an Order Book where they will be matched. Matched trades will be subject to further validation to ensure a trade will not breach any constraints that have been met in the daily auction.

Bilateral trades are also notified to the TSOs via the trading platform. Bilateral trades are to be also subject to validation processes and service providers are notified of a successful or unsuccessful trade as this occurs.

7.1 Central Secondary Trading Platform

An automated secondary trading platform, which facilitates both the matching of Buy and Sell Orders and bilateral trades, will be implemented from go-live of the DASSA arrangements. The central secondary trading platform is to be fully auditable, with all trades validated and traceable.

7.2 Secondary Trading Window

DASSA Orders can be traded after the DASSA has run and up to 60 minutes before the commencement of the relevant Trading Period.

This is illustrated in Figure 2 below: the secondary trading window opens after the results of the DASSA have been published day ahead (D-1) and closes 60 minutes (t-1) before the start of the relevant Trading Period (t) within the delivery day (D).

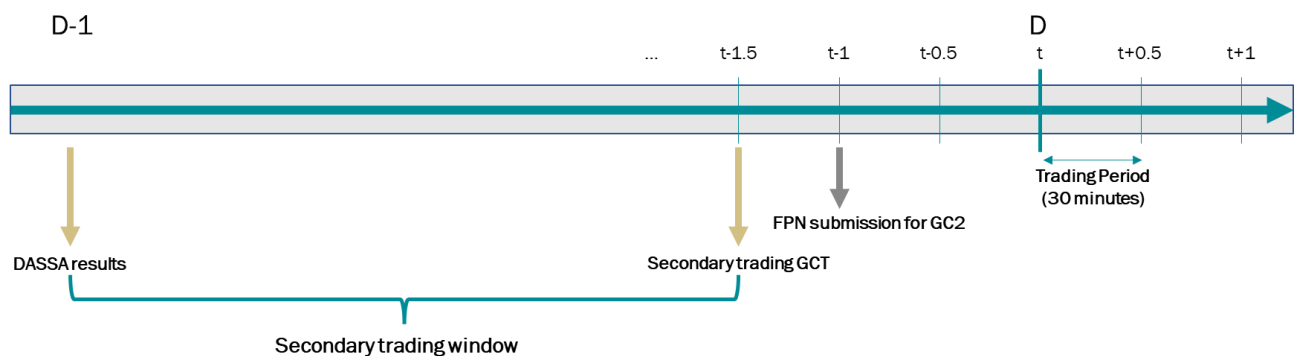


Figure 2: Secondary Trading Window

This window allows secondary trading up to a deadline as close as possible to real time, thereby facilitating the participation of those technologies that have variable availability, while allowing service providers time to submit an FPN, if required, in advance of Gate Closure 2 (GCT2) in the Balancing Market (which is one hour before the start of the relevant Imbalance Settlement Period).

7.3 Secondary Trading Mechanics

Secondary trading may be facilitated by two means:

- The direct placing, matching and validation of Buy and Sell Orders on the secondary trading platform.
- Bilateral trading, to be validated through the secondary trading platform.

7.3.1 Placing Buy and Sell Orders

Buy and Sell Orders will be placed on the central trading platform by service providers; the orders will then be validated before being added to an Order Book to execute the matching process. The validation and matching processes are described in Section 7.3.5 and Section 7.3.2 below.

A Buy Order is an offer to take on a DASSA Order and its associated commitment obligations. Such orders may typically be placed by service providers that know their availability to provide services closer to real time.

A Sell Order may typically be placed by the holder of a DASSA Order that may no longer be available to provide all or a portion of its awarded service volume and does not wish to be subject to the associated commitment obligation.

Eligible service providers will be able to make simple orders for a given service and Trading Period(s) which will specify a service quantity and a Secondary Trade Price¹⁰ limit, whereby the price limit represents the minimum price a service provider is willing to accept for a Sell Order and the maximum price a service provider is willing to offer for a Buy Order. Simple orders across multiple trading periods will not be linked.

A DASSA Order can be partially traded in terms of the volume of a product and the number of Trading Periods, except in the case where a service provider has been awarded an implicit or explicit bundle of products in the DASSA.

Service providers may win DASSA Orders for implicit bundles of products, reflecting the continuous provision of products. Such continuously provided products can be labelled as a single product on the central trading platform for the purposes of secondary trading, enabling it to be bought or sold using a simple order subject to limits applied by the TSOs which are described in Section 7.3.5: Validation of Matched Trades and Bilateral Trades below.

¹⁰ This is separate to the DASSA Clearing price that will be paid to the Order holder, and that the settlement of secondary trading payments between buy and sell parties will not be facilitated by the platform.

Block orders for combinations of products or links between Trading Periods is not to be considered for the initial implementation of the DASSA, given the additional complexity that these would add.

7.3.2 Validation of Buy and Sell Orders

Buy and Sell Orders that are placed on the central trading platform undergo a validation process before being added to the secondary trading Order Book to be matched.

The validation of secondary trades prior to being matched includes:

- Ensuring that Sell Orders are consistent with the DASSA Order and its associated obligations, as held by the service provider.
- Ensuring that the trades are feasible and within the system services capability limits contained within the Secondary Trading Eligibility Matrix (outlined in section 5.3).
- Ensuring that any restrictions imposed by the TSOs - subject to system conditions - on secondary trading are observed, including minimum and maximum volumes of services allowable to be traded, limits on the total number of purchasing services providers, or limits on the density of service provision (e.g. total service volume divided by the total number of service providers).
- Ensuring that the integrity of implicit bundles of products, and their associated benefit of continuous provision, that were procured in the DASSA are maintained.

7.3.3 Matching of Buy and Sell Orders

The SEM Committee has decided that the matching of Orders in secondary trading will be done on a batch matching basis. The high-level principles are as follows:

- Orders are be matched in a batch after the secondary trading gate closure
- Batch Matching will take place at 30 minute intervals, though the precise schedule of batch matching will be subject to the outcome of the Parameters and Scalars workstream.
- Buy and Sell Orders are added to the Order Book during the secondary trading window
- After secondary trading gate closure these Orders are to be matched based on Secondary Trade Price limits and potentially other factors such as quality levels and jurisdictional requirements.

Providers would learn of their DASSA Obligations after the batch process is complete, this would be after the secondary trading gate closure and therefore closer to real time.

7.3.4 Bilateral Trading of DASSA Orders

Secondary trading may also be facilitated through bilateral trading between service providers, with such trades to be recorded, validated, and confirmed on the central trading platform.

Bilateral trades between eligible service providers should be pre-agreed and then posted on the central trading platform, specifying the volume of the relevant service for the relevant Trading Period(s) to be traded. Bilateral trades do not need to specify the agreed secondary trading price. One provider may submit the trade on the platform with an approval required from each counterparty.

Once submitted to the platform, bilateral trades are subject to the validation processes set out in 7.3.2: Validation of Buy and Sell Orders for the Buy and Sell elements of the trade and Section 7.3.3: Validation of Matched Trades and Bilateral Trades for the matched bilateral trade.

Per SEM 24-066, the SEM Committee reserves the right to develop and implement market power mitigation measures in the future, and to cease operation of the bilateral trading arrangements if potential market power issues are identified.

7.3.5 Validation of Matched Trades and Bilateral Trades

Both matched and bilateral secondary trades need to be validated to ensure that the DASSA constraints as set out in Section 6.8 are met. Where a DASSA constraint is broken, the trade is deemed to be invalid and will not complete.

Secondary trades are permitted between non-identical providing units service providers, provided that the relevant DASSA constraints are still met. Under this approach:

- Trading of a DASSA Order for a service between service providers with identical capabilities but residing in different jurisdictions or zones is permitted if it does not violate the DASSA zonal constraints. Otherwise, these trades will be blocked.
- Trading of a DASSA Order for a service with a particular quality type between service providers with non-identical capabilities is permitted if the service could be provided by the buying party at the same quality level or higher. The Order would remain at the original quality level for future trades.

7.3.6 Notification

Service providers will be notified of any outcomes of the secondary trading process. These may include:

- Notification that a Buy Order or Sell Order failed validation when this has occurred.
- Notification of a successful secondary or bilateral trade.
- Notification of an unsuccessful secondary or bilateral trade.

Notifications will be sent through the central trading platform.

7.3.7 Commitment Obligation and Right to Payment

Following the successful trade of a DASSA Order, which has been approved by the TSOs, the Commitment Obligation and right to payment will transfer to the buyer. This means that the buyer will receive the DASSA price for the Order from the TSOs provided they meet their obligations, regardless of the Secondary Trading Price at which the secondary trade was matched in the platform or agreed bilaterally.

7.4 TSOs Participation in Secondary Trading

The DASSA aims to procure balancing capacity through a market-based approach at the day-ahead stage in accordance with the EGBL¹¹ to ensure operational security and provide certainty for the TSOs and service providers. Secondary trading will allow for the transfer of DASSA Orders which are to be remunerated at the DASSA clearing price.

As noted in Section 6: Volume Insufficiency, the TSOs propose that to address the exceptional issue of volume insufficiency in the DASSA due to capacity withholding, the TSOs will be able to participate in secondary trading. It is envisaged that this would occur in limited and exceptional circumstances, the conditions of which would be clearly communicated to industry.

This will also be considered as part of Volume Forecasting Methodology Workstream and also the Real Time Security System Needs Analysis Workstream.

8 Obligations

9 System Services Supplier Charge

9.1 Overview

The SEMC has decided that the costs incurred in the All-Island System Service arrangements are to be recovered through a MWh-based charge levied on Suppliers at a set rate called the All-island System Services Charge Rate that will be reviewed at least annually. The charge will cover all system services that are procured for use on an all-island basis irrespective of the route used by the TSOs to procure them. This tariff will therefore cover the payments that the TSOs will make via the DASSA processes, the Layered Procurement Framework and Fixed Contracts Framework (e.g.: Low Carbon Inertia Services (LCIS)), and other All-Island System Services procurement methods. It will not cover costs associated with the final

¹¹ EU (2017/2195), recital 15, page 2.

settlement and resettlement of DS3 or any system services procured for use by one TSO only. Further details of the design of the tariff can be found in [SEM 25 007](#).

This All-Island System Service Charge Rate will be calculated using forecasts of future costs and SEM demand, as well as a 'k-factor' mechanism¹² to true up discrepancies between actual costs incurred and actual revenues collected in previous years.

Suppliers will be charged the All-Island System Services Charge Rate on their Loss-Factored Metered Quantity bought in the SEM (QMLF). The TSOs will hold a working capital fund which will help to manage cashflow risk. There will also be provision for a) Within Year Adjustment to the All-Island System Services Charge Rate based on a TSO review, and RA approval, process, b) minor adjustments on a quarterly basis and c) as a final backstop, a pro rata reduction in payments to System Service Providers in circumstances in which a shortfall remains despite any quarterly or Within Year adjustments, and exhaustion of the working capital fund (this shortfall would be reimbursed when funds allow).

The All-Island System Services Code will set out the processes, timelines and algebra for the determination of the All-Island System Services Charge, as well as the obligation on Suppliers to pay the charge. The All-Island System Services Code will then refer to the TSOs' existing TUoS settlement and credit cover processes that facilitate invoicing, billing and credit cover requirements.

9.2 Calculation of the All-Island System Services Charge Rate

9.2.1 All-Island System Services Charge Rate

The All-Island System Services Charge Rate for the Tariff Year Y is the rate at which Suppliers are charged on their MWh demand, to recover System Services costs. It will be calculated with the following formula (with terms defined in subsections 9.2.2, 9.2.3 and 9.2.4 below):

All-Island System Services Charge Rate_Y (€/MWh) = (Forecast Cost_Y + k-factor) / Forecast Demand_Y

The inputs into the All-Island System Services Charge Rate will be determined and set before the start of each Tariff Year. The TSOs will determine the inputs into the All-Island System Services Charge Rate, and the All-Island System Services Charge Rate itself, and seek approval from the Regulatory Authorities in an All-Island System Services Charge Submission document. The All-Island System Services Charge Submission is to be provided to the Regulatory Authorities in advance of the commencement of each Tariff Year, to allow sufficient time for review and implementation of the final approved rate.¹³ If the Regulatory Authorities deem appropriate, they may undertake a public consultation before deciding to

¹² Where the k-factor will comprise the actual k-factor for the Y-2 year, and an estimated Y-1 k-factor.

¹³ The first forecast cost submission will be made by 31st May 2026, with a presentation of assumptions made to the Regulatory Authorities by 30th April 2026.

approve the All-Island System Services Charge Rate. Once the All-Island System Services Charge Rate and its inputs are approved, the final approved values must be published by the TSOs within 5 days.

The All-Island System Services Charge rate is expressed in €/MWh, and SONI will convert the All-Island System Services Charge Rate to GBP using the average forward exchange rate over the last five business days in July.

Methods for determination of individual inputs are discussed further in the subsections below.

9.2.2 Forecast Costs

The TSOs will be responsible for forecasting the revenue to be recovered in each year via the All-Island System Services Charge, with the aim of recovering the costs of the following elements:

- the costs from procuring System Services in the DASSA, net of Compensation Payments, and including any real-time security payments¹⁴;
- any contracts awarded under the Layered Procurement Framework and the Fixed Contracts Framework; and
- any other All-Island System Services, which may not be procured or remunerated through the DASSA, the Layered Procurement Framework or the Fixed Contract Framework.

The All-Island System Services Charge will not be used to recover any costs related to DS3 (including the DS3 transition). For example, the costs of settling the final months of provision under the DS3 contracts and resettlement or reconciliation of DS3 costs that occur post go-live of the FASS arrangements will not be recovered through the All-Island System Services Charge, but through existing TUoS or System Support Services mechanisms. It will also not recover the costs of any system services procured solely for the use of one TSO.

The Forecast Costs will be included in the annual All-Island System Services Charge Submission for review by the Regulatory Authorities.

9.2.3 K-Factor

As the All-Island System Services Charge Rate is based on forecasts of future costs and demand, it will be necessary to include a true-up between the actual incurred costs and the actual revenue received to avoid under or over recovering costs. This is achieved through the use of the k-factor in setting the All-Island System Services Charge Rate, which is calculated from the difference in actual costs and actual revenue.

As set out in the SEMC decision, the k-factor term will be included in the total amount to be recovered in a particular year Y, to account for any variations between actual costs and revenues that occurred in previous years.

¹⁴ Terminology to be confirmed following Residual Availability Determination

As an example, consider setting the All-Island System Service Charge Rate for the Tariff Year Y, as in Figure 3. The Year Y All-Island System Service Charge Rate will be set in Tariff Year Y-1, using cost and demand forecasts for the Tariff Year Y.

At this time (Year Y-1), the full actual costs and revenues in Tariff Year Y-1 are not known, as year Y-1 is not entirely complete, but a k-factor for this year can be estimated. The estimated k-factor would be the difference between a) the sum of the actual costs to date in year Y-1 and the updated forecast costs for the remainder of the year Y-1 and b) the sum of the actual revenues to date in year Y-1 and the forecast revenues for the remainder of the year Y-1 (based on the updated demand forecast).

Additionally, when setting the Tariff Year Y forecast cost, the actual (full) year Y-2 costs are known for the first time and will have been audited. Therefore, the actual Y-2 k-factor is the difference between the year Y-2 actual costs and revenues (accounting for any estimated k-factor for that Tariff Year that had been already applied)

The total costs to be recovered in the All-Island System Services Charge for Tariff Year Y are:

- The forecast of the Tariff Year Y costs;
- The Tariff Year Y-1 estimated k-factor
- The Tariff Year Y-2 actual k-factor

Note that the k-factor can be positive (where the TSOs have under-recovered) or negative (where the TSOs have over-recovered).

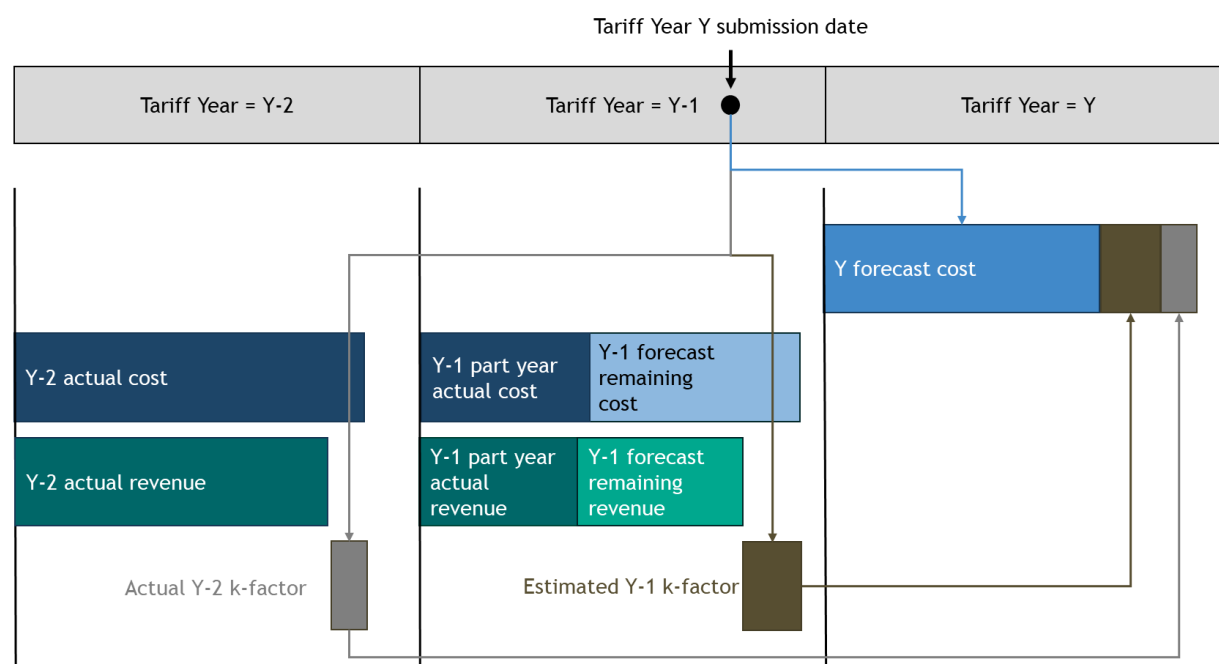


Figure 3 Conceptual application of the k-factor from years Y-1 and Y-2 to costs to be recovered in year Y

Compensation Payments, payable to the TSOs, will be charged for non-delivery by DASSA providers that have not met their commitment obligation. Any such amounts received by the TSOs in year Y will be netted off the actual costs used in calculating the k-factor for that year.

The k-factor will be included in the All-Island System Services Charge Submission for review by the Regulatory Authorities.

9.2.4 Forecast Demand

The All-Island Demand Forecast prepared by the TSOs for the Market Operator tariffs will be used in setting the All-Island System Services Charge. This aligns with other market charges, for example the Imperfections Charge, which also use the All-Island Demand Forecast.

9.3 Calculation and Settlement of the All-Island System Services Charge

9.3.1 All-Island System Services Charge for Supplier Units

The All-Island System Services Charge Rate is levied on the loss-adjusted metered quantity of Supplier Units (QMLF) as defined within the SEM Trading and Settlement code. The All-Island System Services Charge owed by Suppliers in respect of their Supplier Units will be calculated on an Imbalance Settlement Period basis, i.e., the All-Island System Services Charge for Supplier Unit v in Imbalance Settlement Period γ will be

$$\text{All-Island System Services Charge}_{v\gamma} (\text{€}) = \text{QMLF}_{v\gamma} (\text{MWh}) \times \text{All-Island System Services Charge Rate} (\text{€/MWh}) \times \text{FCSS}_{\gamma}$$

Here, $\text{QMLF}_{v\gamma}$ is the Loss-Adjusted Metered Quantity for Supplier Unit v in Settlement Period γ . This has units of MWh. Where $\text{QMLF}_{v\gamma}$ is negative, the $\text{QMLF}_{v\gamma}$ shall be set to zero in the calculation of the All-Island System Services Charge to prevent a payment to the Supplier.

FCSS_{γ} represents the System Services Charge Factor. By default FCSS_{γ} will be set to 1 at the start of each tariff year, but may be altered for a Within Year Adjustment, as described in Section 9.4.

EirGrid and SONI will each calculate the All-Island System Services Charge for each Supplier Unit in their jurisdiction.

9.3.2 Calculation of the All-Island System Services Charge in a Charging Period

The All-Island System Services Charge will be recovered over a Charging Period CP, and for a Supplier Unit v will be:

$$\text{All – Island System Services Charge}_{v\text{CP}} = \sum_{\gamma \in \text{CP}} \text{All – Island System Services Charge}_{v\gamma}$$

9.3.3 Settlement Timing

The settlement timeframes for payment of the All-Island System Services Charge are to be the same as the existing TUoS timeframes that are employed by each TSO, being a calendar month. The TUoS settlement timeframes are contained in SONI's Supplier TUoS agreement¹⁵ and in EirGrid's General Conditions of Connection and Transmission Use of System^{16,17}.

9.4 Cashflow Risk and Deficits

Cashflow imbalances may arise because the All-Island System Services Charge Rate is set in advance based on forecasts of cost and demand and because the All-Island System Services Charge Rate is set on an annual basis while DASSA settlement occurs monthly and will vary based on auction outcomes in that month.

To help manage cashflow imbalances, the TSOs will maintain a working capital facility. The size of this facility will be determined through the relevant regulatory processes in each country.

In addition, a Within Year adjustment to the All-Island System Services Charge Rate may occur, if anticipated costs are being under or over recovered. In this instance, the TSOs will submit a Within Year Adjustment proposal to the Regulatory Authorities for consideration and approval, which will set out the Adjusted All-Island System Services Charge Rate.

A notice period would apply for implementation of a Within Year Adjustment, which would allow for the notice that Suppliers are required to give their customers prior to the introduction of price changes.

A Within Year adjustment can occur at any time within the Tariff Year but as a minimum, a review should be carried out at the mid-year point.

In addition, the SEM Committee has indicated that they will implement a quarterly adjustment mechanism. This mechanism is expected to trigger minor adjustments in cases where deviations are within an upper and lower bound.¹⁸ This will also be given effect through the All-Island System Services Charge Factor. This mechanism was not proposed by the TSOs in their consultation paper and the TSOs are currently exploring the practical implementation of it with the RAs.

While the mechanisms set out in [SEM 25 007](#) are intended and expected to manage any cashflow imbalance, it is still necessary that there be a backstop mechanism in the event of an unmanageable shortfall. In such circumstances the TSOs will temporarily reduce payments to System Service Providers on a pro rata basis (applicable processes are set out in Section 13 Settlement of the Code).¹⁹

¹⁵ <https://cms.soni.ltd.uk/sites/default/files/media/Supplier-TUOS-Agreement-Template.pdf>

¹⁶ [General Conditions of Connection and Transmission Use of System](#)

¹⁷ Payment to System Service Providers will occur after the All-Island System Service Charge has been collected from Suppliers for their Supplier Units, to reduce cash flow risks. Therefore, DASSA settlement and All-Island System Service Charge settlement dates will be offset, so that DASSA settlement occurs after the two dates for which Suppliers pay the All-Island System Service Charge.

¹⁸ These bounds are to be specified in the legal drafting process.

¹⁹ Equivalent provisions exist for Market Operator payments in TSC Section F.22.3 Payment Deferral.

Suppliers will be required to provide credit cover for the All-Island System Services Charge, as described in Section [TBD].

