

Tullett Prebon (Europe) OTF
Irish Power (SEM) CfD Auctions

Seller Protocol and Auction Rules

Version 2
With effect from 21 March, 2018

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**Tullett Prebon (Europe) OTF
Irish Power (SEM) CFD Auction
Seller Protocol**

1. Introduction

This Protocol sets out the processes and procedures to be followed by the OTF Operator and the Seller in relation to each Auction for CfD Products conducted through the OTF. It forms, by reference, part of the terms and conditions between the Seller and the OTF Operator.

2. Auction Dates

2.1 The Seller will, from time to time, notify the OTF Operator with a list of Auction dates. This list may also detail the types of CfD Product which are to be offered by the Seller in such Auction(s).

2.2 Within 1 Business Day of such notification, the OTF Operator will publish the date(s) of any such Auction on the OTF Website.

3. Invitations to Bid

3.1 No later than five (5) Days before an Auction or the first Auction in a series of Auctions (or such other time as the Seller may specify), the OTF Operator will send to each Registered Interested Participant an Invitation to Bid. The Invitation to Bid will set out:

3.1.1 Indicative CfD Products offered;

3.1.2 Indicative quantities; and

3.1.3 Indicative reserve prices.

4. Auction Details and Auction Notices

4.1 By 1600 hours on the Business Day preceding the day of the Auction the Seller will provide the OTF Operator with details of the Auction (including a draft Auction Notice).

4.2 The Auction details will set out the CfD Products being offered, including the following:

(a) the volume of each CfD Product being offered;

(b) the periods for each CfD Product being offered; and

(c) the reserve price for each CfD Product being offered.

- 4.3 By 0800 hours on the day of the Auction the OTF Operator will have established the Workspace which will contain the details of the Auction.
- 4.4 The Seller (only) will be permitted access to the Workspace from 0800 hours on the day of the Auction and will notify the OTF Operator of any changes to the Auction details and Auction Notice no later than 0900 hours on that day. The OTF Operator will amend the Auction Notice and Workspace as necessary in accordance with instructions from the Seller.
- 4.5 The OTF Operator will send out Auction Notices to all Eligible Auction Participants via email by 0930 hours on the day of the Auction.

5. Eligible Auction Participants

- 5.1 The Seller will provide the OTF Operator with a list of persons who have a current Master Agreement with the Seller, and who are in compliance with its terms (including in relation to the provision of any credit cover) no later than 1600 hours on the day preceding the day of the Auction.
- 5.2 The Seller may provide an updated list of Eligible Auction Participants to the OTF Operator no later than 1 hour before the start of the Auction.
- 5.3 The OTF Operator will ensure that each Eligible Auction Participant has signed up to the OTF Rulebook incorporating the Auction Rules before it is permitted to participate in an Auction.

6. Bid Assessment

- 6.1 The OTF Operator will use an automated algorithm to assess the bids in accordance with the Auction Rules. This automated bid assessment algorithm will be run within 120 minutes after Close of Bids (or such other time which has been agreed between the OTF Operator and the Seller). This interval before running of the algorithm is to allow for the assessment of whether or not an Eligible Auction Participant has sufficient credit cover, pursuant to the relevant Master Agreement, to cover the entirety of its bids that day. If the Seller determines that an Eligible Auction Participant has insufficient credit cover then the Seller shall inform the OTF Operator of which bids should be scaled back prior to the running of the algorithm.
- 6.2 The OTF Operator will publish the final results and notify Eligible Auction Participants in accordance with the Auction Rules.
- 6.3 The OTF Operator will at all times be responsible for the accuracy of the assessment of the Auction bids.

7. Communication Channels

- 7.1 The OTF Operator and Seller will furnish each other with email addresses and telephone numbers for issuing documentation such as the Auction Notice and Auction Results. Each entity is responsible for notifying the other entity if these addresses or telephone numbers change, or if the named contact person will be unavailable before, during or after an Auction in order to undertake tasks in accordance with this protocol, in which case the relevant entity will notify the other of the name and contact details of a replacement contact person.

8. Suspending an Auction

- 8.1 If the OTF Operator suspends an Auction in accordance with the OTF Rulebook it will immediately notify the Seller of such suspension and the reasons for it.

