

12/03/2025

FASS Programme

System Services Code
Development Working Group
March 2025



Agenda

Working Group Meeting 5

12th March 2025

1. Welcome and Introduction
2. Agreed Procedures
3. Revised Layout for Auction Design Sections of PEV 2
4. AOB

Scope

The decisions as set out in the SEM Committee publications need to be transposed into a binding set of market rules which require extensive input and review from the Working Group. The System Services market rules should reflect the decisions included in the following SEM Committee decision documents:

- [SEM-21-021 System Services Future Arrangements - Decision Paper 1](#)
- [SEM-22-012 System Services Future Arrangements High Level Design Decision Paper 2](#)
- [SEM-23-103 System Services Future Arrangements - Detailed Design & Implementation - Phased Implementation Roadmap - Decision Paper 3](#)
- [SEM-24-066 System Services Future Arrangements - DASSA Design Decision Paper](#)
- [SEM 24 - 074 System Services Future Arrangements - Product Review Decision Paper](#)

Note: The System Services Code Working Group will not re-open any previous SEMC Decisions.

Table of Contents - PEV 1

Section Ref.	Code Section
2	Background and Interpretation
3	Legal and Governance
4	Participation, Accession and Registration
5	Qualification
6	Auction format of DASSA
7	Secondary and Bilateral Trading
8	Obligations
9	<i>TBC - Real Time Security Solution (Alternative to FAM)</i>
10	System Service Supplier Charge
11	Long Term Contracts
12	Delivery - Performance Monitoring
13	Transition Arrangements for existing DS3 contracts - Migration
14	Settlement
15	Appendices

Deliverables:

Per the PIR, the Plain English draft of the System Services Code was published in Q1 2025.

Future SEM Committee Decisions:

- Parameters and Scalars Consultation (Price Caps, Commitments and Obligations)*
- Real Time Security Solution*
- Second Product Review*
- System Services Supplier Charge (Q1 2025)*
- Volume Forecasting Methodology (Q1 2025)*

The timing of the following activities are also considered:

- Licence modification required to implement this framework (Q4 2025)

Therefore, it is proposed to commence work on these topics later in the process in line with publication of the relevant SEM Committee decisions.

***Note:** Finalisation of the Plain English Version (PIR milestone FASS.M22) is dependent on the timely progression of business design activities concluding with the publication of the respective SEMC Decisions.

Market Rules & Code Dev.

Legend

TSOs Led Activity

SEMC Decision

Milestone

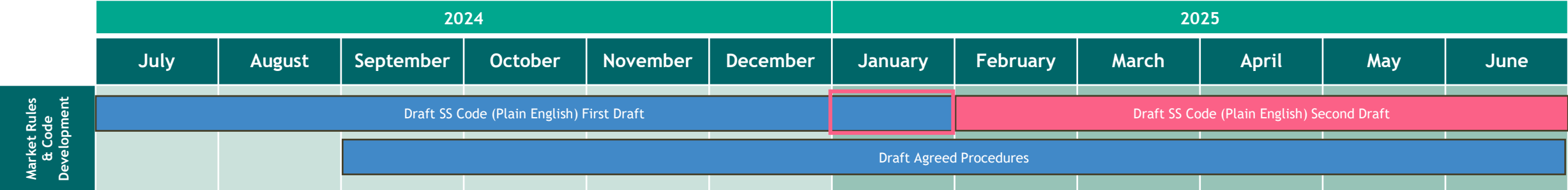
New Activity

RAs Led Activity

RAs /TSOs Activity

DS3 Activity

New Milestone



Workstream Summary

- System Services Code Plain English Version First draft extended to January 2025 due to extension of DASSA Design Consultation.
- Second draft of the code added to the plan.

Agreed Procedures

Overview of Required Documentation

Accession Pack

- Director's Declaration regarding due execution of the Accession Deed
- Documents the TSO may request to ensure satisfaction of due execution (e.g. company constitution extracts, Board Resolutions etc.)
- Pay the Accession Fee ;
- Be registered as a Party under the Trading and Settlement Code where necessary as per section 4.1; and
- When provided, execute the Accession Deed to adhere to the System Services Framework Agreement and this Code.