10 Long Term Contracts

11 Delivery - Performance Monitoring

12 Migration to FASS for Existing DS3 Contracts

13 Settlement

14 Approvals

Programme Board Approval Date	Programme Board Attendees:
	•

15 Glossary

15.1 Acronyms

Acronym	Meaning
BM	Balancing Market
DAM	Day Ahead Market
DASSA	Day Ahead System Services Auction
DS3	Delivering a Secure Sustainable Electricity System
DSU	Demand Side Unit
EBGL	Electricity Balancing Guideline
FAM	Final Assignment Mechanism
FASS	Future Arrangements for System Services

Acronym	Meaning
FFR	Fast Frequency Response
FPN	Final Physical Notification
HLD	High-Level Design
IDA (1,2,3)	Intraday Day Ahead
LSAT	Look Ahead Stability Tool
LTS	Long-Term Scheduling
MW	Megawatt
NI	Northern Ireland
POR	Primary Operating Reserve
QMLF	Loss-Factored Metered Quantity
RAs	Regulatory Authorities
ROI	Republic of Ireland
SEM-C	Single Electricity Market Committee
SIR	Synchronous Inertial Response
SLA	Service Level Agreement
SNSP	System Non-Synchronous Penetration
SOR	Secondary Operating Reserve
SSRP	Steady State Reactive Power
TOR (1,2)	Tertiary Operating Reserve
TSO	Transmission System Operator

15.2 Definitions

Term	Definition
Adjusted Supply Function	Supply functions used in the FAM derived from DASSA bids. DASSA bids are adjusted to reflect any volumes already supplied under Confirmed DASSA Orders and the units' final supply (given by their eventual energy positions and availability, independently of whether the unit was triggered or called upon to deliver) in the corresponding time period.
Aggregated Supply Function	The combination of all units' individual supply functions.
Applicant	A person whose application to accede to the Code has been submitted and is being processed by the TSOs
Availability Performance Scalar	A Performance Scalar to incentivise a unit to maintain availability for the volume in its Confirmed DASSA Order. This Performance Scalar is applicable to Confirmed DASSA Order payments (i.e. not applicable to FAM Assignments) over some period. This Performance Scalar will not

Term	Definition
	be applied where a unit cannot maintain availability to fulfil its Confirmed DASSA Order as a result of the TSOs' BM or dispatch actions.
Balancing Capacity	Defined by Article 2 of the EBGL as a balancing service in which a provider has agreed to hold capacity in reserve to potentially provide balancing energy.
Central Trading Platform	A centralised trading platform to facilitate the secondary trading of DASSA Orders and the monitoring of these trades.
Clearing	Sorting and stacking of offers to determine the price to be paid to units awarded DASSA Orders. Results in a single clearing price to be paid uniformly (per unit of volume) for each winning bid .
Compensation Payment	A payment from a DASSA Order Holder to the TSOs for failing to be in a position to provide the volume in its DASSA Order i.e., their FPN is incompatible with meeting the DASSA Order.
Confirmed DASSA Order	An FPN-compatible DASSA Order that is remunerated. It is also an operational commitment to provide that volume of System Services.
Continuous Provision	The provision of reserve services across consecutive time scales (FFR, POR, SOR and TOR1) by a common provider.
Daily Auctions	In this paper, refers to the Day Ahead System Services Auction (DASSA), which will be run after the Day Ahead Market (DAM) and before the first LTS.
DASSA Clearing Price	The marginal price for each System Service that will be paid for volumes in Confirmed DASSA Orders. It will also be the reference used for calculating compensation payments.
DASSA Orders	The volume of System Services and clearing price that a winning bidder has been assigned. It is a contractual requirement to submit a compatible FPN that allows the DASSA Order to be met as opposed to the procurement of actual supply of System Services.
DASSA Order Holder	Providers that have been awarded volume in the DASSA or subsequently bought a DASSA Order through secondary trading.
Default Price	Where a unit has not made a DASSA bid but supplies volume, the price assigned to that volume in its Adjusted Supply Function for the FAM is the default price.
Delivery	Adjusting the units' energy production or consumption in response to being triggered or called upon by the TSOs in relation to a given System Service.
DSO Operator	The role of verifying data provided by System Services Provider as part of their qualification application.
Event Performance Scalar	A Performance Scalar to evaluate a unit's response to frequency deviations, utilising existing performance monitoring methods. This scalar is applicable to payments associated with Confirmed DASSA Orders and FAM Assignments.
Eventual Supply	The total volume of System Services available in real-time.
FAM Clearing Price	The marginal price for each System Service(s) that will be paid for volumes compensated via the FAM.
FAM Assignments	The total assigned volumes required to meet the shortfall not supplied through Confirmed DASSA Orders, assigned to those units who offer the most advantageous terms.
Final Assignment	An ex-post reconciliation mechanism to remunerate provision of additional System Services volumes that were necessary to meet

Term	Definition
Mechanism (FAM)	system requirements, above what is supplied and paid for through Final DASSA Orders.
Frequency Event	A Frequency Event is an event where the Transmission System Frequency falls below, or rises above, pre-defined frequency thresholds.
Full Activation Time (FAT)	The time in which FFR response must be fully activated.
Layered Procurement	The competitive procurement of System Services in the medium timeframe (anytime, up to one year).
Long-Term Contracts	Multi-year agreements that offer delivery payments for System Services at the DASSA-determined prices, along with an availability commitment offered in return for a fixed available fee.
Long-Term Scheduling (LTS)	The TSOs' software used to provide indicative commitment decisions (i.e., which units should be on-line or off-line) up to the end of the Trading Day or the next Trading Day depending on the timing of the LTS run.
Merit Order	In this paper, the ranking of bids ordered by price, then at random.
Order Book	A centralised list of buy and sell orders organised by price levels.
Performance Scalar	Scalars are multiplying factors applied to unit's payments. Performance Scalars are applied to reward and incentivise high levels of performance and to ensure lower payments for a lower level of performance.
Phased Implementation Road Map (PIR)	
Procurement Period	Means the period commencing at 23:00 each day and ending at 23:00.
Providing Unit	Includes Generator Units (as defined in the TSC), Generation Units (as defined in the Grid Codes), demand side units and System Service providers that form part of the scheduling and dispatch process.
Service Level Agreement	Conditions on how fast a process should be.
Service Provider Approver	The role of approving Party, Unit and qualification submissions party.
Service Provider Operator	The role of entering data and uploading documentation on behalf of System Service Provider.
Supply	Being available to deliver additional energy when if triggered or called upon by the TSOs.
Supply Function	A schedule specifying the volume that a unit would be willing to supply at a given unit price, defined by price/quantity pairs specified by the unit in its bid.
Trading Period	Means the period commencing each day for a 30-minute period.
TSO Administrator	The role of entering configuration parameters and make data corrections.
TSO Approver	The role of approving qualification applications, DASSA results, FAM results, settlement closure and to change application status.
TSOs Mix Preferences	A rule or objective function to express the TSOs' preferences when determining the volume mix of qualities/ bundled services.
TSO Operator	The role of managing qualification/registration data and run FAM, DASSA and Settlement processes.
TSO User	Applies to TSO Administrator, TSO Approver and TSO Operator

Term	Definition
Zone	Includes location and jurisdiction of Units.

16 Appendices

17 Agreed Procedures

18 Agreed Procedure 1: Registration²⁰

18.1 Background and Purpose

This Agreed Procedure supplements the rules in relation to the Accession Process, Party registration and Unit registration administered by the System Operator, set out in [chapter X] of the System Services Code (hereinafter referred to as the “Code”). It sets out procedures with which Parties to the Code must comply.

18.1.1 Scope of Agreed Procedure

This Agreed Procedure sets out the procedural steps for:

- (a) *accession to the Code by a Party;*
 - (b) *registration of a Party to participate in the System Services Markets as a Service Provider*
 - (c) *registration of a Unit for participation in the System Services Markets, subject to Qualification;*
- and

It also sets out information in relation to nominating intermediaries, appointing a Data Processing Entity, naming conventions, updating Registration Data and validation of Registration Data by the System Operator and/or Distribution System Operator.

This Agreed Procedure forms an annex to, and is governed by, the Code. This document sets out procedures to be followed subject to the rights and obligations of Parties under the Code. In the event of any conflict between a Party’s obligations set out in the Code and this Agreed Procedure, the Code shall take precedence.

It is not intended that there be any inconsistency or conflict between section 2 “Overview” and section 3 “Procedural Steps”. However, in the event of any inconsistency or conflict, section 3 “Procedural Steps” shall take precedence.

In section 3 “Procedural Steps” a corresponding process flow diagram is included for each procedural steps table. Process flow diagrams are for illustrative purposes. It is not intended that there be any inconsistency or conflict between any procedural steps table and process flow diagram however, in the event of any inconsistency or conflict, a procedural steps table shall take precedence.

18.1.2 Definitions

Words and expressions defined in the Code shall, unless the context otherwise requires or unless otherwise defined herein at Appendix 1 “Definitions and Abbreviations”, have the same meanings when used in this Agreed Procedure. In the event of any conflict between a Party’s obligations set out in the Code and this Agreed Procedure, the Code shall take precedence.

References to particular paragraphs relate internally to this Agreed Procedure unless otherwise specified.

²⁰ In this draft, code references in square brackets refer to TSC clauses and will be updated to refer to System Services Code clauses during legal drafting.

18.1.3 Compliance with Agreed Procedure

Compliance with this Agreed Procedure is required under the terms as set out in the Code.

18.2 Overview

The System Operator operates the arrangements that allow Service Providers to participate in System Services markets, and recover System Services costs from Suppliers, as set out in the Code.

All Parties intending to participate in the System Services Markets must complete the registration process required under the Code and this Agreed Procedure. This process consists of three steps:

- (a) **Code accession:** a process to become a Party to, and be bound by, the Code;
- (b) **Party registration:** provision of company information to be registered as a Service Provider and gain access to the Central IT Systems.
- (c) **Unit registration:** provision of information for a Unit to be registered as a Providing Unit

In addition, a Providing Unit must complete the Qualification process to provide specific System Services.

Accession to the Code will also be required for all Suppliers under the Trading and Settlement Code.

Party and Unit Deregistration are facilitated by the System Operator in accordance with the Code and Agreed Procedure 18 “Suspension and Termination”.

18.2.1 Accession

The procedural steps for accession of a Party are set out at section 3.1 below.

To accede to the Code an Applicant shall:

- (a) complete the Application Form available from the System Operator website (which includes accession conditions e.g., Director’s declaration regarding due execution of the Accession Deed and other requested documents such as company constitution extracts, board resolutions, etc);
- (b) be registered as (or have commenced the process to become) a Party under the Trading and Settlement Code (unless confirmation of System Operator approval for Unit exemption is provided) and comply with eligibility requirements set out in the Code and in the Application Form;
- (c) pay the Accession Fee; and
- (d) execute the Accession Deed.

All of the required information shall be submitted to the System Operator and shall be validated by the System Operator.

Both Party registration and Unit registration must be completed in order to participate in the System Services Markets and these cannot take effect until after the Accession Process has been completed and the Applicant has become a Party to the Code.

18.2.2 Party Registration

The procedural steps for registration of a Party for participation as a Service Provider in the System Services Markets are set out in section 3.2 of this document.

- (a) Contact details
- (b) General declaration
- (c) Exclusionary criteria
- (d) Financial and economic standing
- (e) Self-declaration of financial and economic capacity
- (f) Insurance levels (employer's liability and public liability)
- (g) Health and safety, environment, and employment information
- (h) Tax clearance
- (i) Confirmation the Applicant or Party has acceded to the Code

A registration pack may be accessed on the TSO website/portal.

During the Party Registration process, the System Operator may contact the Applicant to request clarification or further information, which must be received within 20 Working Days following the date of the request.

The System Operator will accept or reject the application within 50 Working Days of receipt of the complete application. Upon successful completion of the Party registration process, the Party becomes a Service Provider and will be assigned a Service Provider ID. A Service Provider ID is a unique identifier pursuant to which Units are aggregated for the purposes of:

- (a) calculating the Required Credit Cover;
- (b) Settlement Statements;
- (c) Settlement Reports;
- (d) Settlement Documents; and,
- (e) Settlement Reallocation Agreements.

A Party shall not register as more than one Service Provider except where it registers as a separate Service Provider for Units being registered in different Currency Zones, or with the written consent of the Regulatory Authorities.

If the Party fails to satisfy any part of the timelines or provision of required information under the Party registration process, the System Operator may withdraw the application by issuing a Deemed Withdrawn Notice to the Party and a refund of the relevant portion of the Participation Fees.

18.2.3 Unit Registration

The procedural steps for registration of a Unit as a Providing Unit are set out at section 3.3 below.²¹

To register a Providing Unit, a Party shall complete the party registration form available from the portal on the TSO website.

For registration of a Unit to take effect, a Party must complete Party registration. However, both the Party registration and Unit registration processes may be progressed simultaneously.

²¹ Supplier Units in the System Services Markets would not undergo Unit Registration.

To register a Unit, Registration Data must be submitted to the System Operator by the Party or Applicant and will be assessed by the System Operator to ensure that the Registration Data is complete and fulfils the eligibility requirements set out in the Code.

Registration Data will include:

- Party Name
- Unit Name
- Site Name
- Confirmation that there is a corresponding registered unit in the Balancing Market (or confirmation of System Operator approval that the Unit is exempt from this requirement).
- Grid co-ordinates of the Connection Point of the Unit
- Metering reference
- Jurisdiction

Once the System Operator has confirmed that the Registration Data is complete and meets the eligibility requirements (and taking into account Table 2 “Provision of Data (Roles and Responsibilities of External Data Providers)”) any questions or clarifications shall be progressed by the relevant Parties (including the Party to be registered, the System Operator and / or the Distribution System Operator).

Once Registration Data has been validated by the System Operator and provided that the Party is not in breach of the Code or the Framework Agreement, the application may be accepted. Once accepted, the System Operator shall issue a Commencement Notice to the Party with a copy sent to any relevant External Data Provider, which will set out the Effective Date and Expiry Date (if any). The Unit will also be issued a unique Unit ID.

The Unit will not be able to participate in the System Services Markets in respect of a System Service until the Qualification process for that System Service has been successfully completed.

A unique Digital Certificate will be assigned to persons that have been nominated by the Party or Service Provider as Users (in accordance with Agreed Procedure 3 “Communication Channel Qualification”). The Digital Certificate permits access to the Central IT Systems on behalf of the registered Service Provider and Unit, subject to the relevant system access permissions outlined in Appendix 2 “Access Roles and Rights of Users”.²²

If the Applicant or Party fails to satisfy any part of the timelines or provision of required information under the Unit registration process, the System Operator may withdraw the application by issuing a Deemed Withdrawn Notice to the Party and a refund of the relevant portion of the Participation Fees.

18.2.4 Nominating an Intermediary

In accordance with the Code, a Unit Owner may nominate an Intermediary to become a Party to the Code and a Service Provider in respect of its Generator Units.

²² This reflects current intention, but arrangements for Digital Certificates will be confirmed as part of the detailed design.

The Unit Owner is required to complete a Form of Authority for the Intermediary, and the Intermediary must obtain Regulatory Authority consent in respect of the arrangement. The Intermediary will provide this Form of Authority and proof of Regulatory Authority consent to the System Operator. The Intermediary shall otherwise follow the standard process for registering as a Party and Service Provider and registering Units.

18.2.5 Naming Conventions

The naming convention for Parties, Service Providers and Units is set out in the table below²³:

Role	Naming Convention
Party	PY_nnnnnnn
Service Provider	PT_nnnnnnn
Trading Site	TS_nnnnnnn
Supplier Unit (also for Trading Site Supplier Units and Associated Supplier Units)	SU_nnnnnnn
Generator Unit	GU_nnnnnnn
Demand Side Unit	DSU_nnnnnnn
Assetless Unit	AU_nnnnnnn
Interconnector Error Unit	IEU_nnnnnnn
Interconnector Residual Capacity Unit	IRCU_nnnnnnn
System Operator	TSO_aaaaaaaaa
Interconnector	I_JJaaaaaaaa ²⁴
Interconnector Administrator	IA_aaaaaaaaa

Table 1: Naming Conventions

18.2.6 Registration of User Access Rights for Service Providers

Appendix 2 “Access Roles and Rights of Users” sets out the registration of access rights and roles of Users following an Applicant’s registration of a Party and subsequent registration of its first Unit to a Service Provider.

²³ Naming conventions will be finalised and updated upon completion of the detailed design.

²⁴ Where “JJ” is an identifier for the Jurisdiction in which the Interconnector injection point resides (i.e.. NI or ROI as applicable).

18.2.7 Appointing a Data Processing Entity

In accordance with the Code a Party, other than the System Operator, may appoint a Data Processing Entity to submit applicable Data Transactions, raise Settlement Queries and view Settlement Statements.

If a Party appoints a Data Processing Entity it shall notify the System Operator by submitting the following information:

- (a) Party name;
- (b) name of person authorised to notify System Operator of a Data Processing Entity;
- (c) name of Data Processing Entity; and
- (d) tasks that can be carried out by the Data Processing Entity.

The System Operator shall acknowledge the submission within 2 Working Days of its receipt. The Party may then treat the Data Processing Entity as a User restricted to the tasks that the Party has permitted it to undertake.

The obtaining of access and permissions for the Data Processing Entity is equivalent to that of other Users, in accordance with Agreed Procedure 3 "Communication Channel Qualification".

18.2.8 Updating Registration Data

Updates to the Registration Data of registered Units are completed in accordance with this agreed procedure and Agreed Procedure 4 "Data Transaction Submission and Validation".

Service Providers may submit updates and modifications to Registration Data via the Central Market Systems using the Communication Channel(s) for which they have been previously qualified. Such update requests shall be submitted at least 3 Working Days before the update becomes effective.

All updates and requests submitted by the Service Provider shall be validated by the System Operator before being approved and applied. Rejection and acceptance notifications are described in Agreed Procedure 4 "Transaction Submission and Validation".

Changes to Registration Data that represent an improvement or increase in technical capability of the provision of System Services must undergo the Qualification process to be approved (if appropriate) by the System Operator.

18.2.9 Validation of Registration Data by External Organisations

The following table details those organisations external to the System Operator i.e. the Distribution System Operator and which will facilitate registration by:

- (a) supporting the Applicant in providing the Registration Data; and
- (b) validating the information provided to the System Operator within the timelines specified in this Agreed Procedure.

The Applicant should liaise with the System Operator prior to the submission of the Registration Pack to facilitate the validation of the Registration Data within 20 Working Days by the relevant external organisations.

Table 2 summarises the roles and responsibilities of External Data Providers with respect to the provision of data under this agreed procedure.

Unit Type	Registration Configuration
Generator Unit (Transmission Connected)	System Operator confirms the relevant Registration Data of the Generator Unit
Generator Unit (Transmission Connected, Non-Controllable)	System Operator confirms the relevant Registration Data of the Generator Unit
Trading Site: Generator Unit / Supplier Unit configurations (Transmission Connected)	System Operator confirms configuration of Registration Data matches with the Connection Agreement
Generator Unit (Distribution Connected)	Distribution System Operator confirms that the relevant Registration Data of Generator Unit matches the equivalent data held by the System Operator
Generator Unit (Distribution Connected, Non-Controllable)	Distribution System Operator confirms that the relevant Registration Data of Generator Unit matches the equivalent data held by the Distribution System Operator
Trading Site: Generator Unit / Supplier Unit configurations (Distribution Connected)	Distribution System Operator confirms configuration of Registration Data matches with the Connection Agreement
Aggregated Generator Unit Transmission and / or Distribution Connected)	System Operator confirms relationship between relevant Generators, Aggregated Generator Unit, and Generator Aggregator as contained in the Generator Aggregator System Operator Agreement
Demand Side Unit	System Operator confirms that the relevant Registration Data and Generator Unit matches the equivalent data held by the System Operator
Interconnector	System Operator confirms the relevant Registration Data of the Interconnector

Table 2: Provision of Data (Roles and Responsibilities of External Data Providers)

18.3 Registration of Special Units

18.3.1 Registration of an Interconnector

A Party may register an Interconnector pursuant to the Code and in accordance with the Unit registration procedure set out at section 3.3 below. As part of the data provided in its Participation Notice, the registering Party shall provide the Interconnector Registration Data.

18.3.2 Registration of an Aggregated Generator Unit

A Generator Aggregator may register or procure the registration of an Aggregated Generator Unit if the criteria set out in of [paragraph B.7.2.10] of the Code are met.

Subject to the above, a Party may register an Aggregated Generator Unit pursuant to the Code and in accordance with the Unit registration procedure set out at section 3.3 below.

18.3.3 Registration of a Trading Unit

A Service Provider registering Generator Units which form part of an Autoproducer Site may also register a separate Trading Unit to facilitate participation in the day ahead and intraday markets as a single Unit.

