Single Electricity Market

INTRA-DAY TRADING: PLAIN ENGLISH DOCUMENT

MODIFICATION: MOD_11_XX

FUNCTIONAL GROUP 3

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Table of Contents

Document History

Version	Date	Author	Comment
1.0	12 September 2011	SEMO	FG1+FG2+FG3 changes issued for review by Participants[1].
2.0	3 November 2011	SEMO	Entire Modification for review by Participants, reflecting FG2 comments and legal review. Updated PED also reflects the change in baseline version of the Code from v9.0 to v10.0.

Distribution List

Name	Organisation

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[1] Although earlier drafts of the FG3 PED were issued prior to September 2011 for review by Participants, the document was baselined in September as v1.0, when the entire Modification – reflecting FG1, FG2, and FG3 changes – was first issued for review.

1   INTRODUCTION

During 2010, the RAs instigated the development of proposals in respect of Intra-Day Trading in the SEM. Through the Modifications Committee Working Groups, the High Level Design for Intra-Day Trading was developed and was recommended for approval by the Modifications Committee in Meeting 32.

The introduction of intra-day trading in the SEM represents a major change in the market design. As a result, there will be a number of changes that will impact on the Trading and Settlement Code ("Code"), including:

- Bidding to multiple Gate Windows (EA1, EA2 and WD1) for the relevant Trading Day.
- Restriction of Interconnector Unit bidding in the EA1 Gate Window to Capacity Holders.
- Reallocation of unused Interconnector Capacity to any Interconnector Unit (with no requirement to be a Capacity Holder) in EA2 and WD1 MSP Software Runs.
- Different lengths of Trading Window for each Ex-Ante MSP Software Run:
    - EA1: entire Trading Day
    - EA2: entire Trading Day
    - WD1: second portion of the Trading Day
- Fixing of Interconnector Unit capacity allocations from EA1 MSP Software Run (MIUNs) in the EA2 and WD1 MSP Software Runs.
- Fixing of Interconnector Unit capacity allocations from EA1 MSP Software Run (MIUNs) in the EA2 and WD1 MSP Software Runs.
- Changes to Credit Cover arrangements to ensure that the SEM remains as collateralised as possible.

This "Plain English Document" accompanies legal drafting for changes to the Code. Its purpose is to facilitate understanding of the legal drafting changes to the Code, in order that a single Modification Proposal may be discussed and approved via the Modifications Committee in late 2011.

2   SCOPE OF THIS DOCUMENT

In order to facilitate consideration of the proposed changes to the Code, SEMO will be developing and discussing changes in a number of key functional groups. Each functional group will have a Plain English Document (PED) and associated legal drafting, which will be considered via the Modifications Committee Working Group process.

Once the Plain English Documents (PEDs) have been considered and the legal drafting discussed via the Modifications Committee Working Group, SEMO will be producing a single Modification Proposal for discussion, vote and approval via a Modifications Committee meeting in late 2011.

The functional groupings in respect of SEM Intra-Day Trading are:

- **Functional Group 1** – Registration and Participant submissions
    - *FG1 Code and Agreed Procedure changes/additions are marked up as Tracked Changes, highlighted in the documents in* <mark>yellow</mark>*.*

- **Functional Group 2** – Other Data Transactions, MSP Software
    - *FG2 Code and Agreed Procedure changes/additions are marked up as Tracked Changes without highlighting.*

- **Functional Group 3** – Settlement and Credit Risk Management
    - *FG3 Code and Agreed Procedure changes/additions are marked up as Tracked Changes, highlighted in the documents in* <mark>cyan</mark>*.*

This Plain English Document covers the following Functional Group:
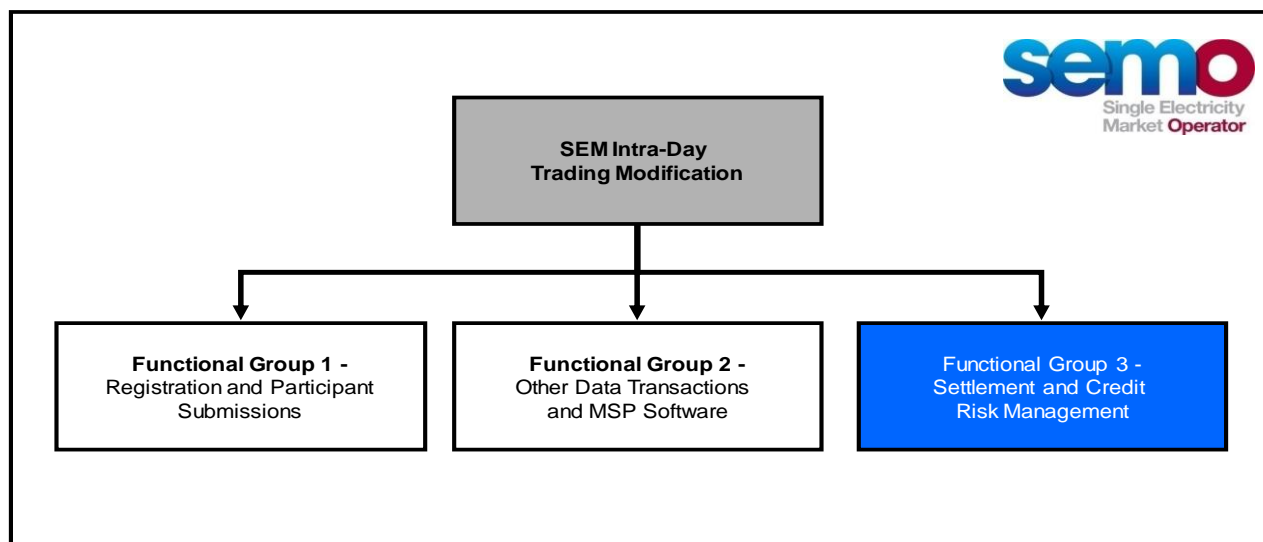
Figure 1 : Scope of this PED

Functional Group 3 covers the following sections of the Code:

Group Name	Sections Included
Settlement and Credit Management	• Section 2 (minor edits) • Section 4 (calculation of some settlement amounts) • Section 5 (clarification of treatment of Offered Modified PQ Pairs for Interconnector Units) • Section 6 (settlement calculations and minor edits) • Appendix E (CRM or settlement-related publications) • Appendix P (new Appendix to describe modification of PQ Pairs for Interconnector Units and calculation of Available Credit Cover) • Agreed Procedure 6 (CRM reports and publications) • Agreed Procedure 9 (Clarifications in respect of the processes for the management of Credit Cover) • Agreed Procedure 10 (settlement reallocation)

3   STRUCTURE OF THIS DOCUMENT

Each Plain English Document has the following key sections:

- **Key Definitions**   Describes the new or amended definitions required for the relevant Functional Group.