9. Monitoring and Reporting

- 9.1 Seller and the OTF Operator will notify each other as soon as is reasonably practicable of any breach of the Auction Rules by an Eligible Auction Participant and will use all reasonable endeavours to assist each other with any reporting requirements or information requests from any regulatory authority.

CfD Products Auction Rules

1. Introduction

These Auction Rules describe the auction process and set out the terms and conditions applicable to auctions conducted by the Seller on an Organised Trading Facility operated by the OTF Operator to sell CfD Products under the terms of a Master Agreement. By participating in the CfD Auctions, Eligible Auction Participants accept and agree that these Auction Rules, as they may be amended from time to time, govern the terms on which each Eligible Auction Participant participates. These Auction Rules form, by reference, part of the terms and conditions of dealings between Eligible Auction Participants, the Seller and the OTF Operator and form part of the Master Agreement as provided therein.

2. Eligibility to Participate in the Auctions

2.1 Any party wishing to participate in an Auction on the Organised Trading Facility must, by 1600 on the day preceding the auction, have:

- (a) executed a Master Agreement with the Seller and be in compliance with its terms
- (b) executed the OTF Terms and Conditions with the OTF Operator
- (c) posted credit cover, where required, in accordance with the Master Agreement and the Credit Rules Notice

3. Pre-Auction Information

3.1 The OTF Operator will publish the latest version of these Auction Rules, and any subsequent updates, on the OTF Website.

3.2 The OTF Operator will from time to time post a notice detailing the dates of forthcoming Auctions on the OTF Website.

3.3 No later than five (5) days before an Auction or the first Auction in a series of Auctions (or at such other time as the Seller may specify), the OTF Operator will send to each Registered Interested Participant an Invitation to Bid. The Invitation to Bid will set out:

- (a) Indicative CfD Products offered;
- (b) Indicative quantities; and
- (c) Indicative reserve prices.

3.4 The OTF Operator shall notify Registered Interested Participants by email of any material changes to auction dates, indicative CfD Products offered or indicative quantities that the Seller may make after the issue of the Invitation to Bid.

4. Auction Notices

4.1 Eligible Auction Participants will, in the normal course, be sent Auction Notices via email by the OTF Operator by 0930 hours on the day of the Auction. The Auction Notice sent to each Eligible Auction Participant shall indicate that a Workspace for the Auction has been created and is available for download and will confirm:

- (a) the Auction commencement time and Close of Bids
- (b) the Seller who is offering CfD Products
- (c) the details of CfD Products being offered by the Seller, including:
 - (i) the volume of each CfD Product being offered (stated in MW);
 - (ii) the specified Clip Sizes (in MW) for each CfD Product
 - (iii) the maximum number of bids an Eligible Auction Participant can make for each CfD Product
 - (iv) the periods for each CfD Product being offered; and
 - (v) the currency and reserve price for each CfD Product being offered.
- (d) where Reference DC products (as defined herein) are being used for margin calculation purposes the Reference DC Product for each CfD Product shall be specified

4.2 An illustrative non-binding example of an Auction Notice is included as Appendix 1.

4.3 For the avoidance of doubt, Auction Notices will not be sent to Registered Interested Participants who are not also Eligible Auction Participants.

5. Bidding

5.1 The OTF Operator will operate the Auction and Transactions will be executed using the OTF.

5.2 Eligible Auction Participants must submit bids in accordance with the OTF Procedures that are issued from time to time by the OTF Operator and the Bidding Rules set out below.

5.3 The OTF Operator will establish and maintain two distinct communication channels for Eligible Auction Participants to submit bids:

5.3.1 the OTF electronic user interface; and

5.3.2 voice brokerage services for Eligible Auction Participants whose OTF communication channel has failed. (This service is only available to Eligible Auction Participants who have agreed separately under the OTF Rulebook for this service to be provided by the OTF Operator.)

