

EAST WEST INTERCONNECTOR

Access Rules

Issue 1.0

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SECTION A: GENERAL INTRODUCTION

Rule A1: Introduction

Scope

A1.1 These Rules set out:

- (a) the procedures for auctioning rights to use Interconnector Capacity;
- (b) the terms on which Participants may participate in Auctions; and
- (c) the terms for use of Interconnector Capacity.

Structure

A1.2 The Rules are divided into six sections as follows:

- (a) Section A: General Introduction;
- (b) Section B: Rules Applicable to Participation;
- (c) Section C: Financial Matters Applicable to these Rules;
- (d) Section D: Auction Rules;
- (e) Section E: Capacity Usage Rules; and
- (f) Section F: General Conditions.

A1.3 The Rules also contain eight Schedules as follows:

1. Definitions and Interpretation;
2. Form of EWIC Participant Agreement;
3. Standing Data;
4. Business Rules for Participant of Interconnector Capacity;
5. Deemed Metered Volume Allocation;
6. List of Long Term Products;
7. Transparency; and
8. Standard Letter of Credit

Rule A2: Parties and participation

Participation in Auctions and Use of Interconnector Capacity

A2.1 A person wishing to participate in any Auction and/or Secondary Market, and wishing to use Interconnector Capacity shall comply with Rule B2 [Participation Requirements] and agrees to be bound by and comply with these Rules.

A2.2 For the avoidance of doubt and notwithstanding any Rule applicable in the EWIC Access Rules, a person wishing to participate in any Implicit Intraday Auction in the Single Electricity Market (SEM) and wishing to use Interconnector Capacity in SEM will be bound by the SEM Trading and Settlement Code.

Operator

A2.3 The Operator is issuing these Rules in its capacity as operator of the Interconnector.

A2.4 The Operator may commission third parties to operate and administer the Auctions and/or the processes in relation to the Secondary Market on behalf of the Operator, following regulatory approval.

EWIC Participant Forum

A2.5 The Operator will from time to time invite Participants to meet with the Operator to discuss future Auctions and the commercial and operational aspects in relation to the Interconnector. Details of those who may attend the meetings, the agenda and location will be notified by the Operator within a reasonable time before the meeting.

Rule A3: Definitions and interpretation

Definitions

A3.1 In these Rules, unless the context otherwise requires, capitalised words and phrases have the meaning given to them in Part I of Schedule 1 [Definitions].

Interpretation

A3.2 The rules of interpretation applicable to these Rules are set out in Part II of Schedule 1 [Interpretation].

Time

A3.3 All timings referred to within these Rules are GMT time, unless otherwise stated.

Rule A4: Amendment

Amendment

A4.1.1 The Operator is entitled to amend these Rules from time to time by giving an Amendment Notice to Participants.

A4.1.2 Nothing in this Rule A4 [Amendment] shall prevent a Participant from proposing in writing amendments to these Rules at any time.

A4.1.3 In the event that a Rule amendment is proposed by a Participant, the Operator shall, within five (5) Business Days, confirm receipt of the proposed amendment and provide timescales for consideration of the proposal.

Effective time

A4.2 Subject to Rule A4.5 [Amendments due to legal requirements], an amendment made under Rule A4.1.1 [Amendment] takes effect from the later of:

- (a) the start of the Trading Day commencing ten (10) Business Days after the Amendment Notice is notified to Participants by the Operator; or
- (b) the date and time specified in the Amendment Notice.

Application

A4.3.1 Each amendment applies to any aspect of these Rules, including but not limited to all Auctions conducted after the date on which the amendment takes effect.

A4.3.2 Unless expressly stated otherwise by the Operator, the amended Rules shall govern all rights to use Interconnector Capacity and all other rights and obligations acquired under these Rules including those acquired before but for use after the amendment takes effect.

A4.3.3 Any amendment of these Rules will apply automatically to the EWIC Participant Agreement in force between the Operator and the Participant, without the need for the Participant to sign the amended Rules but without prejudice to the Participant's right to request termination of its EWIC Participant Agreement in accordance with Rule F6.2 [Termination by mutual consent].

Participant comments

A4.4 Before making any amendment to these Rules under Rule A4.1.1 [Amendment], the Operator will, unless the amendment is deemed by the Operator to be urgent or trivial in its nature, give Participants a reasonable opportunity, and in any event not less than ten (10) Business Days, to review and give written comments to the Operator on the proposed amendment. If the Operator decides to modify a proposed amendment as a result of comments from Participants, it may, in its absolute discretion, give Participants a further opportunity to review and comment on the modified proposals under this Rule indicating timescales for provision of such comments.

Amendments due to legal requirements

A4.5 These Rules are subject to the law prevailing at the time at which they take effect. In the event that there is a change in law or any action by Competent Authorities at national or international level which have an effect on these Rules then, notwithstanding any other provision of these Rules, the Rules will be amended accordingly (as soon as reasonably practicable) and, where possible, pursuant to this Rule A4 [Amendment].

Rules approval

A4.6 These Rules are approved by the relevant regulatory authorities. Accordingly, any Amendment Notice will be issued to Participants only after such approval(s) (as required)

has/have been received by the Operator. Following receipt of such approval(s) the amended Rules will be published on the Operator's website.

Business process timings

A4.7 Schedule 4 [Business Rules for Use of Interconnector Capacity] contains the main timings of the EWIC processes. Modifications may be made as and when required to this Schedule 4 by the Operator to reflect changes on the Auction Management Platform, in the Single Electricity Market (SEM) and/or changes to EWIC operational practices.

Long Term products

A4.8 Schedule 6 [List of Long Term products] contains the list of Long Term products available on the Interconnector at the time of entry into force of these Rules. Modifications may be made to Schedule 6 by means of notification on the Operator's website and the Auction Management Platform and/or as specified in the relevant Auction Specification.

Transparency

A4.9 Schedule 7 [Transparency] contains the provisions with regard to transparency. Notification of any amendment subject to Rule A4 [Amendment] shall be made transparently available on the relevant websites.

SECTION B: RULES APPLICABLE TO PARTICIPATION

Rule B1: Introduction

Scope

B1.1 This Section B of the Rules sets out rules which are applicable to participation by Participants in Auctions and the Secondary Market.

Structure

B1.2 Section B is divided into four Rules as follows:

- (a) Rule B1: Introduction;
- (b) Rule B2: Participation Requirements;
- (c) Rule B3: EWIC Participant Agreement; and
- (d) Rule B4: Participant Systems.

Rule B2: Participation Requirements

Eligibility

B2.1 To be eligible to participate in the Auctions and the Secondary Market, a person must satisfy the following conditions:

- (a) not have had its eligibility to participate suspended under Rule F6.3.1 [Suspension by the Operator] (unless it has been reinstated under Rule B2.3) [Suspension and Reinstatement];
- (b) have provided Payment Security in accordance with Rule C3 [Payment Security];
- (c) have given its Standing Data to the Operator in accordance with Rule B3.8 [Information provided by Participants];
- (d) have established and confirmed to the Operator its interface between its Participant System and the Auction Management Platform and SEM systems in accordance with Rule B4 [Participant Systems];
- (e) be a party to the following agreements:
 - (i) a Use of System Interconnector Agreement with the Operator;
 - (ii) an EWIC Participant Agreement;
 - (iii) a Framework Agreement established under the SEM Trading and Settlement Code;
 - (iv) a Framework Agreement established under the CUSC; and
 - (v) a Framework Agreement as defined in the Balancing and Settlement Code.

Eligibility Notice

B2.2.1 A Participant may not submit any Bid in an Auction and/or participate in the Secondary Market until the Operator has provided the Participant with a notice (“Eligibility Notice”) stating that the Operator is satisfied that the Participant has complied with the requirements of Rule B2.1 [Eligibility].

B2.2.2 A Participant shall immediately and in any case before submitting any Bid in an Auction and/or participating in the Secondary Market acknowledge receipt of the Eligibility Notice by e-mail to the Operator and upon receipt the Eligibility Notice will take effect.

B2.2.3 Once the Eligibility Notice is effective, the Participant is eligible to participate in Auctions and the Secondary Market.

Suspension and Reinstatement

B2.3 A Participant, in receipt of a notice under Rule F6.3.1 [Suspension by the Operator], is prohibited from submitting Bids in any Auction and/or participating in the Secondary Market from the date its eligibility is suspended until the Operator acknowledges receipt of a further Eligibility Notice.

Regulatory and legal requirements

B2.4 It is the responsibility of each Participant to ensure that it has complied with all requirements, including Applicable Laws; the requirements of any Competent Authority, and obtained all necessary authorisations in connection with its participation in Auctions and its use of Interconnector Capacity.

Costs of participation

B2.5 All Participants will participate in Auctions and/or the Secondary Market, at their own cost, expense and risk. Save with respect to any liability of the Operator that may arise pursuant to the Congestion Management Guidelines, the Operator will not be liable to any person (including Participants) for any cost, claim, or expense of any Participant in connection with the Participant participating in Auctions and the Secondary Market.

Collusion

B2.6.1 There must be no collusion by any Participant with any other Participant and Participants must not otherwise seek improperly to influence the outcome of any Auction. Where in its opinion collusive or other improper behaviour may have occurred or be occurring, the Operator will refer the matter to the relevant Competent Authority and, upon decision of the Competent Authority that the Participant’s behaviour is unlawful, may disqualify the relevant Bids.

Other issues

B2.6.2 All Participants participate in Auctions on the terms of these Rules and the relevant Auction Specifications.

Rule B3: EWIC Participant Agreement

Application for an agreement

B3.1 Any person (“Applicant”) may apply to enter into an EWIC Participant Agreement by submitting a completed Application Form to the Operator together with all the appropriate information and documents required by the Application Form.

B3.2 The Applicant must complete one Application Form only and can only enter into one EWIC Participant Agreement at any one time. These documents shall apply until terminated in accordance with the terms of these Rules and may be amended from time to time.

Form of Application Form

B3.3 The form of the Application Form and the requirements for its completion will be specified by the Operator from time to time. As a minimum, the Application Form will require the Applicant to:

- (a) identify itself and provide its contact details and names of authorised representatives;
- (b) agree to be bound by and comply with Rule B3.7 [Costs of application].

Return of agreements

B3.4 Once the Applicant has submitted an Application form and sent the relevant information required under this Rule B3 [EWIC Participant Agreement], the Applicant shall sign the EWIC Participant Agreement and send it in triplicate to the Operator. The Operator will return one executed copy of the EWIC Participant Agreement to the Applicant within twenty (20) Business Days of the EWIC Participant Agreement being received. Execution of the EWIC Participant Agreement by the Operator will not waive any Eligibility Condition and does not in itself confer Eligibility or indicate compliance with any other Eligibility Condition.

Additional information

B3.5.1 The Operator may ask an Applicant to provide additional or outstanding information reasonably required to enable it to execute the EWIC Participant Agreement (for example if the Applicant fails to include all necessary information with its Application Form). In such case, the twenty (20) Business Days referred to in Rule B3.4 [Return of Agreements] ceases to run from the date of the request until the information is provided.

B3.5.2 An Applicant shall provide additional or outstanding information to the Operator within twenty (20) Business Days of the Operator request for additional or outstanding information, beyond which time the Operator will deem the application to be withdrawn.

Refusal

B3.6 The Operator may refuse to enter into an EWIC Participant Agreement with an Applicant:

- (a) if the Operator has previously terminated an EWIC Participant Agreement with the Applicant pursuant to Rule F6 [Termination and suspension] as a result of a failure by the Participant (as it was at the time) to pay any amount owed under or in connection with these Rules and the Participant has not paid all amounts owed by it to the Operator in connection with that termination;
- (b) if the act of the Participant causes the Operator to breach any condition of the Interconnector Licences granted to it by the Commission for Energy Regulation (CER) and the Office of the Gas and Electricity Markets (OFGEM); or

- (c) if the act of the Participant causes the Operator to breach any applicable legal requirement.

Costs of application

B3.7 Applicants apply for eligibility to participate in Auctions at their own cost and expense.

Information provided by Participants

B3.8.1 Applicants and Participants must provide the Operator with the data and information in Schedule 3 ("Standing Data") before they are eligible to participate in any Auction. Initially, the information will be provided by Participants in their Application Forms.

B3.8.2 An Applicant or a Participant must notify the Operator if there is any change to the Standing Data at least ten (10) Business Days before the change comes into effect and, where that is not possible, as soon as practicable after the Participant becomes aware of the change.

B3.8.3 An Applicant or Participant must notify the Operator if it does not consent to the Operator publishing its name as a Unit Holder for the facilitation of the Secondary Market.

B3.8.4 Pursuant to any notification sent by the Participant in accordance with Rule B3.8.3 [Information provided by participants], such notification will be reflected in the Auction Management Platform and SEM systems, where relevant, as soon as practicable and in any event within two (2) Business Days of the receipt of the notification.

Accuracy and completeness

B3.9 Each Participant is responsible for all data and other information that it provides to the Operator pursuant to these Rules (including information in its Application Form) and must ensure that all data and other information that it provides to the Operator remains accurate and complete in all material respects and must promptly notify the Operator of any change.

Rule B4: Participant Systems

General requirement

B4.1 Each Participant must establish and maintain, at its own cost, its own Participant Systems. The Operator shall have no liability in the event that the Participant's System fails, for any reason, to communicate with the Auction Management Platform and, where applicable, SEM and BETTA systems.

Interfaces with the Auction Management Platform, SEM and BETTA systems

B4.2 The Operator will give Participants the information (including updates as applicable) reasonably necessary to enable Participant Systems to interface with the Auction Management Platform and, where applicable, SEM and BETTA systems.

Interface testing

B4.3.1 Each Participant must demonstrate to the reasonable satisfaction of the Operator its ability to exchange information with the Auction Management Platform and, where applicable,

SEM and BETTA systems before being eligible to participate in the Auctions and the Secondary Market.

B4.3.2 The Operator shall use reasonable endeavours to facilitate access to Participants to the Auction Management Platform and, where applicable, SEM and BETTA systems test platform to test their interfaces.

Security and confidentiality of communications

B4.4.1 The Operator may from time to time, where reasonably necessary for the purpose of protecting the security and authenticity of communications under these Rules, including those between the Auction Management Platform, and where applicable SEM, BETTA and Participant Systems, establish communication protocols and standards with which Participants must comply.

B4.4.2 Participants accept that data sent to the Auction Management Platform and, where applicable, SEM and BETTA systems is binding, and that Participants are fully responsible for those individuals who have access to the Auction Management Platform and, where applicable, SEM and BETTA systems on behalf of the Participant.

Training

B4.5 Standard Training for the use of the Auction Management Platform is available to the Participant upon request to the Operator. The Operator will discuss with the Participant the training required in order to determine the nature and extent of such request. When the scope of the required training is agreed, the Operator will use reasonable endeavours to organise such Standard Training to commence within ten (10) Business Days of such agreement, the duration of which Standard Training to be a maximum of two (2) days.

SECTION C: FINANCIAL MATTERS APPLICABLE TO THESE RULES

Rule C1: Introduction

Scope

C1.1 This Section C of the Rules sets out Rules which are applicable to invoicing, payments and payment security.

Structure

C1.2 Section C is divided into three Rules as follows:

- (a) Rule C1: Introduction;
- (b) Rule C2: Invoicing and Payment; and
- (c) Rule C3: Payment Security.

Rule C2: Invoicing and Payment

Obligation to pay independent of use

C2.1 Each Participant must pay the Operator within the specified timeframes the Unit Prices for all Unit Quantities acquired even if all or some of the Units have been Resold or Capacity Transferred as set out in Rule E4 [Secondary Market], or if the Participant does not use the corresponding Interconnector Capacity.

Currency

C2.2 All prices and payments set out according to Rule C2 [Invoicing and Payment] are indicated and shall be paid in Euro.

Transmission system charge

C2.3 Participants are required to pay Transmission Pass-Through Charges in relation to the Interconnector.

Invoices

C2.4.1 Unless notified otherwise, the Operator will invoice the Participant for the Units acquired in the direction "Ireland to Great Britain", and the Operator will invoice the Participant for the Units acquired in the direction "Great Britain to Ireland".