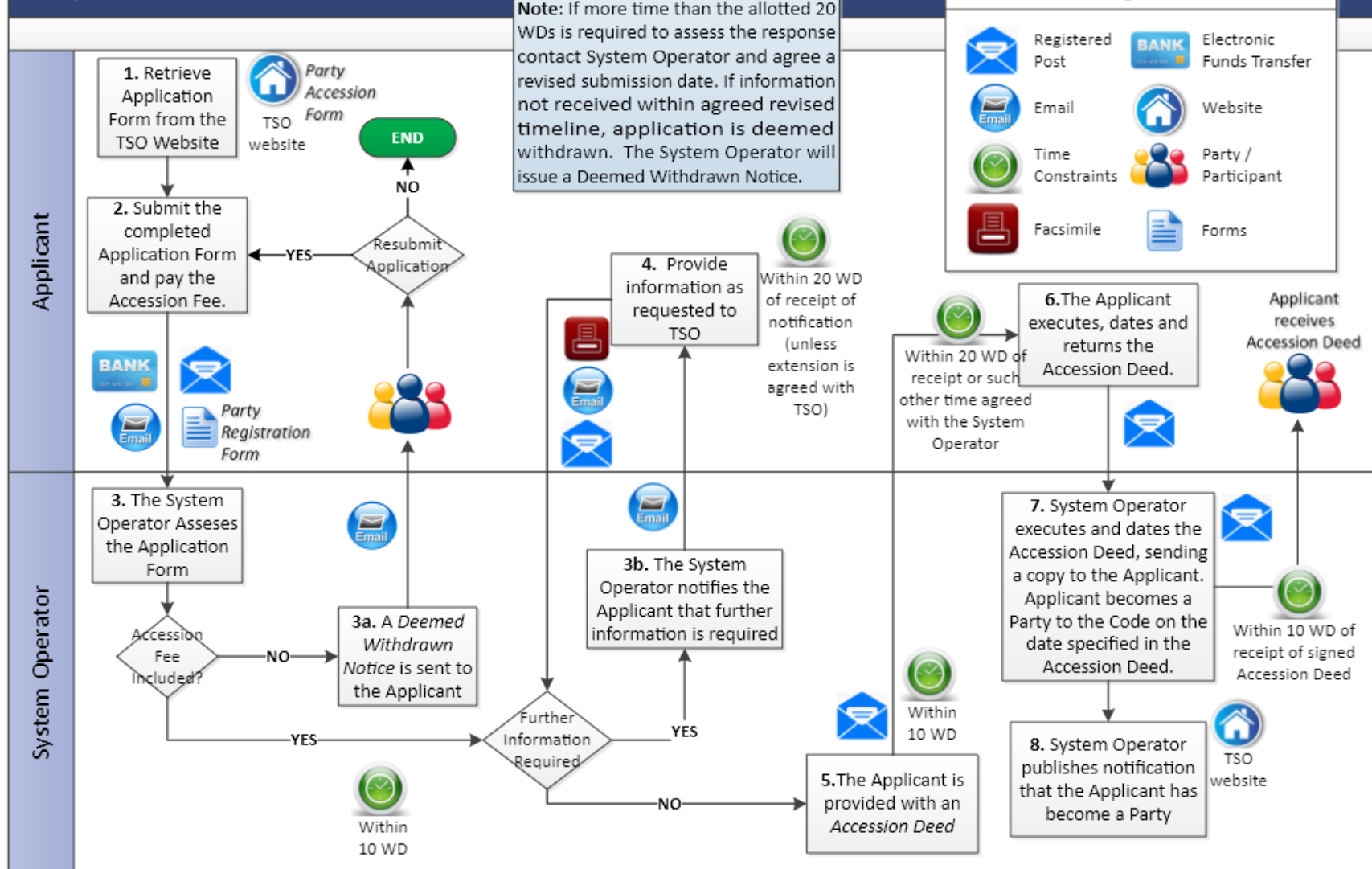
18.4 Procedural Steps

18.4.1 Party Accession

Step	Procedural Step	Timing	Method	By/From	To
1	Retrieve Application Form.	As required	Download from the System Operator website/portal	Applicant	-
2	Submit completed Application Form and pay Accession Fee.	As required	Email / EFT	Applicant	System Operator
3	Assess Application Form and: (a) if Accession Fee is not received with the Application form, application may be withdrawn by issue of a Deemed Withdrawn Notice, end process . The Applicant may resubmit the Application Form and return to step 1; (b) if further information or any clarification is required, notify the Applicant that further information is required, including the content of the information.	Within 10 WD of receipt of Application Form	Email	System Operator	Applicant
4	Upon receipt of notification that further information or clarification is required, provide information as requested to the System Operator. Note: If more time than the allotted 20 WD is required to provide the information, contact System Operator and agree a revised submission date. If information not received within agreed revised timeline, application is deemed	Within 20 WD of receipt of notification that further information is required	Email / Post / Facsimile	Applicant	System Operator

Step	Procedural Step	Timing	Method	By/From	To
	withdrawn. The System Operator will issue a Deemed Withdrawn Notice.				
5	On receipt of all required information and provided the Applicant fulfils the conditions for accession, provide the Applicant with an Accession Deed.	Within 10 WD of final receipt of required information	Email	System Operator	Applicant
6	Applicant executes and dates the Accession Deed and returns it to the System Operator.	Within 20 WD of receipt or such other time agreed with the System Operator	Registered post	Applicant	System Operator
7	System Operator executes and dates the Accession Deed and sends a copy to the Applicant. Applicant becomes a Party to the Code on the date specified in the Accession Deed.	Within 10 WD of receipt of signed Accession Deed	Email	System Operator	Applicant
8	System Operator publishes notification that the Applicant has become a Party to the SS Code.	Within 2 WD of the completed Accession Deed	System Operator website	System Operator	-

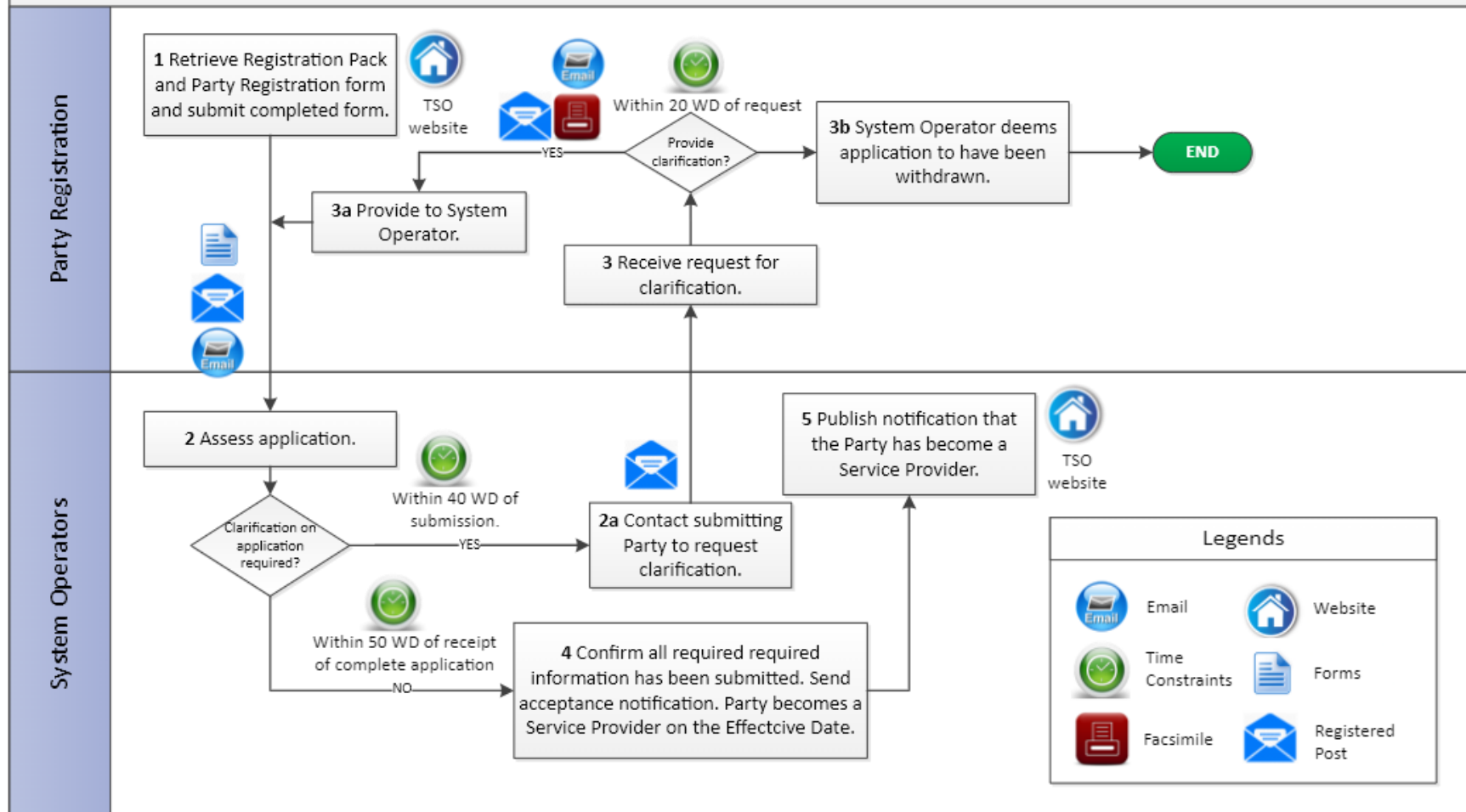
Party Accession



18.4.2 Party Registration

Step	Step Description	Timing	Method	By / From	To
1	Retrieve registration pack and Party registration form and submit completed form.	As required	Download from System Operator website and submit via portal.	Party or Applicant	System Operator
2	Assess application and: (a) If clarification on application is required, contact submitting Party or Applicant to request clarification on application (b) Otherwise, proceed to Step 4.	Within 40 WD of application submission.	Email	System Operator	Party of Applicant
3	Receive request for clarification and: (a) Provide requested clarifications and return to step 2. (b) If no clarification is received, the System Operator shall deem the application to have been withdrawn.	Within 20 WD of notification of the request for clarification.	Email / Post / Facsimile	Party or Applicant	System Operator
4	Provided all conditions of Party registration have been met by the Party or Applicant, confirm that all required information has been submitted and send an acceptance notification to the applicant. Party or Applicant becomes a Service Provider on the Effective Date provided in the acceptance notification.	Within 50 WD of receiving a complete application.	Email	System Operator	Party or Applicant
5	System Operator publishes notification that the Applicant or Party has become a Service Provider.	Within 2 WD	System Operator website	System Operator	-

Party Registration



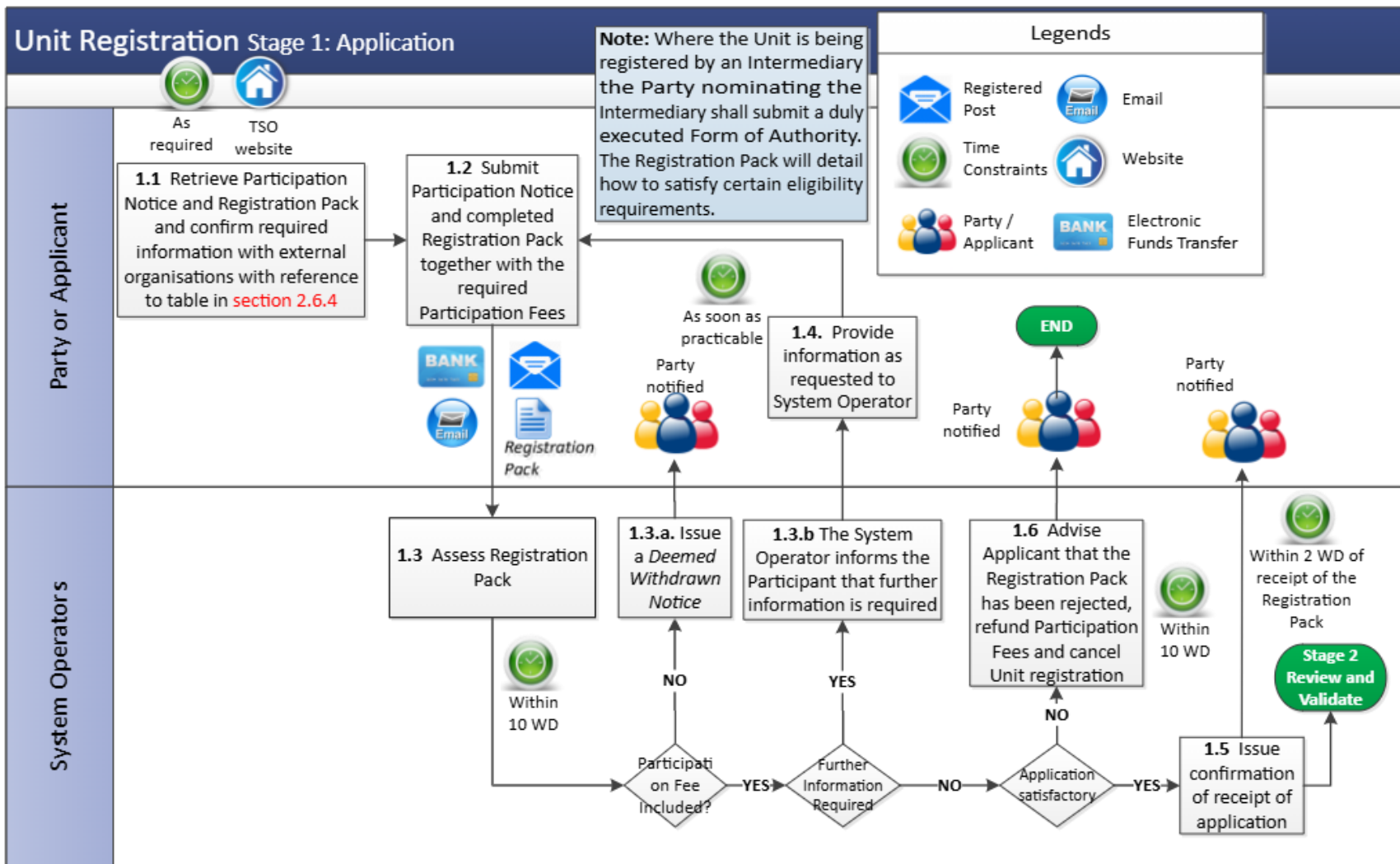
18.5 Unit Registration

18.5.1 Stage 1: Application

The ‘Application’ phase of the Unit registration process captures the process and timelines associated between submission of the Registration Pack by the Applicant or Party, and the subsequent review and acceptance by the System Operator. An Applicant or Party will not progress to Stage 2 of the process, until this stage has been completed.

Step	Step Description	Timing	Method	By / From	To
1.1	Retrieve Registration Pack (this includes the Participation Notice which can be used to register a Unit. Confirm required information with external organisations with reference to Table 2 “Provision of Data (Roles and Responsibilities of External Data Providers)” in section 2.6.3.	As required	Download from the System Operator website, Communication with external organisation	Party or Applicant	System Operator,
1.2	Submit Participation Notice and completed Registration Pack together with the required Participation Fees by way of Electronic Funds Transfer. Note: Where the Unit is being registered by an Intermediary the Party nominating the Intermediary shall submit a duly executed Form of Authority. The Registration Pack will detail how to satisfy certain eligibility requirements.	As required	Email / EFT	Party or Applicant	System Operator
1.3	Assess Registration Pack and: (a) If no Participation Fee, or partial Participation Fee is received with the application for registration, the application is deemed to be withdrawn by the issue of a Deemed Withdrawn Notice, end process .	Within 10 WD of receipt of the application	Email	System Operator	Party or person

Step	Step Description	Timing	Method	By / From	To
	(b) if further clarification or information is required notify the Applicant.				
1.4	Upon receipt of notification that further information or clarification is required, provide information to System Operator as requested.	As soon as practicable	Email / Post / Facsimile	Party of Applicant	System Operator
1.5	Where the application is completed satisfactorily, issue confirmation of receipt of application and continue to stage 2 of the Unit registration process at section 3.3.2 below.	Within 2 WD of receipt of Registration Pack	Email	System Operator	Party or Applicant
1.6	Where the Application is not completed satisfactorily and no additional information has been received by the System Operator, advise Applicant that the Registration Pack has been rejected and refund any Participation Fees entitled to be refunded within 10 WD of having informed the Applicant. Cancel Unit registration and end process .	Within 10 WD of receipt of Registration Pack	Email	System Operator	Party or Applicant



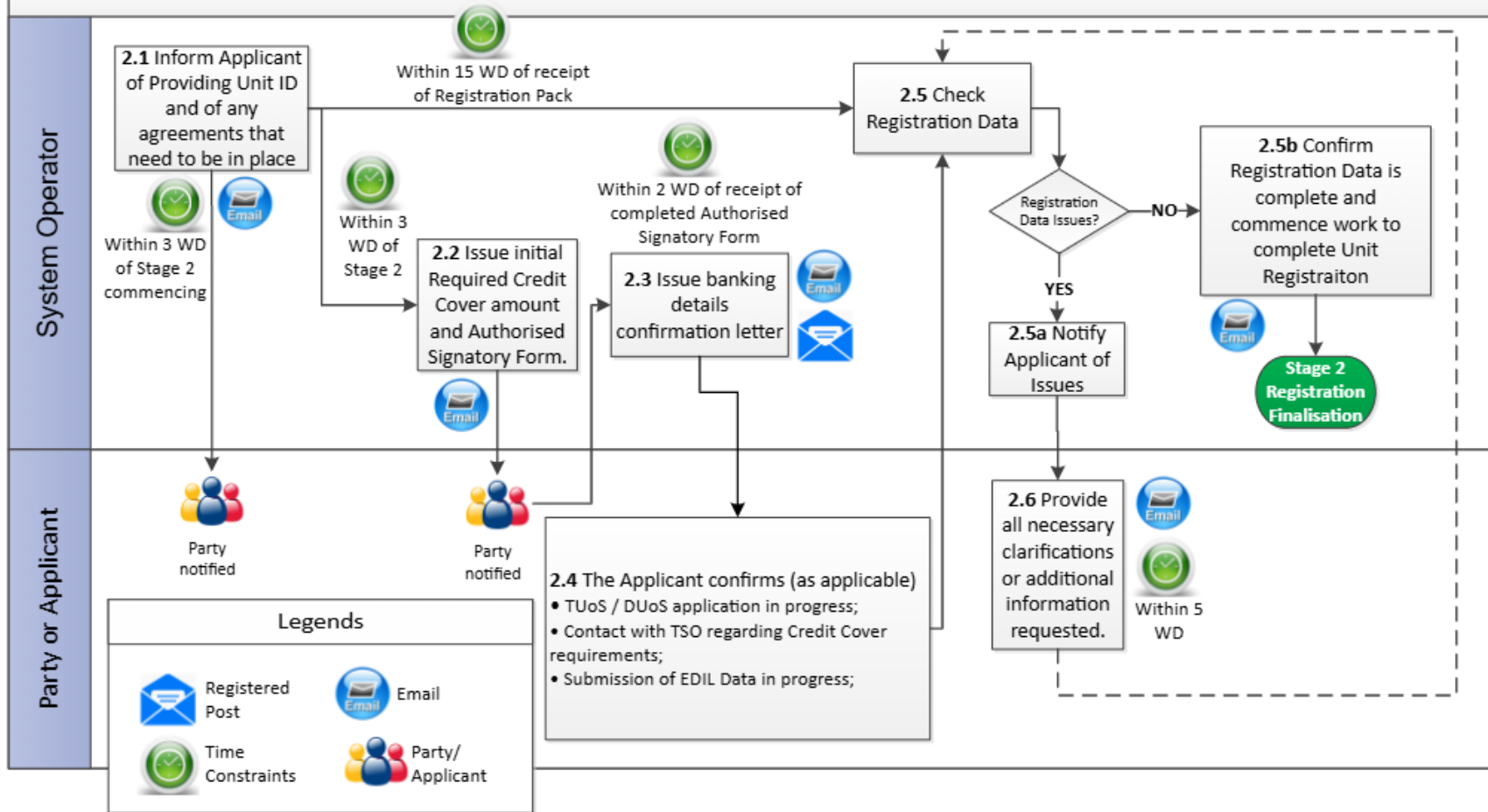
18.5.2 Stage 2: Review and Validation

Once Stage 1 (application) of the Unit registration process is complete, the application for registration will be sent for review and validation by the External Data Providers as well as by the System Operator. This phase of the Unit registration process details the process and timelines associated with reviewing the Unit data contained within the application, as well as confirming all necessary agreements are in place.

Step	Procedural Step	Timing	Method	By / From	To
2.1	Inform Applicant of Unit ID and of any agreements that need to be in place before a Unit can participate in the market.	Within 3 WD of Stage 2 commencing	Email	System Operator	Party or Applicant
2.2	Issue initial Required Credit Cover amount and Authorised Signatory Form.	Within 3 WD of Stage 2 commencing	Email	System Operator	Party or Applicant
2.3	Issue banking details confirmation letter.	Within 2 WD of receipt of completed Authorised Signatory Form	Email / Post	System Operator	Party or Applicant
2.4	The Applicant confirms the following (where applicable): <ul style="list-style-type: none"> • TUoS / DUoS application in progress; • Contact with TSO regarding Credit Cover requirements; • Submission of EDIL Data in progress 	As available, notification of agreements that need to be in place prior to Unit participate in the market	Email	Party or Applicant	System Operators /
2.5	Check Registration Data provided by Service Provider in the Registration Pack and: <ul style="list-style-type: none"> (a) if there are any issues or clarifications required in relation to the information provided notify the Applicant; (b) if no further information is required, confirm the Registration Data is complete, and commence work on System Operator systems and processes to complete Unit Registration. 	Within 15 WD (or as soon as is possible) of receipt of Registration Pack	Email	System Operator	Party or Applicant

Step	Procedural Step	Timing	Method	By / From	To
2.5	Provide all necessary clarifications or additional information requested.	Within 5 WD of request for clarification from System Operator	Email	Party or Applicant	System Operator
2.6	Return to step 2.5 until all requirements have been met and review and validation is complete.	Within 1 WD of receipt of clarifications from the Applicant	Email	System Operator	Meter Data Provider

Unit Registration Stage 2: Review and Validation



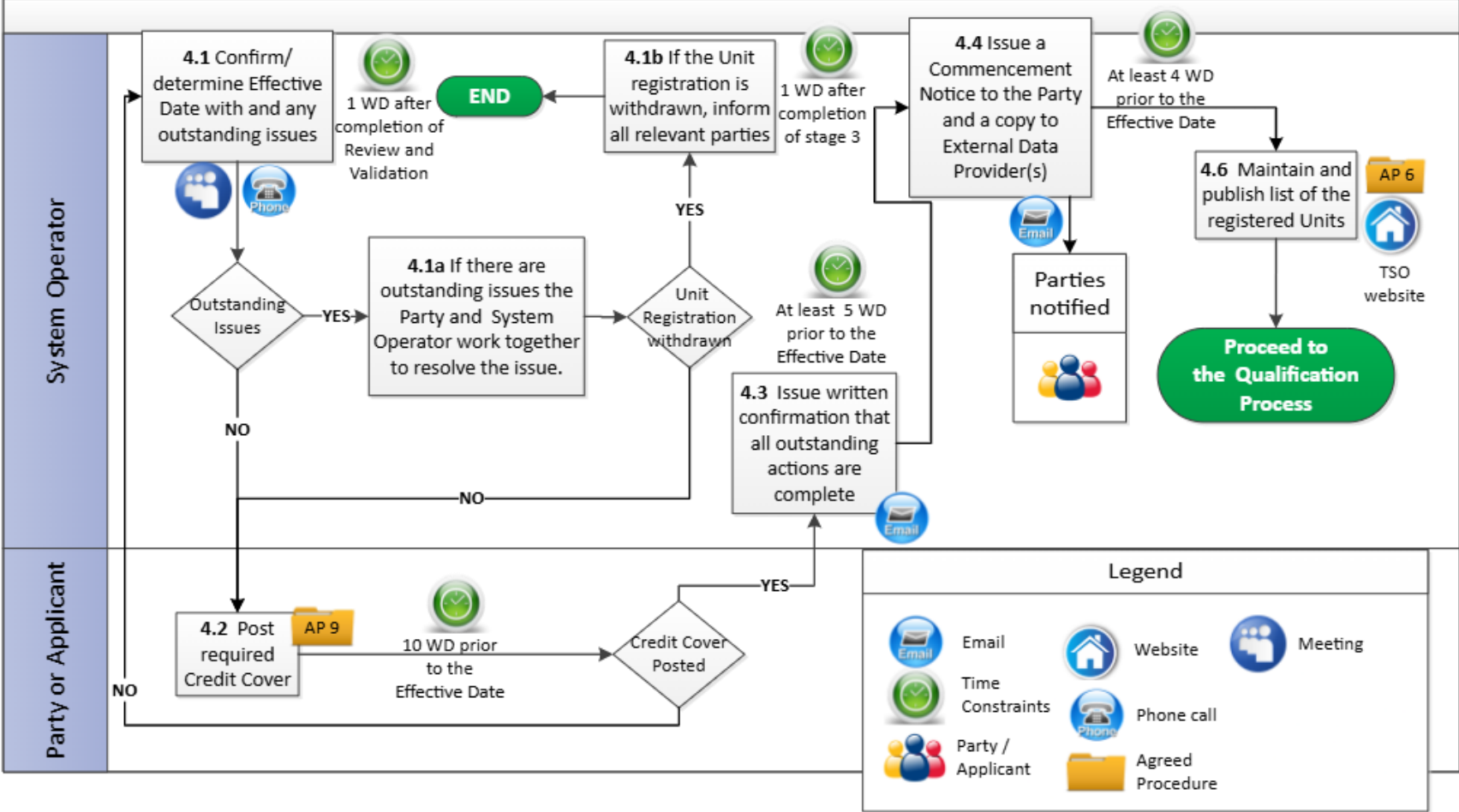
18.5.3 Finalisation of Registration

Once the Review and Validation stage is complete, the Unit registration application will enter the final stage of the application process, the 'Finalisation of Registration' phase. This phase of the application is to confirm an Effective Date for the Unit registration with the System Operator and any applicable External Data Providers. This stage also outlines the readiness activities required to be completed by the System Operator and External Data Providers, as applicable, prior to, and subsequent to, the agreed Effective Date.

Step	Procedural Step	Timing	Method	By/From	To
4.1	<p>Confirm any remaining registration details with the Service Provider including the Effective Date and discuss any outstanding clarifications or issues.</p> <p>(a) If there are outstanding issues the Party (or Applicant) and System Operator work together to resolve the issue. The Unit registration process is on hold until issue resolved.</p> <p>(b) If the Unit registration is withdrawn, inform all relevant parties and end process.</p> <p>Otherwise, proceed to Step 4.2</p>	1 WD after completion of stage 3	Conference call, Meeting or Email	System Operator	Party or Applicant,
4.2	<p>Post required Credit Cover based on Agreed Procedure 9 "Management of Credit Cover and Credit Default"</p> <p>If Credit Cover is not posted according to timelines, return to step 4.1</p>	As early as possible but at least 10 WD prior to the Effective Date	-	Party or Applicant	System Operator
4.3	Issue written confirmation that all outstanding actions are complete and confirm Effective Date.	At least 5 WD prior to the Effective Date	Email	System Operator	Party or Applicant,
4.4	Issue a Commencement Notice to the Party and a copy to any External Data Provider(s).	As early as possible but at least 4 WD prior to the Effective Date	Email	System Operator	Party or Applicant, , the appropriate External Data Provider(s)

Step	Procedural Step	Timing	Method	By/From	To
4.6	Maintain and publish list of the registered Units in accordance with Agreed Procedure 6 “Data Publication and Data Reporting”.	As early as possible prior to the Effective Date	System Operator website	System Operator	
	The Providing Unit may now commence the Qualification Process (as set out in the Code).				