- **Description of Changes**   By section of the Code (including Appendices and Agreed Procedures), and for each proposed change, defines:

  - PED Reference (unique reference to aid review and discussion).

  - Change Type (New – N, Amend – A, Delete – D).

  - Code Clause(s) (in respect of Version 9.0 of the Code) [2].

  - Description (brief explanation of the proposed change).

  - Reference to relevant section(s) of the High Level Design for Intra-Day Trading (if any).

- **Appendices**   Where required to support context and understanding of the Plain English Document, additional detail is included within appendices.

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[2] *Unless stated otherwise or a new Clause, the primary reference is the existing v10.0 Code Clause numbering. Where the reference numbering has been changed by the IDT Modification, the revised reference is also shown in parentheses – e.g. 5.160 (now 5.157).*

4   KEY DEFINITIONS

This section details the definitions of all key terms which have either been introduced or amended in the Intra-Day Trading Modification and belong to Functional Group 3.

All new variables and subscripts (if any) are also listed.

4.1   NEW DEFINITIONS

Term	Definition
Actual Generator Exposure	means, for a Participant in respect of its Generator Units, the amount of credit exposure in respect of the Actual Exposure Period, as calculated in accordance with paragraph 6.187.
Available Credit Cover	means in respect of a Participant, the amount by which the Posted Credit Cover exceeds the sum of the Required Credit Cover, Interconnector Unit Traded Exposure and Total Fixed Credit Requirement, as calculated following each Gate Window Closure and each MSP Software Run.
Capacity Traded Exposure	means the credit risk exposure, adjusted for VAT, in respect of Capacity Payments for a Participant, as calculated following each MSP Software Run in accordance with Appendix P.33.
Credit Cover Increase Notice	means a Notice from the Market Operator to a Participant specifying the required minimum increase in Credit Cover.
Daily Average Capacity Payments Generation Price	means the arithmetic average of the values of Capacity Payments Generation Price for a specific Settlement Day, as set out in paragraph 6.200A.
Energy Traded Exposure	means the credit risk exposure, adjusted for VAT, in respect of Energy Payments for a Participant, as calculated following each MSP Software Run in accordance with Appendix P.33.
Estimated Capacity Price	means the price determined by the Market Operator for use in the calculation of Undefined Potential Exposure in respect of capacity payments and charges as set out in paragraph 6.200.
Estimated Capacity Price for Interconnectors	means the price determined by the Market Operator for use in the calculation of Interconnector Unit Capacity Offered Exposure and Interconnector Unit Capacity Traded Exposure for Interconnector Units as set out in paragraph 6.200E.
Estimated Energy Price	means the price determined by the Market Operator for use in the calculation of Undefined Potential Exposure in respect of energy payments and charges as set out in paragraph 6.195.
Excluded Interconnector Unit Offers Indices	means a set of the indices associated with Accepted Price Quantity Pairs for Interconnector Units that are flagged to be excluded from the corresponding Offered Modified Price Quantity Pairs. as determined in accordance with paragraph P.18.

Term	Definition
High Limit Quantity	means in respect of an Interconnector Unit and for each Trading Period in the Trading Window for MSP Software Run m, the quantity as calculated in Appendix P.9.
Included Interconnector Unit Offers Indices	means a set of the indices associated with Accepted Price Quantity Pairs for Interconnector Units that are flagged to be included within the corresponding Offered Modified Price Quantity Pairs as determined in accordance with paragraph P.18.
Interconnector Unit Capacity Offered Exposure	means, for an Interconnector Unit, the credit risk exposure, adjusted for VAT, in respect of Capacity Payments, as calculated following each Gate Window Closure in accordance with Appendix P.12.
Interconnector Unit Capacity Traded Exposure	means, for an Interconnector Unit, the credit risk exposure, adjusted for VAT, in respect of Capacity Payments, as calculated following each MSP Software Run in accordance with Appendix P.31.
Interconnector Unit Energy Offered Exposure	means, for an Interconnector Unit, the credit risk exposure, adjusted for VAT, in respect of Energy Payments, as calculated following each Gate Window Closure in accordance with Appendix P.10.
Interconnector Unit Energy Traded Exposure	means, for an Interconnector Unit, the credit risk exposure, adjusted for VAT, in respect of Energy Payments, as calculated following each MSP Software Run in accordance with Appendix P.27 to P.28.
Interconnector Unit Traded Exposure	means the total credit risk exposure for a Participant in respect of its Interconnector Units, as calculated following each MSP Software Run in accordance with 6.187A
Largest Credit Exposure Quantity Index	means the maximum integer index value in respect of a set of Price Quantity Pairs for an Interconnector Unit in a Trading Period, where a negative exposure is calculated as part of the calculation of Modified Price Quantity Pairs.
Low Limit Quantity	means in respect of an Interconnector Unit and for each Trading Period in the Trading Window for MSP Software Run m, the quantity as calculated in Appendix P.8.
Price Axis Crossing Point	means a temporary Price Quantity Pair used in the calculation of Offered Exposure or Traded Exposure, reflecting the point at which the Offered Modified Price Quantity Pairs or Traded Modified Price Quantity Pairs cross the Price axis in accordance with Appendix P.7 and P.22.
Priority Flag	means a flag submitted as part of Commercial Offer Data for Interconnector Units, indicating the order in which such Commercial Offer Data should be considered in respect of the Available Credit Cover for the Participant to which such Interconnector Units are registered.
Quantity Axis Crossing Point	means a temporary Price Quantity Pair used in the calculation of Offered Exposure or Traded Exposure, reflecting the point at which the Offered Modified Price Quantity Pairs or Traded Modified Price Quantity Pairs cross the Quantity axis in accordance with Appendix P.6 or P.21.

Term	Definition
Remaining Available Credit Cover	means, in respect of a Participant, the amount of Available Credit Cover less the sum of the Interconnector Unit Energy Offered Exposure and the Interconnector Unit Capacity Offered Exposure for an Interconnector Unit registered to same Participant, as part of the calculation of Modified Price Quantity Pairs calculated in accordance with P.15 and P.18.
Total Fixed Credit Requirement	means, in respect of a Participant, the sum of the Fixed Credit Requirement in respect of all its Generator Units and Supplier Units, calculated in accordance with 6.231A.
Traded Exposure Period	means, for a Billing Period, the period as set out in paragraph 6.173 5 and, for a Capacity Period, the period as set out in paragraph 6.173 6.
Traded Modified Price Quantity Pairs	means a set of Price Quantity Pairs for Interconnector Units as derived from Offered Modified Price Quantity Pairs, determined in accordance with Appendix P.
Trading Window	means the Trading Periods for a Trading Day for which Generator Units submit Commercial Offer Data.
Utilised	means, in respect of an MSP Software Run Type for a Trading Day, the data that was used by the Market Operator to produce the associated Market Schedule Quantities, where the particular MSP Software Run was successfully completed and no MSP Software Run Cancellation was determined.