C2.4.2 No later than the 11th Business Day of each month M, the Operator will send by email (or by any other means as indicated from time to time by the Operator) to the Participant an invoice notification that the invoice is available to download from the Auction Management Platform, with a backup version using post or facsimile, stating:

- (a) the monthly instalments payable by the Participant in respect of the portion related to month M+1 of Long-Term Units, the Product Period of which is equal or greater than one month, and the allocation of which will have taken place before the 3rd Business

Day of month M. The monthly instalment payable is calculated as the product of the Unit Quantity and the Unit Price across the total Product Period, prorated by one month over the total number of months in the Product Period, rounded down to the nearest Euro cent for each monthly instalment, with the balance in the last monthly instalment. For example, a Unit with Product Period of a Trading year allocated before the 3rd Business Day of December will be invoiced in twelve (12) monthly instalments, starting in December and ending in November of the following year;

- (b) the monthly instalments payable by the Participant in respect of the portion related to month M of Long-Term Units, the Product Period of which is equal or greater than one month, and the allocation of which will have taken place after or on the 3rd Business Day of month M-1. The monthly instalment payable is calculated according to the same rule as in Rule C2.4.2(a);
- (c) the amount payable by the Participant in respect of Units, the Product Period of which is less than one (1) month and starts in month M-1, calculated as the product of the Unit Quantity and the Unit Price;
- (d) the monthly instalments payable by the Operator to the Participant in respect of the portion related to month M+1 of Units Resold in Long-Term Auctions, the Product Period of which is equal or greater than one month, and the allocation of which will have taken place before the 3rd Business Day of month M. The monthly instalment receivable is calculated as the product of the Resold Unit Quantity and the Unit Resale Price, prorated by one month over the total number of months in the Product Period, rounded down to the nearest Euro cent for each monthly instalment, with the balance in the last monthly instalment. For example the Resale of a Unit having a Product Period from January to March is credited in three (3) monthly instalments, starting in December the year before and ending in February;
- (e) the monthly instalments payable by the Operator to the Participant in respect of the portion related to month M of Units Resold in Long-Term Auctions, the Product Period of which is equal or greater than one month, and the Resale of which will have taken place after or on the 3rd Business Day of month M-1. The monthly instalment receivable is calculated according to the same rule as in Rule C2.4.2(d);
- (f) the amount payable by the Operator in respect of the Units Resold in Auctions, the Product Period of which is less than one month and starts M-1, calculated as the product of the Resold Unit Quantity and the Unit Resale Price;
- (g) the amount payable by the Operator in respect of Unused Units (as set out in Rule E5.2) [Use-It-or-Sell-It], and in respect of Trading Days within M-1, calculated as the product of the Unused Unit Quantity and the corresponding Auction Price of the Auction at which the Unused Units are re-allocated;
- (h) any amounts payable or credits due to the Participant by the Operator under Rule E8 [Curtailed Reconciliation];
- (i) any amount payable by the Participant to the Operator for any training requested by the Participants, in addition to the Standard Training provided to the use of the Auction Management Platform pursuant to Rules B4.5 and B4.6 [Training];
- (j) any Taxes payable by the Participant or the Operator in respect of amounts in the invoice;
- (k) the total amounts payable by the Participant to the Operator under that invoice (or receivable by the Participant from the Operator under that invoice); and
- (l) any other information legally required to be included in the invoice.

C2.4.3 Where an invoice issued by the Operator does not contain full background data for the derivation of invoice summary amounts, then the Participant may consult the Auction Management Platform to obtain such background data.

Payment of invoices

C2.5.1 In case of a debit, the Participant must pay the full value invoiced to it under this Rule C2 [Invoicing and Payment] in full, free of any charge, set off or counterclaim, by the due date for payment, even if it disputes any amount in the invoice, by making payment to the bank account notified from time to time to the Participant by the Operator for the purpose of these Rules.

C2.5.2 In case of a debit, the Operator reserves the right to offset any money that is due to it before it is obliged to pay the value invoiced to it under this Rule C2 [Invoicing and Payment] in full, free of any charge, set off or counterclaim, by the due date for payment, unless it disputes any amount in the invoice, by making payment to the bank account notified from time to time to the Operator by the Participant for the purpose of these Rules.

C2.5.3 Payments are due no later than fourteen (14) Business days after the date of issuance of the invoice. If the day that payment is due is not a Business Day, then the payment is due on the next Business Day.

C2.5.4 The Operator shall assume no liability to any party to a transaction involving a transfer of electricity across the East West Interconnector.

Payment disputes

C2.6.1 Subject to Rule C2.8 [Payment Incident], if a Participant disputes an invoice rendered under this Rule C2 [Invoicing and Payment], then it must as soon as practicable and in any event within ten (10) Business Days after the date of issuance of the invoice notify the Operator by registered mail of the nature of the dispute and the amount in dispute. The Notification of a dispute does not suspend any obligation to pay the amounts invoiced. If the Participant and the Operator are unable to resolve the difference within ten (10) Business Days of the notice then such difference will constitute a Dispute which will be submitted for resolution in accordance with Rule F8 [Dispute resolution].

C2.6.2 If it is agreed or determined pursuant to Rule F8 [Dispute resolution] that an amount paid by the Participant was not properly payable then the Operator will refund such amount including interest to the Participant no later than twenty (20) Business Days after the agreement or determination.

C2.6.3 If it is agreed or determined pursuant to Rule F8 [Dispute resolution] that an amount paid by the Operator was not properly payable then the Participant will refund such amount including interest to the Operator no later than twenty (20) Business Days after the agreement or determination.

Late payments

C2.7 Without prejudice to the other rights of the Operator and Participants, interest will be charged or will charge (as the case may be) without further notice on amounts due for payment by a Participant or by the Operator but unpaid at the date due for payment at the rate specified in Article 5 of the Late Payment Regulations. This interest shall be charged from the date due for payment until the date of actual payment. In all cases the minimum amount to be charged for late payment is one hundred Euro (€100). Interest will be charged without further notice.

Payment Incident

C2.8.1 Without prejudice to the other rights of the Operator, if all amounts due for payment by the Participant to the Operator are not paid in full by the Participant within one (1) Business Day after the due date for payment, the Operator will register a Payment Incident and inform the Participant by formal notice.

C2.8.2 Immediately after registering a Payment Incident pursuant to Rule C2.8.1 [Payment Incident], the Operator may invoke the Credit Cover.

C2.8.3 From the day of notice of a Payment Incident, the rights of the Participant to participate in Auctions or in the Secondary Market may be suspended by the Operator as set out in Rule F6 [Termination and suspension]. This suspension will run until the two following conditions are cumulatively met:

- (a) the Participant pays the Operator all overdue invoices and all interest on late payments, and
- (b) the Participant readjusts its Credit Cover as necessary to the level required pursuant to Rule C3.5 [Amount of Credit Cover] to cover its unpaid commitments.

Provided that the two above conditions are met, the Participant is entitled to request the Operator to end its suspension. The Operator will formally end the suspension by notice to the Participant as described in B2.3 [Suspension and Reinstatement].

C2.8.4 The Participant agrees that, at any time during the period of suspension of this Participant pursuant to rule C2.8.3 [Payment Incident], the Operator may Resell the Units acquired by it and that are the subject of the Payment Incident. In this event the proceeds of the Resale shall not be returned to the Participant, and the Operator shall not be liable for any direct or indirect loss or liabilities which the Participant may suffer or incur as a result of a Resale under this Rule.

Taxes

C2.9 Taxes at the rate and to the extent applicable will be applied to all amounts invoiced under these Rules.

Rule C3: Payment Security

Credit Cover for Participants

C3.1 Credit Cover must be provided and subsequently maintained in accordance with this Rule C3 [Payment Security].

Form of Credit Cover

C3.2 Credit Cover must be in the amount calculated under Rule C3.5 [Amount of Credit Cover], in Euro and must be in the form of:

- (a) a Letter of Credit; and/or
- (b) a cash deposit in a Deposit Account established and notified by the Operator.

C3.3.1 If the Credit Cover is provided in the form of a Letter of Credit, the letter:

- (a) shall be issued by a Credit Cover Provider fulfilling the Bank Eligibility Requirements set out in paragraph C.3.3.2 below;
- (b) shall be in the form attached in Schedule 8 “Standard Letter of Credit”;
- (c) must have a Validity Period extending until at least one month after the first date on which the Participant, if its Bid is accepted, would be required to make a payment of an instalment for the Units acquired; and,
- (d) shall be capable of being paid out for Same Day Value following a Credit Call.

C.3.3.2 A Credit Cover Provider shall be a Bank which must:

- (a) hold a Banking Licence in Ireland under Section 9 of the Central Bank Act 1971 (Ireland) or be authorised by the Financial Services Authority to take deposits, or be otherwise authorised to provide banking services in Ireland; and either
- (b) be a Clearing Bank in Ireland with:
 - (i) a long term debt rating of not less than A (Standard & Poors) or A2 (Moody’s Investors Service Inc.); or
 - (ii) Total Balance Sheet Assets of not less than €1,000 million, or
- (c) be an international bank that is authorised or approved by the relevant regulatory authority or is otherwise eligible to provide banking services in Ireland and which has a branch in Dublin and complies with paragraph C.3.3.2(b)

C.3.3.3 If a bank is a subsidiary, then its parent company must have a credit rating of not less than A (or AA) (Standard & Poors) or A2 (or AA2) (Moody’s Investors Service Inc.) or Total Balance Sheet Assets of not less than €10,000 million.

C3.4.1 Credit Cover that is provided by means of cash on deposit, where;

- (a) the account must be with a bank which complies with the criteria for a Credit Cover Provider as per C.3.3.2 above.
- (b) The account must be in the joint name of both the Operator and the Participant;
- (c) interest on the amount deposited in the account accrues for the benefit of the Participant, after deduction for any tax or bank charges;
- (d) the Operator and the Participant have irrevocably instructed the bank to make a payment against the sole signature of the Operator;
- (e) the bank has agreed that the amounts deposited in the account must not be set off or otherwise applied by the bank in respect of any indebtedness of the Participant or other person; and
- (f) amounts (other than interest) standing to the credit of the account will not be paid to the Participant without the prior written agreement of the Operator;

C3.4.2 If the bank issuing a Participant’s Letter of Credit ceases to meet the criteria set out in paragraph C.3.3.2 the Participant shall within two (2) Business Days procure the issue of a substitute Letter of Credit or shall deposit cash in a Deposit Account in order to satisfy the criteria set out in paragraph C3.3.2.

Amount of Credit Cover

C3.5 The minimum amount of Credit Cover required by the Operator at any time shall be such that the Auction Credit Limit, as described in Rule C3.6 [Auction Credit Limit], shall be greater than or equal to zero at all times.

Auction Credit Limit

C3.6 An Auction Credit Limit is calculated for each Participant in respect of each Auction. A Participant will only be able to participate in an Auction if its Auction Credit Limit, in respect of that auction, is greater than zero. The Auction Credit Limit is calculated as follows:

$$ACL = CC - UNL$$

Where: CC = Credit Cover, as confirmed in place immediately prior to the Auction commencement.

UNL = Unpaid Net Liabilities, calculated as: $UNL = UL - UC$, where:

UL = Unpaid liabilities, in respect of Units allocated to the Participant, calculated at the commencement of the Auction in question. In respect of Units of Product Period greater than one (1) month, one (1) continuous month of liability will be considered in this calculation from the day of allocation of the Unit until the day of payment of the last instalment of this Unit.

UC = Unpaid Compensations in respect of Units Resold and Unused Units, calculated at the commencement of the Auction in question. In respect of Units resold in Auctions of Product Period greater than one (1) month, one (1) continuous month of liability will be considered in this calculation from the day of Resale of the Unit until the day of payment of the last instalment of this Unit.

For the purpose of the Auction Credit Limit calculation, unpaid liabilities and unpaid compensations are increased to include the taxes and levies in force.

C3.7 The potential maximum commitment associated with any Bid, taking into account taxes and levies in force, will be assessed against the Auction Credit Limit. In the case of Long Term Auctions with a Product Period greater than one (1) month, one (1) month of potential maximum commitment associated with the Bid will be considered. (For example, in an Auction with a Product Period of a year where the Auction Credit Limit is one hundred Euros (€100), Bids will be permitted up to a level that creates a total Product Period commitment of one thousand and two hundred Euros (€1,200)).

C3.8 Any Bid that breaches the Auction Credit Limit shall be automatically rejected and the Participant may submit a revised lower Bid (provided the Bidding Period has not closed).

C3.9 Any Bid submitted to an Auction will be used to calculate a revised Auction Credit Limit for any concurrent Auction.

Changes to Credit Cover

C3.10 A Participant may increase its Credit Cover. The increased Credit Cover shall be reflected in the Participant's Auction Credit Limit:

- (a) at the time specified by the Participant and approved by the Operator; or
- (b) in the absence of any time specified by the Participant, within one (1) Business Day of the Operator's approval.

C3.11 A Participant may at any time request a decrease of its Credit Cover, such request to specify a certain time in the future at which such decrease in credit cover is requested to take effect. All such requests must be received and approved by the Operator. Provided that the reduced value at the specified time does not cause the Auction Credit Limit to be reduced

below zero (0) at such specified time then the requested decrease shall be approved by the Operator, otherwise the request shall be rejected by the Operator.

C3.12 Where a Participant has requested a decrease of Credit Cover that is in the form of a cash deposit, and where such request has been approved by the Operator pursuant to Rule C3.11 [Changes to Credit Cover], the associated funds shall be returned to the Participant within two (2) Business Days of the approval.

Calls on Credit Cover

C3.13.1 The Operator is entitled to call the Credit Cover of a Participant in the event of a Payment Incident pursuant to Rule C2.8 [Payment Incident].

C3.13.2 If the Credit Cover of a Participant is called in accordance with Rule C3.13.1 [Calls on Credit Cover], and where such call would cause the Auction Credit Limit to fall below zero (0), the Participant shall restore the Credit Cover to at least the minimum amount required by Rule C3.5 [Amount of Credit Cover] within two (2) Business Days of the call.

Credit Cover Renewal

C3.14 If the Credit Cover of a Participant, in the form of a Letter of Credit, is due to expire, the Participant shall renew the Credit Cover to at least the minimum amount required by Rule C3.5 [Amount of Credit Cover] and with a Validity Period no shorter than that specified in Rule C3.3 [Form of Credit Cover], not less than thirty (30) Business Days before it is due to expire.

Credit Cover Incident

C3.15.1 Without prejudice to the other rights of the Operator, if the Credit Cover is not renewed in accordance with Rule C3.14 [Credit Cover Renewal], or not restored in accordance with Rule C3.13.2 [Calls on Credit Cover], or a substitute Letter of Credit is not procured in accordance with C3.4.2 [Form of Credit Cover], the Operator will register a Credit Cover Incident and inform the Participant by formal notice.

C3.15.2 From the day of notice of a Credit Cover Incident, the rights of the Participant to participate in Auctions or in the Secondary Market may be suspended as set out in Rule F6.3.1(a) and F6.3.1(b) [Suspension by the Operator]. This suspension will run until the Participant restores its Credit Cover to the minimum amount required pursuant to Rule C3.5 [Amount of Credit Cover] and the Participant's eligibility is reinstated as described in B2.3 [Suspension and Reinstatement].

C3.15.3 The Participant agrees that, at anytime during its suspension pursuant to Rule C3.15.2 [Credit Cover Incident], the Operator may Resell the Units that such Participant is prohibited from using during the period of such suspension in accordance with Rule F6.3.1 [Suspension by the Operator]. In this event the proceeds of the Resale shall not be returned to the Participant, and the Operator shall not be liable for any direct or indirect loss or liabilities which the Participant may suffer or incur as a result of a resale under this Rule.

SECTION D: AUCTION RULES

Rule D1: Introduction

Scope

D1.1 This Section D of the Rules sets out the Rules relating to the Auction processes.

Structure

D1.2 Section D is divided into seven Rules as follows:

- (a) Rule D1: Introduction;
- (b) Rule D2: Types of Auctions;
- (c) Rule D3: Long Term Auctions;
- (d) Rule D4: Daily Auctions;
- (e) Rule D5: Intraday Auctions;
- (f) Rule D6: Submission of Bids; and
- (g) Rule D7: Allocation;
- (h) Rule D8: System Operator (SO) Actions.

Rule D2: Types of Auctions

Types of Auctions

D2.1.1 Subject to Rule D2.8 [Electronic operation of the Auctions], the Operator will use the following procedures for Auctions:

- (a) Auctions for Long Term Units, using the procedure described in Rule D3 [Long Term Auctions];
- (b) Auctions for Daily Units, using the procedure described in Rule D4 [Daily Auctions]; and
- (c) Auctions for Intraday Units, using the procedure described in Rule D5 [Intraday Auctions].

D2.1.2 The different types of Auctions referred to above are closed Auctions (i.e. Auctions are for Interconnector Capacity only and Participants have no visibility of other Participants' Bids).

What will be auctioned?

D2.2 Each Auction will be of Units. Units will be divided into categories as specified by the Operator by designating, in respect of each category of Unit:

- (a) the direction of Units in that category, which will either be "Ireland to Great Britain" or "Great Britain to Ireland";

- (b) the duration of the Product Period of Units in that category;
- (c) the applicable Unit Validity Times of Units being sold in a relevant Auction;
- (d) any other terms applicable to that category of Unit; and
- (e) the Planned Outage Periods, if any.

Separate and concurrent Auctions

D2.3 Each category of Unit will be auctioned separately. Units having non-overlapping Unit Validity Times may be auctioned in the same Auctions. Separate Auctions may be conducted concurrently.

Acquisition of Units

D2.4 Where the Operator accepts any Bid by allocating one or more Units to a Participant in accordance with these Rules, then the Participant will acquire such Unit(s) for the Unit Price on the terms and conditions of these Rules and the relevant Auction Specification. The rights and obligations of Participants are set out in these Rules.

Publication of preliminary results

D2.5.1 The preliminary results will be published only on the Auction Management Platform:

- (a) for each Long Term Auction as soon as practicable and within two (2) hours after the end of the Bidding Period;
- (b) for each Daily Auction as soon as practicable and within twenty (20) minutes after the end of the Bidding Period.

D2.5.2 The preliminary results are non-binding and shall be for information purposes only.