Registration Pack

- Contact Details of the Tenderer
- General Declaration
- Exclusionary Criteria
- Financial and Economic Standing
- Self-Declaration of Financial and Economic Capacity
- Tax Clearance
- Insurance (employers' liability and public liability)
- Health & Safety, environment and employment

Qualification Pack

- Party Name
- Unit Name
- System Service Product
- Reserve Characteristic
- PQ Capability
- Eligible Capacity

Agreed Procedure 1: Registration

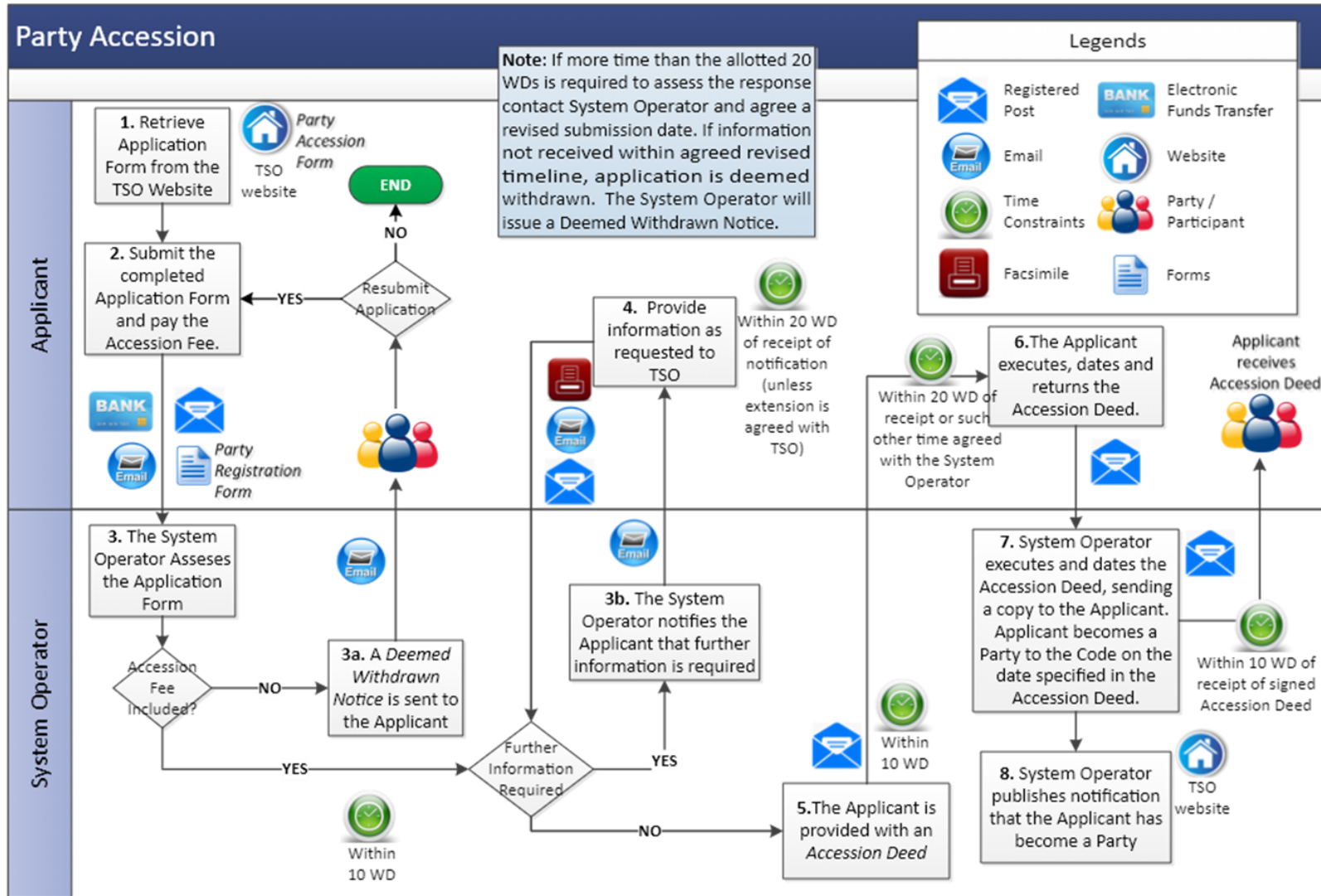
Procedure Overview

- The Registration Agreed Procedure covers the processes for accession to the Code and registration of units and parties, as well as for access to relevant systems (access rights, data update, etc)
- The key processes are:
 - Code Accession
 - Party Registration (to become a Service Provider)
 - Unit Registration
- Drafting is based on the TSC Registration Agreed Procedure, noting that the Meter Data Provider role is not relevant for System Services.
- Content in Sections 2.4 - 2.6 is systems-dependent and will be revised as further detail is available during the design/implementation work.

