

**NOTE:**

The SEM Trading and Settlement Code consists of three parts A, B and C.

This is Part C of the SEM Trading and Settlement Code (**Part C of the Code**). This Part C of the Code consists of these Sections 1 to 10 and the Part C Glossary.

This Part C of the Code sets out and savings provisions to manage the implementation of, and transition to, the new trading and settlement arrangements under Part B of the Code. Part C of the Code has priority over the other Parts of the Code.

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## **PART C. TRANSITIONAL ARRANGEMENTS**

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### **1 PURPOSE**

- 1.1.1 This Part C of the Code sets out certain transitional and savings provisions to manage the implementation of, and transition to, the new trading and settlement arrangements under Part B of the Code.
- 1.1.2 In this Part C:
- (a) a capitalised word or phrase has the meaning given to it in the Glossary to this Part C, or, if it is not defined in that Glossary, then in the Glossary to Part B of the Code; and
  - (b) the general rules of interpretation set out in paragraph A.4.1.1 (except subparagraph (j)) of Part B of the Code also apply in the case of this Part C mutatis mutandis, unless the context requires otherwise.

### **2 PRIORITY**

- 2.1.1 This Part C has priority over the other Parts of the Code.
- 2.1.2 To the extent that a Party's obligations or any provision under this Part C are inconsistent, or in conflict, with an obligation or a provision in Part A and/or Part B of the Code, then the obligations and/ or provisions in this Part C shall prevail to the extent of the inconsistency or conflict and for the time periods specified in this Part C.

### **3 CUTOVER TIME**

- 3.1.1 The Cutover Time is the date and time specified by the Regulatory Authorities as the time the new trading and settlement arrangements in Part B commence, which time will coincide with the start of an Imbalance Settlement Period.
- 3.1.2 Subject to paragraph 2.1.2 of this Part C and notwithstanding any other provision of the Code, the following Parts of this Code shall apply as follows:
- (a) Part A shall apply to all obligations, requirements or actions to be undertaken, performed or observed by any Party, Participant, the Market Operator, a System Operator or another person which relates to any Trading Period which occurs prior to the Cutover Time. For the avoidance of doubt, to the extent that any such obligation, requirement or action is to be undertaken, performed or observed or omitted to be undertaken, performed or observed (as the case may be) in the period after the Cutover Time but relates to any Trading Period prior to the Cutover Time, then Part A of this Code continues to apply to the obligation, requirement or action; and
  - (b) Part B shall apply to all obligations, requirements or actions to be undertaken, performed or observed by any Party, Participant, the Market Operator, a System Operator or another person which relates to any Imbalance Settlement Period which occurs after the Cutover Time (including the Imbalance Settlement Period which commences at the Cutover Time). For the avoidance of doubt, to the extent that any such obligation, requirement or action is undertaken, performed or observed or omitted to be undertaken, performed or observed (as the case may be) in the period before the Cutover Time but relates to any Imbalance Settlement Period after

the Cutover Time, then Part B of this Code shall apply to such obligation, requirement or action.

- 3.1.3 The Cutover Time, and the implementation of the new trading and settlement arrangements under Part B from the Cutover Time, does not affect:
- (a) a right, privilege or liability acquired, accrued or incurred under the Code prior to the Cutover Time;
  - (b) any proceedings or remedy in relation to a breach of the Code prior to the Cutover Time;
  - (c) any Dispute under the Code that has been raised or is ongoing; and
  - (d) any Modification Proposal that is intended to have effect at or after the Cutover Time.

## **4 PARTIES AND ACCESSION PROCESS**

### **4.1 Existing Parties**

- 4.1.1 A person who at the Cutover Time is an adhering party to the existing Framework Agreement shall remain a Party to this Code.
- 4.1.2 The Market Operator shall provide existing Parties to the Code as at the Amendment Date with a revised Framework Agreement, the form of which has been agreed with the Regulatory Authorities.
- 4.1.3 Within 10 Working Days of the Amendment Date or receipt of the revised Framework Agreement from the Market Operator under paragraph 4.1.2, whichever is later, a Party shall submit an executed copy of the revised Framework Agreement to the Market Operator.
- 4.1.4 A Party may request additional time to submit an executed revised Framework Agreement and the Market Operator shall not unreasonably withhold consent to any such request, provided that the date of receipt of the executed revised Framework Agreement shall be earlier than the Cutover Time.
- 4.1.5 The return to the Market Operator of an executed revised Framework Agreement in accordance with this section 4.1 shall satisfy the requirements for accession under section B.5 of Part B of this Code, and there shall be no Accession Fee payable by a Party acting under this section 4.1.