D2.5.3 Each Participant may consult only its own preliminary results on the Auction Management Platform. The preliminary results are detailed per Auction and per Participant.

D2.5.4 Should the Operator not publish the preliminary results within the relevant timeframe, the Operator will keep the Participants informed of the new timeframe of publication and/or any other consequences related to the relevant results.

Checking of the Results by Participants

D2.6.1 The Participant agrees to check the Auction results and, where reasonably appropriate, query Auction results for Long Term Auctions no later than two (2) hours after the Auction preliminary results have been published on the Auction Management Platform;

D2.6.2 Any query pursuant to D2.6.1 has to be marked as such, supported with full details and be sent by email to the Operator. Only queries where the Participant believes there is an error in the Auction results shall be considered.

D2.6.3 If the Participant does not query the Auction result within the times specified in D2.6.1 and under the conditions specified above, the Participant agrees that it loses all rights to query such Auction results.

D2.6.4 The Operator shall endeavour to reply to the Participant no later than one (1) Business Day after receipt of the query for Long Term Auctions;

Publication of final results

D2.7.1 The Operator will publish on the Auction Management Platform the final results:

- (a) for each Long Term Auction as soon as practicable and within thirty (30) minutes after the end of the Period dedicated to checking of Auction results;
- (b) for each Daily Auction as soon as practicable and within thirty (30) minutes after the end of the Period dedicated to checking of Auction results.

D2.7.2 The final Auction results are binding.

D2.7.3 The final results shall comprise:

- (a) each Participant's own final results, available only to that Participant on the Auction Management Platform, with the number of Units allocated to that Participant in the Auction and the Unit Prices;
- (b) the Auction's statistics, available to all Participants on the Auction Management Platform, which shall comprise the Auction Price and the total number of allocated Units;
- (c) unless otherwise notified by the Participant in respect of Rule B3.8.3 [Information provided by participants], the Operator may publish a list of Units Holders for facilitation of the Secondary Market.

D2.7.4 Should the Operator not publish the final results within the relevant timeframe, the Operator will keep Participants informed of the new timeframe of publication and/or any other consequences related to the relevant results.

Electronic operation of the Auctions

D2.8 Auctions will be conducted electronically via the Auction Management Platform except in case of an Auction Management Platform failure as described in Rule D2.9 [Fall back procedure in case of an Auction Management Platform failure].

Fall back procedure in case of an Auction Management Platform failure

D2.9 If the Auction Management Platform fails, and in the reasonable opinion of the Operator it is not practical to conduct an Auction electronically, the Operator may allocate the Units using a procedure for conducting the Auctions by email or fax to be specified by the Operator.

Cancellation, suspension, deferral

D2.10.1 In the unlikely event of unavailability or technical difficulties, the Operator may be forced to cancel an Auction:

- (a) before and during the course of the Auction itself: Participants are informed by a message that appears directly on the Auction Management Platform or by an electronic message;
- (b) after the preliminary Auction Results have been published, in the event of erroneous Results: Participants are informed by an electronic message. The Results of the Auction are thereupon cancelled;
- (c) after the final Auction Results have been published, in the event of erroneous Results: Participants are informed by an electronic message, corresponding Units are

reduced to zero (0) and Rules E7 [Curtailement] and E8 [Curtailement Reconciliation] will be applied as if a Capacity Shortage has occurred under Rule E7 [Curtailement].

D2.10.2 The Operator shall notify Participants as soon as possible of the reasons which caused the Auction cancellation.

D2.10.3 The Operator may defer the dates or times of an Auction by notifying Participants of the revised date or time of such Auction. In this event, the Bidding Period will open and close at the revised time as notified by the Operator. Only Bids submitted during the revised Bidding Period and confirmed by the Operator will be valid.

D2.10.4 If the fallback procedure described in D2.9 [Fall back procedure in case of an Auction Management Platform failure] cannot, in the reasonable opinion of the Operator, and based on objective grounds (for example due to a lack of time or to technical difficulties), be implemented as necessary to enable an Auction to be conducted, the Auction will be deferred.

D2.10.5 If deferral of an Auction is not considered by the Operator as being possible, based on objective grounds (for example due to a lack of time or to technical difficulties), the Auction will be cancelled and all Bids already submitted will automatically be cancelled.

D2.10.6 The effect of a cancelled auction on Resales and UIOSI are specified in Rules E4.3.16 [Cancellation of an Auction including Units resulting from a Resale] and E5.2.3 [Impact of Daily Auction cancellation on the application of UIOSI].

Rule D3: Long Term Auctions

Application

D3.1.1 The Operator will conduct Long Term Auctions in accordance with this Rule D3 [Long Term Auctions] for Units having a Product Period longer than one (1) Trading Day.

D3.1.2 The list of Long Term products available at the time of entry into force of these Rules is annexed in Schedule 6 [List of Long Term Products].

Dates of Auctions

D3.2 The Operator will give reasonable notice of Long Term Auctions referred to in Rule D3.1 [Application] by publishing a provisional calendar with the dates of all Long Term Auctions for the following year.

Volumes

D3.3 The number of Units auctioned in a Long Term Auction will include:

- (a) a proportion (as determined by the Operator) of the available Interconnector Capacity (in the form of Units) not already allocated to Participants; and
- (b) Resale Units (if any) made available for Resale at such Long Term Auctions pursuant to Rule E4 [Secondary Market].

Auction Specification

D3.4.1 At least five (5) Business Days before the day of the start of the Bidding Period of a Long Term Auction, the Operator will publish the initial Auction Specification for that Long Term Auction stating in particular:

- (a) the code identifying the Auction in the Auction Management Platform;
- (b) the category of Units being auctioned (see Rule D2) [Types of Auctions];
- (c) the provisional number of Units to be made available in the Long Term Auction, coming from a proportion (as determined by the Operator) of the available Interconnector Capacity not already allocated to Participants;
- (d) the Product Period of the Units, by specifying the time and date on which the right to use the Units commences and the time and date on which the right to use the Units ends;
- (e) if necessary, any Planned Outage Period(s) associated with this Product Period;
- (f) the Unit Validity Times;
- (g) the dates and times of the Bidding Period for that Auction; and
- (h) any other relevant information or terms applicable to the Units or the Auction.

The Offered Capacity in this initial Auction Specification does not include Units submitted by any Participant for Resale at this Long-Term Auction.

D3.4.2 At least thirty (30) minutes before the opening of the Bidding Period of a Long Term Auction, the Operator will publish the final Auction Specification for that Long Term Auction stating in particular:

- (a) the number of Units to be made available in the Auction, comprising of:
 - (i) the proportion (as determined by the Operator) of the available Interconnector Capacity not already allocated to Participants; and
 - (ii) valid Resale Requests submitted for this Long Term Auction in accordance with Rule E4.3 [Resale]; and
- (b) any other update of relevant information or terms applicable to the Units or the Auction.

Bidding Period

D3.5 The Bidding Period for each Long-Term Auction will be at such times specified by the Operator in Schedule 4 [Business Rules for Participant of Interconnector Capacity] of these Rules or in the relevant Auction Specification. In case of contradiction between the times specified in Schedule 4 and in the relevant Auction Specification, the Auction Specification shall prevail.

Rule D4: Daily Auctions

Introduction

D4.1 The Operator will conduct Daily Auctions, for Units having a Product Period of a Trading Day, in accordance with this Rule D4 [Daily Auctions].

Timing

D4.2.1 The Daily Auction(s) held on day “D-1” is/are for Units relating to use of Interconnector Capacity on the Trading Day commencing at 06:00hrs on day “D”.

D4.2.2 Daily Auctions are held seven (7) days a week, including weekend and public holidays, provided that the Offered Capacity for Daily Auctions is at least of one (1) Unit (to the extent that the Interconnector Capability permits).

Offered Capacity

D4.3 The total Offered Capacity for any Trading Day in Daily Auctions will include:

- (a) available Interconnector Capacity (in the form of Units) not already allocated to Participants and that is not unavailable due to Outages and/or due to the application of Curtailment;
- (b) Unused Units (if any) that have become available for the Daily Auctions pursuant to Rule E4 [Secondary Market] or Rule E5 [UIOSI] and that are not unavailable due to Outages and/or due to the application of Curtailment.

Auction Specifications

D4.4 No later than fifteen (15) minutes before opening of the Bidding Period of a Daily Auction, the Operator will publish the Auction Specification for that Daily Auction stating:

- (a) the code identifying that Auction in the Auction Management Platform;
- (b) the category of Units being auctioned (see Rule D2) [Types of Auction];
- (c) the number of Units being auctioned;
- (d) the Product Period for the Auction, by stating the Trading Day on which the Unit can be used;
- (e) the Unit Validity Times;
- (f) the times of opening and closure of the Bidding Period for that Auction; and
- (g) any other relevant information or terms applicable to the Units or the Auction.

Bidding Period

D4.5 The Bidding Period for each Daily Auction will be at such times specified by the Operator in Schedule 4 [Business Rules for Participant of Interconnector Capacity] of these Rules or in the relevant Auction Specification. In case of contradiction between the times specified in Schedule 4 and in the relevant Auction Specification, the Auction Specification shall prevail.

Rule D5: Intraday Auctions

D5.1 Information on the Auction rules applicable to Intra-day Auctions is provided under the SEM Trading and Settlement Code.

D5.2 Netting of capacity in two opposite directions (Ireland-Great Britain and Great Britain-Ireland) shall be employed, in order to maximise capacity available to Participants.

Information on the application of superpositioning intraday is provided under the SEM Trading and Settlement Code.

Rule D6: Submission of Bids

Introduction

D6.1 Bids in Auctions must be submitted in accordance with this Rule D6 [Submission of Bids].

Nature of Bids and Set of Bids

D6.2.1 A Bid or a Set of Bids become valid when acknowledged as such by the Operator.

D6.2.2 Each valid Bid or Set of Bids registered at closure of the Bidding Period will constitute an unconditional and irrevocable offer by the Participant to the Operator to buy Units up to the quantity and at prices up to those specified in the Bid or the Set of Bids and on the terms and conditions of these Rules and the relevant Auction Specification.

D6.2.3 Once submitted, a Bid or a Set of Bids cannot be withdrawn but the Participant may modify its previous Bid or Set of Bids at any time during the Bidding Period. The modified Bid or Set of Bids will supersede the previous Bid or Set of Bids. Irrespective of whether the previous submission was a Bid or a Set of Bids, only the updated valid Bid or Set of Bids will be taken into account for the Auctions allocation.

Requirements for Bids

D6.3.1 Each Bid must:

- (a) be submitted electronically using the Auction Management Platform during the Bidding Period as specified in Schedule 4 [Business Rules for Participant of Interconnector Capacity];
- (b) be in the form and include the information required by the Operator from time to time;
- (c) identify the Participant submitting the Bid, using the form of identification required by the Operator for the purposes of Auctions;
- (d) state the price for the Bid in Euro. All prices bid must be to a maximum of two decimal places and must be a price per Unit for one hour of the Product Period of the Unit. Therefore, Units Prices for any Product Period will be a price per Mega Watt per hour (€/MW/h); and
- (e) state the number of Units being bid for.

D6.3.2 The Participant must not submit more than twenty (20) Bids within a Set of Bids for any Auction.

D6.3.3 The Participants will submit their Bids either via the Auction Management Platform or by such other means as specified by the Operator from time to time, pursuant to Rule B4.2 [Interfaces with the Auction Management Platform, SEM and BETTA systems]. The format of such Bid submission shall be as specified by the Operator and pursuant to ENTSO-E recommendations or to any other technical recommendations provided by the Operator.

Registration of Bids

D6.4.1 Provided that the format of the Bid file is in a compliant format pursuant to Rule D6.3.3 [Requirements for Bids], the Operator will acknowledge receipt of Bids to Participants by a message indicating whether the Bids have been correctly registered.

D6.4.2 Bids shall be registered in accordance with D6.2.1 [Nature of Bids and Set of Bids].

Rejection of Bids

D6.5.1 The Operator may reject any Bid that:

- (a) causes the Participant to exceed its Auction Credit Limit, pursuant to Rule C3 [Payment Security]; or
- (b) does not comply with the requirements of this Rule D6 [Submission of Bids]; or
- (c) is received from a Participant which is suspended pursuant to Rule F6.3.1 [Suspension by the Operator].

D6.5.2 The Operator will notify any Participant whose Bid is rejected as invalid and the reason of this rejection, as soon as reasonably practicable after the Bid is rejected.

Taxes

D6.6 All Bid prices are deemed to be exclusive of Taxes.

Manifest Error

D6.7 A Participant shall provide a range of parameters of min/max prices and volumes, outside of which bids will be rejected.

Time stamps

D6.8.1 The time of bid is the timestamp as recorded on the Auction Management Platform.

D6.8.2 For any modified bids, only the time of the last update shall be displayed.

Default Bids

D6.9.1 The Participants may define, at any time, in the Auction Management Platform, Default Bids for Auctions which shall be identified as such in the Auction Management Platform by the Participant.

D6.9.2 The Participant shall specify under the specific form its Default Bids and what Auction its Default Bids apply to.

D6.9.3 A Default Bid will apply automatically to each subsequent and relevant Auction. On the opening of a relevant Bidding Period, the registered Default Bid is considered as a Bid submitted by the Participant for the relevant Auction. This Bid is considered as a valid Bid once confirmed by the Operator. A Set of Default Bids may only be prepared with a maximum of twenty (20) Bids within the Set of Bids per Auction. In the event that more than twenty (20) Bids are within the Set of Bids, the submission of such a Default Set of Bids will be invalid and therefore automatically rejected.

D6.9.4 If the number of Units submitted in a Default Bid for a given Auction is greater than the Offered Capacity of this Auction, the number of Units of the Bid resulting from this Default Bid is set at the value of the Offered Capacity of the relevant Auction.

D6.9.5 The Participant may modify a Bid resulting from a Default Bid for a specific Auction within the Bidding Period of such Auction.

D6.9.6 A Participant not wishing to submit a Default Bid on the Auction Management Platform anymore for a given Timescale must set the volume and the price of its Default Bids for this Timescale to zero.

Rule D7: Allocation

Determination of Auction Results

D7.1 After the close of the Bidding Period for an Auction, the Operator will determine such Auction results and allocate Units in accordance with this Rule D7 [Allocation].

D7.2 If the total number of Units for which valid Bids have been submitted is lower than or equal to the Offered Capacity for the relevant Auction, then all such valid Bids will be accepted and the Marginal Price will be zero.

D7.3 If the total number of Units for which valid Bids have been submitted exceeds the Offered Capacity for the Auction in question, the Marginal Price is equal to the lowest Bid price allocated in full or in part, and the Auction results are obtained using the methodology described below:

- (a) First, for each Auction the Operator ranks the valid Bids in decreasing Bid Price order. (Different Bids with the same Bid Price receive the same rank. Only valid Bids that comply with the terms of Rule D6 [Submission of Bids] are taken into account in this ranking).
- (b) The highest ranked valid Bid(s) received for a number of Units requested which in aggregate does(do) not exceed the Offered Capacity is (are) allocated. Any residual available Offered Capacity is then allocated to the next highest ranked valid Bid(s). If the number of Units requested in such next highest ranked valid Bid(s) does/do not exceed in aggregate the residual Offered Capacity, this process is then repeated for the remainder of the residual Offered Capacity;
- (c) Following the iterative process described in D7.3(b), when the number of Units requested under the next highest ranked valid Bid is equal to or greater than the residual Offered Capacity, the Bid is allocated either in full, or partially up to the limit of the residual Offered Capacity, as the case may be. The price of this Bid constitutes the Marginal Price;
- (d) If two (2) or more Participants have submitted valid Bids with the same Bid price, for a total requested number of Units which exceeds the residual Offered Capacity, the residual Offered Capacity is allocated in proportion to the number of Units requested in the Bids by these Participants, in Units of at least one (1) MW. The Units attributed are rounded down to the nearest Megawatt. The price of these Bids constitutes the Marginal Price.
- (e) Any remainder after the previous calculations is not allocated.

D7.4 The Units are deemed to have been allocated to a Participant after the publication of the final results of the relevant Auction.

D7.5 Participants acknowledge and accept that their Bids may be partially accepted according to the methodology above.

Rule D8: System Operator (SO) Actions

D8.1 Arrangements for the provision of ancillary services and SO-SO trading for power system operation purposes after the last Intraday Gate Closure in SEM on WD1 are outside the scope of these Rules.

SECTION E: CAPACITY USAGE RULES

Rule E1: Introduction

Scope

E1.1 This Section E of the Rules sets out terms for use of Interconnector Capacity.

Structure

E1.2 Section E is divided into nine Rules as follows:

- (a) Rule E1: Introduction;
- (b) Rule E2: Interconnector Capacity Entitlement (ICE);
- (c) Rule E3: Long Term Capacity Nominations;
- (d) Rule E4: Secondary Market;
- (e) Rule E5: Use-It-Or-Sell-It;
- (f) Rule E6: Outages;
- (g) Rule E7: Curtailment;
- (h) Rule E8: Curtailment Reconciliation; and
- (i) Rule E9: Interconnector Capacity Payments

Rule E2: Interconnector Capacity Entitlement (ICE)

Introduction

E2.1 Each Unit entitles the Participant that acquires it (whether at an Auction or in the Secondary Market) to use Interconnector Capacity by requesting, an Energy Transmission of 1MW at the connection point in Deeside but only:

- (a) in the direction specified for that category of Unit; and
- (b) in Settlement Periods during the Unit Validity Times of that Unit, and subject to and on the terms and conditions of these Rules including any Curtailment and as specified in the relevant Auction Specification.

