AIP
All Island Project

**TRADING AND SETTLEMENT CODE
SECTION 8: TRANSITIONAL ARRANGEMENTS**

DECISION PAPER

19th June 2007

AIP/SEM/07/266

Introduction

On the 11th May 2007, the Regulatory Authorities published a consultation paper entitled "Trading and Settlement Code Section 8: Transitional Arrangements" (AIP/SEM/07/146). This consultation paper set out the proposed transitional arrangements to facilitate the introduction of the SEM. Today, the Regulatory Authorities publish the transitional Code provisions that will apply from the Commencement Date.

In response to Market Participant comments submitted in respect of the consultation paper, the first Trading Day has been moved from 06:00 to 00:00 on the Market Start Date. To allow for Market Start at 00:00, the first Trading Day will run from 00:00 to the end of the Trading Period beginning at 05:30 on the Market Start Date. This change required a number of additional provisions to be included in Section 8 to ensure that rules for an abbreviated Trading Day were included in the Code, specifically in relation to Gate Closure. To accommodate a 00:00 Market Start, Gate Closure in respect of the first Trading Day will be two days prior the Market Start Date. Further detail in respect of how the first Trading Day will work in practicality will be published along with responses to the comments received in a separate paper that will be published on the All Island Project website on Friday, 22nd June.

The majority of the transitional provisions included in Section 8 are in relation to the calculation of initial Credit Cover and to the Participant and Unit Registration process for Market Start. The Market Operator has required Persons participating in the SEM Market Trial to provide much of the data that is required for the Participant and Unit Registration Process. Rather than requiring Parties to repeat this process in its entirety in order to Register Units for the SEM, a transitional Participant and Unit registration process will be implemented, allowing the Participant and Unit Registration requirements to be met using modified processes and timelines.

The transitional provisions for the calculation of Required Credit Cover for the first Trading Day and the period immediately following Market Start recognize the lack of historic data necessary to calculate the Credit Assessment Price (CAP) using the enduring method set out in the Code. A transitional credit cover calculation process has been set out in Section 8 and will be followed until such time as there will be sufficient market data to calculate the CAP in accordance with the enduring Code provisions.

Further transitional provisions have been included to recognize that there will be modified timings relating to publication of data during the transitional phase of the SEM. Under the enduring processes in the Code, the Regulatory Authorities, the Market Operator (MO) and the System Operators must publish information prior to the start of each "Year" (which is defined to run from 1 January until 31 December). The first such Year will be amended to be the period from the

Market Start Date until 31 December 2007. The information required to be published prior to the start of that Year will, accordingly, be required to be published prior to the Market Start Date. Additionally, for many such items the period of advance publication will be shortened for this first Year, in accordance with the published All Island Project program plans.

The transitional Modification Process that will operate during the period from the Commencement of the Code to the Market Start Date will be limited to Modifications deemed Urgent by the Regulatory Authorities.

Section 8 of the Single Electricity Market Trading and Settlement Code

Purpose

8.1 This Section 8 sets out provisions, which:

a) suspend, amend or replace specified paragraphs or parts of paragraphs of other Sections of the Code for specified periods; and

b) provide for certain additional matters of a transitional nature in relation to the administration of the Code in the period from the Commencement Date to the end of the First Trading Year.

8.2 The Registration process for Parties who have registered to participate in the Market Trial is modified by this Section and for the purposes of transition only, to recognise that these Parties will have provided data to the Market Operator in respect of their units in order to participate in the Market Trial. Such Parties will confirm or may amend this data, as necessary, prior to the Market Start Date in accordance with this Section.

General

8.3 Any reference in the Code to anything being required to be done prior to the start of a Year shall, in relation to the First Trading Year only, be deemed to mean prior to the Market Start Date.

8.4 Any reference in the Code to a period prior to the start of a Year shall, in relation to the First Trading Year only, be deemed to refer to the relevant period prior to the Market Start Date, or such other period as may be determined by the Regulatory Authorities.