5.4 **Bidding Rules:**

- 5.4.1 Bids must be unqualified and unconditional.
- 5.4.2 Bids for any given CfD Product must not exceed the Offered Volume (in any single bid or in aggregate for the maximum number of bids allowed for that CfD Product). e.g. in the event of 3 bids where no single bid exceeds the Offered Volume, but the three bids in aggregate do so, all 3 bids will be disqualified. Bids for other CfD Products that day will not be disqualified on account of the excess bid in respect of the individual CfD Product which has been disqualified.
- 5.4.3 The number of bids submitted for each CfD Product must be less than the maximum number of bids stated in the Auction Notice. Where the maximum number of bids is exceeded for a particular CfD Product all bids for that CfD Product will be disqualified. Bids for other CfD Products that day will not be disqualified on account of the excess bid in respect of the individual CfD Product which has been disqualified.
- 5.4.4 A bid shall consist of a nominated pairing of bid volume (in MW) and bid price in respect of a CfD Product. Eligible Auction Participants must bid the Clip Size, as specified in the Auction Notice, or whole number multiples of the Clip Size.
- 5.4.5 Eligible Auction Participants may enter, amend, verify, and withdraw bids on the OTF. The system will automatically close at the Close of Bids and Eligible Auction Participants will be unable to update or withdraw bids after this time. No bids shall be accepted using voice brokerage services after the Close of Bids.
- 5.4.6 All bids must comply strictly with the requirements of these Auction Rules, the Auction Notice, the OTF Rulebook, the OTF Procedures and, insofar as may be applicable, the Master Agreement. Non-conforming bids will be rejected.
- 5.4.7 All bid prices will be deemed to be exclusive of Value Added Tax. Any applicable Value Added Tax will be payable by the relevant party in accordance with the terms of the Master Agreement.
- 5.4.8 Bid prices must be equal to or higher than the reserve price and expressed in the currency specified in the Auction Notice (i.e. either Euro or Sterling).
- 5.5 Eligible Auction Participants may Bid for all or some of each CfD Product quantity offered.
- 5.6 It should be noted that the-OTF has not been programmed to enforce all details in these Auction Rules. For the avoidance of doubt, it is the responsibility of the Eligible Auction Participants and not of the Seller or the OTF Operator to ensure that Bids entered in the OTF comply with these Auction Rules.

- 5.7 Eligible Auction Participants wishing to execute any Transaction under the Master Agreement must provide credit cover in accordance with that Agreement and, as applicable, the Credit Rules Notice prior to submission of a bid. Eligible Auction Participants must in respect of each Auction ensure that they have sufficient credit cover to support the entire volume of their bids on that day.
- 5.8 If on any given day the aggregate credit cover posted by an Eligible Auction Participant is insufficient to support its bids on that day, all of its bids shall be scaled back in accordance with the Credit Rules Notice.
- 5.9 Checks for credit cover adequacy and the credit cover calculation will be made after the rejection of invalid bids.
- 5.10 By submitting a bid, the Eligible Auction Participant shall be deemed to have unconditionally accepted:
- (a) the terms and conditions of these Auction Rules;
 - (b) that successful bids will be transacted under the Master Agreement between the Seller and the Eligible Auction Participant in question;
 - (c) that the market clearing price at which volumes for each CfD Product offered were sold and the volume of trades (in MW) of each CfD Product in each Auction may be emailed to Eligible Auction Participants and published on the OTF website.
- 5.11 The identity of individual successful or unsuccessful Eligible Auction Participants shall not be disclosed, except as provided for in these Auction Rules.

6. Procedure for Allocating Volumes to Eligible Auction Participants/Determining Auction Prices

- 6.1 Bids will be processed and assessed by the OTF Operator, as follows. All bids contained in the OTF at Close of Bids will be assessed and volumes allocated on a market clearing price basis, using the following procedure:
- (a) Confirm that the bidder is an Eligible Auction Participant;
 - (b) Identify and disqualify invalid bids;
 - (c) For each CfD Product offered rank each bid from highest price to lowest price;
 - (d) Allocate volumes in rank order of highest price bid to lowest price bid until all of the offered volume has been accounted for;
 - (e) If valid bids total less than the Offered Volume, the volume for which valid bids have not been received will remain unsold that day;
 - (f) If two or more valid bids of identical price cause the Offered Volume to be exceeded, those bids will be scaled back pro-rata to the size of their bids until the allocated volume equals the Offered Volume;

(g) Volumes awarded will be specified in MW, rounded to a maximum of 2 decimal places. So for instance, in the event that 3 Eligible Auction Participants have bid the same price for 8MW, each Eligible Auction Participant will receive 2.67 MW and 0.01MW shall be oversold;

(h) Calculate the market clearing price as follows:

- (i) Where the total volume of bids is greater than, or equal to, all of the offered volume, the market clearing price shall be deemed to be the price of the lowest priced bid accepted either in part or in its entirety;
- (ii) Where the total volume of bids is less than the offered volume, the market clearing price shall be the reserve price.