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Accession



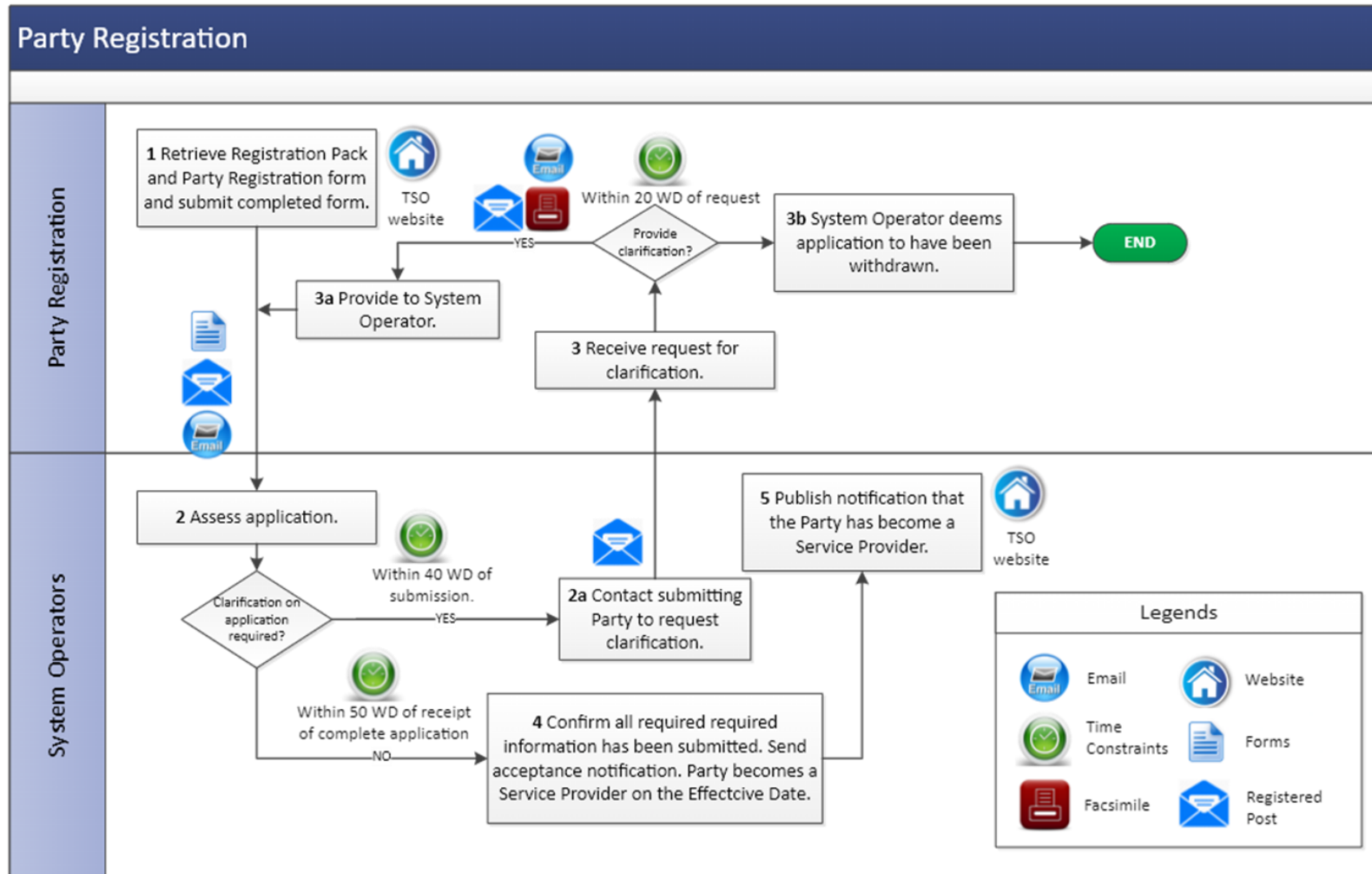
Overview

- The System Services Code Accession process is similar to that for the TSC, though managed by the TSOs.

Conditions and Required Information

- Director's Declaration regarding due execution of the Accession Deed
- Documents the TSO may request to ensure satisfaction of due execution (e.g. company constitution extracts, Board Resolutions etc.)
- Pay the Accession Fee ;
- Be registered as a Party under the Trading and Settlement Code where necessary as per section 4.1; and
- When provided, execute the Accession Deed to adhere to the System Services Framework Agreement and this Code.