4.2   RELEVANT DEFINITIONS CONTAINED IN OTHER FUNCTIONAL GROUPS

The following terms used in this Plain English Document (PED) for Functional Group 3 are defined in documents relating to other Functional Groups:

- Offered Modified Price Quantity Pairs (FG2).
- Lower Operating Limit (FG2).
- Higher Operating Limit (FG2).

4.3   AMENDED DEFINITIONS

Term	Definition
Actual Exposure Period	means, for a Billing Period, the period as set out in paragraphs 6.173 1 and 6.173 3 and, for a Capacity Period, the period as set out in paragraphs 6.173 2 and 6.173.4.

Term	Definition
Price	means the price for a Quantity within any of a Price Quantity Pair, Offered Modified Price Quantity Pair or Traded Modified Price Quantity Pair.
Quantity	means a quantity of Output specified within a Price Quantity Pair, Offered Modified Price Quantity Pair or Traded Modified Price Quantity Pair.
Participant Information Report *(Agreed Procedure 6)*	A report that provides a Participant with information of the energy delivered or consumed at each defined interval.
Required Credit Cover	means the Credit Cover calculated by the Market Operator on each Working Day which is required to cover the Participant's actual and potential payment liabilities in respect of its Units and participation in the Pool at any time.

4.4   NEW VARIABLES

Name	Term	Subscripts	Units	Description
Available Credit Cover	ACC	pr	£ or €	The amount of Credit Cover for Participant p posted and available to cover potential credit exposure in respect of an Interconnector Unit trading in the Pool.
Active Interconnector Unit Export Capacity Holding	AIUECH	uh	MW	The Active Interconnector Unit Export Capacity Holding for Interconnector Unit u in Trading Period h.
Active Interconnector Unit Import Capacity Holding	AIUICH	uh	MW	The Active Interconnector Unit Import Capacity Holding for Interconnector Unit u in Trading Period h.
Capacity Traded Exposure	CTE	ph	£ or €	The credit risk exposure, adjusted for VAT, in respect of Capacity Payments for a Participant, as calculated following each MSP Software Run.
Daily Average Capacity Payments Generation Price	DACPGP	D	€/MWh	Arithmetic average of Capacity Payments Generation Prices in a given Settlement Day
Estimated Capacity Price for Interconnectors	ECPI	h	€/MWh	Estimated Capacity Price for Interconnectors in Trading Period h.

Name	Term	Subscripts	Units	Description
Excluded Interconnector Unit Offers Indices	EIUOI	uhm	Number	The set of the indices associated with Accepted Price Quantity Pairs for Interconnector Units that are flagged to be excluded from the corresponding Modified Price Quantity Pairs.
Energy Traded Exposure	ETE	ph	£ or €	The credit risk exposure, adjusted for VAT, in respect of Energy Payments for a Participant, as calculated following each MSP Software Run.
High Limit Quantity	HLQ	uh	MW	A value set as part of the calculation of Modified Price Quantity Pairs for Interconnector Units.
Higher Operating Limit	HOL	uh	MW	An upper bound in respect of the Market Schedule Quantity for a Generator Unit u, as considered by the MSP Software Run m.
Included Interconnector Unit Offers Indices	IIUOI	uhm	Number	The set of the indices associated with Accepted Price Quantity Pairs for Interconnector Units that are flagged to be included within the corresponding Modified Price Quantity Pairs.
Interconnector Unit Capacity Offered Exposure	IUCOE	uhm	£ or €	The credit risk exposure, adjusted for VAT, in respect of Capacity Payments for an Interconnector Unit, as calculated following each Gate Window Closure.
Interconnector Unit Capacity Traded Exposure	IUCTE	uhm	£ or €	The credit risk exposure, adjusted for VAT, in respect of Capacity Payments for an Interconnector Unit u as calculated following each MSP Software Run.
Interconnector Unit Energy Offered Exposure	IUEOE	uhm	£ or €	The credit risk exposure, adjusted for VAT, in respect of Energy Payments for an Interconnector Unit, as calculated following each Gate Window Closure.
Interconnector Unit Energy Traded Exposure	IUETE	uhm	£ or €	The credit risk exposure, adjusted for VAT, in respect of Energy Payments for an Interconnector Unit u as calculated following each MSP Software Run.
Interconnector Unit Traded Exposure	IUTE	pr	£ or €	The credit risk exposure for a Participant in respect of its Interconnector Units, calculated following each MSP Software Run.
Largest Credit Exposure Quantity Index	LCEQI	uphm	Number	The maximum integer index of a set of Price Quantity Pairs for an Interconnector Unit in a Trading Period, where a negative exposure is calculated as part of the calculation of Modified Price Quantity Pairs.

Name	Term	Subscripts	Units	Description
Low Limit Quantity	LLQ	uh	MW	The minimum MW value included as part of the calculation of Modified Price Quantity Pairs for Interconnector Units.
Lower Operating Limit	LOL	uh	MW	A lower bound in respect of the Market Schedule Quantity for a Generator Unit u in Trading Period h, as considered by the MSP Software Run m.
Maximum Interconnector Unit Import Capacity	MIUIC	uh	MW	The Maximum Interconnector Unit Import Capacity as submitted as part of Commercial Offer Data for Interconnector Units.
Number of all Daily Average Capacity Payments Generation Prices	NDACPGP	g	€/MWh	The number of all Daily Average Capacity Payments Generation Prices in the Historical Assessment Period for Capacity Periods ρ for Undefined Exposure Period g.
Modified Price	P	uhi	£/MWh or €/MWh	A Price derived from Commercial Offer Data, determined in accordance with Appendix P.
Price Axis Crossing Point	PACP	uhi	€/MWh	A temporary Price Quantity Pair used in the calculation of Offered Exposure or Traded Exposure, reflecting the point at which the Offered Modified Price Quantity Pairs or Traded Modified Price Quantity Pairs cross the Price axis.
Posted Credit Cover	PCC	pr	£ or €	Posted Credit Cover amount for Participant p in Settlement Risk Period r.
Modified Quantity	Q	uhi	MW	A Quantity derived from Commercial Offer Data, determined in accordance with Appendix P.
Quantity Axis Crossing Point	QACP	uhi	€/MWh	A temporary Price Quantity Pair used in the calculation of Offered Exposure or Traded Exposure, reflecting the point at which the Offered Modified Price Quantity Pairs or Traded Modified Price Quantity Pairs cross the Quantity axis.
Remaining Available Credit Cover	RACC	p	£ or €	The amount of Available Credit Cover less the sum of the offered exposure for all Interconnector Units registered to a Participant, calculated in accordance with Appendix P of the Code.
Standard deviation of the Daily Average Capacity Payments Generation Price	SDCPGP	g	€/MWh	The standard deviation of Daily Average Capacity Payments Generation Prices in the Historical Assessment Period for Capacity Periods ρ for Undefined Exposure Period g