Unit Registration Stage 3: Finalisation of Registration



18.6 Definitions and Abbreviations

18.6.1 Definitions

Application Form	means the form available on the System Operator Website which is required to be completed by an Applicant to become a Party to the Code.
Authorised Signatory Form	means the form received from the System Operator during the registration process described in Agreed Procedure 1 "Registration" which nominates the persons who are authorised to confirm changes to Service Provider bank account details.
Central Market Systems	Means the function within the System Operator's Isolated Market System that interfaces to the Type 2 Channel and Type 3 Channel communications in accordance with the Code.
Deemed Withdrawn Notice	means the notification provided by the System Operator that an application for registration is being withdrawn
Digital Certificate	has the meaning given to it in Agreed Procedure 5 "Data Storage and IT Security".
Functional Area	means the different parts of the Central IT Systems that Users may be provided access as set out in this Agreed Procedure.
Service Provider ID	means the identifier that represents the unique grouping of Providing Units to the entity defined as a Participant in the Code and is used in the Central Market Systems to calculate Required Credit Cover.
Registration Pack	means the documentation and information that assists with Unit and Service Provider registration
User	means: (a) in relation to a Party: a nominated member of the Party staff who is authorised to utilise qualified communication facilities that interact with the System Operator's Central IT Systems; and (b) in relation to the System Operator: a member of the System Operator staff who has been authorised to access specific parts of the Central Market Systems.

18.6.2 Abbreviations

a	Alphabetical indicator in naming convention
DSO	Distribution System Operator
EFT	Electronic Funds Transfer
n	Numerical indicator in naming convention

PAU	Party Administrative User
RU	Registration User
OSU	Other System User
TSO	Transmission System Operator

18.7 Access Roles and Rights of Users²⁵

ACCESS ROLES OVERVIEW

The Party, via the Party Administrative User (“PAU”) defines the access roles and rights of its Users. The Party is responsible for designating the read and write privileges of its Users to each of the Functional Areas of the Central IT System. It is the System Operator who approves all new Users and amendments to existing Users. All updates to User information should be made to the Central IT System.

A User must have a Digital Certificate obtained under Agreed Procedure 3 “Communication Channel Qualification” to access the Central IT System, which will enable data submission by Type 2 Channel or Type 3 Channel. Each User will have a Digital Certificate which is tied to a Party and an application password allowing the User access to the Central IT System. For a User to be eligible to submit or view data for a Service Provider, each User will need appropriate system access for each relevant Service Provider.

CONTACT TYPES

A Party may assign a number of key contacts for different market functions. At a minimum a Party will have to define one key contact for each of the following contact types, as appropriate. If there is one key contact for all these contact types, then only a “Main Contact” should be recorded. This information must be updated by the PAU, once submitted the changes are automatically approved.

Contact Type	Role Description
Main	Main Contact
Registration	Registration Contact
Settlement	System Services Settlement and Billing Contact
Payments	System Services Payments Contact
Credit Cover	System Services Credit Cover Contact

USER TYPES

There are three distinct User Types, each User Type will have unique roles that can be performed within specific Functional Areas. Each Party may identify more than one User for each User type. There shall be no requirement for the System Operator to approve this information.

²⁵ Content in this appendix is to be updated during detailed design.

User Type	Role Description
Party Administrative User (PAU)	The role of the PAU is to create and maintain the User information pertaining to a Party.
Registration User (RU)	The role of the RU is to create and maintain registration data pertaining to the Party, including all entities underneath the Party (E.G. Service Provider, Unit etc).
Other System User (OSU)	<p>A User that is not configured as a PAU or an RU, but is given system access within the Central IT System is an OSU.</p> <p>The role of the OSU is to perform other Read or Write tasks within the Central IT System. System access is administered at a Service Provider level.</p>

Note: A single User can be any combination of a Party Administrative User, Registration User and Other System User, enabling the user to perform all the required functions on behalf of the Party.

ACCESS RIGHTS FOR EACH FUNCTIONAL AREA

User can be given “Read”, “Write” or “No Access” to the following functional areas.

Functional Area	Access Right	
	Read-Only	Read-Write
Registration	No	Yes
DASSA Trading	Yes	Yes
System Services Settlement	Yes	No

Registration Users are provided Read-Write access to “Registration” and will be able to access data for all Service Providers and Units for the relevant Party. To access registration a User must be set up as a Registration User. There shall be no requirement for the System Operator to approve this information.

READ-ONLY ACCESS

A User with Read-Only access:

- (a) Is restricted only to that Service Provider’s data.
- (b) Can only view that Service Provider’s information in the relevant Functional Area but cannot submit any changes to the database.
- (c) Cannot view details of other Service Providers.

READ-WRITE ACCESS

A User with Read-Write access:

- (a) Is restricted only to data relevant to this Service Provider.
- (b) Can view/add/edit only information relevant to this Service Provider.
- (c) Cannot view details of other Service Providers.

18.8 Deed of Charge and Account Security

[DEED OF CHARGE AND ACCOUNT SECURITY is the TSC version,
and any required changes will be made in legal drafting]

DEED of CHARGE and ACCOUNT SECURITY

between

[the Participant]

and

EirGrid p.l.c. and SONI Limited

Dated [] 20[●]

1	DEFINITIONS AND INTERPRETATION	5
1.1	Definitions	5
1.2	Interpretation	7
1.3	Headings	8
1.4	Construction.....	8
2	CREATION OF SECURITY.....	8
2.1	Payment	8
3	PROTECTION OF SECURITY	8
3.1	Continuing security.....	8
3.2	No prejudice	9
3.3	No waiver	9
3.4	Severability.....	9
3.5	Non impairment.....	9
3.6	Further assurance	10
4	POWER OF ATTORNEY.....	10
4.1	Appointment	10
4.2	Ratification	10
4.3	Exercise of power	10
5	REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS.....	10
5.1	Representations and warranties.....	10
5.2	Undertakings	11
6	OPERATION OF ACCOUNT[S]	12
7	ENFORCEMENT	12
7.1	Event of Default	12
7.2	Security enforceable	13
7.3	Law of Property Act, Conveyancing and Law of Property Acts and Irish Act.....	13
7.4	Rights upon enforcement.....	14
7.5	Application of proceeds	15
7.6	Balance.....	15
7.7	Third parties	15
7.8	Redemption of prior securities	15
8	RELEASE.....	16
8.1	Release.....	16
8.2	Avoidance of payments	16
8.3	Retention of Security	16

9	LIABILITY OF MARKET OPERATOR.....	16
9.1	Liability	16
10	MISCELLANEOUS.....	16
10.1	Assignment	16
10.2	Entire agreement	17
10.3	Non-reliance.....	17
10.4	Amendments	17
10.5	Third party rights.....	17
10.6	Counterparts	17
10.7	Expenses	17
11	NOTICES.....	18
11.1	Notices and deemed receipt	18
11.2	Addresses for notices	18
11.3	No electronic service.....	18
12	GOVERNING LAW AND JURISDICTION.....	18

SCHEDULES

SCHEDULE 1	The Account[s] and Account Bank[s]	20
SCHEDULE 2	Part 1: Notice of charge to Account Bank(s)	21
SCHEDULE 2	Part 2: Acknowledgement from Account Bank(s)	23

DEED of CHARGE and ACCOUNT SECURITY dated the [] day of [] 20[] between:

- (1) [] LIMITED [PLC] incorporated in [England] [Scotland] [Northern Ireland] [Ireland] (Registered Number []) whose registered office is at [] (the "**Participant**"); and
- (2) **EirGrid p.l.c.** incorporated in Ireland (Registered Number 338522) whose registered office is situated at Block 2, The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4 and **SONI Limited** incorporated in Northern Ireland (Registered Number NI038715) whose registered office is situated at Castlereagh House, 12 Manse Road, Belfast together trading as the Single Electricity Market Operator (the "**Market Operator**").

RECITALS

- (A) The Market Operator and the Participant are parties to the Single Electricity Market Trading and Settlement Code governing the wholesale sale and purchase of electricity on the island of Ireland (the "**Code**").
- (B) Pursuant to the Code, the Participant is obliged to put in place Credit Cover to secure the Participant's payment obligations under the Code and has elected as permitted by the Code to open SEM Collateral Reserve Account(s) within the meaning of the Code, being the Account(s) referred to in this Deed, to provide such security.
- (C) The parties hereby acknowledge and agree that the Market Operator is the legal account holder of the SEM Collateral Reserve Account(s) for the purposes of discharging any payment obligations of the Participant under the Code and subject to that on trust for the Participant beneficially.
- (D) Pursuant to paragraph G.1.5.2 of the Code, the Participant has agreed to create in favour of the Market Operator a first fixed charge over its equitable and beneficial interest arising in the credit balances held in such Account(s) and all funds held to the credit thereof from time to time and has agreed to execute this Deed for that purpose.
- (E) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised terms or expressions defined in the Code shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed.

In addition, in this Deed:

"**Account[s]**" means the collateral bank account[s] specified in Schedule 1 (as [that account][any such account] may from time to time be re-designated or re-numbered or replaced), including any successor or replacement account of [that account][any such account];

"**Account Bank[s]**" means the bank[s] with which the Account[s] [is] [are] held being, as at the date of this Deed, as specified in Schedule 1, which shall include reference to any successor [of any] thereof;

"**Credit Call**" has the meaning given to this term under the Code;

"Credit Cover" means the credit cover required of and provided by the Participant in a form that meets the requirements of the Code;

"Debit Note" has the meaning given to this term under the Code;

"Debit Note Excess" has the meaning given to this term under the Code;

"Default Interest" has the meaning given to this term under the Code;

"Event of Default" has the meaning given to this term in Clause 7.1 of this Deed;

"Interest" has the meaning given to this term under the Code;

"Irish Act" means the Land and Conveyancing Law Reform Act 2009 of Ireland;

"Law of Property Act" means the Law of Property Act 1925;

"parties" means the parties to this Deed and "party" means either of them;

"Payment Due Date" has the meaning given to this term under the Code;

"Regulatory Authorities" has the meaning given to this term under the Code;

"Required Credit Cover" means the Credit Cover calculated by the Market Operator in accordance with the Code;

"Rights" means all present and future right, equitable title and beneficial interest of the Participant in respect of the Account[s], including (without limitation):

- (i) the benefit of all covenants, undertakings, representations, warranties and indemnities;
- (ii) all powers and remedies of enforcement and/or protection;
- (iii) all rights to receive payment of all amounts assured or payable (or to become payable), all rights to serve notices and/or to make demands and all rights to take such steps as are required to cause payment to become due and payable; and
- (iv) all causes and rights of action in respect of any breach and all rights to receive damages or obtain other relief in respect thereof;

"Schedule[s]" means any one or more of the Schedules to this Deed;

"Secured Obligations" means all or any monies, liabilities and payment obligations, whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or otherwise, which are now or may at any time hereafter (whether before or at any time after demand) be or become due in any manner by the Participant to any SEM Creditor and/or to the Market Operator under the Code including interest which the Market Operator may in the course of its business charge or incur in respect of any of those matters in accordance with the Code as well as after as before any demand made or decree or judgement obtained under this Deed or the Security, and all or any monies, liabilities and payment obligations due under the Code or under this Deed;

"Security" means all or any of the Security Interests now or at any time hereafter created by or pursuant to this Deed;

"Security Assets" means the Account[s] and the debt[s] thereby represented and all sums, whether principal or interest, accrued or accruing, which are now or may at any time hereafter

be deposited in or otherwise standing to the credit of the Account[s], together with all the Rights in connection therewith;

"Security Interest" means any mortgage, charge, pledge, lien, retention of title arrangement (other than in respect of goods purchased in the ordinary course of business), hypothecation, encumbrance or security interest of any kind, or any agreement or arrangement having substantially the same economic or financial effect as any of the foregoing (including any "*hold back*" or "*flawed asset*" arrangement);

"SEM Creditor" has the meaning given to this term under the Code;

"Shortfall" has the meaning given to this term under the Code;

"this Deed" means these presents (including the Schedules) as amended, amended and restated, varied, supplemented, novated, extended or restated from time to time;~~and~~

"Unsecured Bad Debt" has the meaning given to this term under the Code;

"Variable Market Operator Charge" has the meaning given to this term under the Code; and

"Working Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in:

- (a) for the purpose of clause 11.1, the place specified in the address for notice provided by the recipient; and
- (b) for all other purposes:
 - (i) insofar as the Security Assets are located in England or Northern Ireland, London and Belfast; or
 - (ii) insofar as the Security Assets are located in Ireland, Dublin.

1.2 Interpretation

In this Deed, unless the context requires otherwise:

- 1.2.1 words importing the singular shall include the plural and vice versa;
- 1.2.2 references to this Deed or any other document shall be construed as references to this Deed or such other document as amended, supplemented, novated, extended or restated from time to time;
- 1.2.3 references to any statute or statutory provision (including any subordinate legislation) shall include any statute or statutory provision for the time being in force which amends, extends, consolidates or replaces the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision;
- 1.2.4 references to a "**person**" shall include any individual, firm, company, corporation, body, trust or foundation, or any association, partnership or unincorporated body (whether or not having separate legal personality);
- 1.2.5 any reference to a party includes its permitted successors, transferees and assignees;
- 1.2.6 references to a document "**in the agreed form**" means a document in a form agreed by the Participant and the Market Operator and initialled by, or on behalf of, each of them for the purpose of identification as such; and

- 1.2.7 **"tax"** means all forms of taxation, duties, imposts and levies whatsoever in the nature of taxation whenever and wherever imposed, including (but without limitation) all stamp duties, imposts, duties, capital and revenue taxes and value added tax, and **"taxes"** and **"taxation"** shall be construed accordingly.

1.3 **Headings**

The table of contents and the headings in this Deed are included for convenience only and shall be ignored in construing this Deed.

1.4 **Construction**

The parties hereby acknowledge and agree that this Deed is entered into pursuant to Chapter G of the Code. In the event that any of the defined terms used in this Deed are ambiguous, they must be construed in accordance with the Code.

2 **CREATION OF SECURITY**

2.1 **Payment**

The Participant undertakes to the Market Operator that it will pay and discharge the Secured Obligations on the due date therefor.

2.2 **General**

All the Security:

- (a) is created in favour of the Market Operator for itself as the Market Operator under the Code or as a security trustee on behalf of the other SEM Creditors, in both cases to secure the Participants' compliance and performance of their payment obligations under the Code;
- (b) is created over all the Participant's Security Assets; and
- (c) is security for the payment or discharge of the Secured Obligations.

2.3 **Security**

As continuing security for the payment and discharge of the Secured Obligations, the Participant as beneficial owner hereby charges by way of first fixed charge to the Market Operator the Security Assets (including, for the avoidance of doubt, all the Rights in connection therewith).

2.4. **Notices**

Immediately after delivery of this Deed, the Participant shall give notice to the Account Bank in the form set out in Part 1 of Schedule 2. The Market Operator shall procure the Account Bank's acknowledgement and agreement in the form set out in Part 2 of Schedule 2.

3 **PROTECTION OF SECURITY**

3.1 **Continuing security**

The Security shall be a continuing security notwithstanding any intermediate payment or satisfaction of the Secured Obligations and shall remain in force until the Secured Obligations have been fully and unconditionally paid and/or discharged (as appropriate) under the Code.

3.2 **No prejudice**

The Security shall be in addition to and shall not in any way prejudice or be prejudiced by any other Security Interest, right or remedy which the Market Operator may now or at any time hereafter hold for all or any part of the Secured Obligations.

3.3 **No waiver**

Failure or delay on the part of the Market Operator in exercising any right, power or discretion under or pursuant to this Deed shall not operate as a waiver thereof, nor will any single or partial exercise of any such right, power or discretion preclude any other or further exercise thereof. The rights, powers and discretions contained in this Deed are in addition to and not substitution for any right of set-off, compensation, retention, combination of accounts, lien or other right or remedy provided by law.

3.4 **Severability**

The provisions of this Deed shall be severable and distinct from one another and if at any time one or more of such provisions is or becomes or is declared void, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired thereby.

3.5 **Non impairment**

The Participant agrees that none of its obligations or the Market Operator's rights, powers and discretions under this Deed shall be reduced, discharged or otherwise adversely affected by:

- (a) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any Security Interest or any right or remedy which the Market Operator or any other person may have now or in the future from or against the Participant or any other person in respect of any of the Secured Obligations; or
- (b) any failure, act or omission by the Market Operator or any other person in taking up, perfecting or enforcing any Security Interest or guarantee from or against the Participant or any other person in respect of the Secured Obligations; or
- (c) any increase in or waiver or discharge of any of the Secured Obligations or any termination, amendment, variation, supplement, restatement, novation or replacement of any deed, document or agreement relating thereto; or
- (d) any grant of time, indulgence, waiver or concession to the Participant or any other person; or
- (e) any of the administration, receivership, examinership, liquidation, winding-up, insolvency, bankruptcy, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name or style of the Participant or any other person; or
- (f) any invalidity, illegality, unenforceability, irregularity or frustration of any of the Secured Obligations; or
- (g) any renumbering, redesignation or replacement of the Account[s] or its [their] being transferred to another branch or department of the Account Bank[s]; or
- (h) anything done or omitted to be done by the Market Operator or any other person which but for this provision might operate to exonerate or discharge or otherwise reduce or extinguish the liability of the Participant under this Deed or the Security.

3.6 Further assurance

Without prejudice to the provisions of Clause 2 (*Creation of Security*), the Participant shall promptly after being requested to do so by the Market Operator, do all such acts and things, give such instructions (in material or dematerialised form) and sign, seal and execute and deliver all such deeds and other documents as the Market Operator may require for perfecting or protecting the Security in respect of the Security Assets or its priority or for facilitating the operation of the Account[s] and the realisation or application of the Security Assets and the exercise of the rights, powers and discretions conferred on the Market Operator under this Deed. The obligations of the Participant under this Deed shall be in addition to and not in substitution for the covenants for further assurance deemed to be included herein by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

4 POWER OF ATTORNEY

4.1 Appointment

The Participant by way of security hereby irrevocably appoints the Market Operator as its attorney on its behalf and in its name or otherwise, at such times and in such a manner as the Market Operator may think fit to do anything which the Participant is obliged to do (but has not done) under this Deed and/or the Code including, without limitation, to sign, seal, execute and deliver all deeds, documents, notices, further securities, transfers or assignments of and other instruments relating to, and give instructions (in material or dematerialised form) in respect of, the Security Assets.

4.2 Ratification

The Participant hereby ratifies and confirms and agrees to ratify and confirm whatever its attorney may do or purport to do in the exercise or purported exercise of the power of attorney given by the Participant under this Clause.

4.3 Exercise of power

The appointment effected under Clause 4.1 (*Appointment*) shall take effect immediately, but the powers conferred shall only become exercisable upon the Security becoming enforceable or if the Participant does not fulfil any of its obligations under Clause 3.6 (*Further assurance*) within two Working Days of notice from the Market Operator to do so.

5 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

5.1 Representations and warranties

The Participant represents and warrants to the Market Operator that:

- (a) it is duly incorporated and validly existing under the law of [England] [Scotland] [Northern Ireland] [Ireland] [other]*;

*Please delete as appropriate

- (b) it has the capacity and power to enter into this Deed and perform its obligations hereunder and to create the Security;
- (c) it has taken all necessary corporate action to authorise the execution and delivery of the Deed and the performance of its obligations hereunder and the creation of this Security;
- (d) its entering into this Deed and the performance of its obligations hereunder and the creation of the Security will not contravene any law, regulation, agreement or judicial or official order to which it is a party or by which it is bound, or cause any limitation

on any of its powers however imposed, or the right or ability of its directors to exercise any of such powers, to be exceeded;

- (e) all actions, authorisations and consents required or advisable in connection with the creation, performance, validity and enforceability of this Deed and the Security and the transactions hereby contemplated and to ensure that (subject to all necessary registrations being made) the Security constitutes a valid, legal, binding and enforceable first fixed Security Interest over the Security Assets ranking in priority to the interests of any liquidator, administrator or creditor of the Participant have been obtained or effected and are and shall remain in full force and effect;
- (f) it is and will be the sole absolute unencumbered beneficial owner of the Security Assets free of any other Security Interest or third party claims or interests, other than any such Security Interest, claim or interest that has been or may from time to time be created in favour of the Market Operator and/or any other person pursuant to the Code;
- (g) it has not (otherwise than pursuant to this Deed or otherwise in favour of the Market Operator and/or any other person pursuant to the Code) granted or created any Security Interest over or sold, transferred, lent, assigned, parted with its interest in, disposed of, or granted or created any option or other right to purchase or otherwise acquire the Security Assets or any interest therein, or agreed, conditionally or unconditionally, to do so;
- (h) the Participant's obligations under this Deed and (subject to all necessary registrations being made) the Security are and until fully and unconditionally discharged will be valid, legal, binding and enforceable and the Security constitutes and will remain a valid, legal, binding and enforceable first fixed Security Interest over the Security Assets ranking in priority to the interests of any liquidator, administrator or creditor of the Participant; and
- (i) each of the above representations and warranties will be correct and complied with in all respects at all times during the continuance of the Security as if repeated by reference to the circumstances existing at such times.

5.2 Undertakings

The Participant undertakes to the Market Operator that it shall:

- (a) Not, save as permitted by paragraph G.1.6.6 of the Code, make or attempt to make any withdrawal from the Account[s] or create, attempt to create or permit any Security Interest (other than the Security or any Security Interest in favour of the Market Operator and/or any other person created pursuant to the Code) to subsist over or in respect of any of the Security Assets;
- (b) not sell, transfer, lend or otherwise dispose of, or grant or create any other Security Interest over, or any option or other right to purchase or otherwise acquire, the Security Assets or any interest therein (other than any Security Interest in favour of the Market Operator and/or any other person created pursuant to the Code) or agree, conditionally or unconditionally, to do so;
- (c) not take or omit to take any action which would prejudice the Security or impair the Security Assets and shall, at its own cost, promptly take all action which is at any time necessary or which the Market Operator may request, to protect the interests of the Participant and the Market Operator in the Security Assets;
- (d) not vary or abrogate any of the rights attached to the Security Assets or take or omit to take any action which would have that result;

- (e) ensure that no monies or liabilities are outstanding in respect of any of the Security Assets;
- (f) take all action within its power to procure, maintain in effect and comply with all the terms and conditions of all approvals, authorisations, consents and registrations necessary or advisable under or in connection with this Deed and the Security; or
- (g) procure that the Security shall at all times be a valid, legal, binding and enforceable first fixed security interest over the Security Assets ranking in priority to the interests of any liquidator, administrator, examiner or creditor of the Participant.

6 **OPERATION OF ACCOUNT[S]**

Withdrawals

The Participant shall only be entitled to seek any withdrawals from the Account[s] provided that:

- (a) the Participant is not in default in respect of any amount owed to a SEM Creditor;
- (b) the other conditions as set out in paragraphs G.1.6.5 and G.1.6.6 of the Code apply; and
- (c) the Security under this Deed has not been enforced.