Party Registration



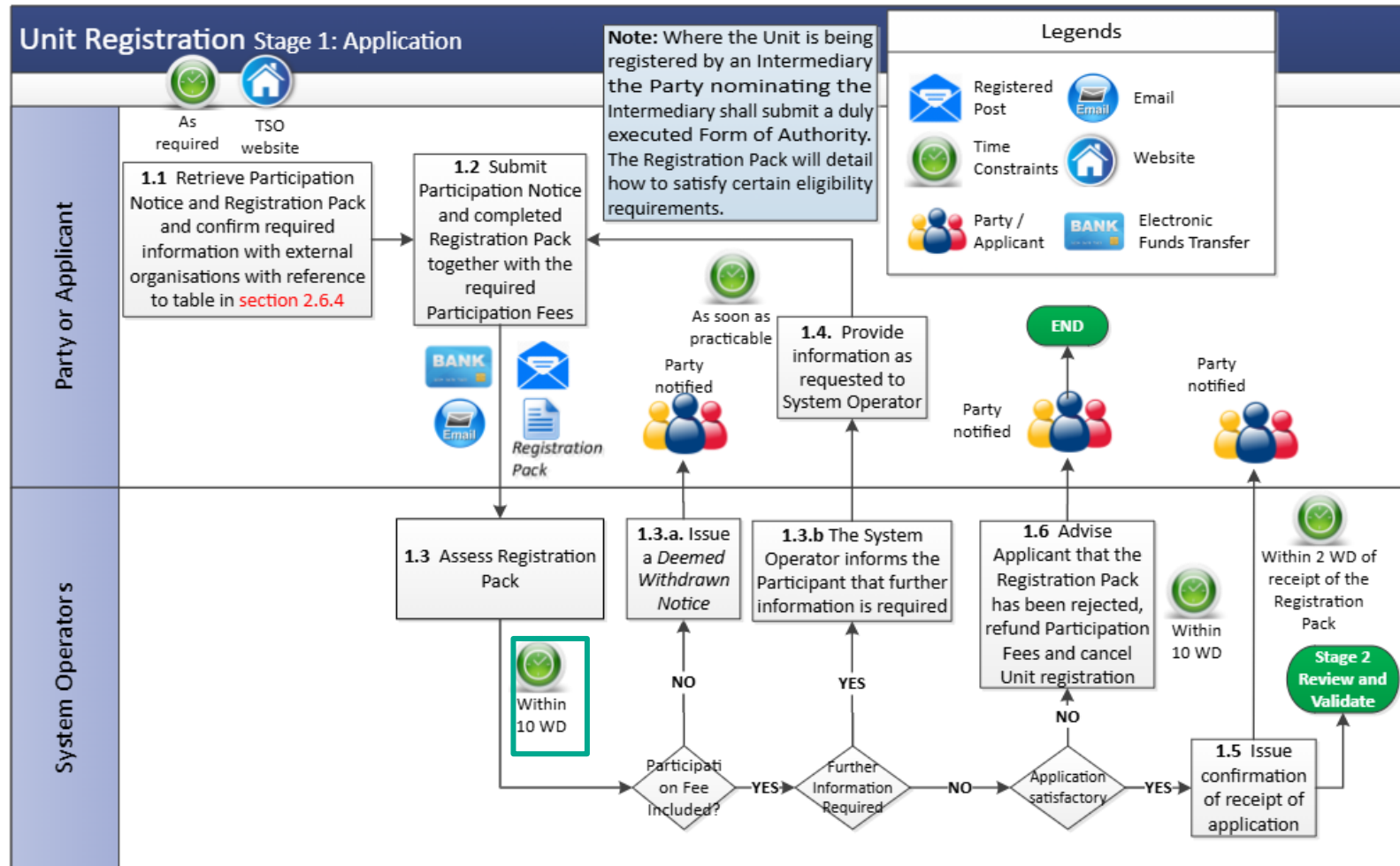
Overview

- Party Registration will be the process for Parties to become Service Providers.
- Service Providers can participate in the DASSA and Secondary Trading, subject to registration and qualification of their units.
- Unit registration can take place in parallel to Party Registration.