Name	Term	Subscripts	Units	Description
Total Fixed Credit Requirement	TFCR	Pr	£ or €	The total Fixed Credit Requirement for Participant p in respect of its Generator Units u and Supplier Units v.
Mean value of Daily Average Capacity Payments Generation Prices	UMCPGP	g	€/MWh	The mean value of Daily Average Capacity Payments Generation Prices in the Historical Assessment Period for Capacity Periods ρ for Undefined Exposure Period g
Value Added Tax	VAT	pr		Value Added Tax rate applicable for Participant p in Settlement Risk Period r.
Value Added Tax	VAT	uh		Value Added Tax applicable for Interconnector Unit u in Trading Period h.

4.5   NEW SUBSCRIPTS

Subscript	Definition
m	MSP Software Run.
τ	Trading Window.
X	A set of Trading Periods in the un-invoiced Billing Period where Initial Capacity Settlement has not been performed
λ	A set of Trading Periods in the un-invoiced Billing Period where Initial Energy Settlement has not been performed
δ	A set of Settlement Days in un-invoiced Billing Period where Initial Energy Settlement has not been performed.
ε	A set of Settlement Days in un-invoiced Capacity Period where Initial Capacity Settlement has not been performed.

5　DESCRIPTION OF CHANGES

5.1　SECTION 2

5.1.1　DESCRIPTION

Section 2 of the Code covers accession of Parties and Participants (through the registration of Generator Units and Supplier Units). The changes to the process of registration as a result of Intra-Day Trading are contained with the PED for Functional Group 1. This PED covers the changes to Section 2 required to cover:

- Delivery of Credit Cover Increase Notices as part of the Required Credit Cover Report (with follow-up by SEMO via email/phone).
- Minor editing to enhance clarity of the provisions.

5.1.2　DETAILED CHANGES

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_1	A	2.40-2.43, 2.47, 2.56A, 2.69, 2.93, 2.114, 2.138, 2.144, 2.169, 2.222, 2.241, 2.322, 2.346, 2.353, 2.358.	n/a	Minor typo and formatting errors identified during review. Updated existing references and/or included references to new clauses, where applicable.	No
PED_FG3_2	A	2.43A, 2.43B	n/a	Replacement of capitalised term "Initial Credit Cover" (not a defined term) with "initial Credit Cover".	No
PED_FG3_3	A	2.358	n/a	Exclusion of CCINs from the provisions which require Notices to be issued by post. The RCC report will provide CCIN information, which SEMO will follow up with Participants via email/phone.	Yes

5.2   SECTION 4

5.2.1   DESCRIPTION

The nature of settlement calculations is unchanged as a result of Intra-Day Trading. However, for Interconnector Units the Price Quantity Pairs used within various calculations will not be as Accepted. Instead, the Offered Modified PQ Pairs (resulting from the sufficiency check against Available Credit Cover and associated process of exclusion of Accepted PQ Pairs) will be used.

The affected calculations are as follows:

- Unscheduled Capacity Offer Price (UCOP)
- Unscheduled Capacity Offer Quantity (UCOQ)
- Market Offer Price (MOP)
- Dispatch Offer Price (DOP)
- Market Schedule Quantity Cost Correction (MSQCC)
- Dispatch Quantity Cost Correction (DQCC)

Other changes identified (not directly as a result of Intra-Day Trading):

- Various minor typo and formatting changes identified as part of the Code review.

5.2.2   DETAILED CHANGES

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_4	A	4.83 - 4.91B, 4.92, 4.92A-4.92E, 4.93-4.94, 4.104-4.109, 4.111, 4.113, 4.115-4.124, 4. 126-4.129, 4.133, 4.134, 4.135, 4.137, 4.138, 4.140, 4.148, 4.149, 4.156	n/a	Minor typo and formatting errors identified during review. Updated existing references and/or included any references to new clauses where applicable.	No
PED_FG3_5	A	4.113	3.11.3	Calculation of UCOP and UCOQ for Generator Units that are not Interconnector Units will be the same as currently drafted. Interconnector Units are therefore excluded from the calculation in this clause. Accepted Prices and Accepted Quantities apply to Generator Units in this context.	Yes

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_6	N	4.113A	3.11.3	Calculation of UCOP and UCOQ for Interconnector Units will be based on the Offered Modified PQ Pairs, rather than those Accepted as part of submission within a Gate Window.	Yes
PED_FG3_7	A	4.133	3.11.3	Calculation of MOP for Generator Units that are not Interconnector Units will be the same as currently drafted. Interconnector Units are therefore excluded from the calculation in this clause.	Yes
PED_FG3_8	N	4.133A	3.11.3	Calculation of MOP for Interconnector Units will be based on the Offered Modified PQ Pairs, rather than those Accepted as part of submission within a Gate Window.	Yes
PED_FG3_9	A	4.134	3.11.3	Calculation of DOP for Generator Units that are not Interconnector Units will be the same as currently drafted. Interconnector Units are therefore excluded from the calculation in this clause.	Yes
PED_FG3_10	N	4.134A	3.11.3	Calculation of DOP for Interconnector Units will be based on the Offered Modified PQ Pairs, rather than those Accepted as part of submission within a Gate Window.	Yes
PED_FG3_11	A	4.137	3.11.3	Calculation of MSQCC for Generator Units that are not Interconnector Units will be the same as currently drafted. Interconnector Units are therefore excluded from the calculation in this clause.	Yes
PED_FG3_12	N	4.137A	3.11.3	Calculation of MSQCC for Interconnector Units will be based on the Offered Modified PQ Pairs, rather than those Accepted as part of submission within a Gate Window.	Yes

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_13	A	4.138	3.11.3	Calculation of DQCC for Generator Units that are not Interconnector Units will be the same as currently drafted. Interconnector Units are therefore excluded from the calculation in this clause.	Yes
PED_FG3_14	N	4.138A	3.11.3	Calculation of DQCC for Interconnector Units will be based on the Offered Modified PQ Pairs, rather than those Accepted as part of submission within a Gate Window.	Yes
PED_FG3_15	A	4.138A	n/a	Renamed to 4.138B.	Yes
PED_FG3_16	A	4.138B	n/a	Renamed to 4.138C.	Yes

5.3   SECTION 5

5.3.1   DESCRIPTION

Section 5 details the provisions of the Code in respect of Special Units. For Interconnector Units, the Price Quantity Pairs used within various calculations will not necessarily be as Accepted. Instead, the Offered Modified PQ Pairs (resulting from the sufficiency check against Available Credit Cover and associated process of exclusion of Accepted PQ Pairs) will be used.