7 **ENFORCEMENT**

7.1 **Event of Default**

7.1.1 An "**Event of Default**" shall occur in the event that:

7.1.2 the Participant has not paid a Settlement Document or invoice in full on the Payment Due Date, leading to:

- (a) the Participant having a Shortfall; and
- (b) the Market Operator becoming obliged to make a Credit Call in respect of the Shortfall in accordance with paragraph G.2.6.1 of the Code; and/or

7.1.3 the Participant has not paid an amount set out in an overpayment notice as if it were a Settlement Document in accordance with paragraph G.2.8.1 of the Code, leading to:

- (a) the Participant having a Shortfall; and
- (b) the Market Operator becoming obliged to make a Credit Call in respect of the Shortfall in accordance with paragraph G.2.6.1 of the Code; and/or

7.1.4 the Participant has not paid the amount of a Debit Note Excess after the second Working Day following receipt of a relevant Debit Note in accordance with paragraph G.2.7.7 of the Code, leading to:

- (a) the Participant having a Shortfall; and
- (b) the Market Operator becoming obliged to make a Credit Call in respect of the Shortfall in accordance with paragraph G.2.6.1 of the Code; and/or

7.1.5 the Participant has not paid its Variable Market Operator Charge on the Working Day on which such charge becomes due in accordance with the Code, leading to the Market Operator becoming entitled to make a Credit Call, subject always to the Code.

7.2 Security enforceable

7.2.1 Upon or at any time after the occurrence of an Event of Default:

- (a) the Security shall become enforceable; and
- (b) the following power of sale and other powers, in each case as varied and extended by this Deed, shall be exercisable:
 - (i) in respect of Security Assets which are located in England, the power of sale and other powers conferred by Section 101 of the Law of Property Act;
 - (ii) in respect of Security Assets which are located in Northern Ireland, the power of sale and other powers conferred by Section 19 of the Conveyancing Act 1881 and Section 4 of the Conveyancing Act 1911;
 - (iii) in respect of Security Assets which are located in Ireland, power of sale and other powers conferred by the Irish Act.

7.2.2 For the avoidance of doubt, Clause 7.2.1 shall be without prejudice to the power and right of the Market Operator to:

- (a) in accordance with paragraph G.2.7.1 of the Code, withhold, deduct or set off payment of any amount due to the Participant pursuant to the Code until the amount of any Unsecured Bad Debt and any applicable Default Interest has been recovered in full from the Participant; and/or
- (b) in accordance with paragraph G.2.7.3 of the Code, in order to recover the amount of any Unsecured Bad Debt of the Participant, reduce the amount payable to each SEM Creditor affected by such Unsecured Bad Debt pro-rated in accordance with the Code.

7.3 Law of Property Act, Conveyancing and Law of Property Acts and Irish Act

Insofar as the Security Assets are located in:

- (a) England, Clause 7.3.2 below in relation to the Law of Property Act shall apply;
- (b) Northern Ireland, Clause 7.3.3 below in relation to the Conveyancing and Law of Property Acts shall apply; and
- (c) Ireland, Clause 7.3.4 below in relation to the Irish Act shall apply.

7.3.2 Law of Property Act

The powers conferred by Section 101 of the Law of Property Act as varied and extended by this Deed, shall be deemed to have arisen immediately upon execution of this Deed, and Sections 93, 103 and 109 of the Law of Property Act shall not apply to this Deed.

7.3.3 Conveyancing and Law of Property Acts

The powers conferred by Section 19 of the Conveyancing Act 1881 and Section 4 of the Conveyancing Act 1911, as varied and extended by this Deed, shall be deemed to have arisen immediately upon execution of this Deed, and Sections 17, 20 and 24 of the Conveyancing Act 1881 shall not apply to this Deed.

7.3.4 Irish Act

7.3.4.1 In the event that:

- (a) the laws of Ireland apply to:
 - (i) the Security Assets or any of them; or
 - (ii) the Security or any of it; or
- (b) in the event of the appointment in Ireland of a liquidator, examiner or similar officer to the Participant or over any or all of its assets,

the provisions of Chapter 3 (Obligations, powers and rights of mortgagee) of Part 10 (Mortgages) of the Irish Act, save as specified in Clauses 7.3.4.2 to 7.3.4.4, inclusive, below, shall apply to this Deed notwithstanding anything to the contrary contained in this Deed.

7.3.4.2 The provisions of sections 96(1)(c) (Powers and rights generally), 97 (Taking possession), 99(1) (Mortgagee in possession), 101 (Applications under sections 97 and 100), 103(2) (Obligations on selling), 106(3) (Application of mortgagee's receipts), 107 (Application of proceeds of sale), 108(1) (Appointment of receiver), 108(7) (Remuneration of receiver), 109 (Application of money received by a receiver) and 110(2) (Insurance) of the Irish Act shall not apply to this Deed.

7.3.4.3 The restrictions and any requirements to give notice to the Participant contained in section 108(1) (Appointment of Receiver) of the Irish Act shall not apply to this Deed.

7.3.4.4 The Participant shall not be entitled to take any action in respect of the Security Assets pursuant to section 94 (Court order for sale) of the Irish Act.

7.3.4.5 The restrictions and any requirements to give notice to the Participant contained in section 100 (Power of sale) of the Irish Act shall not apply to this Deed.

7.4 Rights upon enforcement

7.4.1 Powers of Market Operator

At any time after the Security has become enforceable, the Market Operator shall be entitled, without any notice to, demand on or consent of the Participant, either in its own name or in name of the Participant or otherwise, and in such manner and on such terms and conditions as it thinks fit, to take possession of and realise the Security Assets and apply the proceeds of realisation in or towards payment or satisfaction of the Secured Obligations in accordance with Clause 7.5 (Application of proceeds), and in particular, without limiting the generality:

- (a) to call in and/or uplift or withdraw the sums standing to the credit of the Account[s] in whole or part (and whether or not any deposit period may be broken by so doing);
- (b) to do all things it may consider necessary or expedient for the realisation of the Security Assets or incidental to the exercise of any of the rights conferred on it under or in connection with this Deed, the Law of Property Act, the Conveyancing and Law of Property Acts or the Irish Act; and
- (c) generally to exercise all the rights powers and discretions in respect of the Security Assets it would be entitled to exercise if it were the absolute owner of the Security Assets, provided that any monies recovered under this Deed shall be applied in accordance with Clause 7.5.

7.5 **Application of proceeds**

All monies realised or otherwise arising from the enforcement of the Security shall be applied by the Market Operator in or towards payment of any Secured Obligations in accordance with the terms of the Code, and in particular:

- (a) firstly, towards payment of any Shortfall (excluding any Market Operator Charge) together with any applicable Interest or Default Interest;
- (b) secondly, towards payment of any Unsecured Bad Debt;
- (c) thirdly, towards payment of any Variable Market Operator Charges together with any applicable Interest; and
- (d) fourthly, towards payment of any surplus to the Participant;

provided that prior to the enforcement of the Security, any credit balances held in the Account[s] shall be applied in accordance with paragraphs G.1.6.3 and G.1.6.6 of the Code.

This Clause is subject to the settlement of any claims which have priority over the Security and shall not prejudice the Market Operator's right to recover any shortfall from the Participant in accordance with the provisions of the Code.

7.6 **Balance**

The rights powers and discretions conferred on the Market Operator (subject to the terms of the Code) under this Deed are subject only to its obligation to account to the Participant for any balance of the Security Assets or their proceeds remaining in its hands after the Secured Obligations have been fully and unconditionally paid and discharged.

7.7 **Third parties**

7.7.1 No person dealing with the Market Operator in relation to the Security Assets shall be concerned to enquire whether any event has occurred upon which any of the rights, powers and discretions conferred under or in connection with this Deed or (in the case of Security Assets located in England) the Law of Property Act or (in the case of Security Assets located in Northern Ireland) the Conveyancing and Law of Property Acts or (in the case of Security Assets located in Ireland) the Irish Act is or may be exercisable, or whether any of the rights, powers and discretions exercised or purported to be exercised by it hereunder has otherwise become exercisable, whether any of the Secured Obligations remains outstanding, or generally as to the propriety or validity of the exercise or purported exercise of any right, power or discretion hereunder. All the protection to purchasers and other persons contained in Sections 104 and 107 of the Law of Property Act (in respect of Security Assets located in England), Sections 21 and 22 of the Conveyancing and Law of Property Act 1881 (in respect of Security Assets located in Northern Ireland) and sections 104, 105 and 106(1) of the Irish Act (in respect of Security Assets located in Ireland) shall apply to any person purchasing from or dealing with the Market Operator as if the Secured Obligations had become due and the statutory powers of sale in relation to the Security Assets had arisen on the date of this Deed.

7.7.2 The receipt or discharge of the Market Operator shall be an absolute discharge to any purchaser or other person dealing with the Market Operator in relation to the Security Assets and any such purchaser or other person shall not have any obligation to enquire after or see to the application of any payments made by it to the Market Operator or at its direction.

7.8 **Redemption of prior securities**

7.8.1 The Market Operator shall be entitled at any time:

- (a) to redeem any prior Security Interest over the Security Assets; and/or
- (b) to procure the transfer of such Security Interest to itself or its nominee; and/or
- (c) to settle and pass the accounts of the person or persons entitled to any such prior Security Interest and any accounts so settled and passed shall, save for manifest error, be conclusive and binding on the Participant.

7.8.2 The Participant shall pay the Market Operator, immediately on demand, the costs and expenses incurred by the Market Operator in connection with any such redemption and/or transfer, including the payment of any principal or interest, and these shall be subject to the terms of Clause 10 (Miscellaneous) and shall be Secured Obligations.

8 RELEASE

8.1 Release

When the Market Operator confirms in writing to the Participant that the Secured Obligations have been fully and unconditionally paid or discharged the Market Operator shall at the Participant's request, and at its expense, discharge the Security and retransfer to the Participant so much of the Security Assets as has not been realised or applied in or towards satisfaction of the Secured Obligations. Any payment or realisation in respect of the Secured Obligations which in the reasonable opinion of the Market Operator is liable to be avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, shall not be regarded as having been irrevocably effected until the expiry of the period during which it may be challenged on any such ground.

8.2 Avoidance of payments

The Market Operator's right to recover the Secured Obligations in full shall not be affected or prejudiced by any payment or realisation which is avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, or by any release or discharge given by the Market Operator on the faith of any such payment or realisation.

8.3 Retention of Security

If any payment or realisation in respect of the Secured Obligations is, in the Market Operator's reasonable opinion, liable to be avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, the Market Operator shall be entitled to retain this Deed and the Security undischarged and shall not be obliged to retransfer the Security Assets until the expiry of the period during which it may be challenged on any such ground.

9 LIABILITY OF MARKET OPERATOR

9.1 Liability

The Market Operator shall not in any circumstances be liable to the Participant or any other person as mortgagee in possession or otherwise for any losses, damages, liabilities or expenses arising from or in connection with the application or enforcement of the Security or any realisation, appropriation or application of the Security Assets or from any act, default or omission of the Market Operator in relation to the Security Assets or otherwise in connection with this Deed and the Security except to the extent caused by reckless or wilful misconduct.

10 MISCELLANEOUS

10.1 Assignment

10.1.1 The Market Operator may at any time, with the prior written consent of the Regulatory Authorities (but without notice to or consent of the Participant), assign or transfer the benefit

of this Deed and the Security or any of its rights or obligations thereunder, provided that such assignment and transfer is in compliance with any applicable requirements of the Code. The Market Operator shall, with the prior written consent of the Regulatory Authorities, be entitled to impart any information concerning the Participant to any assignee, transferee or proposed assignee or transferee or to any person who may otherwise enter into contractual relations with the Market Operator in relation to this Deed, the Secured Assets or the Secured Obligations.

10.1.2 The Participant may not assign, transfer or otherwise deal with the benefit or burden of this Deed or the Security or any of its rights or obligations thereunder.

10.1.3 This Deed shall be binding upon and inure to the benefit of each of the parties hereto and the Market Operator's respective permitted successors, transferees and assignees and references in this Deed to any of them shall be construed accordingly.

10.2 **Entire agreement**

This Deed constitutes the entire agreement and understanding of the parties in relation to the security interests created herein in furtherance of the provisions in Chapter G of the Code and supersedes any previous agreement between the parties relating to the subject matter of this Deed.

10.3 **Non-reliance**

Each of the parties acknowledges and agrees that in entering into this Deed it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or undertaking (whether negligently or innocently made) of any person (whether a party or not) other than as expressly set out in this Deed.

10.4 **Amendments**

No amendment or variation of this Deed shall be effective unless it is in writing and executed by or on behalf of each of the parties.

10.5 **Third party rights**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Deed and only the parties hereto may enjoy its benefit or enforce its terms.

10.6 **Counterparts**

This Deed may be executed in any number of counterparts, and by one or more parties hereto in separate counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

10.7 **Expenses**

10.7.1 Each Party shall pay its own costs incurred in connection with the negotiation, preparation and execution of this Deed.

10.7.2 The Market Operator shall pay any costs incurred in connection with the registration of this Deed.

11 NOTICES

11.1 Notices and deemed receipt

11.1.1 Any demand or notice to be given under this Deed shall be in writing signed by or on behalf of the party giving it and shall be served by delivering it personally or sending it by pre-paid recorded delivery or registered post or by facsimile to the address and for the attention of

the relevant party set out in Clause 11.2 (or as otherwise notified by that party thereunder). Any such notice shall be deemed to have been received:

- (a) if delivered personally, at the time of delivery or attempted delivery;
- (b) in the case of pre-paid recorded delivery or registered post, at the time of delivery or attempted delivery; and
- (c) in the case of facsimile, at the time of transmission, where in order to prove transmission it shall be sufficient to produce confirmation of uninterrupted transmission by a transmission report,

provided that if deemed receipt occurs before 9am on a Working Day the notice shall be deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm on a Working Day, or on a day which is not a Working Day, the notice shall be deemed to have been received at 9am on the next Working Day.

11.2 Addresses for notices

The addresses and facsimile numbers of the parties for the purposes of this Clause 11.2 are:

The Market Operator

Address: []

For the attention of: []

Fax number: []

The Participant

Address: []

For the attention of: []

Fax number: []

or such other address or facsimile number as may be notified in writing from time to time by the relevant party to the other.

11.3 No electronic service

For the avoidance of doubt no demand or notice given under this Deed shall be validly given if sent by e-mail.

12 GOVERNING LAW AND JURISDICTION

12.1 This Deed (including any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with: (i) insofar as the Security Assets are located in England, the laws of England; insofar as the Security Assets are located in

Northern Ireland, the laws of Northern Ireland; and (iii) insofar as the Security Assets are located in Ireland, the laws of Ireland.

- 12.2 The parties irrevocably submit: (i) insofar as the Security Assets are located in England, to the non-exclusive jurisdiction of the English Courts; (ii) insofar as the Security Assets are located in Northern Ireland, to the non-exclusive jurisdiction of the Northern Irish Courts; and (iii) insofar as the Security Assets are located in Ireland, to the non-exclusive jurisdiction of the Irish Courts.

EXECUTED AND DELIVERED as a deed on the date first above stated.

SCHEDULES

SCHEDULE 1

The Account[s] and Account Bank[s]

Name of Account	Number of Account	Bank, Branch and sort code where Account held
[]	[]	[]

SCHEDULE 2

Part 1: Notice of charge to Account Bank(s)

[On letterhead of Participant]

To: Name of Account Bank (the "Account Bank")

Branch: []

Address: []

Attention: []

Date: []

Dear Sirs

Account number[s]: [specify] (the "Account[s]")

We ([insert name] (the "**Participant**")) hereby give notice that by a Deed of Charge and Account Security between us and EirGrid p.l.c. and SONI Limited together trading as the Single Electricity Market Operator (the "**Market Operator**") dated the [] day of [] 200[] (the "**Account Security**") we have charged by way of first fixed charge to the Market Operator our whole right, equitable title and beneficial interest present and future in the Account[s], the debt(s) thereby represented, and all sums, whether principal or interest, now or hereafter deposited in or otherwise standing to the credit of the Account[s]. A copy of the Account Security is annexed.

We irrevocably instruct and authorise you, without further reference to, or enquiry or permission from, us:

- a. to disclose to the Market Operator any information about the Account[s] which it may request;
- b. to comply with the terms of any written notice or instruction relating to the Account[s] which you may receive from the Market Operator;
- c. to hold all sums standing at credit of the Account[s] to the order of the Market Operator;
- d. to pay or release any sum standing at credit of the Account[s] only in accordance with the written instructions or with the written consent of the Market Operator.

For the avoidance of doubt, any notice, instruction or authorisation from the Market Operator may validly be given by fax or email.

The instructions and authorisations in this letter may not be revoked or amended without the prior written consent of the Market Operator.

Please confirm that you have not received notice or are otherwise aware of any other assignment, charge, encumbrance or third party interest in respect of the Account[s] or the sums standing at credit of or any rights or benefits relating to the Account[s] and that you have not claimed or exercised, and will not claim or exercise any right of set-off, counterclaim, deduction, lien or combination of accounts or security interest in respect thereof.

In the absence of gross negligence or wilful misconduct on its part, the Account Bank shall not be liable to the Participant, Market Operator or any other person with respect to any act or omission in connection with the services provided. Provided that it has complied with the terms of the written acknowledgement by it of this notice and, to the extent not inconsistent with such acknowledgment, with the mandate relating to, and terms and conditions applicable to the Account[s], under no circumstances shall the Account Bank be liable to the Participant, Market Operator or any other person for indirect or consequential damages and the Account Bank shall not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Account Bank has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

This letter is governed by [Northern Irish/Irish/English] law*.

Please acknowledge receipt and confirm your agreement to the terms hereof by sending the attached acknowledgement to the Market Operator with a copy to us.

Yours faithfully

For and on behalf of [Participant]

.....
Authorised Signatory

*Please delete as appropriate

SCHEDULE 2
Part 2: Acknowledgement from Account Bank(s)
[On letterhead of [each] Account Bank]

To: EirGrid p.l.c.

and SONI Limited

Address: []

Attention: []

Date: []

Dear Sirs

Account number[s]: [specify] (the "Account[s]")

We hereby acknowledge receipt from [Participant] of a notice of charge dated [] (the "**Notice**") of its whole right, equitable title and beneficial interest, present and future, in and to the Account[s], the debt(s) thereby represented, and all sums, whether principal or interest, now or hereafter deposited in or otherwise standing to the credit of the Account[s]. We also acknowledge receipt of a copy of the Deed of Charge and Account Security dated [] 200[] between you and the Participant (the "**Account Security**").

We confirm that:

- a we accept the instructions contained in the Notice and undertake to comply with its terms;
- b we have not received nor are we aware of any other assignment, charge, encumbrance or third party interest in the Account[s] or the sums standing at credit of or, any rights and benefits relating to the Account[s];
- c we have not claimed or exercised, nor will we claim or exercise, any right of set-off, counterclaim, deduction, lien, combination of accounts or security interest in respect of the Account[s]; and
- d we will not permit any amount to be withdrawn from the Account[s] except on your written instructions or with your prior written consent in accordance with the provisions of Clause 6 (Withdrawals) of the Account Security (which instructions or consent appear on their face to be validly given and Danske Bank A/S has not nor is it required to verify or confirm with any person whether such notice or consent was actually given by any person authorised to do so or the circumstances which would entitle such notice to be given had actually occurred) or otherwise (to the extent not inconsistent with the foregoing) in accordance with any bank mandate in relation to the Accounts.

We are aware that you will rely on this letter in respect of your rights under the Account Security.

This letter is governed by [Northern Irish/Irish/English] Law^{*}.

Yours faithfully

For and on behalf of [Account Bank]

.....

Authorised Signatory

Copied to: [Participant]

Address:

Attention:

*Please delete as appropriate

[Appropriate execution blocks for Participant to execute as a deed to be included]

**THE COMMON SEAL of
EirGrid p.l.c.
was affixed hereto
and this Deed was delivered:**

Director

Director/Secretary

**EXECUTED and DELIVERED as a
DEED by SONI Limited
acting by:**

.....	Director
.....	Full Name
.....	Director
Full Name	

18.9 Agreed Procedure 2: Data Storage and IT Security

18.10 Agreed Procedure 3: Data Publication and Data Reporting

18.11 Agreed Procedure 4: Management of Credit Cover and Credit Default

18.12 Agreed Procedure 5: Modifications Committee Operation

18.13 Agreed Procedure 6: Settlement Queries

19 Agreed Procedure 7: Disputes²⁶

19.1 Background and Purpose

This Agreed Procedure supplements the Dispute Resolution Process set out at [section B.19] of the System Services Code (hereinafter referred to as the “Code”). It sets out procedures with which Parties to the Code must comply.

19.1.1 Scope of Agreed Procedure

This Agreed Procedure sets out the procedural steps for:

- (a) the raising of a Dispute;
- (b) the appointment of the System Services Dispute Resolution Board (SSDRB) to make a decision on a Dispute;
- (c) the timescales / procedure associated with a decision of the SSDRB; and
- (d) the timelines to commence Court proceedings if Parties are dissatisfied with the decision taken by the SSDRB.

This Agreed Procedure does not include the setting up of the Panel from which members of the SSDRB are drawn. It does not make any statement regarding Court proceedings once they have begun.

This Agreed Procedure forms an annex to, and is governed by, the Code. This document sets out procedures to be followed, subject to the rights and obligations of Parties under the Code. In the event of any conflict between a Party’s obligations set out in the Code and this Agreed Procedure, the Code shall take precedence.

It is not intended that there be any inconsistency or conflict between section 2 “Overview” and section 3 “Procedural Steps”. However, in the event of any inconsistency or conflict, section 3 “Procedural Steps” shall take precedence.

In section 3 “Procedural Steps” a corresponding process flow diagram is included for each procedural steps table. Process flow diagrams are for illustrative purposes. It is not intended that there be any inconsistency or conflict between any procedural steps table and process flow diagram however, in the event of any inconsistency or conflict, a procedural steps table shall take precedence.

The provisions set out in this Dispute Resolution procedure shall not prejudice or restrict any Party’s entitlement to seek interim or interlocutory relief directly from the appropriate Court or Courts having competent jurisdiction.

19.1.2 Definitions

Words and expressions defined in the Code shall, unless the context otherwise requires or unless otherwise defined herein at Appendix 1 (Definitions), have the same meanings when used in this Agreed Procedure.

References to particular paragraphs relate internally to this Agreed Procedure unless otherwise specified.

²⁶ In this draft, code references in square brackets refer to TSC clauses and will be updated to refer to System Services Code clauses during legal drafting.

19.1.3 Compliance with Agreed Procedure

Compliance with this Agreed Procedure is required under the terms of the Code.

19.2 Overview

19.2.1 Raising a Dispute

A Dispute is raised under the Code where:

- (a) one Party serves a Notice of Dispute within the applicable timeframes, as set out at paragraph [TSC paragraph B.19.1.3] of the Code; or
- (b) a Dispute is deemed to arise under [paragraph G.3.2.15] following a Settlement Query.

A Party shall serve a Notice of Dispute by completing and delivering the Notice of Dispute Form available on the System Operator's website signed by an Authorised Person. The Notice of Dispute shall include the following:

- (a) details of the Dispute including the paragraphs of the Code relevant to the matters being disputed;
- (b) additional supporting documentation;
- (c) counterparties to the Dispute;
- (d) the proposed negotiation timeframe; and
- (e) any corrective actions sought.

A copy of the Dispute Notice must be sent to the System Operators who will identify and inform Affected Parties to the Dispute. Where the System Operator are a counterparty to the Dispute, they will send a copy of the Dispute Notice to the Regulatory Authorities.

Following the raising of a Dispute, the System Operators will assign a unique identifier and will coordinate a meeting with the Disputing Parties in an attempt to resolve the Dispute by negotiation.