8.5 Any reference in the Code to a Year shall, in respect of the First Trading Year, apply only to that part of the year which falls within the First Trading Year.

8.6 For the avoidance of doubt, no Trading Day shall commence prior to the Market Start Date.

8.7 Notwithstanding the definition of "Trading Day", the first Trading Day shall be deemed to commence at 00:00 on the Market Start Date and will end at the end of the Trading Period commencing at 05:30 on the Market Start Date.

8.8 Notwithstanding that no trading shall occur before the Market Start Date, the first Trading Day shall fall within a 30 hour First Optimisation Time Horizon which shall commence at 06:00 on the day prior to the Market Start Date. Participants shall be required to submit data in respect of the first Trading Day and the preceding 18 hours as though the Pool were fully operational. Participants shall be required to submit Offer Data in respect of the 24 hour period from 06:00 on the day prior to the Market Start Date to 06:00 on the Market Start Date and the Market Operator shall conduct an MSP Software run for the First Optimisation Time Horizon. Any calculations required to be made in respect of a Trading Day or a Trading Period, shall for the purposes of the first Trading Day, utilise data submitted in respect of the period 06:00 to 06:00. Notwithstanding this, any Settlement shall use the outputs of the MSP Software in respect of Trading Periods falling within the first Trading Day.

8.9 In respect of the first Trading Day, Meter Data Providers shall provide Meter Data for the 2 days immediately prior to Market Start.

8.10 For the first Trading Day, any calculations referring to the use of data from Trading Day t-1 shall use data derived from the corresponding time period in the Market Trial.

8.11 In respect of the first Trading Day, the Market Operator shall, at 08:00 two Working Days prior to the first Trading Day, publish a Trading Day Exchange Rate between euro (€) and pound sterling (£), which, notwithstanding the definition of "Trading Day Exchange Rate" shall be deemed to be the Trading Day Exchange Rate in relation to the first Trading Day.

8.12 In respect of the second Trading Day, the Market Operator shall, at 08:00 on the day that is one Working Day prior to the Trading Day commencing at 06:00 on the Market Start Date, publish a Trading Day Exchange Rate between euro (€) and pound sterling (£), which, notwithstanding the definition of "Trading Day Exchange Rate" shall be deemed to be the Trading Day Exchange Rate in relation to that second Trading Day.

8.13 Notwithstanding any other provisions of the Code, for the purposes of the first Trading Day, Gate Closure means 10:00 on the calendar day two days prior to the first Trading Day.

8.14 Without prejudice to paragraphs 8.8, 8.55 to 8.56 or 8.68, Participants taking part in the Market Trial shall submit Trial Offer Data for use in runs of the MSP Software in respect of the week leading up to the Market Start Date, as if the Single Electricity Market were fully operational during that period. Technical Offer Data submitted in respect of the week leading up to the Market Start Date shall be in accordance with applicable Grid Code provisions and consistent with the information sent to the System Operators in respect of the current markets.

Accession and Participation Fees

8.15 In advance of the Commencement Date, the Regulatory Authorities shall determine the Accession Fee payable by an Applicant seeking to accede to the Code prior to the Market Start Date.

8.16 In advance of the Commencement Date, the Regulatory Authorities shall determine the Participation Fee payable by a Party (or Applicant, as appropriate) to register a Unit prior to the Market Start Date.

Accession and Registration of Initial Participants

8.17 The following paragraphs shall apply to Applicants (or Parties, as appropriate) who have registered with the Market Operator for the Market Trial. Persons who have acceded to the Code and have registered for the Market Trial shall be deemed to be Initial Participants in respect of Units Registered in accordance with this Section in advance of the Market Start Date.

8.18 For the avoidance of doubt, Initial Participants shall be Participants for the purposes of the Code and all Code provisions shall apply, save as otherwise provided in Section 8.

8.19   Parties who have not registered to participate in the Market Trial shall apply to Register Units in accordance with Section 2 and Agreed Procedure 1 "Participant and Unit Registration and Deregistration".