5.3.2   DETAILED CHANGES

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_17	N	5.52A	3.11.3	Clarifies that Commercial Offer Data for Interconnector Units is calculated after the relevant Gate Window Closure, in accordance with the provisions of Appendix P.	Yes

5.4   SECTION 6

5.4.1   DESCRIPTION

Section 6 of the Code addresses Financial and Settlement aspects of the operation of the SEM, including those in respect of calculation of Settlement amounts and Credit Risk Management. The material changes identified in this section are summarised as follows:

- Calculation of Estimated Capacity Price for Interconnectors;
- Calculation of Interconnector Unit Traded Exposure;
- Calculation of Actual Generator Exposure;
- Calculation of Required Credit Cover;
- Calculation of Fixed Credit Requirement per Participant;
- Exclusion of Interconnector Units from Undefined Exposure Calculations;
- Timing of provision of Required Credit Cover information; and
- Reporting of Available Credit Cover.

Other changes identified (not directly as a result of Intra-Day Trading):

- Various minor typo and formatting changes identified as part of the Code review;
- Clarification of calculation of Estimated Energy Price (EEP);
- Clarification of calculation of Estimated Capacity Price (ECP); and
- Clarification that in Administered Settlement, the Market Offer Price shall be calculated from Commercial Offer Data Accepted prior to Electrical System Collapse.

5.4.2   DETAILED CHANGES

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_18	A	6.4, 6.8, 6.47, 6.50B, 6.53, 6.73, 6.76, 6.84, 6.87, 6.90, 6.91, 6.94, 6.118-6.124, 6.126-6.133, 6.136-6.136A, 6.139- 6.139A, 6.141-6.142, 6.149, 6.151, 6.153, 6.155, 6.169, 6.174, 6.203, 6.207-6.216, 6.218, 6.233, 6.252, 6.253, 6.256, 6.261, 6.265, 6.268	n/a	Minor typo and formatting errors identified during review.	No
PED_FG3_19	A	Heading prior to 6.160	n/a	Heading amended to "Credit Cover Obligations".	No

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_20	A	6.161	n/a	Correction of references to paragraphs which define the calculation of Required Credit Cover.	No
PED_FG3_21	A	6.172	3.11.3.1	Inclusion of Interconnector Unit Traded Exposure in the components of Required Credit Cover.	Yes
PED_FG3_22	A	6.173	3.11.3	Inclusion of the Exposure Periods for Interconnector Units.	Yes
PED_FG3_23	A	6.177 & heading prior to 6.177	3.11.3.3	Heading amended to 'Provision of Credit Cover Information'.

Timing change to align with reporting of the RCC information to each Participant (by 14:30 each Working Day). | Yes |
PED_FG3_24	N	6.177A	3.11.3.3	List of the most important elements of the RCC information provided to each Participant as part of the data provided each Working Day by the Market Operator.	Yes
PED_FG3_25	N	New heading prior to 6.179	n/a	New heading "Monitoring of Credit Cover"	No
PED_FG3_26	A	6.187	3.11.3	Change to the existing calculation of Actual Generator Exposure (AGE) to include a separate term for Total Payments to Interconnector Units, which is required as the period over which such payments are calculated is different for Interconnector Units.	Yes
PED_FG3_27	N	6.187A & new sub-heading prior to 6.187A	3.11.3.1	Defines the calculation of Interconnector Unit Traded Exposure (IUTE) for each Participant, following the completion of each MSP Software Run. IUTE is a function of the Traded Exposure for Energy and Capacity. Also, new sub-heading inserted prior to 6.187A.	Yes

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_28	N	6.200A - 6.200E	3.11.3.1, 3.11.3.2	New clauses to describe the calculation of Estimated Capacity Price for Interconnectors (ECPI), based on the average value of the average daily Capacity Payments Generation Prices (CPGP).	Yes
PED_FG3_29	N	New sub-heading prior to 6.201	n/a	New sub-heading 'Calculation of the Credit Assessment Price' (calculation is unchanged).	No
PED_FG3_30	N	6.203A	3.11.3	Exclusion of all Interconnector Units from the calculation of Undefined Exposure for each Participant.	Yes
PED_FG3_31	A	6.204 - 6.205, 6.220 - 6.228	3.11.3	These clauses describe the calculations for Participants in respect of their Generator Units for the Undefined Exposure Period. These clauses are being amended to exclude Interconnector Units from the set of Generator Units considered by these provisions.	Yes
PED_FG3_32	N	6.231A	3.11.3.3	New calculation of Fixed Credit Cover Requirement (FCR) for each Participant. This is the sum of all Fixed Credit Requirements for all Generator Units and Supplier Units registered to the Participant.	Yes
PED_FG3_33	A	6.232	3.11.3.3	Adjustment to existing calculation of Required Credit Cover (RCC) for each Participant, to include the Interconnector Unit Traded Exposure (IUTE) and the Fixed Credit Requirement term for the entire Participant (across all Units).	Yes
PED_FG3_34	N	6.232A, 6.232B & new heading prior to 6.232A	3.11.3	New heading "Calculation of Available Credit Cover for Participants", plus definition of a new calculation of Available Credit Cover for each Participant, to be calculated following each MSP Software Run.	Yes

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_35	A	6.259	n/a	Change to clarify that the MOP to be utilised under Administered Settlement should be as the most recent Commercial Offer Data "Accepted", not as "Submitted".	No

5.5   APPENDIX E

5.5.1   DESCRIPTION

Appendix E of the Code describes the publication obligations under the Code. As Participant Required Credit Cover and associated information are not required to be published, there are few changes required to this section. The changes identified in this section are summarised as follows:

- Typo correction in items "Calculations and methodology used by the Market Operator during Administered Settlement" and "Credit Assessment Price for the Undefined Exposure Period for Billing Periods ".

- Split of existing requirement to publish Fixed Credit Requirement, to clarify obligation to publish in respect of Generator Units and Supplier Units.