19.2.2 Referral to a System Services Dispute Resolution Board

If a Dispute is not resolved by negotiation between the Dispute Counterparties within the timelines specified in section 3.1 below it may, subject to the provisions set out in the Code, be referred to a SSRB through the issuing of a Referral Notice by any Disputing Party.

A Referral Notice shall state:

- (a) the section of the Code under which the Referral Notice is given;
- (b) the Dispute identifier; and
- (c) that the Dispute is being referred to a SSRB.

The procedures in relation to SSRB composition and SSRB decisions are set out in section 3.2 and section 3.3 below.

19.3 Procedural Steps

19.3.1 Raising a Dispute

Step	Step Description	Timing	Method	From / By	To
1a	Pricing Dispute Notify System Operator of the Pricing Dispute by sending a completed Notice of Dispute Form (available on the System Operator's website).	Within 5 WD of the relevant DASSA Price being published.	Email / Facsimile	Raising Party	System Operator
1b	Dispute arising from a Settlement Query Notify System Operator of the Dispute by completing and sending a Notice of Dispute (available on the System Operator's website).	Within 5 WD of receipt of the System Operator's determination in respect of a Settlement Query	Email / Facsimile	Raising Party	System Operator
1c	Dispute arising from a claimed conflict between the Code and other Legal Requirements Notify System Operator of the Dispute by completing and sending a Notice of Dispute (available on the System Operator's website).	Within 5 WD of a request from the Regulatory Authorities or the System Operator in accordance with [TSC paragraph B.22.2.3] of the Code	Email / Facsimile	Raising Party	System Operator

Step	Step Description	Timing	Method	From / By	To
1d	Dispute other than those referred to at step 1a, step 1b and step 1c Notify Dispute Counterparty or Dispute Counterparties of the Dispute by sending a Notice of Dispute (available on the System Operator's website).	Within 20 WD of Disputing Party being aware of the Disputed Event and in any event within 1 years of the Disputed Event	Email / Facsimile	Raising Party	Dispute Counterparties
1e	Dispute automatically arising from failure by System Operator to issue a resolution in respect of a Settlement Query. Notice of Dispute is not required, go to step 3.	. Dispute arises on the date on which the System Operator was required to issue a resolution in respect of the Settlement Query under the Code	-	-	-
2	If not already, send a copy of the Notice of Dispute to the System Operator. If the System Operator is a Dispute Counterparty, send a copy of the Notice of Dispute to the Regulatory Authorities.	At the same time as step 1	Email / Facsimile	Raising Party	System Operator or Regulatory Authorities (as appropriate)
3	If Dispute automatically arose under step 1e above, provide notification to the Dispute Counterparty and the Regulatory Authorities that the Dispute has arisen.	Within 5 WD of Dispute being deemed to arise	Email / Facsimile	System Operator	Dispute Counterparty and Regulatory Authorities
4	System Operator identifies other potential Affected Parties and notifies them of the Dispute based on the high-level information set out in the Notice of Dispute.	Within 5 WD or as soon as the Affected Party is clearly identified	Email / Facsimile	System Operator	Affected Parties

Step	Step Description	Timing	Method	From / By	To
5	If the Dispute is a Pricing Dispute issue a Notice or otherwise identify to all Parties of the relevant published DASSA Price ²⁷ that is subject to the Pricing Dispute	As soon as practicable after receipt of the Notice of Dispute	Publish Notice and/or flag on published DASSA Price	System Operator	All Parties and Regulatory Authorities
6	Hold a meeting and attempt to resolve the Dispute by negotiation. For a General Dispute continue to step 7. For a Pricing Dispute go to step 13. For a Credit Cover Dispute go to step 11.	General Dispute: Within 10 WD of the date of receipt of the Notice of Dispute, or of the date of the Dispute arising under 1e above Pricing Dispute: Within 5 WD of the Notice of Dispute Credit Cover Dispute²⁸: Within 1 WD of the Notice of Dispute or otherwise as soon as practicable, but in any case within 5 WD of receipt of the Notice of Dispute or, if agreed by the System Operator and the Disputing Party, 10 WD of the Notice of Dispute	Meeting or conference call	System Operator	All Disputing Parties

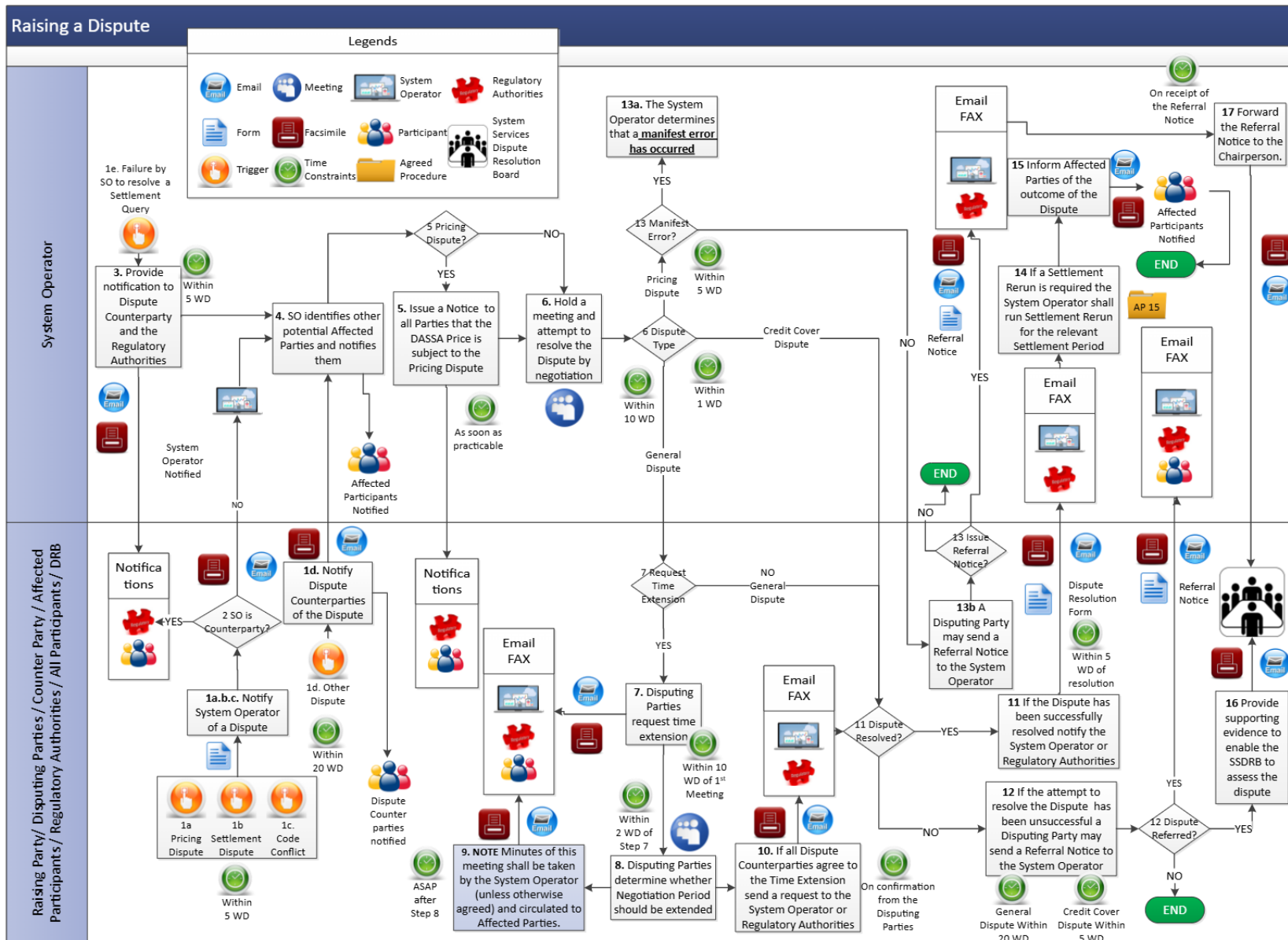
²⁷ This step will be updated for other prices that may be disputed.

²⁸ Details for Credit Cover Disputes will be finalised at a later stage of the FASS workstream.

Step	Step Description	Timing	Method	From / By	To
7	In the event that any of the Disputing Parties wishes to extend the timescales for negotiating a resolution to the Dispute then the relevant Disputing Party shall inform the other Disputing Parties of the period for which the Disputing Party wishes to extend the Negotiation Period. If there are no requests for an extension, go to step 11.	Within 10 WD of the first meeting to resolve the Dispute under step 6	Email / Facsimile	Disputing Party	System Operator (or Regulatory Authorities) and Dispute Counterparty(ies)
8	Disputing Parties meet to determine whether Negotiation Period should be extended.	Within 2 WD of request to extend under step 7 or prior to expiry of the Negotiation Period, whichever is earlier	Meeting or conference call	Disputing Parties	-
9	Minutes of this meeting shall be taken by the System Operator (unless otherwise agreed) and circulated to Affected Parties.	As soon as possible following meeting in step 8	Email / Facsimile	System Operator (or as otherwise agreed)	Affected Parties
10	If all Dispute Counterparties agree to extend the Negotiation Period, send a request to the System Operator or, if the System Operator is a Disputing Party, the Regulatory Authorities, asking for consent to the agreed extension of the Negotiation Period. If the System Operator or the Regulatory Authorities (as appropriate) agree to the extension, the Negotiation Period shall be extended in accordance with that agreement.	On receipt of the confirmation from the Disputing Parties to extend the Negotiation Period	Email / Facsimile	Raising Party or, if agreed any other Disputing Party	System Operator Regulatory Authorities

Step	Step Description	Timing	Method	From / By	To
11	If the attempt to resolve the Dispute has been successful during the Negotiation Period then notify the System Operator, or, if the System Operator is a Disputing Party, the Regulatory Authorities, by delivering a completed Dispute Resolution Form (available on the System Operator's website) signed by all Disputing Parties. Go to step 14.	Within 5 WD of resolution by negotiation	Email / Facsimile	Raising Party	System Operator (Regulatory Authorities) Dispute Counterparty or Dispute Counterparties
12	If the attempt to resolve the Dispute within the Negotiation Period has been unsuccessful a Disputing Party may send a Referral Notice to the System Operator (or the Regulatory Authorities where the System Operator is a Disputing Party) and a copy to the Disputing Parties, go to step 16. If the Dispute is not referred to the SSDRB by way of a Referral Notice, the Dispute is deemed to be withdrawn, end process .	General Dispute: Within 20 WD of expiry of the Negotiation Period Credit Cover Dispute: Within 5 WD of the expiry of the Negotiation Period	Email / Facsimile	Any Disputing Party	System Operator (Regulatory Authorities where the System Operator is a Disputing Party) and a copy to the Dispute Counterparties
13	Unless the System Operator determines that a manifest error has occurred under [TSC paragraph E.3.8.1] of the Code, a Disputing Party may send a Referral Notice to the System Operator with a copy to the Regulatory Authorities, continue to step 17. If the Dispute is not referred to the SSDRB by way of a Referral Notice, the Dispute is deemed to be withdrawn, end process .	Within 8 WD of the issue of the Notice of Dispute	Email / Facsimile	Any Disputing Party	System Operator and Regulatory Authorities

Step	Step Description	Timing	Method	From / By	To
14	If the Dispute resolution agreed between the Disputing Parties requires a Settlement Rerun, the System Operator shall procure that an additional Settlement Rerun for the relevant Settlement Period shall be performed within the timeframe agreed with the System Operator by the Disputing Parties. The System Operator shall then proceed with invoicing as detailed in Agreed Procedure 15 “Settlement and Billing”.	On System Services Dispute Resolution Form	-	System Operator	-
15	If the Dispute resolution agreed between the Disputing Parties requires a Settlement Rerun and this affects an Affected Party, inform the Affected Party of the outcome of the Dispute, end process	Within 5 WD of resolution by negotiation or as soon as the impact is clearly identified, whichever is later	Email / Facsimile	System Operator	Affected Parties
16	Provide supporting evidence to enable the SSDRB to assess the likelihood that the matter in dispute will, if the Dispute is upheld, satisfy the Price Materiality Threshold.	Together with the Referral Notice or as requested by the SSDRB	Email / Facsimile	Disputing Party that issued Referral Notice	SSDRB
17	Forward the Referral Notice to the Chairperson.	On receipt of the Referral Notice	Email / Facsimile	System Operator	Chairperson



19.3.2 System Services Dispute Resolution Board Composition

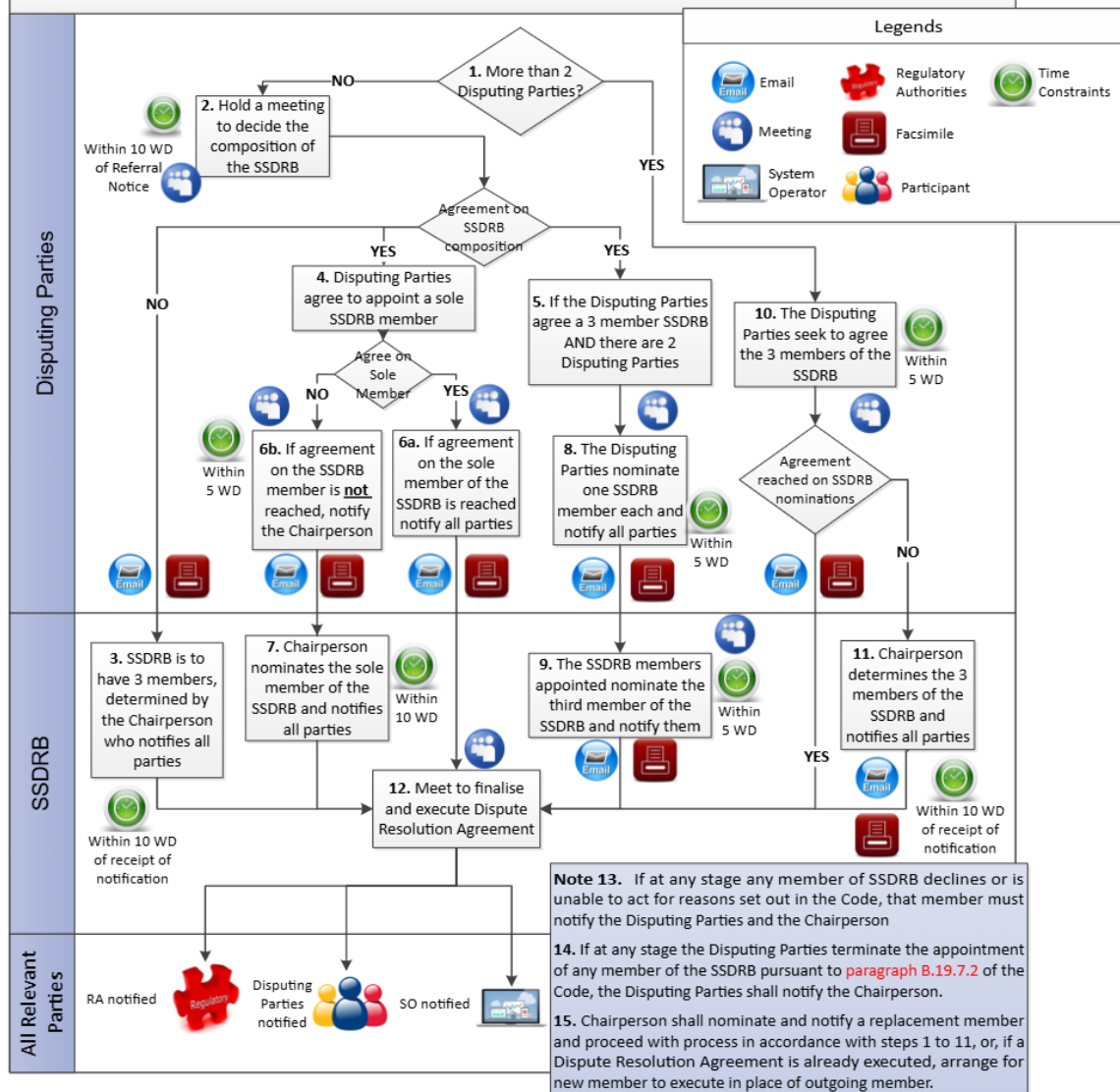
Step	Step Description	Timing	Method	From / By	To
1	If there are more than 2 Disputing Parties go to step 10.	-	-	-	-
2	Hold a meeting to decide the composition of the SSDRB. If agreement on the composition of the SSDRB is reached, go to step 4, otherwise, if agreement cannot be reached three SSDRB members should be appointed.	Within 10 WD of receipt of Referral Notice	Meeting	Disputing Parties	-
3	The SSDRB shall be comprised of three members, and the Chairperson determines the composition of the SSDRB and notifies all Parties.			Chairperson	
4	If the Disputing Parties agree to appoint a sole member SSDRB, go to step 6	-	-	-	-
5	If the Disputing Parties agree to appoint a three member SSDRB go to step 8	-	-	-	-

Step	Step Description	Timing	Method	From / By	To
6	<p>Agree the identity of the sole member of the SSDRB.</p> <p>(a) If agreement is reached notify the SSDRB member, the Chairperson, System Operator and Regulatory Authorities and go to step 12.</p> <p>(b) If agreement is not reached, notify the Chairperson and go to step 7.</p>	Within 5 WD of agreement at step 1	Meeting and notification by Email / Facsimile	All Disputing Parties	SSDRB member, Chairperson, Disputing Parties, System Operator, Regulatory Authorities
7	Chairperson shall nominate the sole member of the SSDRB from the Panel and shall notify the relevant Parties of the appointment, go to step 12.	Within 10 WD of receipt of notification from Disputing Parties at step 6	Email / Facsimile	Chairperson	SSDRB member, Disputing Parties, System Operator, Regulatory Authorities
8	The Disputing Parties nominate one SSDRB member each and shall notify the relevant persons of the appointment.	Within 5 WD of agreement at step 1	Meeting and notification by Email / Facsimile	Disputing Parties	SSDRB members, Chairperson, System Operator, Regulatory Authorities
9	The SSDRB members appointed under step 8 nominate the third member of the SSDRB and notify the relevant persons of the appointment, go to step 12.	Within 5 WD of appointment at step 8	Meeting and notification by Email / Facsimile	SSDRB members	SSDRB members, Chairperson, System Operator, Regulatory Authorities

Step	Step Description	Timing	Method	From / By	To
10	<p>The Disputing Parties shall seek to agree the composition of the SSDRB and the identity or identities of the member(s) of the SSDRB.</p> <p>If agreement is reached the Disputing Parties shall notify the relevant persons of the appointment, go to step 12.</p> <p>If agreement is not reached, notify the Chairperson and go to step 11(three SSDRB members will be appointed in this case).</p>	Within 10 WD of receipt of Referral Notice	Meeting and notification by Email / Facsimile	Disputing Parties	SSDRB members, Chairperson, System Operator, Regulatory Authorities
11	Chairperson nominates the member(s) of the SSDRB and notifies the relevant persons	Within 10 WD of receipt of request from Disputing Parties at step 10	Email / Facsimile	Chairperson	SSDRB members, Chairperson, System Operator, Regulatory Authorities
12	Meet to finalise and execute Dispute Resolution Agreement in the form set out at [Appendix B “Dispute Resolution Agreement”] of the Code.	Within 15 WD of appointment of SSDRB	Meeting	SSDRB and Disputing Parties	-
13	If at any stage any member of SSDRB declines or is unable to act for reasons set out in the Code, that member must notify the Disputing Parties and the Chairperson.	Immediately following nomination, or if subsequent event gives rise to inability to act, immediately following that event	Email / Facsimile	SSDRB member	Chairperson and Disputing Parties

Step	Step Description	Timing	Method	From / By	To
14	If at any stage the Disputing Parties terminate the appointment of any member of the SSDRB pursuant to [TSC paragraph B.19.7.2] of the Code, the Disputing Parties shall notify the Chairperson.	Immediately following unanimous agreement to terminate appointment	Email / Facsimile	Disputing Parties	Chairperson
15	Chairperson shall nominate and notify a replacement member and proceed with process in accordance with steps 1 to 11, or, if a Dispute Resolution Agreement is already executed, arrange for new member to execute in place of outgoing member.	Within 5 WD of notification at step 14	Email / Facsimile	Chairperson	New SSDRB member and Disputing Parties

System Services Dispute Resolution Board Composition



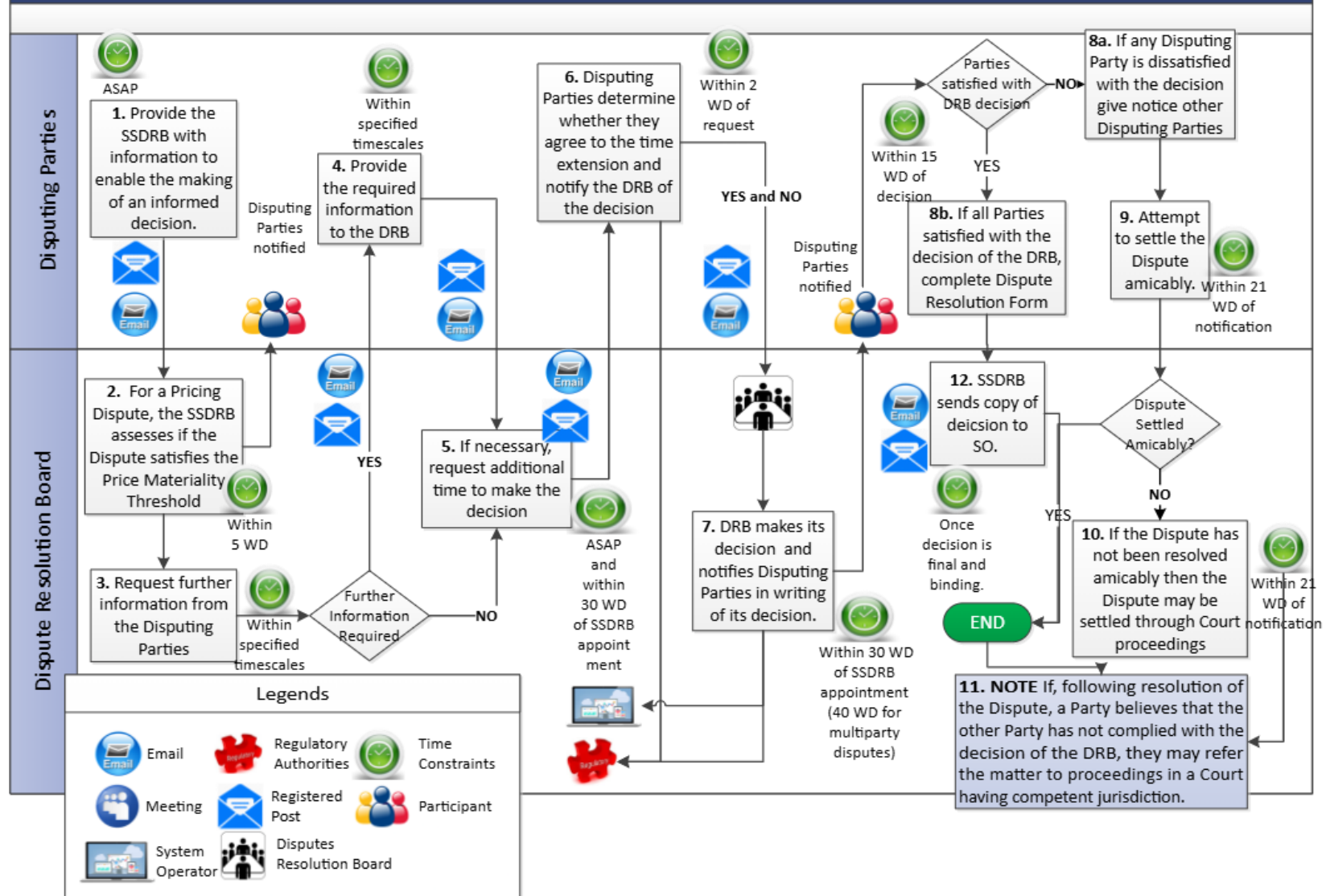
19.3.3 Dispute Resolution Board Decision