8.20   Notwithstanding paragraphs 2.13 to 2.18 or the corresponding provisions of Agreed Procedure 1 "Participant and Unit Registration and Deregistration", the following timings shall apply in relation to Initial Participants:

    1.   The Market Operator shall issue a Party Registration Form to all Market Trial participants prior to the Commencement Date.

    2.   Within 2 Working Days of receipt of the Party Registration Form, the Market Operator will validate the contents of the completed Party Registration Form and will communicate any information to be clarified to, or request any additional information from, the Party.

    3.   The Applicant shall respond to the Market Operator with the required information within 5 Working Days of receipt of such a communication.

    4.   The Applicant may request additional time to provide any clarification or additional information and the Market Operator shall not unreasonably withhold consent to any such request.

8.21   No later than 5 Working Days after the date on which a Party has successfully Acceded to the Code, the Market Operator shall issue a Unit Registration Pack to such Party. The Unit Registration Pack shall contain the following:

    1.   a list of the requirements, in accordance with the Code, that must be complied with by such Party in order to become an Initial Participant;

    2.   a request for confirmation of receipt of digital certificates; and

    3.   notification of the requirement to provide an estimate of the Unit's consumption or production of energy for the duration of the longer of the first Historical Assessment Period for Billing Periods or the first Historical Assessment Period for Capacity Periods.

8.22   Notwithstanding the provisions of Section 2, the following timings shall apply in relation to Parties applying to be Initial Participants:

    1.   The Market Operator will, in accordance with Section 2, validate the contents of the completed Unit Registration Pack within 5 Working Days of receipt of the Unit Registration Pack and will communicate any information to be clarified to, or request any additional information from, the Party within 10 Working Days of receipt of the Unit Registration Pack.

    2.   The Party must respond to the Market Operator with the required information within 5 Working Days of receipt of any such communication.

    3   A Party may request additional time to provide any clarification or additional information and the Market Operator shall not unreasonably withhold consent to any such request.

8.23   Upon completion of the requirements set out in paragraphs 8.21 and 8.22, registration will be deemed complete and the Market Operator will issue a Commencement Notice.

8.24   Notwithstanding any other provision of the Code, the registration of Initial Participants is not contingent upon the Required Credit Cover being in place.

8.25   During the course of the Market Trial, Initial Participants may make changes to a subset of their Registration Data in accordance with the timings as per paragraphs 8.26 to 8.30.

8.26   In respect of the following Data types as detailed in Agreed Procedure 4 "Transaction Submission and Validation", the Market Operator will not accept any updates or amendments from the date the Commencement Notice is issued until the Market Start Date:

   (a) Resource Type
        Resource Type shall have the meaning as set out in Agreed Procedure 4 "Transaction Submission and Validation"

   (b) Participant Class
        Participant Class shall have the meaning as set out in Agreed Procedure 4 "Transaction Submission and Validation"

   (c) Resource IDs
        Resource IDs shall have the meaning as set out in Agreed Procedure 4 "Transaction Submission and Validation"

8.27   In respect of Trading Site Configurations as detailed in Agreed Procedure 1 "Participant and Unit Registration and Deregistration", the Market Operator will not accept any updates or amendments from the date the Commencement Notice is issued until the Market Start Date.

8.28   In respect of the following Data types as detailed in Agreed Procedure 4 "Transaction Submission and Validation", Initial Participants may submit updates or amendments from the date of receipt of a Commencement Notice until 2 Working Days prior to Market Start Date:

   (a) Application Data
        Application Data shall have the meaning as set out in Agreed Procedure 4 "Transaction Submission and Validation"

   (b) Users Data
        Users Data shall have the meaning as set out in Agreed Procedure 4 "Transaction Submission and Validation"

   (c) Load Bid Data.
        Load Bid Data shall have the meaning as set out in Agreed Procedure 4 "Transaction Submission and Validation"

8.29   In respect of the following Data types as detailed in Agreed Procedure 4 "Transaction Submission and Validation", Initial Participants may submit updates or amendments from the date of receipt of a Commencement Notice until 3 Working Days prior to Market Start Date:

   (a) Unit (Resource) Data
        Unit (Resource) Data shall have the meaning as set out in Agreed Procedure 4 "Transaction Submission and Validation"

(b) Load Parameters

Load Parameters shall have the meaning as set out in Agreed Procedure 4 "Transaction Submission and Validation"

8.30 Participants may submit updates or amendments to their Bank Data, as defined in Agreed Procedure 4 "Transaction Submission and Validation", from the date of receipt of a Commencement Notice until 10 Working Days prior to Market Start Date.