5.5.2   DETAILED CHANGES

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_36	A	E.4, Table E.1	n/a	Typo correction in timing for item "Calculations and methodology used by the Market Operator during Administered Settlement".	No
PED_FG3_37	A	E.4, Table E.2	n/a	Split of existing requirement to publish Fixed Credit Requirement, to clarify obligation to publish in respect of Generator Units and Supplier Units separately.	No
PED_FG3_38	A	E.4, Table E.8	n/a	Typo correction in item "Credit Assessment Price for the Undefined Exposure Period for Billing Periods".	No

5.6   [NEW] APPENDIX P

5.6.1   DESCRIPTION

Intra-Day Trading introduces an entirely new mechanism for the calculation and application of Credit Cover for Interconnector Units. This is summarised as (in line with the Intra-Day Trading High Level Design):

- Interconnector Units will need to post sufficient Credit Cover to meet the risk exposure implied by situations when they are a debtor to the SEM).
- Calculate Offered Exposure: Following each Gate Window Closure, the Offered Exposure (for Energy and Capacity) will be calculated.
- Calculate Available Credit Cover: Following each Gate Window Closure, the Central Market Systems will calculate Available Credit Cover (ACC) for each Participant.
- ACC Sufficiency: ACC will be compared against the Offered Exposure for each Interconnector Unit registered to the Participant (in priority order, as defined in the Commercial Offer Data for the Participant.
- If insufficient ACC (i.e. ACC<Offered), exclude PQ Pairs where a negative exposure exists.
- If sufficient ACC, PQ Pairs are included and ACC is reduced by the value of the negative exposure.

Appendix A contains an overview of the processing as described in Appendix P, entitled 'Interconnector Unit Credit Cover Assessment and Commercial Offer Data Modification'.

5.6.2   DETAILED CHANGES

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_39	N	P.1	3.11.3	Scope of the Appendix	Yes
PED_FG3_40	N	P.2 (& sub-heading prior to P.2)	3.11.3	Definition of when Offered Modified PQ Pairs should be calculated.	Yes
PED_FG3_41	N	P.3 (& sub-heading prior to P.3)	3.11.3	Definition of when Traded Modified PQ Pairs should be calculated.	Yes
PED_FG3_42	N	P.4 (& heading prior to P.4).	n/a	Clarification of the sequence of actions required to calculate Offered Modified Price Quantity Pairs.	Yes
PED_FG3_43	N	P.5	3.11.3	Clarification of initial Offered Modified Price Quantity Pairs set equal to Accepted Price Quantity Pairs	Yes
PED_FG3_44	N	P.6 (& sub-heading prior to P.6)	n/a	Insertion of a Quantity Axis Crossing Point.	Yes
PED_FG3_45	N	P.7	n/a	Insertion of a Price Axis Crossing Point.	Yes
PED_FG3_46	N	P.8	n/a	Calculation of Low Limit Quantity (LLQ) point.	Yes
PED_FG3_47	N	P.9	n/a	Calculation of High Limit Quantity (HLQ) point.	Yes

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_48	N	P.10 (& sub-heading prior to P.10)	3.11.3.2	Calculation of Interconnector Unit Energy Offered Exposure (IUEOE).	Yes
PED_FG3_49	N	P.11	3.11.3.2	Setting of IUEOE=0 for all Trading Periods in the Trading Day outside the Trading Window.	Yes
PED_FG3_50	N	P.12 (& sub-heading prior to P.12)	3.11.3.2	Calculation of Interconnector Unit Capacity Offered Exposure (IUCOE).	Yes
PED_FG3_51	N	P.13	3.11.3.2	Setting of IUCOE=0 for all Trading Periods in the Trading Day outside the Trading Window.	Yes
PED_FG3_52	N	P.14 (& sub-heading prior to P.14)	3.11.3.2	Requirement to calculate ACC prior to the application of sufficiency checks and exclusion of PQ Pairs.	Yes
PED_FG3_53	N	P.15	3.11.3.2	Initial setting of RACC=ACC minus already calculated offered exposure where traded exposure not yet calculated, prior to consideration of Interconnector Units in priority order.	Yes
PED_FG3_54	N	P.16	n/a	Processing of Interconnector Units for which PQ pairs were Accepted in the relevant Gate Window.	Yes
PED_FG3_55	N	P.17	n/a	Consideration of Interconnector Units in priority order following the calculation of IUCOE and IUEOE.	Yes
PED_FG3_56	N	P.18	3.11.3.2	Calculation of RACC, sufficiency check, adjustment of ACC where sufficient.	Yes
PED_FG3_57	N	P.19 (& heading prior to P.19)	3.11.3.1	Instances where Traded Modified Price Quantity Pairs should be calculated.	Yes
PED_FG3_58	N	P.20	3.11.3.1	Clarification of initial Traded Modified Price Quantity Pairs set equal to Offered Modified Price Quantity Pairs	Yes
PED_FG3_59	N	P.21 (& sub-heading prior to P.21)	n/a	Insertion of a Quantity Axis Crossing Point.	Yes
PED_FG3_60	N	P.22	n/a	Insertion of a Price Axis Crossing Point.	Yes
PED_FG3_61	N	P.23	n/a	Calculation of Low Limit Quantity (LLQ) point.	Yes
PED_FG3_62	N	P.24	n/a	Calculation of High Limit Quantity (HLQ) point.	Yes
PED_FG3_63	N	P.25	3.11.3.1	Instances where Interconnector Unit Energy Traded Exposure (IUETE) is calculated.	Yes