Step	Step Description	Timing	Method	From / By	To
1	Provide the Dispute Resolution Board with all available information required to enable the SSDRB to make an informed decision.	As soon as possible following the appointment of SSDRB	Email / Facsimile	Disputing Parties	SSDRB
2	For a Pricing Dispute, the SSDRB must advise the Disputing Parties of its assessment as to the likelihood that the matter disputed will, if the Dispute is upheld, satisfy the Price Materiality Threshold.	Within 5 WD after the appointment of the SSDRB or such longer time as may be agreed by the Disputing Parties	Email / Facsimile	SSDRB	Disputing Parties
3	In the event that further information is required from the Disputing Parties to enable the SSDRB to make its decision, request this information from the Disputing Parties	Within the timescale constraints within which the SSDRB must make its decision	Email / Facsimile	SSDRB	Disputing Parties
4	Provide the required information to the SSDRB	Within the SSDRB's specified timescales	Email / Facsimile	Disputing Parties	SSDRB
5	If necessary, request additional time to make the decision on the Dispute.	As soon as possible and within 30 WD of appointment of the SSDRB for bilateral Disputes, or within 40 WD of the appointment of the SSDRB for multilateral Disputes	Email / Facsimile	SSDRB	Disputing Parties
6	Disputing Parties determine whether they agree to extension of period and notify the SSDRB of decision (with copy to the System Operator, or if the System Operator is a Disputing Party, to the Regulatory Authorities).	Within 2 WD of request from SSDRB or prior to expiry of the period referred to in step 5, whichever is the earlier	Email / Facsimile	Disputing Parties	SSDRB, System Operator or Regulatory Authorities

Step	Step Description	Timing	Method	From / By	To
7	SSDRB makes its decision having due regard to the objectives of the Dispute Resolution Process and notifies Disputing Parties in writing of its decision and reasons for its decision. If this decision includes a recommendation by the SSDRB for a proposed Modification to the Code, the System Operator will raise this for discussion at the next Modifications Committee Meeting and outline proposed next steps (if any).	For bilateral Disputes, within 30 WD of appointment of SSDRB or such longer period as agreed by SSDRB and the Disputing Parties under step 6; or For multilateral Disputes, within 40 WD of appointment of SSDRB or such longer period as agreed by SSDRB and the Disputing Parties under step 6	Email / Facsimile	SSDRB	Disputing Parties, System Operator or Regulatory Authorities
8	If any Disputing Party is dissatisfied with the decision / no decision of the SSDRB, give notice to the other Disputing Parties that it is dissatisfied with the decision / no decision together with reasons for dissatisfaction. Continue to step 9. If all Parties satisfied with the decision of the SSDRB, complete System Services Dispute Resolution Form (available from the System Operator's website) and go to step 11.	Within 15 WD of receipt of decision or there being no decision from the SSDRB	-	Any Disputing Party	-
9	Attempt to settle the Dispute amicably. If the Dispute has been settled amicably, end process , otherwise continue to step 10.	Within 21 WD of notification of dissatisfaction at step 8 or as otherwise agreed	-	Disputing Parties	-

Step	Step Description	Timing	Method	From / By	To
10	If the Dispute has not been resolved amicably under step 9, and the dissatisfied Party has issued notification of dissatisfaction to all other Disputing Parties under step 8, then the Dispute may be settled through proceedings in a Court having competent jurisdiction.	Within 21 WD (or such longer period as agreed by all Disputing Parties) after notification of dissatisfaction received under step 8, even if no attempt at amicable settlement has been made	-	Disputing Parties	Disputing Parties
11	If, following resolution of the Dispute, a Party believes that the other Party has not complied with the decision of the SSDRB, they may refer the matter to proceedings in a Court having competent jurisdiction.	Once decision of SSDRB has become final and binding in accordance with the Code	-	Any Disputing Party	-
12	The SSDRB shall send a copy of its decision to the System Operator no later than 30 days from the date that the SSDRB issued its decision to the Disputing Parties, unless a notice of dissatisfaction is raised	Once decision of SSDRB has become final and binding in accordance with the Code	-	SSDRB	and System Operator

System Services Dispute Resolution Board Decision



19.4 Definitions

Authorised Person	means a representative of a Party who is authorised by that Party to communicate with the System Operator as set out in Agreed Procedure 11 “System Services IT System Operation, Testing, Upgrading and Support”.
Credit Cover Dispute	means, in accordance with [TSC paragraph B.19.2.1] of the Code, a Dispute concerning: <ul style="list-style-type: none">• the application of the provisions of the Code relating to Credit Cover Requirements and action is being taken under [TSC section G.2.6 or G.12.1] of the Code; or• the non-acceptance of a Contracted Quantity under [TSC section G.12.3] of the Code.
Dispute Counterparty	means the Disputing Parties other than the Raising Party.
System Services Dispute Resolution Form	means the form available on the System Operator’s website to be completed on successful resolution of a Dispute.
Chairperson	means the chairperson for the time being of the Panel (referred to at [TSC paragraph B.19.6.4] of the Code) who is appointed by the Regulatory Authorities in accordance with the Code.
Negotiation Period	means the period in which Disputing Parties shall negotiate in good faith and use reasonable endeavours to resolve the Dispute in accordance with the Code.
Notice of Dispute Form	means the form available on the System Operator’s website to be completed and delivered for the purposes of a Notice of Dispute.

19.5 Agreed Procedure 8: Settlement and Billing

**19.6 Agreed Procedure 9: Banking and Participant
 Payments**

19.7 Agreed Procedure 10: Metering and Signalling

20 Agreed Procedure 11: Suspension and Termination²⁹

20.1 Background and Purpose

This Agreed Procedure supplements the rules set out in the System Services Code (hereinafter referred as the “Code”) in relation to Default, Deregistration, Suspension and Termination. It sets out procedures with which Parties to the Code must comply.

20.1.1 Scope of Agreed Procedure

This Agreed Procedure sets out the procedures in relation to:

- (a) Deregistration
- (b) Voluntary Termination
- (c) Suspension
- (d) Issue of a Termination Order; and
- (e) Intermediary removal

This Agreed Procedure forms an annex to, and is governed by, the Code. It sets out procedures to be followed subject to Parties’ rights and obligations are set out in the Code. In the event of any conflict between a Party’s obligations set out in the Code and this Agreed Procedure, the Code shall take precedence.

It is not intended that there be any inconsistency or conflict between section 2 “Overview” and section 3 “Procedural Steps”. However, in the event of any inconsistency or conflict, section 3 “Procedural Steps” shall take precedence.

In section 3 “Procedural Steps” a corresponding process flow diagram is included for each procedural steps table. Process flow diagrams are for illustrative purposes. It is not intended that there be any inconsistency or conflict between any procedural steps table and process flow diagram however, in the event of any inconsistency or conflict, a procedural steps table shall take precedence.

20.1.2 Definitions

Words and expressions defined in the Code shall, unless the context otherwise requires or unless otherwise defined herein at Appendix 1 “Definitions”, have the same meanings when used in this Agreed Procedure.

References to particular sections relate internally to this Agreed Procedure unless specifically noted.

20.1.3 Compliance with Agreed Procedure

Compliance with this Agreed Procedure is required under the terms as set out in the Code.

²⁹ In this draft, code references in square brackets refer to TSC clauses and will be updated to refer to System Services Code clauses during legal drafting.

20.2 Overview

20.2.1 Deregistration

The Deregistration procedure at section 3.1 below is applicable when a Service Provider seeks to voluntarily Deregister any Providing Units registered to them.

A Service Provider may choose to Deregister any Providing Unit registered in its name by submitting a Deregistration Form to the System Operator at least 40 Working Days in advance of the intended date of Deregistration. The System Operator shall review the Deregistration Form, the System Operator shall make a decision to approve or reject the Deregistration request in respect of the Unit(s). Once a decision has been made, the System Operator shall notify the Service Provider by email issuing a Deregistration Consent Order. The System Operator will request confirmation of receipt from the Service Provider when the Deregistration Consent Order is issued.

All the processes under the Code applicable to the period when the Providing Unit was registered continue. This includes market Settlement Rerun, Settlement Documents and Required Credit Cover.

Once the Deregistration request is approved for all Providing Units registered to the Service Provider, the Service Provider is granted with the status 'Deregistered' and an effective end date.

20.2.2 Voluntary Termination

In accordance with [TSC section B.18.8] of the Code, a Service Provider may apply to cease to be a Party at any time. The procedure in relation to Voluntary Termination is set out at section 3.2 below. In order to voluntarily Terminate, a Service Provider must provide 90 Working Days' notice to the System Operator of its intention to cease being a Party and obtain the consent of the Regulatory Authorities. The System Operator issues a Voluntary Termination Consent Order specifying an effective date of Termination once all relevant criteria under the Code are met.

20.3 Default and Suspension³⁰

20.3.1 Default

A Party shall be in Default where it is in material breach of any provision of the Code or the Framework Agreement. A Default Notice shall be issued by the System Operator in accordance with [TSC paragraph B.18.2.3] of the Code.

20.3.2 Issue of a Suspension Order

The System Operator may suspend a Party from participation under the Code in respect of some or all of its Providing Units in accordance with a Suspension Order.

The procedure in relation to the issuance of a Suspension Order in accordance with [TSC paragraph B.18.3.1] of the Code is set out at section 3.3.1 below.

³⁰ Paragraph references in this section currently refer to the TSC but will be updated to refer to the SS Code equivalents during legal drafting.

The procedure in relation to the issue of a Suspension Order in accordance with [TSC paragraph B.18.3.2 of the Code is set out at section 3.3.2 below.

A Suspension Order shall include the following information:

- (a) The Units to which the Suspension Order shall apply;
- (b) The terms of the suspension;
- (c) The date and time that suspension shall take effect; and
- (d) A copy of the relevant Default Notice.

Following the issue of a Suspension Order, a suspension will take effect in accordance with the procedure set out at section 3.4 below.

Note that it is assumed that Suspension under the TSC would result in Suspension under the System Services Code. Details around these arrangements will be determined at a later stage of the FASS workstream.

20.3.3 Issuing of a Termination Order

The procedure in relation to the issuing of a Termination Order is set out in section 3.5 below. The System Operator may, with the prior approval of the Regulatory Authorities, issue a Termination Order to a Party in accordance with [TSC paragraph B.18.6.1] of the Code.

20.3.4 Removal of an Intermediary

The procedural steps for the removal of an Intermediary are set out at section 3.6 below for each of following circumstances:

- (a) an Intermediary's consent is revoked by the Regulatory Authorities, or the expiration of Form of Authority;
- (b) an Intermediary wishes to voluntarily Deregister any or all of the Providing Units; or
- (c) an Intermediary ceases participating in respect of any Providing Units without first voluntarily Deregistering the Providing Units or the Unit Owner wishing to revoke the Intermediary.

The System Operator will Deregister the applicable Providing Units in all cases. In the event of an Intermediary removal the Unit Owner may either (subject to Regulatory Authority consent) procure a substitute Intermediary to reregister the Units or re-register the Units itself and become the Service Provider in respect of those Units, unless:

- (a) the Unit is decommissioned; or
- (b) the Unit Owner does not wish the Unit to be registered to a Service Provider in the - System Service markets.

Note that in any event, the removed Intermediary continues to be bound by the enduring obligations of the Code in respect of the Deregistered Units.

20.4 Procedural Steps

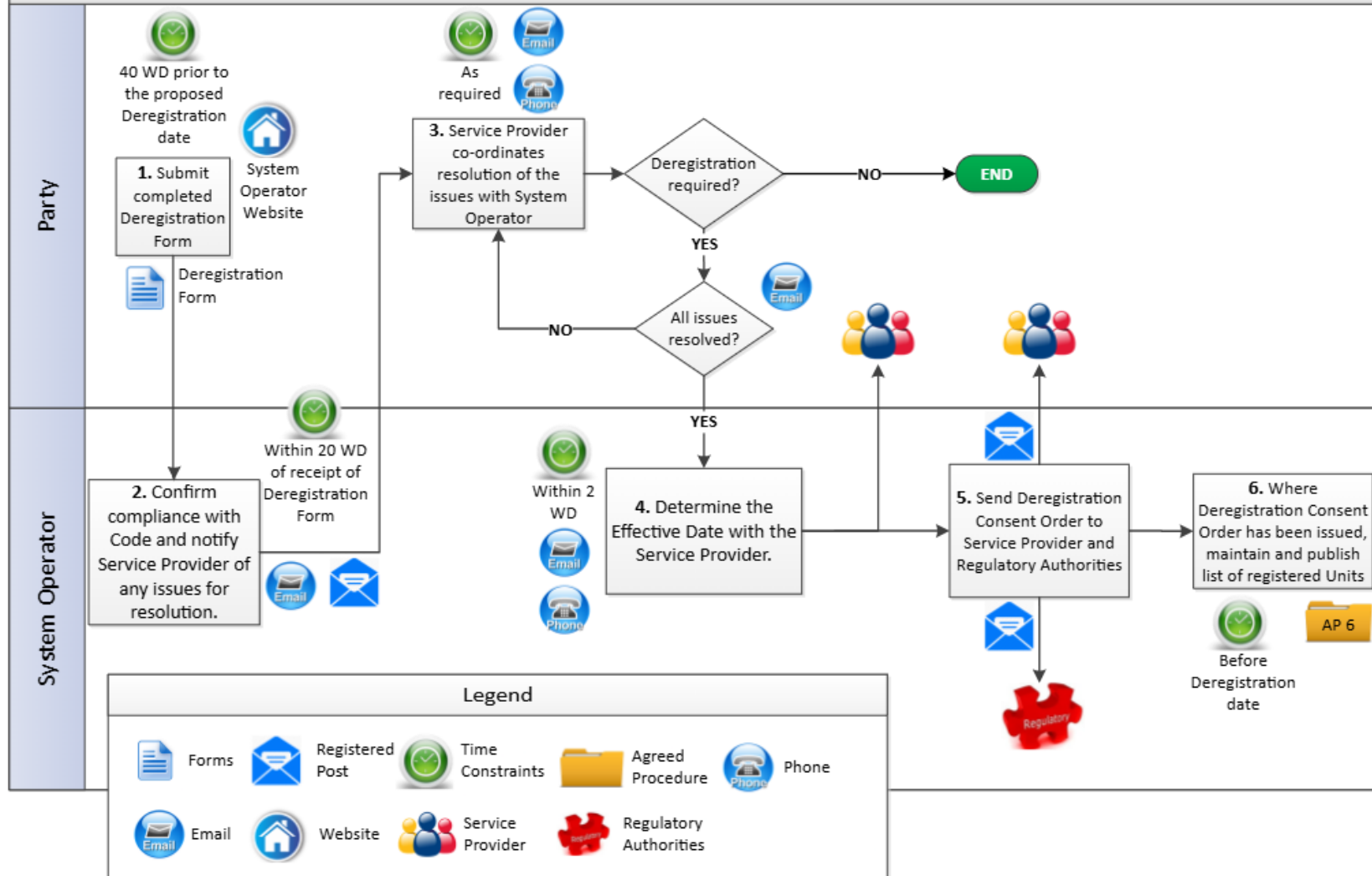
20.4.1 Deregistration

Step	Procedural Step Description	Timing	Method	By/From	To
1	Submit completed Deregistration Form (available to download from the System Operator website)	At least 40 WD in advance of the proposed Deregistration date	System Operator website	Service Provider	System Operator, Regulatory Authorities
2	Confirm compliance with [TSC paragraph B.12.1.2 ³¹]. Notify Service Provider of any issues identified.	Within 20 WD	Email / Registered Post	System Operator	Service Provider
3	Service Provider resolves the issues with System Operators and and: (a) if Deregistration of the Unit is no longer required, end process . (b) if all outstanding issues resolved, continue to step 5.	As required	Email / telephone / meetings	Service Provider, System Operators,	
4	Determine the Effective Date with Service Provider.	Within 2 WD of step 3	Conference call Email	System Operator	Service Provider
5	Send Deregistration Consent Order to Service Provider and Regulatory Authorities.	Before Deregistration date	Email	System Operator	Service Provider Regulatory Authorities

³¹ This clause requires that there are no remaining payments due or obligations in respect of the Unit under any code.

Step	Procedural Step Description	Timing	Method	By/From	To
6	Where Deregistration Consent Order has been issued, maintain and publish list of registered Units in accordance with Agreed Procedure 6 “Data Publication and Data Reporting”.	Before Deregistration date		System Operator	

Deregistration



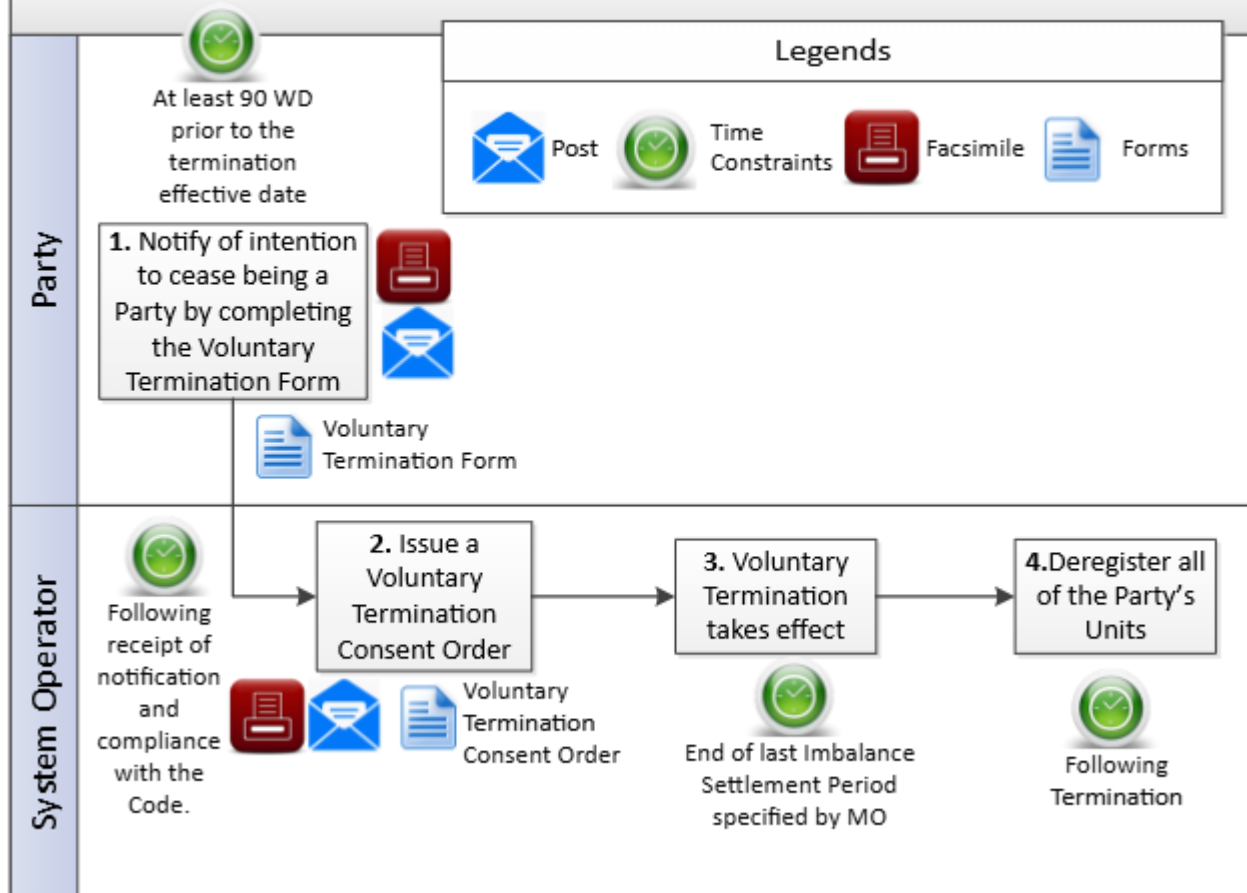
20.4.2 Voluntary Termination

Step	Step Description	Timing	Method	From / By	To
1	Notify of intention to cease being a Party and time and date upon which it is intended that this Termination will take effect by completing the Voluntary Termination Form.	At least 90 WD prior to the date upon which it is intended that the termination will take effect	Registered post /Facsimile	Party	System Operator (with a copy to the Regulatory Authorities)
2	Issue a Voluntary Termination Consent Order	Following receipt of notification set out in step 1 above and once the relevant Party has complied with conditions set out in paragraph B.18.8.3 of the Code	Registered post /Facsimile	System Operator	Service Provider

Step	Step Description	Timing	Method	From / By	To
3	Voluntary Termination takes effect (Party seeking Termination must remain in compliance with conditions set out in [paragraph B.18.8.] ³² of the Code for Termination to take effect)	End of last Charging Period of the Trading Day specified by System Operator in the Voluntary Termination Consent Order	-	System Operator	-
4	The System Operator Deregisters all of the Service Provider's Providing Units.	Following Termination	-	System Operator	-

³² This clause requires that there are no remaining payments due and no remaining obligations under the Code.