Credit Cover

8.31 Each Participant shall provide the Market Operator with an estimate of its forecast demand for the Initial Exposure Period by not later than 11 weeks prior to the Market Start Date.

8.32 The Market Operator will compare the estimate of forecast demand provided by a Participant with the Meter Data provided during the Market Trial. If the difference between the two is greater than the Credit Cover Adjustment Trigger, the Market Operator shall increase the Required Credit Cover accordingly.

8.33 The Market Operator shall send each Initial Participant details, by facsimile, of the initial Required Credit Cover no later than 5 Weeks prior to the date on which the Initial Participant is required to post such Credit Cover, provided that (and without prejudice to its right to do so after the Market Start Date in accordance with the Code):

1. if necessary, the Market Operator may by notice to the relevant Initial Participant, revise such Required Credit Cover up to 8 Working Days prior to the Market Start Date;

and

2. notwithstanding paragraph 6.238, the initial Required Credit Cover shall not take into account any Settlement Reallocation Agreement unless this has been lodged with the Market Operator at least 9 Working Days prior to the Market Start Date.

8.34 The Market Operator shall publish an Exchange Rate between euro (€) and pounds sterling (£) at 08:00 on the day preceding the day on which the Market Operator will calculate the initial Credit Cover.

8.35 The Market Operator shall publish an Exchange Rate between euro (€) and pounds sterling (£) at 08:00 on the day preceding the day on which the Market Operator will calculate the revised initial Credit Cover, as set out in 8.33.

8.36 Notwithstanding any other provision of the Code, the Market Operator shall convert the Required Credit Cover into pounds sterling using the Exchange Rate published in accordance with 8.34 in respect of the Required Credit Cover for Market Start for each Participant using pounds sterling as the Settlement Currency

8.37 Notwithstanding any other provision of the Code, the Market Operator shall convert the Required Credit Cover into pounds sterling using the Exchange Rate published in accordance with 8.35 in respect of the revised Required

Credit Cover for Market Start for each Participant using pounds sterling as the Settlement Currency.

8.38   No later than 3 Working Days before the Market Start Date, each Participant must put its Required Credit Cover in place.

8.39   The Market Operator shall issue a Suspension Order in respect of any Participant who fails to provide the Required Credit Cover 3 Working Days before the Market Start Date.

8.40   For the duration of the longer of the first Historical Assessment Period for Billing Periods or for Capacity Periods, estimates provided by each Participant in relation to its consumption or production of energy, pursuant to paragraph 8.31, will be evaluated against the Meter Data received from the relevant Meter Data Provider. If the difference between the Meter Data and the forecast quantities provided exceeds the Credit Cover Adjustment Trigger, the Market Operator shall calculate a revised future consumption or production (as appropriate) forecasts based on a statistical analysis of the known Meter Data to produce a forecast which has only a 5% probability of being exceeded. Such forecasts will then be used to recalculate the relevant Participant's Required Credit Cover.

8.41   The Market Operator shall make a report to the Regulatory Authorities at least 90 days before the Market Start Date proposing the Initial Credit Assessment Price and the Estimated Capacity Price relating to the calculation of the Required Credit Cover for the Undefined Exposure Period for New Participants and Adjusted Participants from the Market Start Date.

8.42   The Market Operator's report proposing the Initial Credit Assessment Price and the Estimated Capacity Price must set out any relevant research or analysis carried out by the Market Operator and the justification for the specific values proposed. The Market Operator shall publish the approved value for these prices at least 60 days before the Market Start Date or within 5 Working Days of receipt of the Regulatory Authorities' determination, whichever is the later.