Conditions and Required Information

- Contact Details of the Tenderer
- General Declaration
- Exclusionary Criteria
- Financial and Economic Standing
- Self-Declaration of Financial and Economic Capacity
- Tax Clearance
- Insurance (employers' liability and public liability)
- Health & Safety, environment and employment

Unit Registration: Stage 1 - Application



Overview

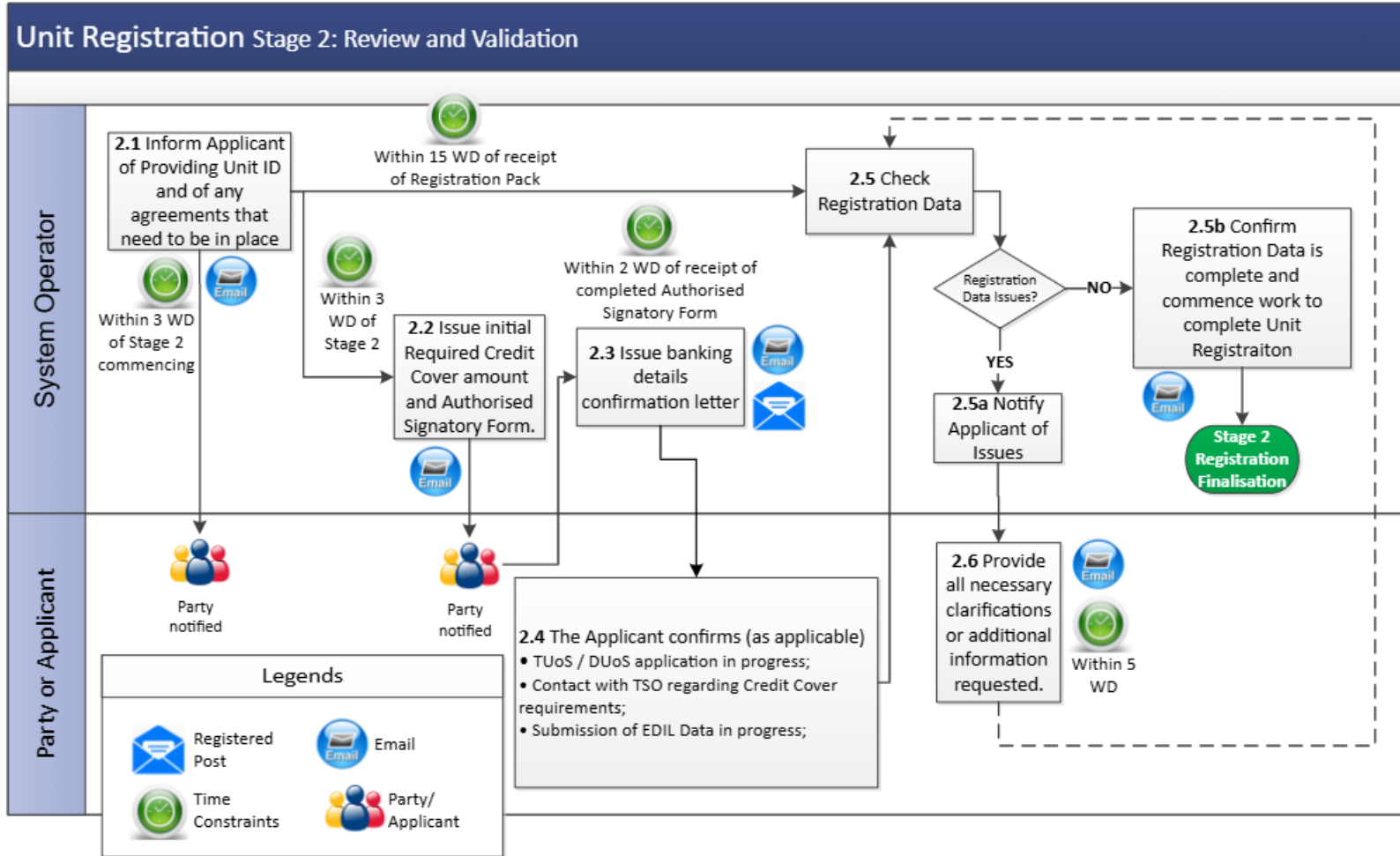
- Unit Registration for the System Services Code follows the process for Balancing Market registration.
- There are three stages: 1) Application, 2) Review & Validation and 3) Finalisation.
- Units will need to complete the Qualification process before participating in the DASSA or Secondary Trading.