Voluntary Termination



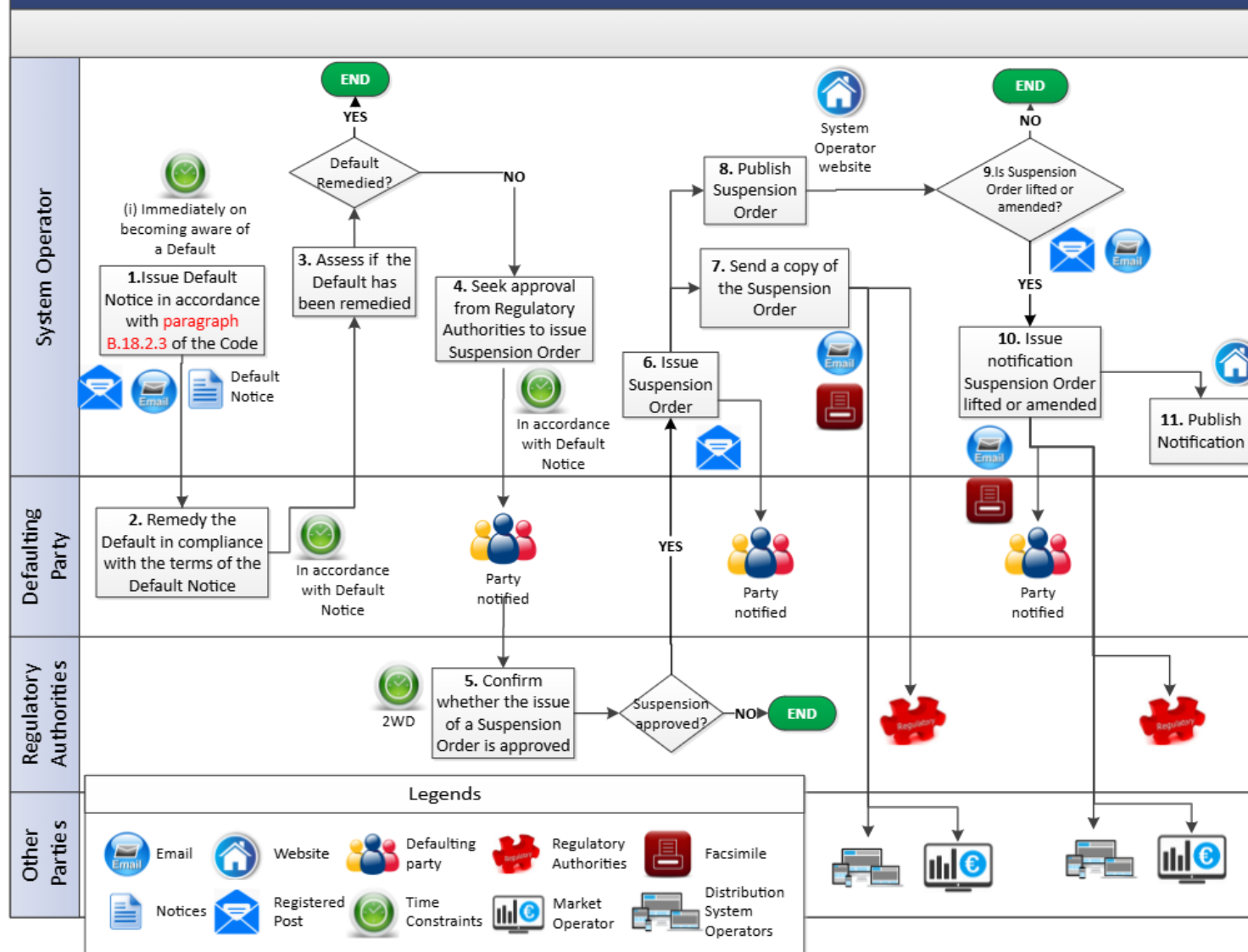
20.5 Issuing a Suspension Order

20.5.1 Issue of a Suspension Order in accordance with [TSC paragraph B.18.3.1] of the Code

Step	Step Description	Timing	Method	From / By	To
1	In the circumstances set out in paragraph [TSC paragraph B.18.3.1], issue Default Notice.	(i) Immediately on becoming aware of a Default in relation to a Party	Registered post and a copy by email	System Operator	Defaulting Party
2	Remedy the Default in compliance with the terms of the Default Notice	In accordance with the timelines set out in the Default Notice	-	Defaulting Party	System Operator
3	Assess whether the Default has been remedied by the Defaulting Party. If the Default has been remedied, end process . If the Default has not been remedied, continue to step 4	Within the timelines as set out in the Default Notice	-	System Operator	-
4	The System Operator may seek approval from Regulatory Authorities to issue Suspension Order in accordance with [TSC paragraph B.18.3.1] of the Code	As required	-	System Operator	Regulatory Authorities with a copy to the Defaulting Party
5	Confirm whether the issue of a Suspension Order is approved. If issue of a Suspension Order is not approved, end process , otherwise continue to step 6	Within 2 WD of step 4	-	Regulatory Authorities	System Operator
6	Issue Suspension Order	On receipt of approval in step 4	Registered post	System Operator	Defaulting Party

Step	Step Description	Timing	Method	From / By	To
7	Send a copy of the Suspension Order	With step 6	Facsimile / Email	System Operator	Regulatory Authorities, , relevant Distribution System Operators
8	Publish Suspension Order	With step 6	System Operator website	System Operator	System Operator website
9	In the circumstances set out at [TSC paragraph B.18.4.7] of the Code, lift the Suspension Order by written notice to the Defaulting Party. If the Suspension Order is amended or lifted continue to step 10, otherwise end process	In the circumstances set out at [TSC paragraph B.18.4.7] of the Code	Registered post and email	System Operator	Defaulting Party
10	Issue notification that the Suspension Order has been lifted or amended	As soon as practicable after Suspension Order is lifted	Email / Facsimile	System Operator	Defaulting Party, Regulatory Authorities, relevant Distribution System Operators, relevant SEM NEMO(s), SEMO in its Balancing Market settlement role
11	Publish notification that the Suspension Order has been lifted or amended	As soon as practicable after Suspension Order is lifted	System Operator website	System Operator	System Operator website

Issuing a Suspension Order - Issuing a Suspension Order in accordance with [TSC paragraph 8.18.3.1] of the code



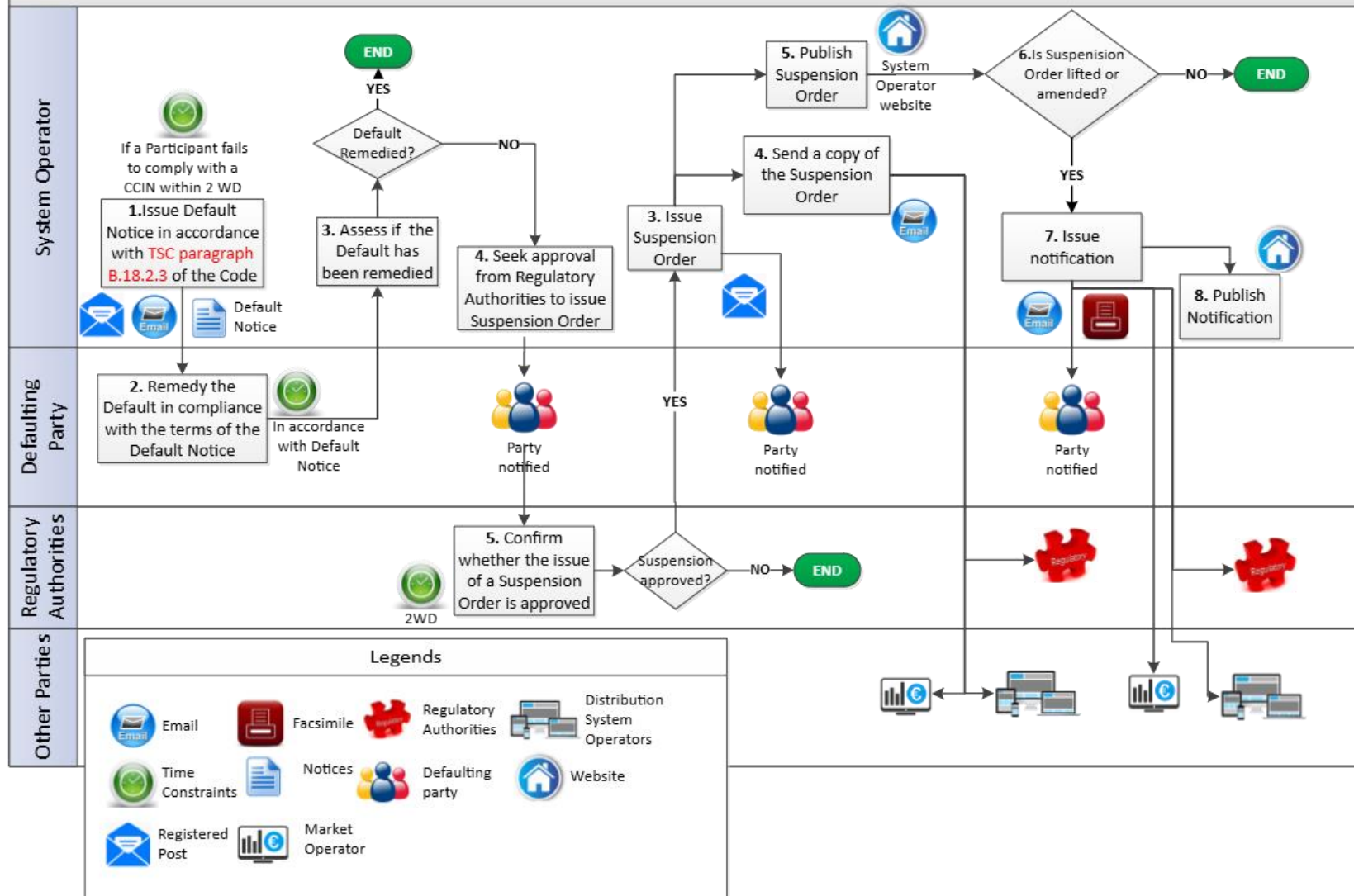
20.5.2 Issue of a Suspension Order in accordance with paragraph B.18.3.2 of the Code

Step	Step Description	Timing	Method	From / By	To
1	In the circumstances set out in [TSC paragraph B.18.3.2] of the Code, issue a Default Notice in accordance with [TSC paragraph B.18.2.3] of the Code	(If a Party fails to comply with a Credit Cover Increase Notice, within 2 WD of its issue (or as agreed by the Regulatory Authorities in accordance with [TSC paragraph G.12.1.5] of the Code)	Registered post and a copy by email	System Operator	Defaulting Party
2	Remedy the Default in compliance with the terms of the Default Notice or Credit Cover Increase Notice	In accordance with the timeline set out in the Default Notice	-	Defaulting Party	System Operator
3	Assess whether the Default has been remedied by the Defaulting Party. If the Default has been remedied, end process . If the Default has not been remedied, continue to step 4	Within the timelines as set out in the Default Notice	-	System Operator	-
4	Confirm whether the issue of a Suspension Order is approved. If issue of a Suspension Order is not approved, end process , otherwise continue to step 6	Within 2 WD of step 4	-	Regulatory Authorities	System Operator
5					

Step	Step Description	Timing	Method	From / By	To
6	Issue Suspension Order	At the same time or any time following the issue of the relevant Default Notice	Registered post	System Operator	Defaulting Party
7	Send a copy of the Suspension Order	Together with step 3	Email	System Operator	Regulatory Authorities, relevant Distribution System Operators, relevant SEM NEMO(s), SEMO in its Balancing Market settlement role
8	Publish Suspension Order	Together with step 6	System Operator website	System Operator	System Operator website
9	In the circumstances set out at [TSC paragraph B.18.4.7 of the Code, lift the Suspension Order by written notice to the Defaulting Party. If the Suspension Order is amended or lifted continue to step 7, otherwise end process	As required	Registered post and Email	System Operator	Defaulting Party
10	Issue notification that the Suspension Order has been lifted or amended	As soon as practicable after Suspension Order is lifted or amended	Email / Facsimile	System Operator	Defaulting Party, Regulatory Authorities, relevant Distribution System Operators, relevant SEM NEMO(s)

Step	Step Description	Timing	Method	From / By	To
11	Publish notification that the Suspension Order has been lifted or amended	As soon as practicable after Suspension Order is lifted or amended	System Operator website	System Operator	System Operator website

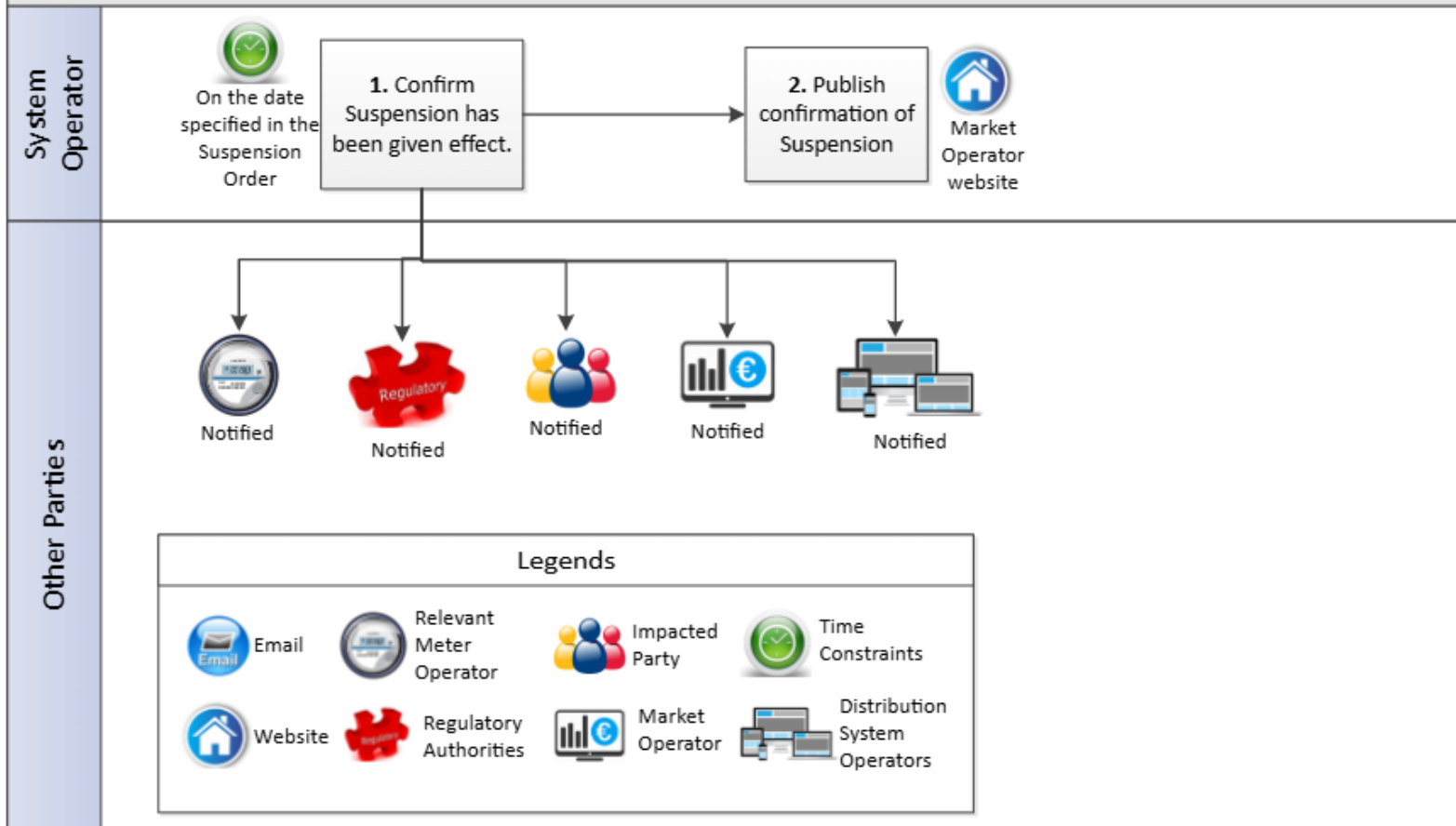
Issue of a Suspension Order - Issuing a Suspension Order pursuant to TSC paragraph B.18.2.3 of the Code



20.6 Suspension

Step	Step Description	Timing	Method	From / By	To
1	Confirm suspension has been given effect.	On the date specified in the Suspension Order		System Operator	Impacted Party, Regulatory Authorities, relevant Distribution System Operators, Meter Data Providers, relevant SEM NEMO(s), SEMO in its Balancing Market settlement role
2	Publish confirmation of suspension.	As soon as practicable		System Operator	System Operator website

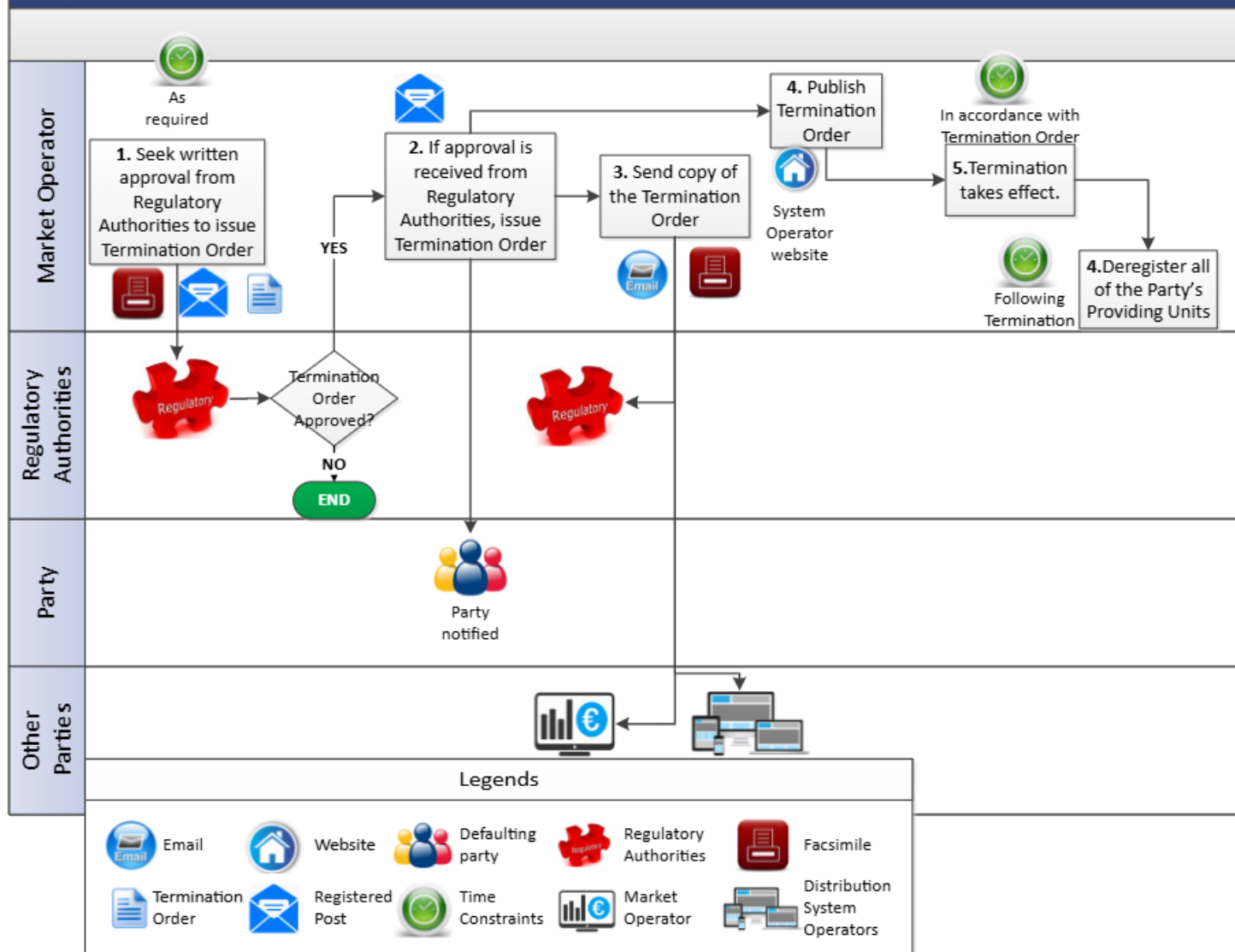
Suspension



20.7 Issue of a Termination Order

Step	Step Description	Timing	Method	From / By	To
1	Seek written approval from Regulatory Authorities to issue Termination Order in accordance with [TSC paragraph B.18.6.1] of the Code	As required	Registered post / Facsimile	System Operator	Regulatory Authorities
2	If approval is received from Regulatory Authorities, issue Termination Order. Otherwise, end process .	On completion of step 1	Registered post	System Operator	Party
3	Send copy of the Termination Order.	With step 2	Facsimile / Email	System Operator	Regulatory Authorities, relevant Distribution System Operators, Market Operator
4	Publish Termination Order.	With step 2	System Operator website	System Operator	System Operator website
5	Termination takes effect.	In accordance with the timelines specified in the Termination Order		System Operator	Party
6	The System Operator Deregisters all of the Party's Providing Units.	Following Termination	-	System Operator	-

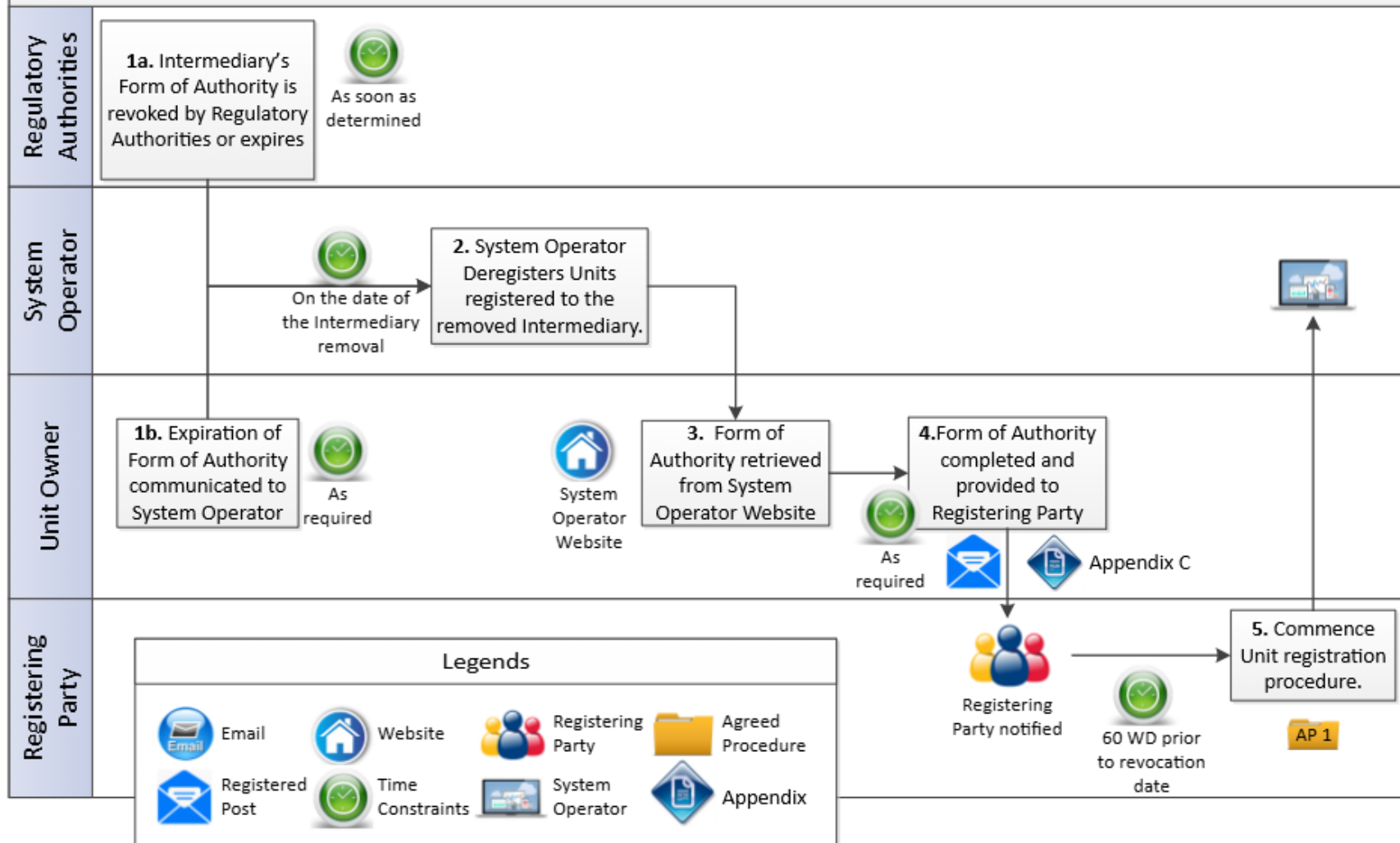
Issue of a Termination Order



20.8 Intermediary Removal

Step	Procedural Step Description	Timing	Method	By/From	To
1	Intermediary's Form of Authority is revoked by Regulatory Authorities, or expiration of Form of Authority communicated to System Operator.	As required, as soon as determined	-	Regulatory Authorities / Unit Owner	System Operator
2	System Operator Deregisters Units registered to the removed Intermediary.	On the date of the Intermediary removal	-	System Operator	-
3	Form of Authority retrieved from System Operator website (Appendix C "Form of Authority" of Code).	As required	-	Unit Owner	-
4	Form of Authority completed and provided to Registering Party.	As required	System Operator website; Registered Post	Unit Owner	Registering Party (to become the new Intermediary)
5	Commence Unit registration procedure set out in Agreed Procedure 1 "Registration".	60 WD prior to revocation date of Form of Authority of old Intermediary, or prior to notification from Unit Owner of proposed effective date of removal of Intermediary	-	Registering Party	System Operator

Intermediary Removal



20.9 Appendix 1: Definitions

Deregistration Form	means the form available on the System Operator website for the purposes of Deregistration.
Voluntary Termination Form	means the form available on the System Operator website for the purposes of Voluntary Termination

20.10 Agreed Procedure 12: Transaction Submission and Validation

20.11 Agreed Procedure 13: Emergency Communication

20.12 Agreed Procedure 14: DASSA IT System Operation, Testing, Upgrading and Support

20.13 Agreed Procedure 15: Communication Channel Qualification

20.14 Agreed Procedure 16: Providing Unit Qualification