E2.2 The Operator shall make available via the Auction Management Platform, the Participants' summary of acquired Units for any given Trading Day.

Interconnector Capacity Entitlement (ICE)

E2.3.1 The ICE of a Participant for a Trading Day in a direction and per Timescale is a schedule showing, the total number of MW of Interconnector Capacity the Participant is entitled to during each hour of that Trading Day in that direction and for the relevant Timescale determined in accordance with these Rules.

E.2.3.2 The Operator will maintain a report detailing ICEs (ICE Portfolio) on the Auction Management Platform. This Portfolio will provide the latest ICE for each Participant in accordance with Schedule 4 [Business Rules for Participant of Interconnector Capacity].

Rule E3: Long Term Capacity Nominations

Principles applicable to Long Term Capacity Nominations

E3.1 For each hour in a Trading Day for which a Long Term ICE has been published by the Operator, each Participant may nominate to the Operator an Energy Transmission up to but not exceeding the Participant's Long Term ICE in the relevant direction in that hour.

E3.2 The Participant shall nominate no later than the Long Term Nomination Gate Closure for all relevant hours as referred to in the Long Term ICE. The timescales for submitting Nominations are contained in Schedule 4 [Business Rules for Participant of Interconnector Capacity].

E3.3 The Nomination for each hour in the Trading Day must be expressed in whole MW, with a single value, greater than or equal to zero, for each hour.

E3.4 The Operator will reject a Nomination in its entirety for the Trading Day where the corresponding Nomination(s) in one or more hours exceed(s) the Participant's Long Term ICE.

E3.5 Nominations are not subject to any modification by the Participants after the relevant Gate-Closure pursuant to Schedule 4 [Business Rules for Participant of Interconnector Capacity].

E3.6 In the absence of a Nomination by a Participant in a direction, the corresponding Nominations are assumed to be equal to zero.

E3.7 The sum of a Participant's Long Term Nominations and Daily ICEs will form its Active Capacity Holdings (ACH). The Operator shall submit to SEM the ACH Data for each Participant prior to the first SEM Gate Closure (EA1). Information on the principles applicable to Intraday Nominations in SEM is provided under the SEM Trading and Settlement Code.

Electronic submission of Long Term Capacity Nominations

E3.8.1 Each Participant must notify its Nominations electronically.

E3.8.2 Nominations shall be submitted in the formats specified by the Operator and pursuant to the ENTSO-E recommendations and/or to any other technical recommendations provided by the Operator to the Participants.

E3.8.3 Subject to E3.4, and provided that the format of the Nomination is in accordance with E3.8.2, the Operator will acknowledge receipt of the Nomination to Participants by a message indicating that the Nomination has been correctly registered.

E3.8.4 Only Nominations confirmed as correctly registered shall be valid.

Default Long Term Capacity Nominations

E3.9.1 Default Nominations can be activated by the Participant. Where they are activated, all Nominations would be automatically generated at the value of the ICE for each hour of that Trading Day.

E3.9.2 Participants may activate Default Nominations independently for the Long Term Timescale.

E3.9.3 The registered Default Nomination is considered as a schedule of Nominations submitted by the Participant at the opening of the period for Nomination. This Nomination is considered as valid once confirmed as such by the Operator.

E3.9.4 The Participant may modify the Nomination resulting from the Default Nomination within the relevant Nomination period.

E3.9.5 The Participant may deactivate its Default Nomination on the Auction Management Platform at any time. Where such deactivation is during a relevant Nomination period, any existing valid Nomination resulting from a Default Nomination remains unchanged.

Communications Failure

E3.10.1 In case of a problem of communication between the Participant and the Auction Management Platform, the Participant shall use an alternative valid means of communication, other than the failed communication channel, and cover its own costs in doing so.

E3.10.2 In case of a problem of communication between the Participant and the SEM systems due to a communications failure or systems failure, the Participant shall adhere to the SEM Trading and Settlement Code.

Cancellation of a Long Term Capacity Nomination Gate Closure

E3.11 In the event of operational difficulties with the Auction Management Platform, the Operator may be forced to cancel a Nomination Gate Closure. In that case, the Operator shall inform the Participants as soon as practicable of such cancellation and submit the Participants Long Term ACH to SEM.

Business Rules for use of Interconnector Capacity

E3.12 Participants must comply with the Business Rules in Schedule 4.

Allocation of Deemed Metered Volumes

E3.13 If a Participant submits a valid request for an Energy Transmission for a Settlement Period, then the Operator will ensure that a corresponding Deemed Metered Volume taking account of any reductions in MIUNs as a result of Curtailment, is allocated to the relevant Energy Accounts of the Participant for the purposes of each of the Balancing Mechanism Units using the Deemed Metered Volume allocation rules set out in Schedule 5 [Deemed Metered Volume Allocation].

Submission of Physical Notifications

E3.14 The Operator will calculate and submit to NGET Physical Notifications for each Settlement period on behalf of each Participant, based on the aggregate Interconnector Unit Nominations (IUNs) across all Timescales in respect of each Settlement period.

Potential limitation to the operation of the Interconnector

E3.15 Each Participant acknowledges that, without prejudice to the rights of Participants under this Rule E3 [Nominations] Participants do not have a right to control Energy Transmissions over the Interconnector and the actual level of Energy Transmissions over the

Interconnector at any time is determined by the Operator having regard to a range of factors (including any limitation due to emergency or reasons of operational system security or under other arrangements such as the provision of emergency support and balancing services). Nothing in these Rules restricts the Operator from transmitting electricity over the Interconnector at any time in either direction.

Restrictions on use

E3.16 A Participant will not be entitled to use any Interconnector Capacity other than at the times and, in the manner and to the extent provided for under these Rules.

Rule E4: Secondary Market

Introduction

E4.1 The Secondary Market means the mechanisms of Resale of the Interconnector Capacity by a Participant, as specified under Rule E4.3 [Resale], and of Capacity Transfer of Interconnector Capacity between Participants, as specified under Rule E4.4 [Capacity Transfer]. These mechanisms enable a Participant to acquire or surrender Units which have previously been auctioned by the Operator.

Electronic operation of the Secondary Market

E4.2.1 The Secondary Market will be conducted electronically via the Auction Management Platform except in case of Auction Management Platform failure as described in Rule E4.2.4.

E4.2.2 Resale Request and Capacity Transfer Notices shall comply with the format specified from time to time by the Operator, which shall be consistent with the ENTSO-E format recommendations.

E4.2.3 The Operator will acknowledge receipt of the Resale Request and Capacity Transfer Notices to Participants by a message indicating whether the Request and Capacity Transfer Notices have been correctly registered. This message of acknowledgment will be sent manually if the Auction Management Platform fails. Only Resale Requests and Capacity Transfer Notices confirmed as correctly registered shall be valid.

E4.2.4 If the Auction Management Platform fails and, in the reasonable opinion of the Operator, it is not practicable to operate the Secondary Market electronically, the Operator may use a fallback procedure by email or fax, as specified from time to time, in order to conduct the Secondary Market and to allocate the Units resulting from the Secondary Market.

E4.2.5 If the fallback procedure described in E4.2.4 cannot, in the reasonable opinion of the Operator, be implemented as necessary to enable the Secondary Market to be operated, the Secondary Market will be deferred.

E4.2.6 If deferral of the Secondary Market is not considered by the Operator as being possible, the Secondary Market will be cancelled and all Resale Requests and Capacity Transfer Notices already submitted will automatically be cancelled.

Resale

E4.3.1 A Participant may make a Resale Request for a forthcoming Long Term Auction in accordance with this Rule E4.3 [Resale].

Conditions

E4.3.2 Resale of a Unit by a Participant is permitted under these Rules only if the following conditions are satisfied:

- (a) the Participant must specify at which forthcoming Long Term Auction it intends to Resell Units;
- (b) the Resale Request must be for Resale of Units with a Product Period that wholly includes the Product Period of the Units being offered in the relevant forthcoming Long Term Auction;
- (c) all Units the subject of the Resale Request must have been allocated from a previous Long Term Auction;
- (d) the Unit Validity Times of the relevant forthcoming Long Term Auction are also Unit Validity Times of the Auction in which they were previously allocated;
- (e) the Resale Request must be for the same number of Units across all Unit Validity Times within the Product Period of the Units being offered in the relevant forthcoming Long Term Auction; and
- (f) only one Resale Request may be registered per Participant in respect of a forthcoming Long Term Auction for Units acquired in a certain previous Long Term Auction.

E4.3.3 Each Resale Request must state the number and category of the Units requested to be resold. This must be a whole number of Units and must not exceed the number of Units in that category in all applicable Unit Validity Times held by the Participant making the Resale Request (taking into account any Capacity Transfer of Interconnector Capacity under Rule E4.4 and Curtailment under Rule E7).

E4.3.4 A Resale Request can be made or modified in respect of a forthcoming Auction within the applicable times specified under Schedule 4 [Business Rules for Participant of Interconnector Capacity].

Resale Request

E4.3.5 A Resale Request submitted by a Participant to the Operator must:

- (a) identify the Participant making the Resale;
- (b) identify the Long Term Auction in which the Units are requested to be Resold;
- (c) state the Product Period of the Units which are requested to be Resold; and
- (d) state the number of the Units being requested to be Resold.

E4.3.6 A Participant making a Resale Request must promptly respond to the Operator's satisfaction to any request by the Operator for clarification of such Resale Request.

E4.3.7 The Operator will acknowledge receipt of Resale Requests pursuant to Rule E4.2.3. The Operator may reject any Resale Request that is invalid or that purports to Resell capacity in circumstances not permitted by this Rule E4.3 [Resale] or if the Participant has failed to respond satisfactorily to a request under Rule E4.3.6.

Conditions of withdrawal

E4.3.8 A Participant may modify its Resale Request within the relevant period as detailed under Schedule 4 [Business Rules for Participant of Interconnector Capacity].

Effect of Resale Request

E4.3.9 Where one or more Resale Request(s) is (are) made for a forthcoming Long Term Auction, the Operator will include the total associated Units (“Resale Units”) from such Resale Request(s) in the forthcoming Auction Specification, but only to the extent that Interconnector Capacity is available.

E4.3.10 The price at which Resale Units are sold is the Marginal Price of the Auction specified in the Resale Request.

Nature of relationship

E4.3.11 The Operator will not charge a transaction fee for allocated Resale Units.

E4.3.12 Resale Units are made available in Auctions (to the extent that Interconnector Capability is available), and are allocated by the Operator, as principal and not as agent of the Participant making the Resale Request. No rights or obligations arise or exist in connection with allocation of Resale Units as between the Participant making the Resale Request and the Participant to whom the Resale Units are allocated.

Obligations of the Operator

E4.3.13 The Operator’s obligations in respect of a Resale Request to the Participant making the Resale Request are only those expressly set out in this Rule E4.3 [Resale]. For the avoidance of doubt, the Operator is under no obligation, express or implied, to ensure that demand in any Auction is such that Resale Units will be allocated in that Auction.

Effect of allocation of Resale Units

E4.3.14 Rules E4.3.15 to E4.3.19 apply if Resale Units are allocated to Participants in an Auction. In those Rules, “Relevant Participant” means, in relation to an Auction, a Participant who made a Resale Request in respect of that Auction.

Payment

E4.3.15 Each Relevant Participant will be entitled to a payment calculated as follows:

$A = (B * C)$ where:

A is the amount of the payment;

B is the Marginal Price of the Auction in which the Resale was made;

C is the number of MW specified in the Relevant Participant’s Resale Request to the extent allowed by the Operator under Rule E4.3.9.

Effect on Participant’s rights and obligations

E4.3.16 Each Relevant Participant will lose its entitlement to use corresponding Interconnector Capacity for the Resale Period stated in its Resale Request and accordingly its rights will be reduced except in the circumstances specified in Rule E4.3.17. In all other respects, Relevant Participants’ rights and obligations relating to Units will not be affected. For example, they are still required to pay the full Unit Price for all Units acquired in Auctions (whether or not subsequently Resold).

Cancellation of an Auction including Units resulting from a Resale

E4.3.17 In the case where an Auction in which Units have been requested to be Resold is cancelled, any associated Resale Request(s) is/are cancelled and the corresponding Units are returned to the relevant Participant.

Invoicing and payment

E4.3.18 Resale invoicing and payments are made pursuant to Rule C2 [Invoicing and Payment].

E4.3.19 For the proportion of Resale Units specified in the Resale Request that have not been allocated in such Auction the Participant will lose its entitlements to use corresponding Interconnector Capacity and such Resale Units will not be entitled to a payment.

Capacity Transfer

Conditions

E4.4.1 Capacity Transfer of a Participant's rights to use Units is permitted under these Rules only if the following conditions are satisfied:

- (a) the Participant gives the Operator a notice of the Capacity Transfer ("Capacity Transfer Notice") that complies with Rule E4.4.5;
- (b) Units are subject to Capacity Transfer across Trading Periods and in at least one Trading Period of one (1) Trading Day;
- (c) the Capacity Transfer is made to an existing Participant who has not been suspended in any way pursuant to Rule F6.3.1 [Suspension by the Operator];
- (d) the duration of the Capacity Transfer ("Capacity Transfer Period") is one (1) or more consecutive Trading Days of the specified Day Type, and is within the Product Period of the Units being subject to Capacity Transfer;
- (e) at least one (1) Unit is being subject to Capacity Transfer and shall be a whole number;
- (f) the MW profile being subject to Capacity Transfer is the same for each Trading Day associated with the Capacity Transfer;
- (g) the Participant has at least as many Units as the number it wishes to Capacity Transfer in each Trading Period of each associated Trading Day (taking into account any reduction(s) due to previous Capacity Transfer(s), Resale(s) or Curtailment(s)); and
- (h) at the time it gives the Capacity Transfer Notice, the Participant is not in default under these Rules and its rights to use Interconnector Capacity and participate in Auctions have not been suspended.

E4.4.2 A Participant may give more than one Capacity Transfer Notice covering the same period of time, subject to each notice complying with this Rule. Any Capacity Transfer covering more than one calendar month must be notified in separate Capacity Transfer Notices, one for each affected month.

E4.4.3 The Capacity Transfer does not modify the Timescale or any other categorisation upon which the Capacity Transferred Units were initially acquired.

Timing

E4.4.4 Following the publication of the final results of an Auction, a Participant may make a Capacity Transfer Notice in relation to Interconnector Capacity acquired in such Auction to the Operator in accordance with the relevant timings specified in Schedule 4 [Business Rules for Participant of Interconnector Capacity].

Capacity Transfer Notice

E4.4.5 The Capacity Transfer Notice submitted by the Participant making the Capacity Transfer must:

- (a) identify the Participant making the Capacity Transfer;
- (b) identify the Participant to whom the Units are being subject to Capacity Transfer;
- (c) state the Capacity Transfer Period;
- (d) state the Day Types for which the Capacity Transfer is to apply;
- (e) specify the Trading Periods of the Trading Days in which the Capacity Transfer is to be made; and
- (f) state the number and category (including the Trading Period) of the Units the subject of the Capacity Transfer Notice.

E4.4.6 A Participant giving a Capacity Transfer Notice must promptly respond to the Operator's satisfaction to any request by the Operator for clarification of the Capacity Transfer Notice.

E4.4.7 The Operator will acknowledge receipt of Capacity Transfer Notices pursuant to Rule E4.4.9. The Operator may reject any Capacity Transfer Notice that is invalid or that purports to make a Capacity Transfer in circumstances not permitted by this Rule E4 [Secondary Market] or if the Participant has failed to respond satisfactorily to a request under Rule E4.4.6 in relation to that Capacity Transfer Notice.

E4.4.8 A Capacity Transfer Notice cannot be withdrawn without the consent of the Operator and the Participant to whom that Capacity Transfer has been made.

Capacity Transfer Confirmation / Acknowledgment

E4.4.9.1 Both Participants party to a Capacity Transfer are informed by the Operator whether the Capacity Transfer Notice is registered.

E4.4.9.2 A Capacity Transfer Notice is valid only when confirmed by the Participant to whom the Capacity Transfer was made, during the period of time specified in Schedule 4 [Business Rules for Participant of Interconnector Capacity] for each relevant Timescale. Both Participants who are party to the Capacity Transfer are informed by the Operator of its successful registration.

E4.4.9.3 Where the Participant to whom the Capacity Transfer was made does not confirm the Capacity Transfer Notice during the relevant period of time, the Capacity Transfer Notice is not valid and the Participant who had sought to make the Capacity Transfer remains the Unit Holder of the Units. Both Participants who had been party to the attempted Capacity Transfer are informed by the Operator of the failure of completion of the Capacity Transfer.