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_64	N	P.26	3.11.3.1	Setting of IUETE=0 for all Trading Periods in the Trading Day outside the Trading Window.	Yes
PED_FG3_65	N	P.27	3.11.3.1	Definition of calculation of IUETE following EA1, EA2, WD1 and EP1 MSP Software Runs.	Yes
PED_FG3_66	N	P.28	3.11.3.1	Definition of calculation of IUETE following Ex-Post Initial MSP Software Runs.	Yes
PED_FG3_67	N	P.29 (& sub-heading prior to P.29)	3.11.3.1	Instances where Interconnector Unit Capacity Traded Exposure (IUCTE) is calculated.	Yes
PED_FG3_68	N	P.30	3.11.3.1	Setting of IUCTE=0 for all Trading Periods in the Trading Day outside the Trading Window.	Yes
PED_FG3_69	N	P.31	3.11.3.1	Definition of calculation of IUCTE following EA1, EA2, WD1 and EP1 MSP Software Runs.	Yes
PED_FG3_70	N	P.32	3.11.3.1	Definition of calculation of IUCTE following Ex-Post Initial MSP Software Runs.	Yes
PED_FG3_71	N	P.33 (& sub-heading prior to P.33)	3.11.3.1	Definition of calculation of Energy Traded Exposure (ETE).	Yes
PED_FG3_72	N	P.34 (& sub-heading prior to P.34)	3.11.3.1	Definition of calculation of Capacity Traded Exposure (CTE).	Yes
PED_FG3_73	N	P.35 (& heading prior to P.35)	3.11.3	Elements of the calculation of ACC.	Yes
PED_FG3_74	N	P.36	3.11.3	Instances where ACC should be calculated.	Yes
PED_FG3_75	N	P.37	3.11.3	Reference to the calculation of Available Credit Cover by the Market Operator.	Yes
PED_FG3_76	N	P.38 (& heading prior to P.38)	3.11.3	Following calculation of ACC, each Participant shall receive an ACC report.	Yes
PED_FG3_77	N	P.39 (& heading prior to P.39)	n/a	IUETE and IUCTE values will be set to zero for the "new Interconnector Unit", if an MSP Software Run is Cancelled.	Yes
PED_FG3_78	N	P.40	n/a	ACC reports will not be produced if an MSP Software Run is Cancelled.	Yes

5.7   AGREED PROCEDURE 6

5.7.1   DESCRIPTION

Agreed Procedure 6 summarises the publication and reporting requirements under the Code. This includes data which is:

- published by the Market Operator to the general public (via the MO website);

- published to all Participants (via the MPI); and

- published to each Participant separately (Private Data).

The affected calculations are as follows:

- New Available Credit Cover Report, produced following each MSP Software Run (Member Private Report).

Other changes identified (not directly as a result of Intra-Day Trading):

- Various minor typo and formatting changes identified as part of the Code review.

5.7.2   DETAILED CHANGES

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_79	A	1.1, 2.1, 2.1.1, 2.4, - 3.1, 3.4.4, Appendix 1, Appendix 2	n/a	Minor typo and formatting errors identified during review, plus minor rewording to aid clarity.	No
PED_FG3_80	A	2.3, Appendix 2	n/a	Update to Market Data Classifications to allow for Intra-Day Trading. No amendment of reports/publications that are not relevant to FG3 (these will be included in FG2).	Yes
PED_FG3_81	A	Appendix 2	n/a	Change "Maximum level of Warning Limit" to "Default level of the Warning Limit" (to be consistent with the rest of the Code).	No
PED_FG3_82	N	Appendix 2	3.11.3.3	Addition of Available Credit Cover Report, following each MSP Software Run (various categories).	Yes
PED_FG3_83	A	Appendix 2	3.11.3.3	Addition of Required Credit Cover report (Private Data) and associated report containing details of cancelled Settlement Reallocation Agreements (SRAs).	Yes

5.8   AGREED PROCEDURE 9

5.8.1   DESCRIPTION

Agreed Procedure 9 describes the specific procedures for the management of Credit Risk to be administered by the Market Operator. This Modification does not propose fundamental changes in the procedures performed to manage Credit Cover. Instead, the proposed changes are summarised as:

- Additional elements of credit exposure to take account of Interconnector Unit Offered Exposure and Traded Exposure.
- Changes (required for Intra-Day Trading) to the mechanism by which Warning Notices and Credit Cover Increase Notices are issued to Participants.

Other changes identified (not directly as a result of Intra-Day Trading):

- Clarification of elements of the existing procedures.
- Addition of sections for Depositing or Withdrawal of Cash from SEM Collateral Account.
- Clarification of processes around the validation of eligibility of Credit Cover Providers.
- Clarification of processes around the validation of eligibility of Letters of Credit.

5.8.2   DETAILED CHANGES

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_84	A	2.2, 2.4, 2.6, 2.7, 2.9, 3.2, 3.4.1, 3.4.2, 3.5, Appendix 2	n/a	Minor typo and formatting errors identified during review, plus minor rewording to aid clarity. Updated existing references and/or included any references to new clauses where applicable.	No
PED_FG3_85	A	2.2	n/a	Addition of elements of Credit Risk in respect of Interconnector Units (Offered and Traded exposure). Reformatting of Credit Risk elements in Table 1 : SEM Credit Risk Elements. Clarification of Undefined Potential Exposure to exclude Interconnector Units.	Yes

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_86	A	2.3	n/a	Addition of Interconnector Unit Offered Exposure and Interconnector Unit Offered Exposure to the elements that comprise the Credit Risk at any point in time. Also excludes Interconnector Units from Undefined Potential Exposure.	Yes
PED_FG3_87	A	2.5	n/a	Change to the description of "Warning Limit", to describe comparison of the defined limit against a calculated ratio based on the Posted Credit Cover and Required Credit Cover.	No
PED_FG3_88	A	2.5	n/a	Clarification that Warning Notice and Credit Cover Increase Notices will be delivered as part of the Required Credit Cover report as supplied to a Participant each Working Day.	Yes
PED_FG3_89	A	2.8	n/a	Clarification of Undefined Potential Exposures to exclude Interconnector Units.	Yes
PED_FG3_90	A	2.10, new sub-section titles 2.10.1 – 2.10.6.	n/a	Clarification of the summary process for the presentation of a Letter of Credit.	No
PED_FG3_91	A	3.1.1	n/a	Clarification of the sequence of actions of the comparison of RCC and PCC in respect of each Participant.	No
PED_FG3_92	A	3.1.1	n/a	Clarification of the possible actions following comparison of Required Credit Cover against Posted Credit Cover.	Yes
PED_FG3_93	A	3.1.2 (new)	n/a	New Swimlane - Management of Credit Cover Requirements.	No
PED_FG3_94	D	3.1.2 (now 3.1.3)	n/a	Removed diagram as process steps provide explanation. Replaced by Procedural Steps - Management of Credit Cover Requirements.	No
PED_FG3_95	D	3.1.4	n/a	Removed diagram as process steps provide explanation.	No