6.2 The market clearing price will be the CfD Fixed Price for all CfD volumes executed in the Auction in question. Where the relevant CfD Product is capable of having a profiled clearing price for settlement purposes, that price may be utilised and this decision will be set out in the Auction Notice.

6.3 An illustrative non-binding worked example of this allocation procedure is set out in Appendix 2 to these Auction Rules.

7. Confirmation Process

7.1 The OTF Operator will notify all successful Eligible Auction Participants by publishing in the Trade Book the volume they have been awarded and the CfD Fixed Price for each CfD Product by 1600 hours on the day of the Auction (or such later time as may be notified). This notification will be provisional and subject to detailed verification.

7.2 The OTF Operator will publish on the OTF Website by 1600 hours on the day of the Auction (or such later time as the Seller agrees) the Auction results for that day, including:

- (a) total volume (in MW) of each offered CfD Product sold in the Auction;
- (b) the market clearing price for each CfD Product.

7.3 Within one (1) business day of the Auction, the Seller will issue to the successful Eligible Auction Participants a Transaction confirmation substantially in the form set out in the Master Agreement for each Transaction entered into. If an Eligible Auction Participant submits multiple successful bids for the same CfD Product in a given Auction, all successful bids for that CfD Product will be consolidated into a single Transaction (since all the successful bids will be executed at the same market clearing CfD Fixed Price, regardless of prices actually bid). The Transaction confirmation will contain the megawatt quantities and CfD Fixed Prices.

7.4 The successful Eligible Auction Participant will have the opportunity to review the accuracy of the Transaction confirmation and request corrections if necessary pursuant to the terms of the Master Agreement.

7.5 The Seller will inform successful Eligible Auction Participants of any parameters which are used for margin calculation purposes for each CfD Product to be used pursuant to the relevant Master Agreement which parameters for the Reference DC Product are more particularly described in the Subscription Rules.

7.6 Broker Fees: any fee chargeable by the OTF Operator for use of the OTF or in respect of a bid pursuant to the OTF Rulebook or otherwise will be the responsibility of the Eligible Auction Participant and not of the Seller. Such fees will be notified and invoiced by the OTF Operator.

8. General

8.1 The frequency and timing of Auctions and the CfD Products offered, quantities offered and reserve prices are at the absolute discretion of the Seller. The Seller makes no representation or warranty as to any of these matters. At any time, the Seller may decide not to conduct any more Auctions or to cancel a scheduled Auction.

8.2 It is the responsibility of Eligible Auction Participants to ensure that they are aware of the up-to-date Auction Rules and any other information relevant to their participation in Auctions.

8.3 Eligible Auction Participants may ask the OTF Operator for clarification of the Auction Rules and Auction Notices. Where clarification is given, the OTF Operator may also disclose it to all other Eligible Auction Participants.

8.4 The OTF Operator in agreement with the Seller may at any time amend, vary, supplement, modify, replace or terminate any term or condition in these Auction Rules.

8.5 There must be no collusion by any Eligible Auction Participant with any other Eligible Auction Participant. Evidence of collusive behaviour will be reported to the relevant regulatory authorities and result in disqualification of bids.

8.6 By submitting a bid, each Eligible Auction Participant warrants that it has full legal power and authority to participate in the Auction and to conclude Transactions for successful bids under the Master Agreement.

8.7 Eligible Auction Participants participate in Auctions at their own cost and risk. In no event shall the Seller be liable to any other party for any losses, liabilities, cost or expense including special, indirect or consequential damages, or for any loss of profit, anticipated profit or revenue, arising out of or in connection with any Auction and/or the use of any organised trading facility or trading platform, however caused, whether in contract, tort (including negligence) or otherwise, including in the event of its cancellation.