8.43   For the avoidance of doubt for the purposes of Credit Cover monitoring and calculation, all Participants shall be considered New Participants on the Market Start Date.

8.44   Paragraph 6.174 shall not apply to the report to be published by the Market Operator proposing parameters relating to the calculation of the Required Credit Cover in advance of the First Trading Year and for the purpose of the report required in advance of that period only, paragraph 6.174 shall be replaced with:

        "6.174 The Market Operator shall make a report to the Regulatory Authorities at least 90 days before the start of the First Trading Year proposing the following parameters relating to the calculation of the Required Credit Cover for application in the First Trading Year:

            1.   the Fixed Credit Requirement;

            2.   the Historical Assessment Period for the Billing Period;

            3.   the Historical Assessment Period for the Capacity Period;

            4.   the Analysis Percentile Parameter;

5.   the Credit Cover Adjustment Trigger; and

6.   the maximum level of the Warning Limit."

Market Operator Website

8.45   The Market Operator shall ensure that the website referred to in paragraph 2.364 shall be operative and be accessible to all members of the public no later than 30 days before the Market Start Date.

Modifications

8.46   The initial Modifications Committee shall be established at a time specified by the Regulatory Authorities. The Regulatory Authorities shall publish the names of the members of the initial Modifications Committee at least 2 weeks before the establishment date it proposes for the initial Modifications Committee.

8.47   The nominees of the Commission, NIAUR, the Market Operator, System Operators and Meter Data Providers shall be automatically appointed to the initial Modifications Committee.

8.48   The Regulatory Authorities shall appoint members and alternate members to the initial Modifications Committee from nominees put forward by the nominating parties.

8.49   Where requested to do so by the Regulatory Authorities, persons who have not yet acceded to the Code may put forward nominees for the positions of member and alternate member of the initial Modifications Committee and such nominations shall, notwithstanding that the person making the nomination has not yet acceded to the Code, be considered to be a nomination by Nominating Participant for the purposes of the Code.

8.50   Where a person who has put forward nominees for the positions of member and alternate member pursuant to paragraph 8.49, has not acceded to the Code within 5 Working Days of the Commencement Date, such nominations shall cease to be valid and will not be considered by the Regulatory Authorities when appointing members or alternate members of the initial Modifications Committee.

8.51   The members of the Modifications Committee and their alternate members shall each serve for the respective terms as follows:

1.   The initial members appointed by, and to represent, the Commission, the Market Operator, the Northern Ireland System Operator and one Meter Data Provider shall each have an initial term of one year. Thereafter, each member appointed by the foregoing shall be appointed for a term of two years.

2.   The initial members appointed by, and to represent, the NIAUR, the System Operator for Ireland and the remaining Meter Data Providers shall each have an initial term of two years. Thereafter each member appointed by the foregoing shall be appointed for a term of two years.

3.   Every second initial member appointed following nomination by the Nominating Participants shall have an initial term of one year. All other

remaining initial members appointed following nomination by the Nominating Participants shall have an initial term of two years.

8.52 Notwithstanding any paragraph of the Code to the contrary, from the Commencement Date until the Market Start Date, no person shall submit a Modification Proposal save for a Modification Proposal submitted in accordance with paragraph 2.206 of the Code.

8.53 From the Commencement Date until the Market Start Date, paragraph 2.208 shall be replaced with:

"2. 208   A Modification Proposal shall be determined to be Urgent by the Regulatory Authorities where, if not made, it can be reasonably anticipated that the event or circumstance with which the Modification Proposal is concerned would:

a) threaten the ability to deliver a properly functioning market for the Market Start Date; or

b) result in one or more of the Parties being in breach of this Code on or after the Market Start Date due to systems limitations, or

c) correct an obviously material error or material inconsistency in the Code."

Dispute Resolution Board

8.54 The Market Operator will establish a Panel for Dispute Resolution within 30 Working Days of the Commencement Date. Any Dispute arising prior to the establishment of the Dispute Resolution Board shall be referred to the Regulatory Authorities.

