



**Clarification Note on Differences between the Designated Trading and Settlement Code
Version 2.0 of 3rd July 2007 (AIP/SEM/07/379) and the Trading and Settlement Code
Version 2.0 of 31st May 2007 (AIP/SEM/07/224)**

Introduction

On 3rd July 2007, the Commission for Energy Regulation and the Northern Ireland Authority for Utility Regulation (the Regulatory Authorities or RAs) designated the Single Electricity Market Trading and Settlement Code (the “Code”) to be that Code as published on the AIP website (www.allislandproject.org) on 3rd July (Ref.: AIP/SEM/07/379¹), and modified from time to time thereafter in accordance with procedures set out in the Code. The Code sets out the rules and procedures for an electricity trading and settlement system for the Single Electricity Market, due to Go-Live on 1st November 2007.

The Regulatory Authorities (RAs) have since been requested by industry participants to provide a Delta View document outlining changes between the designated Code and the previous version of the Code, which was published on 31st May 2007 (Ref.: AIP/SEM/07/224²).

The Delta View document has now been published on the AIP website. Below is an overview of the differences between the documents.

Overview of Differences

- **Inclusion of Section 8: Transitional Arrangements**

On 19th June 2007 the RAs published a separate decision paper on section 8 of the Code (Ref.: AIP/SEM/266³). This section was not included in the Code published on 31st May and was subsequently included in the Designated Code on 3rd July 2007.

¹ See <http://www.allislandproject.org/en/trading-settlement-code-decision.aspx?article=1854c8b6-c4d1-46fd-a86b-03c6fa7330f4>

² See <http://www.allislandproject.org/en/trading-settlement-code-decision.aspx?article=d1540a2a-ced4-4490-b312-c57dfcf4e912>

- **Errors in the Designated Trading and Settlement Code**

On 2nd August 2007 the RAs published a short paper outlining that they had discovered that there were several obvious material errors in the designated Code. These errors consisted of small blocks of text which have been blanked out. This text had been included in the version of the Code as published on 31st May 2007.

It is thought that the errors may have occurred during the process of creating the adobe version of the document for publication. The RAs stated in the paper that they intend to propose an urgent modification to the Code to correct these obvious and material errors.

The modification to reinsert the missing text, as outlined below, has subsequently been proposed and is pending RA approval.

- Paragraph 2.25: after the words “pursuant to the” add the words “ consent of the Regulatory Authorities, to appoint an intermediary in respect of a Generator to which this paragraph applies, it may procure registration of the Generator as a Generator Unit by the relevant Intermediary in accordance with the Code.”
- Paragraph 2.144: after the words “The Market Operator shall report to the Regulatory Authorities in writing on a monthly basis or at such other intervals as the Regulatory Authorities may” add the words “reasonably request and in such manner and to such an extent as reasonably specified by the Regulatory Authorities. The Market Operator shall publish such reports. The reports shall set out in reasonable detail information about:”
- Paragraph 2.282: after the words “Notice of Dispute shall be deemed to have been” add the words “issued on the date on which the Market Operator was required to issue its determination in respect of the Settlement Query or Data Query”
- Paragraph 2.295: after the words “Where there are no more than two Disputing Parties, the Disputing Parties may agree within 10 Working Days of date of receipt by the receiving Party of the Referral Notice to establish a sole member” add the words “ DRB or a three member DRB. If the Disputing Parties to a Dispute agree to establish a sole member DRB, they shall agree to appoint the sole DRB member within a further 5 Working Days. If the Disputing Parties agree on a three member DRB, then each Disputing Party will within a further period of 5 Working Days nominate one member of the Panel to the DRB and the two members so nominated will appoint the third member within a further period of 5 Working Days.”
- Paragraph 4.79: after the words “The Market Operator shall procure that, for any Trading Period when an Insufficient Capacity Event has occurred within a run of the MSP Software in” add the words “ accordance with paragraph 4.73 above, then the

³ See <http://www.allislandproject.org/en/trading-settlement-code-decision.aspx?article=f9d7c20e-5e98-44b7-b48d-e9a633fcf3d0>

results of that run of the MSP Software for that Trading Period shall be determined as follows:”

- Paragraph 6.32.2: after the words “as set out in paragraph” add the words “6.30 above and the balance (if any) shall be held in trust in respect of the Participant as provided for in paragraph 6.32.1 subject to paragraph 6.32.3 where applicable; and”
- Paragraph 6.36: after the words “Except as expressly provided for in the Code, each Party and Participant waives any right it might otherwise have to set off against any obligation owed to the Market Operator, the SEM Bank or any other Party or” add the words “ Participant any claims such Party or Participant may have to or in respect of any monies standing to the credit of the relevant SEM Trading Clearing Account, SEM Capacity Clearing Account or SEM Collateral Reserve Account as applicable.”

- **Other Differences**

The last page of the body of the Code (page 226 of section 8) was inserted in the Appendices section – between pages A-2 and A-3 - in the designated Code. It is also thought that this error may have occurred during the process of creating the adobe version of the document for publication.