### **4.2 New Applicants**

- 4.2.1 A person who is not a Party to the Code at the Amendment Date may only become a Party to the Code by following the Accession Process set out in section B.5 of Part B of the Code, regardless of whether the intended accession date is before or after the Cutover Time.
- 4.2.2 A person that completes the Accession Process, including payment of the Accession Fee, and becomes a Party to the Code after the Amendment Date and with an effective accession date prior to the Cutover Time shall continue to be a Party after the Cutover Time.
- 4.2.3 The Market Operator may at its reasonable discretion specify a period during which it will not accept or process new applications for accession to the Code as it determines

to be necessary for the orderly management of the implementation of the new trading and settlement arrangements under Part B of the Code.

- 4.2.4 The Market Operator shall publish details of any period specified under paragraph 4.2.3, not later than 20 Working Days prior to the beginning of the period.

## **5 PARTICIPATION AND REGISTRATION OF UNITS**

### **5.1 Existing Participants and Units**

- 5.1.1 For the purposes of this Part C of the Code, “**Existing Participants**” means those Participants who have registered Units under this Code as at the Amendment Date.

- 5.1.2 The Market Operator shall develop and publish the processes that it and Existing Participants shall follow in order to meet the requirements for registration of their Units under Part B of the Code by the Cutover Time.

- 5.1.3 The processes developed and published by the Market Operator under paragraph 5.1.2 shall include but not be limited to:

- (a) the processes by which the Market Operator will extract the existing Participant and Unit registration data and identify any new or revised data requirements required under Part B of the Code; and
- (b) the processes by, and timeframes within which, Existing Participants will be required to provide, review and validate registration data required under Part B of the Code.

- 5.1.4 Existing Participants shall comply with the processes published by the Market Operator under paragraph 5.1.2.

- 5.1.5 Registration data and other information validated or taken to be validated by an Existing Participant in accordance with the processes published by the Market Operator under paragraph 5.1.2 shall be deemed to have been submitted in accordance with the applicable requirements of Part B of the Code.

### **5.2 New Participants and Units**

- 5.2.1 The Market Operator shall develop and publish a transitional registration process that shall be followed by a Party in respect of Units or Trading Sites that are not registered as at the Amendment Date, but the Party wishes to register with an effective date prior to the Cutover Time.

- 5.2.2 The Market Operator may specify, as part of the transitional registration process it publishes under paragraph 5.2.1 or otherwise, a period during which it will not accept or process new Participation Notices for registration of Units or Trading Sites, as it reasonably determines to be necessary for the orderly management of the implementation of the new trading and settlement arrangements under Part B of the Code.

- 5.2.3 The Market Operator shall publish details of any period specified under paragraph 5.2.2 not later than 20 Working Days prior to the beginning of the period.

- 5.2.4 If a Unit or Trading Site has not been registered by a Party as at the Amendment Date, and that Party wishes to register that Unit or Trading Site with an effective date prior to the Cutover Time, then the Party shall comply with the transitional registration process published by the Market Operator under paragraph 5.2.1.

- 5.2.5 A Party that registers a Unit or Trading Site in accordance with paragraph 5.2.4, including payment of the Participation Fees, after the Amendment Date but with an effective date prior to the Cutover Time, shall be deemed to have complied with the registration requirements under section B of Part B of the Code after the Cutover Time.