MSP Software

8.55 Paragraph 4.70 shall not apply to the calculation of Uplift for the First Trading Year and for the purpose of the calculation required for this period only, paragraph 4.70 shall be replaced with:

"4.70   The following three input parameters that are to be used in the calculation of Uplift in each Year shall be determined by the Regulatory Authorities at least 60 days in advance of the Market Start Date:

a) The Uplift Alpha value α, which governs the importance of the Uplift Cost Objective, such that $0 \leq \alpha \leq 1$;

The Uplift Beta value β, which governs the importance of the Uplift Profile Objective, such that $0 \leq \beta \leq 1$; and

The Uplift Delta value δ, to constrain the overall impact on revenue in each Trading Day t, arising from the Uplift calculation, such that $\delta \geq 0$."

8.56 Notwithstanding any other provision of the Code for the first Trading Day, where the operation of the MSP Software requires initial conditions from a Preceding MSP Software Run as set out in paragraphs N.50 to N.52, then the Market Operator shall use data from the last applicable MSP Software run or runs of the MSP Software undertaken during the Market Trial for the relevant

periods preceding the first Trading Day. Paragraphs 5.125 and N.53 shall not apply to the first Trading Day.

8.57 The Market Operator shall use reasonable endeavours to procure that for each run of the MSP Software relating to the first Trading Day, the reservoir level for each Pumped Storage Unit at the start of the Optimisation Time Horizon will be set equal to a value that best reflects its understanding of the actual reservoir level at that time.

Uninstructed Imbalance

8.58 Paragraph 4.142 shall not apply to the calculation of Uninstructed Imbalances for the First Trading Year and for the purpose of the calculation required for this period only, paragraph 4.142 shall be replaced with:

"4.142 The System Operator shall make a report to the Regulatory Authorities at least 90 days before the First Trading Year proposing values for the following parameters used in the calculation of Uninstructed Imbalances for that year:

a) Engineering Tolerance ENGTOL (where $0 \leq ENGTOL \leq 1$);

b) MW Tolerance $MWTOL_t$ (where $0 \leq MWTOL_t$) for each Trading Day t;

c) System per Unit Regulation parameter (UREG);

d) the Discount for Over Generation (DOG_{uh}) for each Generator Unit u in each Trading Period h, such that $0 \leq DOG_{uh} \leq 1$; and

e) the Premium for Under Generation (PUG_{uh}) for each Generator Unit u in each Trading Period h, such that $0 \leq PUG_{uh} \leq 1$."

Testing Tariffs

8.59 Paragraph 5.175 shall not apply in relation to the making of a report to the Regulatory Authorities proposing values for the Testing Tariffs in advance of the First Trading Year and for the purpose of the report required in advance of that period only, paragraph 5.175 shall be replaced with:

"5.175 The relevant System Operator shall make a report to the Regulatory Authorities at least 60 days before the start of the First Trading Year proposing values for the Testing Tariffs which shall apply for the First Trading Year. The System Operator's report must set out the justification for the specific values proposed. Such a report may, and shall if so requested by the Regulatory Authorities, include alternative values from those proposed and must set out the arguments for and against such alternatives."

Settlement Calendar

8.60 Paragraph 6.47 shall not apply to the publication of a Settlement Calendar for all days in the First Trading Year and for the purposes of the publication of a

Settlement Calendar for that period only, paragraph 6.47 shall be replaced with:

"6.47 The Market Operator shall publish, at least 60 days prior to the start of the First Trading Year, a Settlement Calendar for all days in the First Trading Year which shall include the following information:

1. details of Non-Working Days;

2. details of:

   a. when Ex-Post Indicative Settlement Statements are due (for each type of Settlement Statement);

   b. when Initial Settlement Statements are due (for each type of Settlement Statement);

   c. each Invoice issue date (for each type of Invoice);

   d. the Invoice Due Date (for each type of Invoice);

   e. the Self-Billing Invoice issue date (for each type of Self-Billing Invoice);

   f. the Self-Billing Invoice Due Date (for each type of Self-Billing Invoice);

   g. the Timetable M+4 Settlement Reruns for relevant Settlement Period; and

   h. the Timetable M+13 Settlement Reruns for relevant Settlement Period."