Effect of Capacity Transfer

E4.4.10 If a Capacity Transfer Notice is confirmed in accordance with this Rule E4.4 [Capacity Transfer], then for the duration of the Capacity Transfer Period:

- (a) the Participant to whom the Capacity Transfer was made is treated as the Unit Holder of those Units for the purpose of Rules A2.1, E2, E3, E4, E5, E8 and Schedules 4, 5; and
- (b) the original Participant, although obliged to pay for the capacity that has been the subject of a Capacity Transfer, loses its entitlement to use such Interconnector Capacity. In all other respects, the original Participant's rights and obligations relating to its Units being subject to Capacity Transfer will not be affected, except in the case of Curtailment Reconciliation pursuant to Rule E8 [Curtailment Reconciliation].

E4.4.11 The Operator may, by giving notice to both the Participant who made a Capacity Transfer and the Participant to whom it was Capacity Transferred, terminate any Capacity Transfer under this Rule E4.4 [Capacity Transfer] with immediate effect upon:

- (a) termination of the EWIC Participant Agreement of the Participant to whom the capacity was Capacity Transferred; and
- (b) if a notice of suspension under Rule F6.3.1 [Suspension by the Operator] is given to the Participant to whom the capacity was Capacity Transferred.

E4.4.12 The Operator will not charge a transaction fee for allocated Capacity Transfers.

Rule E5: Use-It-or-Sell-It (UIOSI)

Introduction

E5.1 The provisions under this Rule E5 detail the means by which capacity unused by a Participant can be made available for other Participants to acquire in subsequent auctions.

Use-It-or-Sell-It applying to Long Term Nominations

E5.2.1 To the extent that any Participant does not Nominate any Long-Term Unit(s) associated with its Long Term ICE for any Trading Period of a Trading Day, it will lose the right to use such Long Term Unit(s) in accordance with this Rule E5.2.

E5.2.2 Unused Units resulting from the process described in E5.2.1 are then subject to the following:

- (a) these Unused Unit(s) will be unavailable for subsequent use by the Participant;
- (b) the Participant's other rights and obligations in relation to its Units, whether Unused or not Unused, will not be affected;
- (c) the Participant shall still pay the Operator for its Unused Unit(s), subject to whether such Unused Units were acquired in a Capacity Transfer;
- (d) the Operator will make Unused Unit(s) available in the appropriate Daily Auction for the same Trading Day; and

- (e) the proceeds of the sale of Unused Units in the Daily Auction will be paid by the Operator to the Participant according to the Auction Price of such Daily Auction.

Impact of Daily Auction Cancellation on the application of UIOSI

E5.2.3 In the case of a Daily Auction cancellation, compensation to Participants for Long-Term Unused Units will be based on the weighted average price of Long-Term Units of the Participant, the aggregate of which forms its Long-Term ICE.

Rule E6: Outages

Introduction

E6.1 The Operator will give Participants information about Outages in accordance with this Rule E6.

Annual Indicative Outage Schedule

E6.2 In November of each year the Operator will publish an indicative schedule of Outages for the forthcoming year. The schedule will specify the expected start and end dates of each Outage and the expected Interconnector Capability during each Outage.

Updates

E6.3 The Operator will update the information given under Rule E6.2 [Annual Indicative Outage Schedule] as soon as practicable after any changes are known.

Changes

E6.4.1 The Operator will use reasonable endeavours to ensure that the information provided under this Rule E6 is accurate and that Outages take place as indicated by the information.

E6.4.2 Notwithstanding Rule E6.4.1, each Participant acknowledges that circumstances may arise that require the Operator to take Outages at times other than those planned and therefore the Operator remains free to plan and execute any Outages that it considers necessary.

E6.4.3 Without prejudice to Rule F7 [Liability], the Operator excludes any and all liability for any claims, payments, costs and expenses arising out of any differences between the information provided under this Rule E6 [Outages] and actual Outages (other than credits calculated under Rule E8) [Curtailment Reconciliation], whether the claim arises in contract or on any other basis, except to the extent that liability cannot be excluded by law.

Unexpected availability

E6.5 Interconnector Capacity at any time may be greater than expected due to circumstances such as early return to service after an Outage or rescheduling of an Outage. If Interconnector Capacity becomes available, the Operator will use reasonable endeavours to notify all Participants of its availability promptly and will allocate the Interconnector Capacity in the next available auction.

Forced Outages and Trips

E6.6 The Operator will notify Participants of any Forced Outages or Trips as soon as reasonably practicable after the Forced Outage is arranged or the Trip occurs. Following this initial notice, the Operator will as soon as reasonably practicable give Participants information about the effect of the Forced Outage or the Trip including where possible the expected Interconnector Capability and its anticipated duration. These details will be given for information purposes only and they are not binding on the Operator and Rule E6.4.3 will apply to this information.

Rule E7: Curtailment

Curtailment

E7.1.1 The Operator will curtail Interconnector Capacity secured by all Participants, and if necessary their MIUNs, during each Settlement Period in which there is an NTC Reduction in accordance with this Rule E7 [Curtailment]. Participants acknowledge that an NTC Reduction, or any increase or decrease in the Curtailment Quantity during an NTC Reduction, which arises after the relevant Gate Closure will be reflected in the calculation of Deemed Metered Volumes in accordance with Schedule 5 [Deemed Metered Volume Allocation].

E7.1.2 Each relevant Participant will lose its entitlement to use Interconnector Capacity curtailed by the Operator in the event of an NTC Reduction.

E7.2.1 The Operator shall inform Participants of any Curtailment, as soon as practicable, after the need for Curtailment is known, the effect of which will be available in SEM and/or the Auction Management Platform.

E7.2.2 NTC Reduction may change from time to time and the Operator will inform Participants of the anticipated duration of such NTC Reduction, with associated updates as soon as practicably possible.

Curtailment in respect of an NTC Reduction

E7.3.1 When there is a change in NTC prior to first SEM Gate Closure then the Operator shall take account of such change and if possible recalculate and resubmit the ICEs to SEM prior to Gate Closure.

E7.3.2 If there is a change in NTC after the initial calculation of MIUNs, then the MIUNs shall be revised, taking into account the corresponding change in NTC. The revised MIUNs shall each be in the same direction and must not exceed in absolute magnitude the value of the corresponding IUNs.

E7.3.3 Following a change in NTC, the revised MIUNs shall be available to each Participant for each of their Interconnector Units and Schedule Files issued to the Interconnector Controllers and System Operators.

E7.3.4 MIUNs for each Interconnector Unit shall be revised to the minimum extent necessary.

Rule E8: Curtailment Reconciliation

Introduction

E8.1 If there is an NTC Reduction in any Settlement Period in a given direction, any Curtailed capacity or MIUN reduction of a Participant will be identified by the Operator, in accordance with this Rule E8.

E8.2 For the avoidance of doubt, whilst the relevant invoice will show as payable by the Participant all Units acquired in the Auctions and the Participant shall pay the total amount shown on such invoice, any Curtailed Units shall be shown as a credit on the relevant invoice.

E8.3 Participants will be credited in full for the Unit Price of Curtailed Units where practicable except in circumstances including (but not limited to) E8.4 to E8.7.

E8.4 If there is a Capacity Shortage in any Settlement Period in a given direction leading to the Curtailment of MIUNs of a Participant, the corresponding Curtailed Units will be credited to the Participant at a price based on the weighted-average price of the Units within its ICE for that Settlement Period.

E8.5 If there is a Capacity Shortage in any Settlement Period in a given direction leading to the potential Curtailment of Units notified for Resale by a Participant to the Operator (but not already Resold), the corresponding notifications for Resale are cancelled in their entirety, without credit from the Operator and the corresponding Units are retained by the Participant. These Units are then subject to Curtailment in accordance with Rule E7 [Curtailment].

E8.6 If there is a Capacity Shortage in any Settlement Period in a given direction leading to the potential Curtailment of Units notified for Capacity Transfer by a Participant to the Operator:

- (a) if the Capacity Transfer has been confirmed by the Participant to whom the Capacity Transfer was made before the Curtailment, the Units are Curtailed and a credit is made to such Participant in accordance with Rules E7 [Curtailment] and E8 [Curtailment Reconciliation];
- (b) if the Capacity Transfer has not been confirmed by the Participant to whom the Capacity Transfer is being made before the Curtailment, the Capacity Transfer is cancelled in its entirety by the Operator, the corresponding Units are returned to the Participant which submitted the associated Capacity Transfer Notice and no credit is due to the party which had not confirmed the Capacity Transfer. These Units are then subject to Curtailment in accordance to Rules E7 [Curtailment] and E8 [Curtailment Reconciliation].

E8.7 If there is a Capacity Shortage in any Settlement Period in a given direction before the relevant Daily Auction Specification is published, leading to the Curtailment of Long Term Units of a Participant which were not Nominated before Long Term Nomination Gate Closure and then which were subject to UIOSI, the corresponding Curtailed Units will be credited by the Operator to the Participant at a price based on the weighted-average price of the Units within its Long Term ICE for that Settlement Period.

Rule E9: Interconnector Capacity Payments

Interconnector Capacity Payments

E9.1 The Rules dealing with Interconnector Capacity Payments are covered in the SEM Trading and Settlement Code.

SECTION F: GENERAL CONDITIONS

Rule F1: Introduction

Scope

F1.1 This Section F [General Conditions] of the Rules sets out the general conditions applicable to the arrangements established by these Rules.

Structure

F1.2 Section F is divided into nine Rules as follows:

- (a) Rule F1: Introduction;
- (b) Rule F2: Notices and other communications;
- (c) Rule F3: Confidentiality;
- (d) Rule F4: Assignment and subcontracting;
- (e) Rule F5: Force Majeure;
- (f) Rule F6: Termination and suspension;
- (g) Rule F7: Liability;
- (h) Rule F8: Dispute resolution; and
- (i) Rule F9: Miscellaneous.

Rule F2: Notices and other communications

Language

F2.1 Any notice or other communication to be given under or in connection with the matters contemplated by these Rules shall be in English.

Contact details

F2.2 Save as otherwise expressly provided in these Rules, all notices or other communications between the Operator and each Participant shall be sent to the address or fax number or email address and marked for the attention of the addressee's representative as set out in the Participant's EWIC Participant Agreement or as notified by the addressee from time to time.

Method and time of delivery

F2.3.1 Save as otherwise expressly provided in these Rules, all notices or other communications shall be in writing and shall be given by letter delivered by hand against receipt, sent by prepaid post (airmail if overseas) and using a recorded delivery service (registered post) or sent by fax or email and shall be deemed to have been received:

- (a) in the case of delivery by hand, when delivered against receipt; or
- (b) in the case of recorded delivery prepaid post, on the day following the recorded day of delivery; or
- (c) in the case of fax, on acknowledgement of receipt by the addressee's fax receiving equipment; or
- (d) in the case of email, when delivered to the other Party but only if an acknowledgement of receipt is requested and obtained by the Party sending the e-mail and a printed copy of the transmission is retained by that Party.

F2.3.2 If a notice or other communication would otherwise be deemed to have been received outside normal business hours (being 09:00hrs to 17:00hrs (local time) on a Business Day) under this Rule, it is deemed to have been received at the opening of business on the next Business Day.

Rule F3: Confidentiality

Obligation of confidentiality

F3.1.1 Each Party shall treat any and all information and data disclosed to it by another Party in connection with the Rules or the EWIC Participant Agreement in any form whatsoever ("Confidential Information"), as confidential.

F3.1.2 A "Recipient Party" is any Party which receives, acquires possession or control of, or otherwise becomes aware of Confidential Information of another Party. A "Disclosing Party" is any Party by whom the Confidential Information is disclosed.

F3.1.3 Each Recipient Party shall keep confidential any Confidential Information relating to any Disclosing Party and shall:

- (a) use the Confidential Information only for the purpose of performing its obligations under the EWIC Participant Agreement and for no other purpose whatsoever;
- (b) not at any time disclose, reveal, or otherwise disseminate the Confidential Information to any person or Party whatsoever or to permit any person or Party any form of access to the Confidential Information without the prior written consent of the Disclosing Party;
- (c) treat and safeguard as private and confidential all Confidential Information received at any time keeping it and treating it with the same care as any Prudent Industry Operator would be expected to exercise;
- (d) not use the Confidential Information, or permit or assist a third party to use the Confidential Information, to procure a commercial advantage over, or an advantage which is in any way likely to be prejudicial, whether directly or indirectly to, the Disclosing Party or to its business, goodwill or reputation;
- (e) not use the Confidential Information or permit or assist a third party to use the Confidential Information to attract management, employees, advisors, consultants, contractors, agents, representatives, consultants, contractors, sub-contractors or customers away from the Disclosing Party.

Exceptions

F3.2 Notwithstanding Rule F3.1 [Obligation of confidentiality], a Recipient may disclose Confidential Information of a Disclosing Party:

- (a) to the extent expressly permitted or contemplated by the Rules;
- (b) with the prior written consent of the Disclosing Party;
- (c) to any person who is one of the directors, officers, employees, agents, advisers or insurers of the Recipient and who needs to know the Confidential Information in connection with these Rules;
- (d) as may be directed or ordered under or required in order to comply with any applicable legal requirement;
- (e) as may be required to comply with the requirements of the Grid Code, the GB Grid Code, the SEM Trading and Settlement Code or the Balancing and Settlement Code;
- (f) as may be required by a regulatory authority or by a court, arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the Recipient is a party; or
- (g) in order to obtain clearances or consents from a Competent Authority.
- (h) information which at the time of disclosure to the Receiving Party is within the public domain.

Term of confidentiality

F3.3 The obligations of confidentiality in this Rule F3 [Confidentiality] shall continue for a period of five (5) years after termination of the Participant's EWIC Participant Agreement.

Rule F4: Assignment and subcontracting

Operator Assignment

F4.1 The Operator may assign its rights and novate its obligations under the EWIC Participant Agreement and these Rules to any entity which is to succeed it as operator of the Interconnector and provider of the services sold to Participants under these Rules and these Rules shall be binding upon and enure for the benefit of the assigns and successors in title of the Operator. Each Participant will do all things reasonably requested of it by the Operator to assist with such assignment and novation.

Participant Assignment

F4.2 Subject to Rule E4 [Secondary Market] and Rule F4.3 [Capacity Subcontracting Arrangement], a Participant may not assign, novate or otherwise transfer any of its rights or obligations under its EWIC Participant Agreement or these Rules without the prior written consent of the Operator.

Capacity Subcontracting Arrangement

F4.3 Nothing in Rule F4.2 prevents a Participant from entering into a Capacity Subcontracting Arrangement. Entry into a Capacity Subcontracting Arrangement by a Participant does not relieve the Participant of any obligation or liability under its EWIC Participant Agreement or these Rules and is subject to the indemnity in Rule F7.4 [Indemnity].

Rule F5: Force Majeure

Definition of Force Majeure

F5.1 “Force Majeure” means any event beyond the control of the Affected Party and which could not have been reasonably prevented or the consequences of which could not have been prevented by Prudent Electric Utility Practice and which is not due to the act, error, omission, breach, default or negligence of the Affected Party, its employees, agents or contractors and which has the effect of preventing the Affected Party from complying with its obligations under these Rules.

Notification

F5.2.1 The Operator or a Participant, which invokes Force Majeure, shall promptly send to the other a notification describing the nature of Force Majeure, its probable duration and must continue to furnish reports with respect thereto with reasonable frequency during the period of Force Majeure. The person invoking the Force Majeure shall use reasonable endeavours effort to limit the consequences of the Force Majeure.

F5.2.2 A Party shall give notice to the other Parties when it ceases to be affected by the Force Majeure.

Suspension of the obligations

F5.3 The obligations of a Party subject to Force Majeure shall be suspended from the beginning of Force Majeure, with the exception of the confidentiality provisions contained within Rule F3 [Confidentiality].

F5.4 Suspension under Rule F5.3 is subject to the following:

- (a) suspension of performance will be of no greater scope and of no longer duration than is required by the Force Majeure;
- (b) the suspension of performance applies only for so long as the person relying on Rule F5.3 is using reasonable endeavours to remedy their inability to perform.

Other consequences of Force Majeure

F5.5 The consequences of Force Majeure which is not subject to any discussion or litigation between the Operator and the Participant, are:

- (a) the person invoking Force Majeure cannot be held responsible to pay compensation for any damage suffered, due to the non-performance or partial performance of all or any of its obligations during the Force Majeure and when such non-performance or partial performance is due directly to Force Majeure;
- (b) the acquired Units which have been entirely paid and become subject to Force Majeure are reimbursed for the duration of the Force Majeure and;
- (c) where the Participant is the Party claiming the Force Majeure event, the Operator may, for its own benefit, reallocate the Participant’s Units to the subsequent Auctions and for the duration of the Force Majeure event.

Termination

F5.6 In the event that an Affected Party's obligations are suspended under Rule F5.3 [Suspension of the obligations] and such suspension continues for a period of 6 months or more then the Operator or each Participant may, by notice to the other given at any time while the suspension continues beyond that period but not thereafter, terminate the Participant's EWIC Participant Agreement. Termination takes effect ten (10) Business Days after the notice is given or any later date specified in the notice. A Participant whose EWIC Participant Agreement is terminated under this Rule F5.6 is under no obligation to pay remaining instalments of the Unit Price and is entitled to a refund to the extent that any instalment includes an amount in respect of use after the date of termination, to be calculated pro-rata from the date termination takes effect.