8.8 Nothing in clause 8.7 excludes or limits the liability of the Seller for: (a) death or personal injury caused by the Seller's negligence; (b) fraud or fraudulent misrepresentation; or (c) any other act or omission, liability for which may not be limited under applicable law.

Appendix 1: Illustrative NDC Auction Notice -

Tullett Prebon (Europe) OTF
Irish Power (SEM) CFD Auctions
CfD Products (Seller –currency)
Auction Notice

For Auction on [DATE]; auction code xxx

Auction Notice

1. Tullett Prebon announces the auction of relevant CfD Products offered by Seller; with Offered Volume (MW) and Reserve Price as specified below.
2. The auction process and the terms and conditions applicable to the Auction are set out in this Auction Notice, the OTF Rulebook and the Auction Rules, as published by Tullett Prebon (Europe) OTF (and as amended from time to time). Eligible Auction Participants must agree to the OTF Rulebook and the Auction Rules.
3. CfD Products will be contracted under the terms of the relevant Master Agreement for the Reference CfD Product.
4. Capitalised words and phrases used in this Auction Notice and not defined herein have the meanings given in the relevant section of the Auction Rules except where the context requires otherwise.
5. Pursuant to the Auction Rules, this Auction Notice is directed only at persons who qualify as Eligible Auction Participants in accordance with the relevant section of the Auction Rules and who will remain Eligible Auction Participants when they enter into any Transactions pursuant to the Auction.
6. The details for the Auction are as set out in the annex to this Auction Notice.
7. The OTF Workspace for this Auction is now available for download. Bids must be submitted in accordance with the relevant section of the Auction Rules. and by Close of Bids, which for this Auction is 12:30 pm.

Contact details for Tullett Prebon:

Tullett Prebon email:	DNElectricityDesk@tullettprebon.com
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Annex

Auction Date	xx-xxx-xx
Seller	xxxx
Auction commencement time	10:30 AM
Close of Bids	12.30PM
Clip Size	5MW
Maximum number of Bids for each CFD Product	5
A Credit Cover Notice document is applicable to this auction	No

Products Offered and Reserve Prices in this Session

Period: Product:	Jul-18		Aug-18		Sep-18	
	Offered Volume	Reserve Price	Offered Volume	Reserve Price	Offered Volume	Reserve Price
	MW	£/MWh	MW	£/MWh	MW	£/MWh
Baseload	25	45	25	48	25	52
Mid Merit	25	54	20	57	25	60
Mid Merit 2			20	58	25	62
Peak						

Appendix 2: Worked Example of Auction Allocation Procedure

This worked example considers the auction for a single CfD Product. The auction is taken to be in Sterling, with the reserve price and bids being in £/MWh.

- The CfD Product is for Baseload.
- The CfD Product shall be offered in a Clip Size of 5MW.

22/04/2018	Total Volume	Reserve
CfD Product	Annual	Price (£/MWh)
Baseload	25 MW	55.00

Three Eligible Auction Participants, A, B and C, bid as follows:

Bidder :	A
Auction Date :	22-Apr
Auction Number :	1

Monthly flat product						
Baseload	Bid No.		MW		Bid price £	
	1	5	£ 60.00			
	2	5	£ 59.00			
	3	5	£ 56.00			
	4	5	£ 55.50			
	5	5	£ 55.00			

Bidder :	B
Auction Date :	22-Apr
Auction Number :	1

Monthly flat product						
Baseload	Bid No.		MW		Bid price £	
	1	5	£ 59.00			
	2	5	£ 58.00			
	3	5	£ 57.00			
	4	5	£ 56.00			
	5	5	£ 55.00			

Bidder :	C
Auction Date :	22-Apr
Auction Number :	1

Monthly flat product						
Baseload	Bid No.		MW		Bid price £	
	1	5	£ 59.00			
	2	5	£ 58.00			
	3	5	£ 55.50			
	4	5	£ 55.00			
	5	5	£ 55.00			

Then the bids will be ranked as follows:

Bidder	Bid No.	Bid MW	Bid Price	Cumulative MW Bid
A	1	5	£ 60.00	5
A	2	5	£ 59.00	10
B	1	5	£ 59.00	15
C	1	5	£ 59.00	20
B	2	5	£ 58.00	25
C	2	5	£ 58.00	30
B	3	5	£ 57.00	35
A	3	5	£ 56.00	40
B	4	5	£ 56.00	45
A	4	5	£ 55.50	50
C	3	5	£ 55.50	55
A	5	5	£ 55.00	60
B	5	5	£ 55.00	65
C	4	5	£ 55.00	70

In this case, the four highest price bids, A1, A2, B1 and C1 account for a total of 20MW of the offered volume. The bids B2 and C2 are exactly equal, and account for another 10MW of the offered volume, which is more than the remaining 5MW after bids A1, A2, B1 and C1 have been allocated. Therefore bids B2 and C2 will be scaled down so that they receive pro-rata shares of the remaining 5MW. So the resulting transactions (volumes and CfD Fixed Prices) are as follows:

Bidder	Bid No.	Bid MW	Bid Price	Cumulative MW Bid	Accepted MW	Price
A	1	5	£ 60.00	5	5	£ 58.00
A	2	5	£ 59.00	10	5	£ 58.00
B	1	5	£ 59.00	15	5	£ 58.00
C	1	5	£ 59.00	20	5	£ 58.00
B	2	5	£ 58.00	25	2.5	£ 58.00
C	2	5	£ 58.00	30	2.5	£ 58.00

Glossary

“Auction” means an auction of CfD Products offered by the Seller and conducted by the OTF Operator pursuant to the Auction Rules and the Auction Notice applicable to that auction;

“Auction Notice” means a notice in respect of a proposed Auction provided by the OTF Operator to Eligible Auction Participants before 09:30 hours on the day of the Auction in accordance with the Auction Rules, and which in the normal course sets out, amongst other things, firm offer volumes and firm reserve prices;

“Auction Rules” means these terms and conditions governing the Auction prepared by the Seller in consultation with the OTF Operator and as published by the OTF Operator from time to time;

“Baseload” means the contract quantity arising in all hours of a trading period for which the Reference DC Product for the purpose of margin calculations for each Baseload product will be the DC Baseload product for the corresponding quarter(s) and which is more particularly described in the Subscription Rules. In the case of Baseload products of less than quarterly duration, the corresponding quarter will be the quarter within which the Settlement Period falls, as such term is defined in the Confirmation for the relevant Transaction;

“Business Day” means a weekday (other than a Saturday or Sunday) which is not a public holiday or bank holiday in the Republic of Ireland, Northern Ireland or England, save that where the term “Business Day” is referred to in the description of a CfD Product, references to “Business Day” shall mean a weekday (other than a Saturday or Sunday) which is not a public holiday or bank holiday in the Republic of Ireland or Northern Ireland only ;

“CfD Product” means the contracts for differences offered by the Seller for such volumes, prices and other details as set out in the relevant Auction Notice and **“CfD Products”** shall be construed accordingly.

“CfD Fixed Price” means the market clearing price for all CfD volumes executed in an Auction (cf. CfD Product Auction Rules, clause 6.2).

“Clip Size” means the minimum volume (in MW) for each bid which has been specified in the Auction Notice for each CfD Product. Bids may also be in whole number multiples of the Clip Size.

“Close of Bids” means 12:30 hours on the day of the Auction or such other time as may be notified in the Auction Notice;

“Confirmation” has the meaning given to it in the Master Agreement;

“Credit Baseline Prices” means prices for each CfD Product notified by the Seller in the Credit Rules Notice to be used in the calculation of credit cover requirements in relation to an Auction or a series of Auctions;

“Credit Rules Notice” means a notice in respect of a proposed Auction, or series of Auctions, provided by the Seller to Eligible Auction Participants, which sets out the rules for providing credit cover and the additional rules for allocating volumes to Eligible Auction Participants if on any given day the aggregate credit cover posted by an Eligible Auction Participant is insufficient to support its bids on that day;

“Credit Support Document” has the meaning given to it in the Master Agreement;

“Eligible Auction Participant” means a person who satisfies the requirements set out in these Auction Rules in relation to eligibility to take part in an Auction;