Annual Maintenance Schedule Data

8.61 In Table E.2 the publication by the Market Operator of the Annual Maintenance Schedule – Generator Outages Schedule shall not apply in advance of the First Trading Year and for the purpose of the publication required in advance of the First Trading Year only, the publication in Table E.2 shall be replaced with:

Time	Item / Data Record	Term	Subscript
At least one Month before start of Year	**Annual Maintenance Schedule - Generator Outages Schedule (Appendix F)**		

8.62 Paragraph F.9 shall not apply to the transaction to be submitted to the System Operator by the Market Operator in respect of the annual Maintenance Schedule Data Transaction in advance of the First Trading Year and for the purpose of the transaction required in advance of the First Trading Year only, paragraph F.9 shall be replaced with:

"F.9 Each System Operator shall submit an annual Maintenance Schedule Data Transaction to the Market Operator at least one month before the start of each Year, and whenever it is updated. The following shall also apply:

1. The annual Maintenance Schedule Data Transaction shall contain the Maintenance Schedule for each Generator connected to the Transmission System in the relevant Jurisdiction over that Year.

2. The Market Operator shall only provide for Type 1 Communication Channel for the communication of such annual Maintenance Schedule Data Transaction from the System Operator during normal operation of the Market Operator's Isolated Market System and the Type 1 Communication Channel. "

Flattening Power Factor

8.63   Paragraph M30 shall not apply to the report to be submitted to the Regulatory Authorities by the Market Operator in respect of the Loss of Load Probability Table in advance of the First Trading Year and for the purpose of the report required in advance of that period only, paragraph M.30 shall be replaced with:

"M.30   With respect to the Loss of Load Probability Table, the System Operators shall make a report to the Regulatory Authorities at least 90 days before the start of the First Trading Year proposing a value for the Flattening Power Factor (FPFy) for Year y which shall be in the range $0 < FPF_y \leq 1$. The Market Operator shall publish the approved value of this parameter within 5 Working Days of receipt of the Regulatory Authorities' determination. The System Operators may propose revisions to the value of the Flattening Power Factor (FPFy) during the Year and, subject to the approval of the Regulatory Authorities, the Market Operator shall publish such revised value not less than thirty 30 days prior to the first Capacity Period for which such revised value is to be applied."

Data Publication by the Market Operator

8.64   The Market Operator shall publish all relevant parameters or reports within 3 Working Days of receiving the Regulatory Authorities' determination.

Data Provision by the System Operators

8.65   Notwithstanding any other provision of the Code, for the first Trading Day, each System Operator shall submit to the Market Operator the Generator Unit Technical Characteristics, consisting of Outturn Minimum Stable Generation, Outturn Availability and Outturn Minimum Output, in respect of each Generator Unit, which is Dispatchable, registered within its Currency Zone, 2 days prior to Market Start.

Billing Period

8.66   Notwithstanding the definition of Billing Period in paragraph 6.41, for the purposes of paragraph 6.41, the first Billing Period shall be defined as the period from 00:00 on the Market Start Date to the end of the Trading Period beginning at 23:30 on the Saturday which either follows or coincides with, the Market Start Date.

Capacity Period

8.67   Notwithstanding the definition of Capacity Period in paragraph 6.44 the first Capacity Period shall be defined as the period from 00:00 on the Market Start Date to the end of the Trading Period beginning on 23:30 on the last day of the calendar month during which the Market Start Date occurs.

Market Schedule Warmth State

8.68   For the first Trading Day, and with respect to each relevant Generator Unit, the reference to "preceding Trading Periods" in the definition of Market Schedule Warmth State shall refer to a period of equivalent duration immediately preceding the Market Start Date.