Rule F6: Termination and suspension

Introduction

F6.1.1 A Participant may cease to be a Participant only in accordance with Rule F6.2 [Termination by mutual consent], Rule F5 [Force Majeure] or Rule F6.4 [Termination by the Operator].

F6.1.2 A Participant's rights may be suspended under Rule F6.3 [Suspension by the Operator].

F6.1.3 This Rule F6 is without prejudice to other remedies available to the Operator under these Rules.

Termination by mutual consent

F6.2 A Participant and the Operator may agree at any time to terminate the EWIC Participant Agreement to which the Participant is a party. Termination takes effect at the time and on the terms agreed by the Participant and the Operator.

Suspension by the Operator

F6.3.1 If any of the events in Rule F6.3.2 (each a "Suspension Event of Default") occurs in relation to a Participant, the Operator may by notice to the Participant:

- (a) suspend temporarily the Participant's rights to participate in Auctions and/or the Secondary Market until the Participant has remedied the Suspension Event of Default specified in the notice; and/or
- (b) suspend temporarily the Participant's rights to use Interconnector Capacity accordingly, (and reduce its ICEs to zero) until the Participant has remedied the Suspension Event of Default specified in the notice and, consequently, the Participant will no longer be entitled to Resell or Capacity Transfer the Units it has acquired and such Units will not be taken into account in relation to the "Use It Or Sell It" provisions within these Rules. For the avoidance of doubt, the Units which the Participant is prohibited from using as a result of suspension may be offered by the Operator in subsequent Auctions and the Operator shall not return the corresponding proceeds to the Participant.

F6.3.2 The Suspension Events of Default referred to in Rule F6.3.1 are the following:

- (a) subject to Rule C2.8.3 [Payment Incident], if a Participant fails to pay any amount properly due and owing to the Operator pursuant to these Rules;

- (b) if a Participant fails to provide and maintain Credit Cover in accordance with Rule C3.15.2 [Credit Cover Incident];
- (c) the Operator is satisfied on reasonable grounds that the Participant no longer satisfies one or more of the Eligibility Conditions; or
- (d) if the Operator has required a Participant, based on reasonable grounds and prior to the application of Rule F6.4.2 to remedy a Participant's breach of these Rules or its breach of the EWIC Participant Agreement (other than a failure to pay);
- (e) if the Participant has taken any action which may lead to the damaging or reduction in effectiveness of the Auction Management Platform or of the Auction Management Platform's hosting system (it being understood that such an action is deemed to happen in case of any behaviour that can be assimilated to an attack on the information system such as, but not limited to, deny of service, spam, virus, brute forcing, Trojan horse attack etc.).

F6.3.3 A notice under Rule F6.3.1 takes effect from the time it is given or any later time specified in it. The Operator may withdraw a notice under Rules F6.3.1(a) or F6.3.1(b) at any time. Having given a notice under Rule F6.3.1, the Operator may give a further or other notice at any time in respect of the same or a different Event of Default.

F6.3.4 Once the Participant has fulfilled or remedied the Suspension Event of Default as notified to it in the notice sent by the Operator, the Operator will reinstate as soon as reasonably practicable the Participant's rights in relation to use of the Interconnector and its ability to participate in Auctions and/or the Secondary Market by written notice to the Participant ("Reinstatement Notice"). As from the date of effect of the Reinstatement Notice, the Units allocated prior to the suspension and which remain unused may be included in the Participant's ICE and the Participant shall also be entitled to participate in Auctions and/or Secondary Market.

Termination by the Operator

F6.4.1 If any of the events in Rule F6.4.2 occurs in relation to a Participant, the Operator may by notice to the Participant terminate the EWIC Participant Agreement to which the Participant is a party, including the Participant's rights to use Interconnector Capacity. A notice under this Rule F6.4.1 takes effect from the time it is given or any later time specified in it. For the avoidance of doubt, as from the time at which the notice referred to at F6.4.1 takes effect, the Participant will no longer be entitled to participate in an Auction or in the Secondary Market, or Resell, or Capacity Transfer the Units it has acquired and such Units will not be taken into account in relation to the "Use It Or Sell It" provisions within these Rules. For the avoidance of doubt, the Units which the Participant is prohibited from using as a result of termination may be offered by the Operator in subsequent Auctions or in the Secondary Market and the Operator shall not return the corresponding proceeds to the Participant.

F6.4.2 The Termination Events of Default referred to in Rule F6.4.1 are the following:

- (a) if a Participant fails to remedy within ten (10) Business Days of a notice (or any other time period specified in the notice, if any) any failure to pay the amount properly due and owed to the Operator pursuant to Rule F6.3.2.(a) [Suspension by the Operator];
- (b) if a Participant fails to remedy within ten (10) Business Days of a notice (or any other delay specified in the notice, if any) any failure to provide and maintain the relevant Credit Cover pursuant to Rule F6.3.2.(b) [Suspension by the Operator];
- (c) if a Participant commits a breach of these Rules or an EWIC Participant Agreement (other than a failure to pay) and (if capable of remedy) the breach has not been

remedied within ten (10) Business Days of a notice (or any other delay specified in the notice, if any) from the Operator requiring remedy;

- (d) if a Participant persistently breaches these Rules or an EWIC Participant Agreement, whether or not the breach is capable of remedy;
- (e) if the Participant commits a breach of any of the provisions of the Grid Code or NGET Grid Code applicable to it and such breach has or can reasonably be expected to have an adverse effect on the operation of the Interconnector or the arrangements contemplated by these Rules and (if capable of remedy) the breach has not been remedied within ten (10) Business Days of a notice from the Operator requiring remedy; or
- (f) if a Competent Authority:
 - (i) determines that the Participant has committed a misusing or fraudulent act; and
 - (ii) requests the Operator to terminate the EWIC Participant Agreement to which such Participant is a Party; or
 - (iii) agrees that the Operator has reasonable grounds to believe that the Participant has committed a misusing or fraudulent act in participating in any Auction or Secondary Market.

Preservation of rights

F6.5 Termination of an EWIC Participant Agreement does not affect any rights and liabilities under or in connection with the EWIC Participant Agreement and these Rules which arose prior to that termination. Accordingly, any Participant whose EWIC Participant Agreement is terminated will remain liable, subject to and in accordance with the Rules, in respect of all such rights and liabilities.

F6.6 This Rule F6.6 is without prejudice to other remedies available to the Operator under these Rules.

Rule F7: Liability

Liability for breach

F7.1 Subject to any other provision within these Rules, the Operator and each Participant agrees and acknowledges that neither the Operator nor a Participant nor any of their respective officers, employees or agents shall be liable to any other of them for loss arising from any breach of these Rules other than for loss directly resulting from such breach and which at the date of these Rules was foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:

- (a) physical damage to the property of the Operator or the Participant (as the case may be), or their respective officers, employees or agents; or
- (b) the liability of the Operator or the Participant (as the case may be) to any other Participant for loss in respect of physical damage to the property of that other Participant.

Death and personal injury

F7.2 Nothing in these Rules excludes or limits or shall be construed as excluding or limiting the liability of the Operator or a Participant for death or personal injury resulting from that person's negligence or the negligence of any of its officers, employees or agents and the Operator and each Participant shall indemnify and keep indemnified the other and their

respective officers, employees or agents, from and against all such and any loss or liability (including legal costs) which the person having the benefit of the indemnity may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of the person giving the indemnity or any of its officers, employees or agents.

Excluded losses

F7.3 Subject to Rule F7.2 [Death and Personal Injury] and Rule F7.4 [Indemnity], the Operator nor any of its respective officers, employees or agents shall in any circumstances whatsoever be liable for:

- (a) any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or
- (b) any indirect or consequential loss; or
- (c) loss resulting from the liability of the Operator (as the case may be) to any other person howsoever and whensoever arising save as provided in rules F7.1(a) [Liability for breach] and F7.2 [Death and Personal Injury].

Indemnity

F7.4 A Participant shall indemnify and keep indemnified the Operator and their respective officers, employees and agents from and against any and all loss or liability (including legal costs) which any of them may suffer or incur by reason of any claim by any third party (“claimant”) on account of any and all loss (whether direct or indirect) suffered by the claimant or any of the claimant’s officers, agents, subcontractors or employees in connection with their participation on the East West Interconnector.

General

F7.5.1 Each of the provisions of this Rule F7 [Liability] shall survive termination of any EWIC Participant Agreement.

F7.5.2 The Operator and each Participant acknowledges and agrees that it holds the benefit of Rules F7.1 [Liability for breach], F7.2 [Death and Personal Injury], F7.3 [Excluded losses] and F7.4 [Indemnity] above for itself and as trustee and agent for its officers, employees and agents.

F7.5.3 For the avoidance of doubt, nothing in this Rule F7 [Liability] prevents or restricts either the Operator or a Participant from enforcing any obligation (including suing for a debt) owed to it under or pursuant to these Rules.

Rule F8: Dispute Resolution

Application

F8.1 Any disagreement, difference of opinion or other dispute between the Operator and a Participant under or in relation to these Rules (“Dispute”) must be resolved in accordance with this Rule F8 [Dispute Resolution].

Debt Proceedings

F8.2.1 The Operator or a Participant may bring proceedings (“Debt Proceedings”) against the other for any amount owing under or in connection with these Rules and unpaid for more than twenty (20) Business Days after the date the monies were due.

F8.2.2 The proceedings referred to in Rule F8.2.1 may be brought in any court having jurisdiction to hear such claim. Each Participant hereby consents for the purposes of such proceedings to submit to the jurisdiction of any court having jurisdiction to hear such claim. Each Participant irrevocably waives any objection which it may have now or hereafter to the laying of a venue of such proceedings in any court in accordance with Rule F8.2.1 and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgement in any such proceedings brought in any such court may be enforced in the courts of any other jurisdiction.

Prescribed procedure

F8.3 Where there is a Dispute (other than Debt Proceedings) the Operator and Participants shall first seek amicable settlement through mutual consultation pursuant to Rule F8.4 [Amicable resolution].

Amicable resolution

F8.4 If there is any Dispute, including any Technical Dispute, a senior representative of each of the Operator and the Participant with authority to resolve the Dispute must meet within 20 Business Days of a request to meet and seek to resolve the Dispute. If the representatives are unable to resolve the Dispute within twenty (20) Business Days of the meeting (or such longer time as may be agreed) then the Dispute (other than a Debt Proceeding) must be determined by arbitration in accordance with Rule F8.5 [Arbitration]. This Rule F8.4 does not prevent the commencement of proceedings under Rule F8.2.1 [Debt Proceedings].

Arbitration

F8.5.1 Subject to Rule F8.4, [Amicable resolution] where a Dispute is to be referred to arbitration under this Rule F8 [Dispute resolution], either the Operator or the Participant may give notice to the other stating the nature of the Dispute and referring the Dispute to arbitration.

F8.5.2 Arbitration awards under this Rule F8.5 shall be final and binding on the Operator and the relevant Participant as from the date that they are made. The Operator and the Participant must carry out any award of an arbitrator relating to any Dispute without delay and each waive their right to any form of appeal or recourse to a court of law or other judicial authority, in so far as such waiver may validly be made.

Other issues

F8.6.1 Notwithstanding any reference to amicable settlement, expert resolution or arbitration under this Rule F8 [Dispute resolution] the Operator and the Participant shall continue to perform their respective obligations under these Rules and the Participant’s EWIC Participant Agreement.

F8.6.2 This Rule F8 [Dispute resolution] survives termination of the Participant’s EWIC Participant Agreement.

Rule F9: Miscellaneous

Governing law

F9.1 These Rules shall be governed by and construed in all respects in accordance with Irish Law.

Language

F9.2 These Rules will be produced in English.

Intellectual Property

F9.3.1 No Participant shall acquire any right, title, licence or interest in or to any Intellectual Property, including the Intellectual Property referred to in Rule F9.3.2, used by the Operator in connection with these Rules.

F9.3.2 Save where the Operator agrees in writing otherwise, all Intellectual Property relating to the subject matter of these Rules, including the Rules themselves, as conceived, originated, devised, developed or created by the Operator or respective officers, employees, agents or consultants during the duration of these Rules shall vest, as against Participants, in the Operator and shall remain the confidential information of the Operator.

Relationship and nature of rights

F9.4.1 The relationship of the Operator and Participants is that of service provider and service Participant respectively. Except as expressly provided in these Rules, nothing contained or implied in these Rules constitutes or is deemed to constitute the Operator or a Participant, the partner, agent or legal representative of the other for any purpose whatsoever or create or be deemed to create any partnership, agency, trust or comprising of any nature whatsoever.

F9.4.2 The rights granted to Participants under these Rules are in the form of physical transmission rights of electrical energy. The Auctions and Secondary Market on the Auction Management Platform are in respect of capacity only. Participants can invoke no other right than capacity made available to them in accordance with the provisions of these Rules.

No third party rights

F9.5 The Operator and each Participant each acknowledges and agrees that a person who is not a party to the EWIC Participant Agreement between them (including any other Participant) has no rights to enforce these Rules or the EWIC Participant Agreement as between the Operator and that Participant.

Waiver

F9.6.1 No omission to exercise or delay in exercising any right, power or remedy provided by law or under these Rules shall constitute a waiver of such right, power or remedy or any other right, power or remedy or impair such right, power or remedy. No single or partial exercise of any such right, power or remedy precludes or impairs any other or further exercise thereof or the exercise of any other right, power or remedy provided by law or under these Rules.

F9.6.2 Any waiver of any right, power or remedy under these Rules must be in writing and may be given subject to any conditions thought fit by the grantor. Unless otherwise expressly stated, any waiver is effective only in the instance and only for the purpose for which it is given.

Variation

F9.7 No variation to these Rules or an EWIC Participant Agreement shall be effective unless made in accordance with Rule A4 [Amendment].

No advice

F9.8 The Participant acknowledges that neither the Operator nor any person acting on behalf of or associated with the Operator makes any representation, gives any advice or gives any warranty or undertaking of any kind in respect of these Rules, the EWIC Participant Agreements or the Disclosed Information or otherwise in relation to or in connection with these Rules, the EWIC Participant Agreements and the Disclosed Information or any transaction or arrangement contemplated by these Rules, the EWIC Participant Agreements and the Disclosed Information except as specifically provided in these Rules or the EWIC Participant Agreement.

Entire agreement

F9.9 These Rules and the EWIC Participant Agreement contain or expressly refer to the entire agreement between the Operator and each Participant with respect to the subject matter hereof and expressly exclude any warranty, condition or other undertaking implied at law or by custom and supersedes all previous agreements and understandings between the Operator and each Participant with respect thereto and each of them acknowledges and confirms that it does not enter into these Rules or the EWIC Participant Agreement in reliance on any representation, warranty or other undertaking (other than where made fraudulently) not fully reflected in the terms of these Rules or the EWIC Participant Agreement.

Remedies exclusive

F9.10 The rights and remedies provided by these Rules and the EWIC Participant Agreement to the Operator and each Participant are exclusive and not cumulative and, to the extent permissible by law, shall exclude and be in place of all substantive (but not procedural) rights or remedies express or implied and provided by law or statute in respect of the subject matter of these Rules and the EWIC Participant Agreement. Accordingly, each of the Operator and each Participant hereby waives to the fullest extent possible all such rights and remedies provided by law or statute, and releases each other of them if it is liable to any other of them, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by law or statute in respect of the matters dealt with in these Rules and the EWIC Participant Agreement and undertakes not to enforce any of the same except as expressly provided herein.

Severance of terms

F9.11 If any provision of these Rules or an EWIC Participant Agreement is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or pursuant to arbitration or by order of any Competent Authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of these Rules and the EWIC Participant Agreement which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.

Schedule 1: Definitions and interpretation

Part I: Definitions

In these Rules, capitalised words and phrases have the meanings given to them below unless the context requires otherwise.

“Active Capacity Holding” means for each Interconnector Unit, the Active Interconnector Unit Import Capacity Holding and the Active Interconnector Unit Export Capacity Holding for each Trading Period during the Optimisation Time Horizon, with values in aggregate for import being consistent with the Maximum Import Available Transfer Capacity for import and with values in aggregate for export being consistent with the Maximum Export Available Transfer Capacity for export;

“Active Capacity Holding Data” means data outlining the Active Capacity Holding for each Interconnector Unit;

“Allocated Capacity” refers to the right to use Interconnection Capacity for electricity transfers expressed in MW. The Capacity is received in the auction/allocation process.

“Already Allocated Capacity” from the ECAN guide ‘Is the total amount of allocated transmission rights, whether they are capacity or exchange programmes depending on the allocation method’. The net amount of this should be a power flow in a particular direction.

“Amendment Notice” means the notification and any associated documents issued by the Operator pursuant to Rule A4, provided to the Participants and which provide Participants with the Operators’ proposed amendment(s) to the Rules;

“Applicant” has the meaning given to it in Rule B3.1;

“Application Form” means the form designated by the Operator as such for the purposes of these Rules from time to time and included in the Application Pack;

“Application Pack” means the package of information and other documents designated by the Operator as such for the purposes of these Rules from time to time;

“Auction” means any auction conducted under these Rules;

“Auction Credit Limit” means a credit limit established by a Participant under Rule C3 in respect of participation in any Auction;

“Auction Management Platform” is the trading platform for the allocation of Long Term capacity;

“Auction Price” means the value of the Marginal Price of an Auction, and which is payable by all Unit Holders resulting from such Auction;

“Auction Specification” means, the specification for the Auction published by the Operator and includes Offered Capacity, Auction Product, Bidding Period etc.