## **6 SINGLE MODIFICATIONS COMMITTEE FOR PARTS A, B AND C**

### **6.1.1 From the Amendment Date:**

- (a) the Modifications Committee continues;
- (b) subject to sub-paragraph (c), a member or alternate member of the Modifications Committee under the Code immediately prior to the Amendment Date:
  - (i) is deemed to have been appointed to the Modifications Committee as a member or as an alternate for a member (as applicable) under the relevant provision of section B.17 of Part B for the remainder of the term of office to which they were nominated, elected, appointed or selected under Part A; and
  - (ii) shall then cease to hold office and be replaced in accordance with the applicable provisions of section B.17 of Part B;
- (c) notwithstanding sub-paragraph (b):
  - (i) there will be no member nominated by or elected in respect of Assetless Participants and no alternate to such member until the Second Election Round;
  - (ii) if the term of office of the member of the Modifications Committee member nominated by or elected in respect of Interconnector Participants expires at the time of the First Election Round, then the First Election Round shall include an election under section B.17.7 of Part B to replace that member and his or her alternate member (as applicable), as if Interconnector Participants were a class of Nominating Participants;
  - (iii) the person elected under sub-paragraph (c)(ii) shall hold office until the Second Election Round and shall then cease to hold office and be replaced by a person nominated or elected in respect of Assetless Participants in the Second Election Round;
  - (iv) the alternate member under paragraph B.17.7.6 of the person elected under sub-paragraph (c)(ii) shall hold office until the Second Election Round and shall then cease to hold office and be replaced by the alternate member under paragraph B.17.7.6 of the person nominated or elected in respect of Assetless Participants in the Second Election Round; and
  - (v) a member or alternate member of the Modifications Committee may retire, resign, be removed or have their appointment terminated in accordance with the applicable provisions of section B.17 of Part B and shall be replaced in accordance with those provisions. However, where the member nominated or elected in respect of Interconnector

Participants retires, resigns, is removed or has their appointment terminated, an election shall be arranged to replace that member and his or her alternate member as if Interconnector Participants were a class of Nominating Participants, and the term of office of that replacement member and alternate shall expire at the conclusion of the Second Election Round.

- (d) the chairperson and vice-chairperson of the Modifications Committee under the Code immediately prior to the Amendment Date are deemed to have been elected under section B.17.4.1 of Part B and hold office for the remainder of the term of office to which they were elected or appointed under paragraphs 2.160 and 2.161 of Part A and then cease to hold office and shall be replaced in accordance with paragraph B.17.4 of Part B;
- (e) the Modifications Committee (as continued and constituted under this section 6) shall be the Modifications Committee for the purposes of paragraphs 2.147 to 2.236 and 6.60 of Part A and section B.17 and paragraph G.2.7.9 of Part B and the applicable Agreed Procedures;
- (f) the Modifications Committee (as continued and constituted under this section 6) shall also deal with modifications to this Part C; and
- (g) section B.17 of Part B shall also apply to modifications to this Part C as if:
  - (i) that section B.17 was set out in this Part; and
  - (ii) references to a “**Modification**” in that section B.17 were to a modification, revision, supplementation, extension, consolidation or replacement to the provisions of this Part C; and
  - (iii) references to a “**Modification Proposal**” in that section B.17 were to a proposal to modify, vary or amend this Part C submitted to the Secretariat,

mutatis mutandis.

- 6.1.2 To avoid doubt, any of the persons who cease to hold office as a member, alternate, chairperson or vice-chairperson under the previous paragraphs, are eligible for re-appointment or re-election in accordance with the provisions of Part B or this section 6, as applicable.

## **7 DISPUTE PANEL CONTINUES**

### **7.1.1 From the Cutover Time:**

- (a) the Disputes Panel continues;
- (b) the members of the Disputes Panel under the Code immediately prior to the Cutover Time are taken to be the persons appointed to comprise the Panel under section B.19.6 of Part B;
- (c) a member of the Disputes Panel may retire, resign, be removed or have their appointment terminated in accordance with the applicable provisions of section B.19 of Part B, and if so, shall be replaced in accordance with those provisions;
- (d) the chairperson and vice-chairperson of the Disputes Panel under the Code immediately prior to the Cutover Time are taken to have been appointed or

nominated under section B.19.6 of Part B and hold office for a period of one year and then cease to hold office and be replaced in accordance with paragraph B.19.6 of Part B; and

- (e) the Disputes Panel (as continued and constituted under this paragraph) shall be the Disputes Panel for the purposes of paragraphs 2.276 to 2.315 of Part A and section B.19 of Part B and the applicable Agreed Procedures.

7.1.2 To avoid doubt, any of the persons who cease to hold office as a member, chairperson or vice-chairperson under the previous paragraphs, are eligible for re-appointment or re-election in accordance with the applicable provisions of Part B.