Interconnector Trades

8.69   Notwithstanding any other provision of the Code, the Market Operator shall publish Available Transfer Capacity values for the first Trading Day by 10:00 two days prior to Gate Closure for the first Trading Day.

8.70   Notwithstanding any other provision of the Code, the Market Operator shall by 10:30 two days prior to the first Trading Day notify each Interconnector User of the Active Interconnector Unit Capacity Holding for its Interconnector Unit.

8.71   Notwithstanding any other provision of the Code, for the first Trading Day, the Market Operator shall by 11:00 two days prior to the start of the first Trading Day determine Interconnector Unit Nominations for each Interconnector Unit from the Ex-Ante Indicative MSP Software Run based on the Active Interconnector Unit Capacity Holding and Commercial Offer Data such that the following conditions are satisfied:

1.   the Ramp Rate for each Interconnector Unit that is implied by the Interconnector Unit Nominations shall not exceed a value of 99999.9 MW/min; and

2.   the implied Ramp Rate for the sum of all Interconnector Units on any Interconnector that is implied by their Interconnector Unit Nominations shall not exceed the Aggregate Interconnector Ramp Rate for that Interconnector at any time.

and the Market Operator shall by 11:00, 2 days prior to the first Trading Day submit the Interconnector Unit Nominations to the Interconnector Administrator.

8.72   Notwithstanding any other provision of the Code, the Interconnector Administrator shall by 11:45, 2 days prior to the start of the first Trading Day submit the Modified Interconnector Unit Nominations to the Market Operator.

8.73   Notwithstanding any other provision of the Code, for the first Trading Day, the Market Operator shall by 12:00 two days prior to the start of the first Trading Day submit to each Interconnector User the Modified Interconnector Unit Nominations in respect of its Interconnector Units, via the Modified Interconnector Unit Nominations Data Transaction in accordance with Appendix K "Market Data Transactions".

8.74   Notwithstanding any other provision of the Code, for the first Trading Day, the Market Operator shall calculate Aggregate Modified Interconnector Unit Nominations for each Interconnector for each Trading Period, and by 12:00 two days prior to the start of the first Trading Day shall submit the Aggregate

Modified Interconnector Unit Nomination Data Transaction to the relevant System Operator in accordance with Appendix J "Market Operator and System Operator Data Transactions".

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In this Section:

"Effective Date"	means the Trading Day from which the registration of a Unit or Units to an Initial Participant shall be effective, as specified in a Commencement Notice issued by the Market Operator, or as deferred in accordance with paragraph 2.48. Effective Dates are aligned to Trading Day timescales and all references to Effective Date shall apply from the start of the relevant Trading Day. For the first Trading Day, the Market Operator will use any relevant data from registered Units with an Effective Date equal to the Market Start date in any calculations required to be made in respect of a Trading Day or a Trading Period.
"Estimated Capacity Price"	means the price (ECP) to be used for the calculation of Required Credit Cover for Initial Participants, New Participants and Adjusted Participants until the end of the relevant first Historical Assessment Period.
"First Trading Year"	means the period commencing at 00:00 on the Market Start Date and concluding at the end of the Trading Period commencing at 23:30 on 31 December 2007.
"Initial Credit Assessment Price"	means the price (CAP) to be used for the calculation of Required Credit Cover for Initial Participants, New Participants and Adjusted Participants until the end of the relevant first Historical Assessment Period.
"Initial Participant"	means a Participant who has registered with the Market Operator for the Market Trial as set out in paragraph 8.17.
"Market Trial"	means the full-scale 'as-live' operational exercising of market systems and processes, conducted by the Market Operator and Market Trial participants, and the preparation therefor, which is to take place prior to the Market Start Date in preparation for the commencement of trading in the Pool.
"Initial Party Registration Form"	means an application form issued by the Market Operator to Applicants who have registered for the Market Trial, which sets out all the items of data and other information that must be provided by Parties seeking to become Initial Participants.
"Trial Offer Data"	means commercial and technical offer data in respect of a generator unit submitted to the Market Operator during the Market Trial