“Balancing Mechanism Unit” is a term used in the BETTA Market, representative of an Interconnector Unit’s relative energy usage;

“Balancing and Settlement Code” means the code of that name established under the NGET Transmission Licence;

“British Electricity Transmission and Trading Arrangements” or “BETTA” means the single wholesale electricity market for Great Britain which is provided for in Chapter 1 of Part 3 of the Energy Act 2004;

“Bid” means a Participant’s offer to buy Units in an Auction, and made in accordance with these Rules;

“Bid amount” is the requested amount of capacity reservation in MW;

“Bid Price” is the price in Euros which a Participant is willing to pay for MW of capacity;

“Bidding Period” means, in relation to an Auction, the time during which Bids may validly be submitted in that Auction in accordance with these Rules. It can also be referred to as “Bidding Window” or “Trading Window”;

“Business Day” means a week-day when Irish banks are open;

“Business Rules” means the rules for day to day use of Interconnector Capacity in Schedule 4;

“Capacity Curtailment” refers to the reduction of Capacity in emergency situations or force majeure;

“Capacity Limit” is the Technical Capacity limitation on the congested interconnector;

“Capacity Subcontracting Arrangement” means any arrangement between a Participant and another person under which the Participant allows the person, either directly or indirectly, to use the Interconnector Capacity of the Participant;

“Capacity Trader” has the meaning given to it in the ECAN guide, namely: ‘A party that has a contract to participate in the capacity market to acquire capacity through a Transmission Capacity Allocator. Note: The capacity may be acquired on behalf of an Interconnection Trade Responsible or for sale on Secondary Capacity Markets.’

“Capacity Transfer” means the mechanism by which a Participant passes over Units to another Participant in accordance with Rule E4.4, and “Transfer Capacity”, “Transferred”, “Transferee” shall have corresponding meanings;

“Capacity Transfer Notice” has the meaning given to it in Rule E4.4.1(a);

“Capacity Transfer Period” has the meaning given to it in Rule E4.4.1(d);

“Capacity Unit” means 1MW that has been allocated to a Participant (Interconnector User), which is part of the ICE in a particular direction and during the Product Period of that Capacity Unit;

“Clearing Price” see Auction Price or Marginal price;

“Competent Authority” means the Department of Communications, Energy and Natural Resources, the Irish Regulator, the GB Regulator and any local, national or supra-national agency, authority, department, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, Ireland, the United Kingdom, or the European Union;

“Confidential Information” means any item of information, regardless of its form, disclosed by the Operator or a Participant to the other under or in connection with these Rules, other than any item of information which:

- (a) was, at the time of the disclosure, within the public domain;
- (b) not being within the public domain at the time of disclosure, enters the public domain otherwise than as a result of a breach of a confidentiality obligation owed in relation to that item of information of which the Recipient is aware; or
- (c) was already known to the Recipient or was independently (of the Disclosing Party) acquired or developed by the Recipient without being in breach of its obligations under the

Rules;

“Credit Cover” means security for payment of amounts owed under these Rules provided under Rule C3;

“Credit Cover Incident” means the failure of a Participant to provide the renewal of Credit Cover as specified under Rule C3.15;

“Credit Cover Provider” means the provider of a Participants Letter of Credit;

“Curtailed Quantity” means, in relation to an NTC Reduction, the quantity calculated under Rule E7.3;

“CUSC” means the Connection and Use of System Code established under the NGET Transmission Licence;

“Daily” means processes relating to Auctions with Product Period of one (1) Trading Day and associated Interconnector Capacity activities, the business process for which is described in Schedule 4;

“Daily Auction” means any Auction of Daily Units;

“Daily Unit” means a Unit offered in a Daily Auction, with Unit Validity Times as specified in the relevant Auction Specification;

“Day Type” means any of Working Days, non-Working Days or all Days as the case may be, in the context of a Capacity Transfer Notice;

“Debt Proceedings” has the meaning given to it in Rule F8.2.1;

“Deemed Metered Volumes” means volumes of energy allocated to Participants’ Energy Accounts by the Operator calculated using the rules in Schedule 5;

“Default Bid” means the automatic submission of Bids in respect of a particular Auction type pre-prepared by the Participant;

“Deposit Account” means a deposit account at a bank that satisfies the criteria outlined C.3.4.1;

“Disclosed Information” means all information and data provided by or on behalf of the Operator to Participants and Applicants in connection with the Rules including the Application Pack and the EWIC Participant Guide;

“Disclosing Party” means, in relation to an item of Confidential Information, the person that disclosed the item;

“Dispute” has the meaning given to it in Rule F8;

“EirGrid” means EirGrid plc, a statutory corporation registered at The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4.

“Eligibility Conditions” means the conditions set out in Rule B2.1;

“Eligibility Notice” has the meaning given to it in Rule B2.2;

“Energy Account” means in relation to a Participant the Participant’s Production Interconnector BM Unit and Consumption Interconnector BM Unit under the Balancing and Settlement Code;

“Energy Transmission” means the transmission of electricity across the Interconnector;

“ENTSO-E” is the European Network of Transmission System Operators for Electricity;

“ENTSO-E Capacity Allocation and Nomination” is the set of recommendations specifying the process, time frame and data formats for Capacity allocations / auctions;

“EWIC” means the East West Interconnector;

“EWIC Participant Agreement” means an agreement between the Operator and a Participant in or substantially in the form set out in Schedule 2;

“EWIC Participant Guide” means the guide to these Rules published by the Operator from time to time;

“Force Majeure” has the meaning given to it in Rule F5.1;

“Forced Outage” means any Outage of which notice was given after the publication of the Auction Specification for the Daily Auction for the Trading Day on which the Outage occurs;

“Gate Closure” means, for a specific Timescale and in relation to a Settlement Period, the last time at which bids can be made in relation to that Settlement Period;

“GB Grid Code” means the document referred to as the Grid Code in the NGET Transmission Licence;

“GB Regulator” means the Gas and Electricity Markets Authority, as established under the Governing Act;

“Governing Act” means the Electricity Act 1989 as amended and supplemented by the Utilities Act 2000;

“Guidelines” means the guidelines on the management and allocation of available transfer capacity of interconnections between national systems, which guidelines are annexed to Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003;

“Interconnector” means the interconnection of the Irish Transmission System with the NGET Transmission System;

“Interconnector Capability” means the capability of the Interconnector to transmit electrical energy between Ireland and GB;

“Interconnector Capacity” means the right of use of the Interconnector made available by the Operator in Auctions, to facilitate the Transmission of energy by Participants between Ireland and GB, to the extent that Interconnector Capability permits and as provided for in these Rules;

“Interconnector Capacity Entitlement” the ICE of a Unit Holder for a Trading Day in a direction and per Timescale is a schedule showing, the total number of MW of Interconnector Capacity the Unit Holder is entitled to Nominate during each hour of that Trading Day in that direction and for the relevant Auction Type determined in accordance with these Rules.

“Interconnector Capacity Holder” is an Interconnector User who obtained capacity in an auction or on the secondary market. An Interconnector User is not an ICH unless and until this IU has been allocated capacity;

“Interconnector Unit Nomination” is a quantity nominated for import or export for an Interconnector Unit. This is an economic schedule and may not reflect the physical characteristics of the Interconnector (e.g. Ramp Rates). IUN = Nomination;

“Interconnector User” is a company who has entered into arrangements with the relevant Interconnector Owner enabling the company to acquire Capacity. In ENTSO-E Terms: Interconnector User = Capacity Trader;

“Intraday” starts after SEM gate closure (currently 10:00 am) on TD-1 and may be defined as any time after SEM gate closure and before real-time;

“Intraday Auction” means any Auction of Intraday Units;

“Intraday Unit” means a Unit with a Product Period shorter than a Trading Day;

“Irish Regulator” means the “Commission for Energy Regulation”, initially established as the Commission for Electricity Regulation under the Electricity Regulation Act, 1999;

“Late Payment Regulations” means the European Communities (Late Payment in Commercial Transactions) Regulations, 2002 (S.I. No. 388/2002);

“Letter of Credit” means an unconditional and irrevocable standby letter of credit in the form set out in Schedule 8 “Standard Letter of Credit” and which satisfies the criteria outlined in C3.4.1.;

“Long Term” means processes relating to Auctions with Product Periods greater than one (1) Trading Day;

“Long Term Units” means a Unit with a Product Period longer than one (1) Trading Day, as specified in the relevant Auction Specification;

“Loss Factor” has the meaning given to it in Schedule 5;

“Manifest Error” has the meaning given to it in Rule D6.7;

“Marginal Price” means the lowest winning Bid received by the Operator in an Auction;

“Modified Interconnector Unit Nomination” is similar to IUNs, but it should reflect the physical characteristics of the Interconnector (e.g. Ramp Rates). The MIUNs are used in creating the Interconnector schedule files including Master Reference Programmes. The MIUNs are used in calculating the BMU volumes.

“Netting” means the superposition of Nominations in two opposite directions (Ireland-GB and GB-Ireland), in order to release some capacity in the more congested direction for the next allocation step, and “Netted” shall have corresponding meaning;

“Net Transfer Capacity” from the ECAN guide ‘Corresponds to the maximum transfer between two areas. Taking into consideration compatibility with security standards applicable in both areas, the technical uncertainties on future network conditions and the Interconnector capability.

“NGET Transmission System” means the system comprising electric lines owned or operated by NGET for the transmission of electricity as defined in the GB Grid Code;

“NGET” means National Grid Electricity Transmission plc, a company incorporated in England and Wales;

“OFGEM” means the Office of the Gas and Electricity Markets in Great Britain governed under the Gas and Electricity Markets Authority (GEMA) provided for under the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998 and the Enterprise Act 2002;

“Offered Capacity” means the number of Units being made available in the respective Unit Validity Times in an Auction;

“Operator” is the party licensed to operate the East West Interconnector under Section 14(1)(i) of the Electricity Regulation Act, 1999 in Ireland and Section 6(1)(e) of the Electricity Act, 1989 in the United Kingdom;

“Outage” means any reduction of Interconnector Capability, caused by a limitation on the Interconnector or for reasons of operational security, in either direction and includes Forced Outages and Trips;

“Participant” means any person, other than the Operator, who for the time being is a party to an EWIC Participant Agreement and who may be allocated Units under these Rules;

“Participant System” means any and all relevant systems of the Participant required to be in place and approved by the Operator before the Participant is eligible to trade on the East West Interconnector;

“Physical Notification” is a file containing IUNs submitted to NGC on behalf of each Participant;

“Physical Transmission Rights” are rights acquired by Participants for use of capacity;

“Planned Outage Period” defines the period where the Interconnector is operating at a reduced availability and hence Capacity Units allocated through Long-Term auctions may be allocated to a reduced extent during this period;

“Product Period” means the period of time beginning on the first Trading Day in respect of a specific Auction and ending at the end of the last Trading Day in respect of such Auction.

“Recipient” means, in relation to an item of Confidential Information, the person to whom it is disclosed;

“Relevant Participant” has the meaning given to it in Rule E4.3.13;

“Resale” means the offering of Units in an Auction by the Operator on behalf of a Participant, and the resulting reallocation of those Units to another Participant in accordance with Rule E4.3, and “Resell”, “Resold” shall have corresponding meanings;

“Resale Period” means the period of time specified as such by a Participant in a Resale Request;

“Resale Request” means a written notice from a Participant to the Operator requesting the Operator to Resell the Participant’s Units during the Resale Period;

“Resale Unit” has the meaning given to it in Rule E4.3.9;

“Resold Unit Quantity” means (in megawatt-hours) equals the product of the (a) number of Units Resold by the Participant at a specific Auction (in megawatts) and (b) the aggregate hours of the Unit Validity Times within the Product Period of such Auction;

“Rules” means these the Operator Access Rules, as amended from time to time;

“Secondary market” means Resale and Capacity Transfer of Interconnector Capacity;

“Set of Bids” means all valid Bids from a Participant registered in the Auction Management Platform and as modified during the relevant Bidding Period, at any time;

“Settlement Period” means each half-hour period coinciding with Settlement Periods as defined in the Balancing and Settlement Code;

“Single Electricity Market” or “SEM” means the single wholesale electricity market for the Island of Ireland, implemented in Northern Ireland pursuant to Section 23 of the Northern Ireland (Miscellaneous Provisions) Act 2006 and implemented in Republic of Ireland pursuant to the Act and the Single Market Regulations;

“Single Electricity Market Operator” or “SEMO” means both the Northern Ireland Market Operator Licensee and Republic of Ireland Market Operator Licensee for the Single Electricity Market;

“Single Market Regulations” means the Electricity Regulation Act 1999 (Single Electricity Market) Regulations 2007;

“Standard Training” means a set of on-line exercises designed by the Operator to enable Participants to become sufficiently familiar with the Auction Management Platform. The exercises shall be undertaken on the test platform of the Auction Management Platform with remote support from the Operator and in conjunction with a Participant Guide and other relevant documentation;

“Standing Data” means, in relation to a Participant, the data and other information to be given by the Participant to the Operator described in Schedule 3;

“Superpositioning” means the netting of Nominations in two opposite directions (Ireland-GB and GB-Ireland), in order to release some capacity in the more congested direction for the next allocation step;

“Suspension Event” means, in relation to a Participant, any of the following events:
(a) the Participant’s rights referred to in Section H3.2.2(c) of the Balancing and Settlement Code are suspended under Section H3.2.1 of that Code;
(b) the Participant becomes a Dormant CUSC Party (as defined in CUSC);
(c) any request is made under CUSC for the Operator to cease or procure the cessation of the transport of power across the Interconnector by or on behalf of the Participant;

“Suspension Event of Default” has the meaning given to it in Rule F6.3.2;

“Taxes” means all forms of taxation and any penalty, fine, surcharge, interest, charges or costs payable in connection with any Taxes;

“Technical Dispute” means any dispute relating to technical matters in relation to Parts A, B, C, D or E of these Rules, including but not limited to technical matters relating to the Auction Management Platform;

“Termination Event of Default” has the meaning given to it in Rule F6.4.2;

“Timescale” means either Long-Term, Daily or Intraday period of time;

“Trading Day” means the period commencing at 06:00 each day and ending at 06:00 the next day.

“Trading and Settlement Code” refers to the Rules governing SEM;

“Transmission Pass-Through Charge” is a charge for use of the transmission system which is passed through pro-rata to the amount of capacity allocated;

“Transmission System Operator” means each of the Operator, SONI or NGET in their capacity as operator of the Irish Transmission System, Northern Ireland Transmission System, and NGET Transmission System respectively;

“Trip” means any unforeseen event which results in an Outage;

“Unit” means the right to an ICE of up to 1MW (subject to Curtailment and these Rules) in a particular direction and during the Product Period of the Unit, as defined in Rule E2.1 and subject to and on the terms and conditions of these Rules;

“Unit Price” means, for a Unit, the Auction Price (in euro per megawatt hour) resulting from the Auction at which the Unit was allocated to the Participant;

“Unit Quantity” means, in megawatt-hours, the product of (a) the number of Units allocated to the Participant at a specific Auction (in megawatts) and (b) the aggregate hours of the Unit Validity Times within the Product Period of such Units;

“Unit Resale Price” means, for a Unit, the Auction Price (in euro per megawatt hour) resulting from the Auction at which the Unit was Resold by the Participant, as set out in Rule E4.3.10;

“Unit Validity Times” means:

- (i) in the case of Long Term Units, the specific periods within the Product Period for which the Units have been offered in the applicable Auction,
- (ii) in the case of Daily Units, the individual periods for which the Units have been offered in the applicable Auction,
- (iii) in the case of Intraday Units, the individual periods for which the Units have been offered in the applicable Auction;

“Unused Units” has the meaning given to it respectively in Rules E5.2.1 and E5.3.1, and is referred, in the Auction Management Platform, “Non-Nominated capacity”;

“Use-It-or-Sell-It” (UIOSI) has the meaning given to it in Rule E5;

“Validity Period” has the meaning given in Rule C3.

Part II: Interpretation

In these Rules (including its Schedules) unless the context requires otherwise:

- (a) the singular indicates the plural and vice versa;
- (b) references to one gender include all other genders;
- (c) the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of the Rules;
- (d) the word “including” and its variations are to be construed without limitation;
- (e) any reference to legislation, regulations, directive, order, instrument, code or any other enactment shall include any modification, extension or re-enactment of it then in force;
- (f) any reference to a “Rule” is a reference to a rule contained in the relevant Section, any reference in a Schedule to a “paragraph” is a reference to a paragraph contained in that Schedule and any reference to a “Schedule” is a reference to a Schedule to the Rules. Rules are identified by reference to the relevant Section and Rule number. For example Rule D4 refers to Rule 4 in Section D;
- (g) any reference to another agreement or document, or any deed or other instrument is to be construed as a reference to that other agreement, or document, deed or other instrument as amended, varied, supplemented, substituted or novated from time to time;

- (h) a reference to time is a reference to GMT time unless (otherwise specified);
- (i) the symbol * requires multiplication to be effected;
- (j) where the Operator is required to publish any information under these Rules, it may do so by making the information or data available on its website or via the Auction Management Platform.