## **8 PARAMETERS**

8.1.1 Where the Code contemplates that a parameter, price, multiplier, factor, tolerance, tariff, proportion, efficiency, rate, amount or other variable (“**Relevant Parameter**”) which applies for a period will be determined or approved by the Regulatory Authorities, the Market Operator or a System Operator, then the value of that Relevant Parameter from the Cutover Time will be the value determined for that period by the Regulatory Authorities, the Market Operator or the relevant System Operator before the Cutover Time (until varied, amended, re-determined or re-decided in accordance with the Code).

## **9 PRIOR DECISIONS IN CONTEMPLATION OF THE NEW TRADING ARRANGEMENTS**

9.1.1 Without limiting section 8, where the Regulatory Authorities, the Market Operator, a System Operator or the Modifications Committee make a decision in contemplation of the coming into effect of a provision of Part B or this Part C of the Code:

- (a) the decision will, from the Cutover Time, be taken to have been validly made under the relevant provision of the Code;
- (b) if, under the Code, the Regulatory Authorities, the Market Operator or the System Operator can only make the decision after a preparatory step has been undertaken, that preparatory step:
  - (i) can be undertaken before the Cutover Time; and
  - (ii) from the Cutover Time, will be deemed to have been satisfied or completed for the purposes of the Code.

9.1.2 For the purposes of this section, a decision includes:

- (a) making a determination, including determining a Relevant Parameter;
- (b) giving approval, including approving a proposed Relevant Parameter;
- (c) making or publishing an instrument, including a procedure or guideline;
- (d) making an appointment; or
- (e) in the case of the Modifications Committee, establishing a working group to consider a Modification Proposal, adopting an Agreed Procedure, or making a Modification Recommendation, that will apply prior to or from the Cutover Time.

9.1.3 For the purposes of this section 9, a preparatory step includes:

- (a) a condition that must be satisfied before a decision can be made;
- (b) a requirement that a report be prepared or submitted before a decision can be made; or
- (c) a consultation or publication requirement.

## **10 OTHER**

### **10.1 Market Auditor**

10.1.1 The Market Auditor under the Code immediately before the Cutover Time continues in that role until the expiration of its existing appointment. The Market Auditor is eligible for reappointment in accordance with the provisions of Part B.

### **10.2 Initial Market Audit**

10.2.1 Where the Cutover Time does not coincide with the start of a Year, then:

- (a) the period covered by the final audit under Part A of the Code shall be for the period until the Cutover Time; and
- (b) the period covered by the first audit under Part B of the Code shall be from the Cutover Time until the end of 31 December next occurring (or if that period is less than 6 months, then until the end of the following 31 December).



## PART C GLOSSARY

### DEFINITIONS

<b>Accession Process</b>	has the meaning given in Part B of the Code.
<b>Amendment Date</b>	means the date on which the Trading and Settlement Code is amended to incorporate Part B and this Part C.
<b>Assetless Participants</b>	has the meaning given in Part B of the Code.
<b>Cutover Time</b>	means the date and time specified by the Regulatory Authorities for this purpose under paragraph 3.1.1 as the date and time the new trading and settlement arrangements in Part B of the Code commence, which time will coincide with the start of an Imbalance Settlement Period.
<b>Disputes Panel</b>	means the panel of available dispute resolution board members established and maintained by the Market Operator with the prior approval of the Regulatory Authorities.
<b>Election Round</b>	means a Nominating Participant Election arranged by the Secretariat (within the meaning of Part B of the Code) under paragraph B.17.7 of Part B in anticipation of the expiry of the term of a member of the Modifications Committee, but does not include a Nominating Participant Election arranged because a member is removed, resigns or retires.
<b>Existing Participants</b>	has the meaning given in paragraph 4.2.1.
<b>First Election Round</b>	means the first Election Round after the Amendment Date.
<b>Interconnector Participants</b>	has the meaning given in Part A of the Code.
<b>Nominating Participant Election</b>	has the meaning given in Part B of the Code.
<b>Relevant Parameter</b>	has the meaning given in paragraph 9.1.1.
<b>Second Election Round</b>	means the next occurring Election Round after the First Election Round.