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_96	A	3.2.1	n/a	Clarification of the process required to determine the eligibility of Credit Cover Providers. This is not a change to the existing process implemented by SEMO.	No
PED_FG3_97	A	3.2.2	n/a	Clarification of the process required to undertaken ongoing monitoring of Credit Cover Providers. This is not a change to the existing process implemented by SEMO.	No
PED_FG3_98	A	3.2.3 3.2.4	n/a	Clarification of the process steps required to undertaken ongoing monitoring of Credit Cover Providers. This is not a change to the existing process implemented by SEMO.	No
PED_FG3_99	D	3.2.5	n/a	Removed diagram as process steps provide explanation.	No
PED_FG3_100	D	3.2.6	n/a	Removed diagram as process steps provide explanation.	No
PED_FG3_101	A	3.3 & new sub-section titles 3.3.1 - 3.3.5	n/a	Clarification of the means by which Posted Credit Cover may be changed by Participants. Sections 3.3.1 to 3.3.5 have been amended to align with the listing in section 3.3.	No
PED_FG3_102	N	3.3.4	n/a	New section required to explain deposit of cash to Collateral Account.	No
PED_FG3_103	N	3.3.5	n/a	New section required to explain withdrawal of cash from Collateral Account.	No
PED_FG3_104	A	3.3.1 (now 3.3.6)	n/a	Clarification of the process steps required to allow Posted Credit Cover to be changed by Participants.	No
PED_FG3_105	D	3.3.2	n/a	Removed diagram as process steps provide explanation.	No
PED_FG3_106	N	3.3.4 (now 3.3.6)	n/a	Renumbering to 3.36	No
PED_FG3_107	N	3.3.5 (now 3.37)	n/a	Renumbering to 3.37	No
PED_FG3_108	N	3.4.1	n/a	New section and sub-section title (building on existing text), which describes the provision of forecast data for New or Adjusted Participants. Also excludes Interconnector Units from the provision of this data.	Yes

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_109	N	3.4.2	n/a	New section and sub-section title (building on existing text), which describes the utilisation of forecast data in the calculation of Required Credit Cover and the issue of Credit Cover Increase Notices as required.	No
PED_FG3_110	A	3.4.1 (now 3.4.3)	n/a	Clarification of the process steps required to supply forecast data and utilise in the calculation of Required Credit Cover for New and Adjusted Participants.	No
PED_FG3_111	D	3.4.2	n/a	Removed diagram as process steps provide explanation.	No
PED_FG3_112	A	3.5.2	n/a	Clarification of steps required to use Excess Cash Collateral to pay outstanding Invoices.	No
PED_FG3_113	D	3.5.3	n/a	Removed diagram as process steps provide explanation.	No

5.9   AGREED PROCEDURE 10

5.9.1   DESCRIPTION

Agreed Procedure 10 details the obligations of the Market Operator and Participants in relation to the treatment of Settlement Reallocation Agreements (SRAs). There is no change to the rules supporting the treatment of SRAs for SEM Intra-Day Trading; however, changes to the Central Market Systems are being implemented as part of the CMS Intra-Day Trading release which will automate the cancellation of SRAs and the production of SRA cancellation reports.

5.9.2   DETAILED CHANGES

PED Reference	Type	Code Clause(s)	High Level Design Section(s)	Description of Change	Change because of Intra-Day Trading?
PED_FG3_114	A	2, 2.1, 2.3, 2.4, 3.1.2, 3.1.3, 3.2.2, 3.3.2.1, 3.3.2.2, 3.3.4	n/a	Minor typo and formatting errors identified during review.	No
PED_FG3_115	A	3.3.2.1, 3.3.2.2	n/a	Clarification that notification of SRA cancellation will be via the SRA Cancellation Report.	No

6   APPENDICES

6.1   APPENDIX A - OVERVIEW OF INTERCONNECTOR CREDIT EXPOSURE CALCULATIONS AND CALCULATION OF OFFERED MODIFIED PQ PAIRS

1. Following each EA1 Gate Window Closure, determine (in respect of the EA1 Trading Window):

    - The Interconnector Unit Energy Offered Exposure (IUEOE) for each of the Interconnector Units registered to a Participant. This represents the potential credit exposure for the Interconnector Unit, where the Participant is offering to pay to import to the SEM or to pay to export and thereby incurring potential liabilities to other Participants. This calculation is based on, for all Trading Periods in the Trading Window, the sum of the product of volumes and prices in the Modified Offered Price Quantity Pairs where either the Quantity or the Price (but not both) is negative. Where a Participant has Interconnector Units registered to multiple Interconnectors within the same Jurisdiction, the calculation will treat Units in the priority order as defined by the Participant (if provided), or otherwise as defined in the Code.

    - The Interconnector Unit Capacity Offered Exposure (IUCOE) based upon the product of the Estimated Capacity Price for Interconnectors (ECPI) and the Low Limit Quantity (which is based upon the maximum export quantity offered for that Interconnector Unit in the relevant Trading Period).

    - Whether the sum of the IUEOE and IUCOE exceeds the Available Credit Cover (ACC), the latest value of which is calculated prior to the comparison taking place.
        - If the ACC is not exceeded; reduce the ACC by the total of offered liabilities for the Trading Window.
        - If the ACC is exceeded; amend the Modified Offered Price Quantity Pairs to exclude all PQ Pairs that incur liabilities for all Trading Periods in the Trading Window.

2. After each EA1 MSP Software Run determine:

    - Interconnector Unit Energy Traded Exposure (IUETE) and Interconnector Unit Capacity Traded Exposure (IUCTE) – note that, although the equations for IUETE and IUCTE are the same as for IUEOE and IUCOE respectively, the Low Limit Quantity used in the calculation of IUETE may be different from that used in IUEOE and the available export capacity used in the calculation of IUCTE may be different from that used in IECOE.

    - ACC, taking account of the sum of IUETE and IUCTE over all Trading Periods in the Trading Window, but only including the negative values (i.e. those which denote a credit liability).

3. Repeat steps 1 and 2 for each of EA2, WD1 Gate Window Closures and MSP Software Runs, with the modified value of ACC feeding into the next step.

4. Repeat step 2 following the Ex-Post Indicative MSP Software Run, with the modified value of ACC feeding into the next step. Note that:

    - values of IUETE calculated following the Ex-Post Indicative MSP Software Run will replace values of IUEOE for the corresponding Trading Periods in the calculation of ACC.

    - values of IUCTE calculated following the Ex-Post Indicative MSP Software Run will replace values of IUCOE for the corresponding Trading Periods in the calculation of ACC.

5. Repeat step 2 after the Ex-Post Initial MSP Software Run, with the difference that the value of ACC is calculated on a net basis; that is, both positive and negative values of IUETE and IUCTE are taken into account. Note that:

- values of IUETE calculated following the Ex-Post Initial MSP Software Run will replace both values of IUETE calculated following the Ex-Post Indicative MSP Software Run and values of IUEOE for the corresponding Trading Periods in the calculation of ACC.

- values of IUCTE calculated following the Ex-Post Initial MSP Software Run will replace both values of IUCTE calculated following the Ex-Post Indicative MSP Software Run and values of IUCOE for the corresponding Trading Periods in the calculation of ACC.