“Invitation to Bid” means the invitation sent by the OTF Operator to Registered Interested Participants before an Auction or series of Auctions in accordance with the Auction Rules;

“Letter of Credit” has the meaning given to it in the Credit Support Annex to the relevant Master Agreement;

“Master Agreement” means, in relation to any Auction, the relevant Contract for Differences Financial Energy Master Agreement (FEMA) comprising the Schedule and related Annexes entered into between the relevant Seller and each relevant Eligible Auction Participant, , relevant to the CfD Products being offered for sale in that Auction;

“Mid-Merit (0700-2300)” means for trading periods at the contract quantity during the hours beginning at 0700 hours and ending at 2300 hours on business days and for trading periods on days that are not business days at 80% of the contract quantity for which the Reference DC Product for the purpose of margin calculations for each Mid-Merit product will be the DC Mid-Merit product for the corresponding quarter(s) and which is more particularly described in the Subscription Rules. In the case of Mid-Merit products of less than quarterly duration, the corresponding quarter will be the quarter within which the Settlement Period falls, as such term is defined in the Confirmation for the relevant Transaction;

“Mid-Merit 2 (0700-1900)” means for trading periods at the contract quantity during the hours beginning at 0700 hours and ending at 1900 hours on all weekdays (Monday – Friday) for which the Reference DC Product for the purpose of margin calculations for each Mid-Merit2 product will be the DC Mid-Merit product for the corresponding quarter(s) and which is more particularly described in the Subscription Rules. In the case of Mid-Merit2 products of less than quarterly duration, the corresponding quarter will be the quarter within which the Settlement Period falls, as such term is defined in the Confirmation for the relevant Transaction;

“Organised Trading Facility” or **“OTF”** means the Organised Trading Facility registered by the OTF Operator as such with the Financial Conduct Authority used by OTF Users for the purposes of executing CfD Products;

“OTF Operator” means Tullett Prebon (Europe) Limited;

“OTF Procedures” means the guidance procedures issued by the OTF Operator to OTF Users for using the OTF;

“OTF Rulebook” means the rules of access and use of the OTF entered into between the OTF Operator and OTF Users;

“OTF Users” means any relevant Seller or Sellers and Eligible Auction Participants;

“OTF Website” means the website used by the OTF Operator to publish information relating to the Auction;

“Offered Volume (OV)” means the total quantity of CfD Product, expressed in MW, offered by the Seller and available for Eligible Auction Participants in an Auction.

“Peak (1700-2100)” means for trading periods arising during the hours beginning at 1700 hours and ending at 2100 hours on all days during October, November, December, January, February, and March at the contract quantity for which the Reference DC Product for the purpose of margin calculations for each Peak product will be the DC Peak product for the corresponding quarter(s) and which is more particularly described in the Subscription Rules. In the case of Peak products of less than quarterly duration, the corresponding quarter will be the quarter within which the Settlement Period falls, as such term is defined in the Confirmation for the relevant Transaction;

“Reference DC Product” means, unless revised otherwise by the Seller and notified accordingly to Eligible Auction Participants, the CfD Product offered for sale pursuant to Directed Contracts (“DC CfD Product”) by reference to which credit cover will be calculated for the relevant DC CfD Product in accordance with the Subscription Rules.

“Registered Interested Participant” means a person who has registered an interest (with the Seller and the OTF Operator) in participating in an Auction held by the OTF Operator for CfD Products to be offered by the Seller;

“Reserve Price (RP)” means the minimum acceptable price for each CfD Product in any Auction.

“Seller” means the person offering CfD Products for sale in the Auction,

“Subscription Rules” means The Single Electricity Market (SEM) Committee - ESB Power Generation Directed Contract Subscription Rules version 2 dated 13 November, 2017 as may be amended, supplemented, modified or replaced from time to time.

“Trade Book” means the complete list of trades which have been executed through the OTF in respect of each Eligible Auction Participant for each Auction;

“Transaction” has the meaning given to it in the Master Agreement;

“Underlying Value of the Bid” has the meaning given to it in the Credit Rules Notice;

“Workspace” means the OTF workspace containing details of the CfD Products being offered by the Seller in the Auction.