Schedule 2: Form of EWIC Participant Agreement

THIS EWIC PARTICIPANT AGREEMENT is made on the day of 201_
BETWEEN:

(1) EIRGRID PLC whose registered office is at The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4 (Company No. 33522) (the “Operator”); and

(2) THE PARTICIPANT named in Item 1 of the schedule whose registered office is at the address set out in Item 1 of the schedule (the “Participant”).

RECITALS:

(A) The Operator is the operator of the Interconnector and has established the EWIC Access Rules governing the relationship between the Operator and the Participants and more particularly setting out the arrangements for selling rights to use the Interconnector and the terms of use.

(B) The Participant wishes to buy rights to use the Interconnector under the terms of the EWIC Access Rules.

(C) The Parties are entering into this Agreement for the purposes of giving effect to and binding themselves to the EWIC Access Rules in relation to the Participant’s acquisition and use of rights to use the Interconnector.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and interpretation

1.1 In this Agreement including the recitals, capitalised words and phrases have the meaning given to them below except where the context requires otherwise:

“Agreement” means this EWIC Participant Agreement;

“EWIC Access Rules” means the rules of that name established by the Operator providing for the sale and use of rights to use the Interconnector as amended from time to time, the current version of which has been made available to the Participants;

“EWIC Participant Guide” means the guide to the Access Rules, published by the Operator and designated as such by them from time to time;

“Interconnector” means the 500MW DC interconnector between Ireland and Wales;

“Operator” means EirGrid; and

“Party” means each of the Operator and the Participant.

1.2 The rules of interpretation in the Access Rules apply to this Agreement.

2. EWIC Access Rules

2.1 The EWIC Access Rules are hereby given effect between and made binding upon each Party with effect from the date of execution of this Agreement by both Parties.

2.2 With effect from the date of execution of this Agreement by both Parties, each Party undertakes to the other Party to comply with and perform its obligations in accordance with and subject to the EWIC Access Rules.

3. Warranties

3.1 The Participant warrants to the Operator at the time of entering into this Agreement that:

- (a) the information and data provided by the Participant to the Operator in its Application Form (as defined in the EWIC Access Rules) is true, accurate and complete in all respects;
- (b) the Participant will not by entering into this Agreement or acquiring rights under the EWIC Access Rules infringe any anti-trust or competition legislation or any undertaking or other obligation arising under any antitrust or competition legislation;
- (c) in the case of a Participant that is not a natural person, it is duly incorporated and validly existing under the laws of its country of incorporation;
- (d) the Participant has full power and authority to enter into and perform this Agreement and to acquire and exercise rights under the EWIC Access Rules and all necessary action has been taken on its part to authorise entry into and performance of this Agreement and rights under the EWIC Access Rules;
- (e) this Agreement and rights acquired under the EWIC Access Rules constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (f) the Participant has taken the steps necessary to ensure that it has access to all the relevant documentation issued by the Operator including but not limited to the EWIC Access Rules and the EWIC Participant Guide;
- (g) the Participant warrants that it is not insolvent and that it has no knowledge of any possible insolvency proceedings that may be brought against it in the immediate future.

3.2 If any of the above ceases to be true with regard to the Participant at any time prior to termination of this Agreement, the Participant shall promptly notify the Operator of that fact and shall provide full details.

4. Notices

4.1 All notices and other communications between the Parties under or in connection with this Agreement and the EWIC Access Rules must be given in accordance with the EWIC Access Rules.

4.2 The address and contact details for the Operator are set out in Item 3 of the Schedule below. The address and contact details for the Participant are set out in Item 2 of the Schedule.

4.3 Contact details of a Party can be amended from time to time by notice from that Party.

5. Termination

This Agreement may be terminated only as provided for in the EWIC Access Rules.

6. General

6.1 This Agreement and the EWIC Access Rules are governed by and construed in accordance with Irish law.

6.2 This Agreement and the EWIC Access Rules must be read and construed as one document. References in the EWIC Access Rules to the EWIC Participant Agreement must be read and construed as references to the EWIC Access Rules and this Agreement.

6.3 If any provision of this Agreement or the EWIC Access Rules is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or pursuant to arbitration under the EWIC Access Rules or by order of any Competent Authority (as defined in the EWIC Access Rules), such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of the EWIC Access Rules and this Agreement which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.

SIGNED by the Parties as an Agreement.

The Schedule

Item 1: The Participant

Name: [Insert]

Registered address: [Insert]

Item 2: Notices to the Participant

Address for notices: [Insert]

Facsimile: [Insert]

Telephone: [Insert]

Attention: [Insert]

Item 3: Notices to the Operator

The Operator

Block 2, The Oval

160 Shelbourne Road

Dublin 4

Ireland

Telephone: [Insert]

Fax number: [Insert]

Attention: [Insert]

Schedule 3: Standing Data

This Schedule 3 lists the Standing Data to be provided by each Participant. Rule B3 requires Participants to keep their Standing Data up to date.

- 1) Name.
- 2) Registered address.
- 3) Address for correspondence.
- 4) Telephone number.
- 5) Facsimile number.
- 6) Commercial contact person and their contact details.
- 7) Operational contact person and their contact details.
- 8) Invoicing contact person and their contact details.
- 9) Identification of the Participant's Production Interconnector BM Unit and Consumption Interconnector BM Unit under the Balancing and Settlement Code.
- 10) EIC/EAN Code.
- 11) E-mail address for operational communications.

Schedule 4: Business Rules for Use of Interconnector Capacity

1. Introduction

1.1 This Schedule 4 describes the business process and timings of the following activities:

- (a) calculation and notification by the Operator of the Settlement Period values of the ICE's per Timescale for each Participant in each direction for each Trading Day;
- (b) notification by each Participant of Resales and Capacity Transfers at each relevant Timescale;

1.2 Timings given in this Schedule 4 are nominal timings, which may be subject to change in case of emergency. In this case, Participants would be informed of new timings to follow in due course.

1.3 Times are given in GMT.

1.4 Participants should note that in addition to these Business Rules, in using the Interconnector they must comply with the Grid Code and NGET Grid Code and any other binding Irish or GB rule.

2. Energy Accounts

2.1 Each Participant must identify its Production and Consumption Interconnector BM Units under the SEM Trading and Settlement Code and Balancing and Settlement Code in its Standing Data.

2.2 Each Participant may notify an Energy Transmission against one of each of the types of Energy Account referred to above in any one Settlement Period.

3. Long-Term Business Process

3.1 Dates of Long-Term Auctions are published in advance (end of Trading year Y-1 for Long-Term Auctions taking place in Trading year Y) by the Operator.

3.2 Five days before the day when a Long-Term Auction is planned, the Operator shall publish an initial Auction Specification, pursuant to Rule D3. The Offered Capacity in this initial Specification does not include Units offered for Resale at this Long-Term Auction.

3.3 After the Final Results publication of any previous Long-Term Auction and no later than 30 minutes before the Final Specification of another Long-Term Auction, Capacity Transfer Notices and Resale Requests of Units initially allocated in any previous Long-Term Auction can be submitted to the Operator, in accordance to Rule E4.

3.4 Thirty minutes before the opening of a Long-Term Auction, the final Specification of this Long-Term Auction is published by the Operator, pursuant to Rule D3. The Offered Capacity in this Final Specification includes Units submitted for Resale at this Long-Term Auction, subject to any Curtailment, pursuant to Rules D3 and E7.

3.5 A Long-Term Auction opens and closes at the times given in the relevant Long-Term Auction Specification (or at any other times specified by the Operator after publication of the Auction Specification). During this period of time, Participants can submit Bids to the Operator, in accordance with Rules D3 and D5.

3.6 Once the Auction is closed, at the time specified in the Auction Specification (or at any other time specified by the Operator), Units are allocated, pursuant to Rule D6, and preliminary Results of this Long-Term Auction are published.

3.7 Two hours after the publication of the preliminary Results of a Long-Term Auction (or at any other time specified in advance by the Operator), the Final Results of this Auction are published, and Capacity Transfer Notices and Resale Requests can be submitted to the Operator, in accordance with Rule E4.

3.8 Capacity Transfer Notices and Resale Requests of Units initially allocated in any previous Long-Term Auction can be submitted to the Operator, in accordance to Rule E4, up to 30 minutes before the Final Specification of another Long-Term Auction. Any Capacity Transfer of Long-Term Units must be confirmed by the Participant to whom the Capacity Transfer was made within 3 hours of the Capacity Transfer Notice being received by the Operator, and no later than 30 minutes before the Final Specification of another Long-Term Auction.

3.9 Any Long-Term Unit for the Trading Day D can be subject to a Capacity Transfer Notice until 7.00 on D-1.

4. Day-Ahead Business Process

4.1 The Auction Specification of a Daily Auction of Units for Trading Day D is published by the Operator no later than 08:35 on day D-1, in accordance with Rule D4.

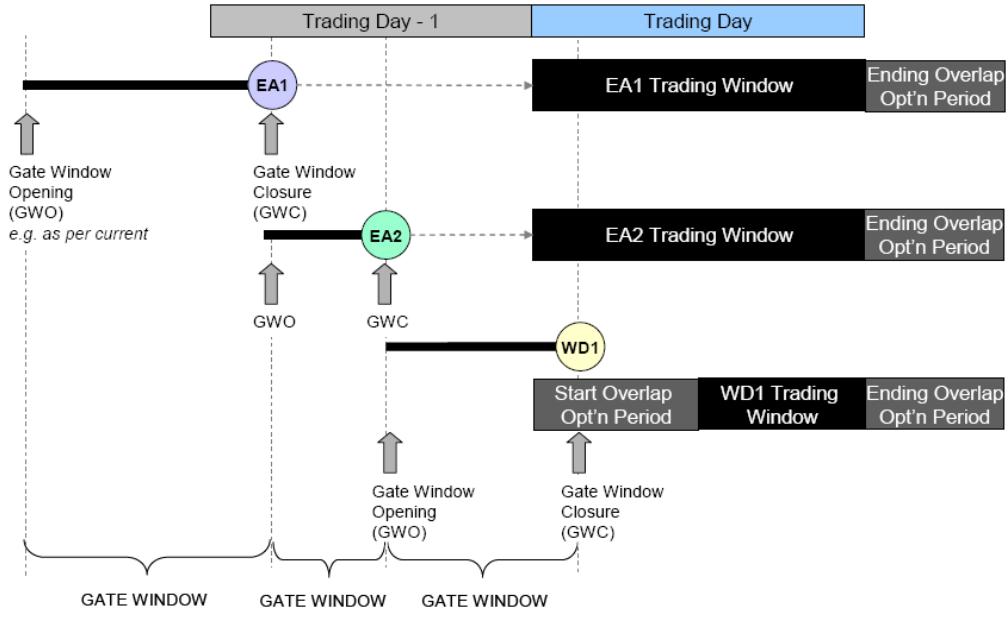
4.2 A Daily Auction of Units for Trading Day D opens at 08:40 and closes at 09:00 on day D-1 (or at any other times specified by the Operator in the relevant Auction Specification or after publication of the Auction Specification). During this period of time, Participants can submit bids to the Operator, in accordance with Rules D4 and D6.

4.3 Once the Daily Auction is closed, Units are allocated, pursuant to Rule D7, and Final Results of this Daily Auction are published before 09:30 on the day D-1.

5. Intra-day Business Process

5.1 Information on the detailed Intra-day business process is provided under the SEM Trading and Settlement Code.

5.2 An overview is provided below of the Intraday Trading Arrangements in SEM with three Gate Windows (EA1, EA2 and WD1) relating to a Trading Window, comprising a portion of the Trading Day, and separate EA1, EA2 and WD1 Optimisation Time Horizons associated with each Trading Window.



Schedule 5: Deemed Metered Volume Allocation

1. Introduction

For the BETTA market, the Operator will calculate the Deemed Metered Volumes for each Participant for each direction for each Settlement Period in each Trading Day and allocate those amounts to the Energy Accounts of Participants in accordance with this Schedule 5.

2. Deemed Metered Volumes

2.1 For each Settlement Period, the Deemed Metered Volume of each BM Unit is equal to the sum of the MIUNs (as amended by any Curtailment) of that Participant integrated over the Settlement Period to give a kWh figure.

3. Losses

3.1 The physical flow on the Interconnector is subject to losses.

4. Adjustment for losses

4.1 No losses are applied to energy volumes for BETTA. Losses are only applied for SEM.

Schedule 6: List of Long Term products

On the date of entry into force of these Rules, the following products are offered under Long Term Auctions:

- Trading annual
- Trading month

The Operator may offer other Long Term products if in its reasonable opinion the current Long Term products are not sufficient.

Should the Operator deem it necessary to offer other Long Term products then the Operator will provide Participants with reasonable notice of such products and the timings of when such products will be offered.

Schedule 7: Transparency

1.1 The EWIC Access Rules will be made publicly available to all Participants via the Operator website and the Auction Management Platform.

1.2 All relevant data will be published as required on the following websites: the Operator website, SEMO website, Auction Management Platform and ENTSO-E Transparency Platform in accordance with the EWIC Access Rules.

Schedule 8: Standard Letter of Credit

A.1 This Schedule contains a standard template for a Letter of Credit.

OPERATOR EURO IRREVOCABLE STANDBY LETTER OF CREDIT TEMPLATE

Applicant:

Issuing Bank:

Advising Bank/Operator Bank:

Beneficiary: "the licensed Operator defined under these Rules".

Dear Sirs,

We, the Issuing Bank, hereby issue our irrevocable Standby Letter of Credit No..... by order of (applicant), for a maximum total amount of EUR..... (in words.....) which expires at the counters of the Advising Bank on [insert date] subject to extension as described below.

In this Letter of Credit and in the Beneficiary Statement (except where the context otherwise requires or there is an express provision to the contrary) the following expressions shall have the following meanings:

"Access Rules" means the access arrangements applying to the East West Interconnector (EWIC);

"Beneficiary Statement" means a statement in the form of the Appendix attached hereto;

"Expiry Date" means the last date on which this Letter of Credit may be presented for value at the Issuing Bank being the XX Day of Month 20XX;"Same Day Value" means that the relevant funds shall be available to the Beneficiary on the same day as the funds transfer has been authorised by us without any loss of value arising between such authorisation and the funds being available for use by the Beneficiary;

"SWIFT" means the worldwide financial messaging network of The Society for Worldwide Interbank Financial Telecommunication;

This irrevocable Standby Letter of Credit is available by payment at sight against presentation to the Advising Bank of a Beneficiary Statement.

Conditions:

1. Partial drawings are allowed.
2. This Letter of Credit shall expire on the Expiry Date and our obligations under this Letter of Credit shall also expire on that date.
3. The Beneficiary Statement must be made on original letterhead paper of the Beneficiary and signed on its behalf, and must be presented to the Issuing Bank on or before the Expiry Date.
4. Upon receipt of a signed Beneficiary Statement in compliance with the above conditions the Advising Bank is required promptly to notify us by SWIFT of receipt of such Beneficiary Statement and inform us of the relevant details of such Beneficiary Statement. Provided such notification is received by us no later than 14:00 hrs on any weekday on which banks are open for business in Dublin and Belfast, we shall make payment under this Standby Letter of Credit for Same Day Value on that day or if received after 14.00hrs on the next such weekday in accordance with such notification and shall confirm payment by notifying the Advising Bank by SWIFT.

5. Where we, the Issuing Bank are also the Advising Bank, we may revise the above notification requirements as appropriate provided that this shall in no way affect the obligation on us to make payment under this Standby Letter of Credit.
6. All Issuing Bank charges are for the account of the Applicant.
7. All Advising Bank charges are for the account of the Beneficiary.

Except where otherwise expressly stated, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits latest version on the date of the issuance of this Letter of Credit [MOST RECENT VERSION TO BE INSERTED WITH EACH LETTER OF CREDIT].

We the Issuing Bank hereby waive any right to set off or counterclaim whatsoever against any amounts payable under this Standby Letter of Credit in respect of any claims we may have against the Beneficiary and such amounts shall be paid free and clear of all deductions or withholdings whatsoever.

This Letter of Credit and any non-contractual obligations arising out of or in connection with this Letter of Credit shall be governed by and construed in accordance with the laws of the Republic of Ireland.

Yours faithfully

[Issuing Bank]

by

(Authorised

Signatory)

APPENDIX

[Operator letterhead]

We, the Operator under the EWIC Access Rules (the “Beneficiary”) hereby state that [insert applicant’s name] is in default of its obligation to pay pursuant to the EWIC Access Rules (to which the applicant is a party) under paragraph [insert details]

and as a result we hereby demand[insert amount being claimed] under Standby Letter of Credit number..... issued by[insert name of Issuing Bank]. Payment in respect of this Beneficiary Statement shall be effected immediately to [insert relevant account details]. We confirm that the signatory(ies) to this Beneficiary Statement are empowered to sign and make this Beneficiary Statement on behalf of the Beneficiary.

Terms defined in the Standby Letter of Credit referred to above have the same meaning when used in this Beneficiary Statement.