Conditions and Required Information

- Party Name
- Unit Name
- System Service Product
- Reserve Characteristic*
- PQ Capability*
- Eligible Capacity*

*Information at this stage may be indicative and superseded by Qualification.

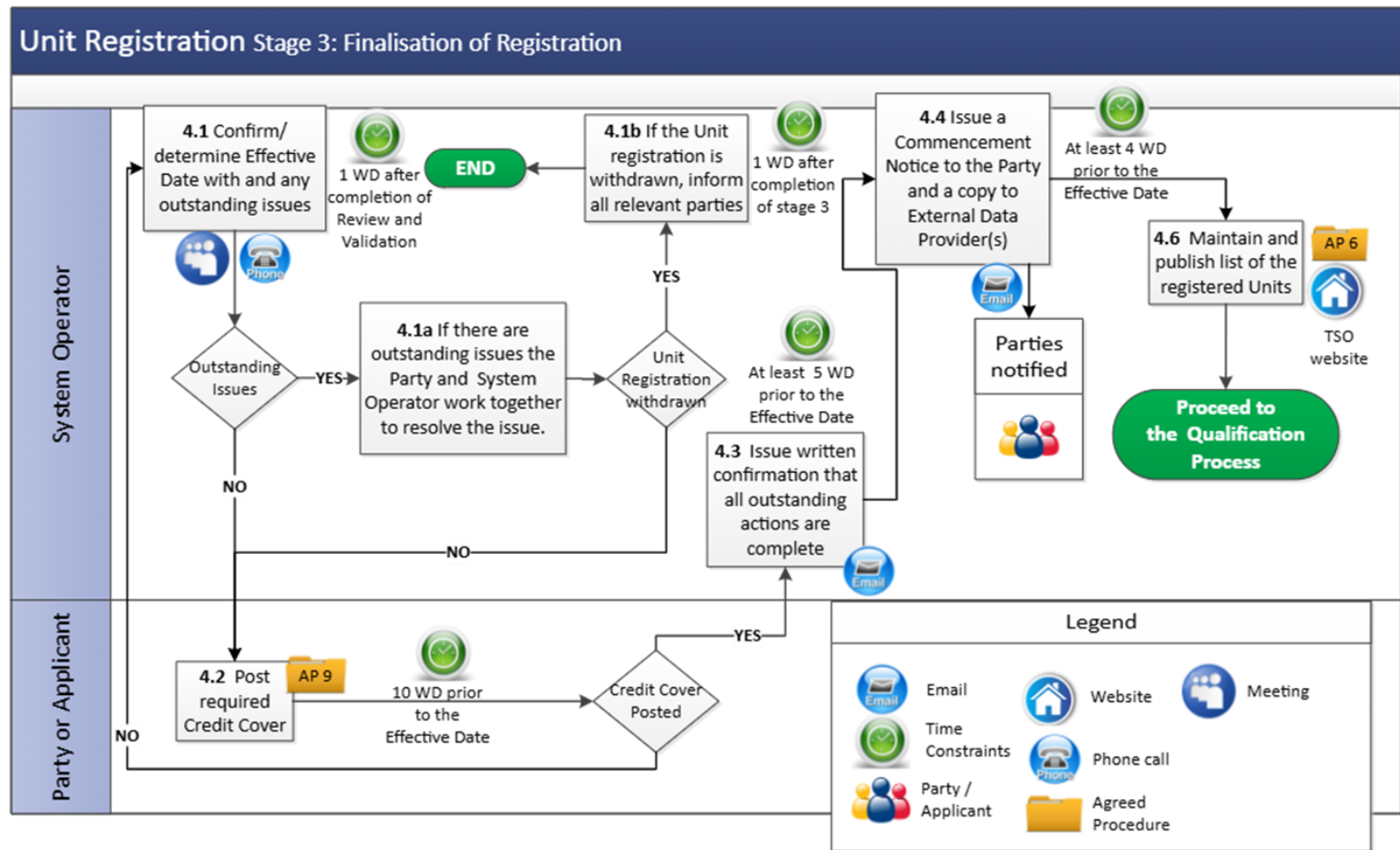
Unit Registration: Stage 2 - Review and Validation



Overview

- In this stage, the System Operators will review the Registration Data and request clarifications if needed.
- If applicable there will be review from External Data Providers.

Unit Registration: Stage 3 - Finalisation of Registration



Overview

- In the Finalisation stage, the Effective Date is determined, and Credit Cover is posted by the Applicant.
- Once all outstanding actions are complete, the Commencement Notice is issued.
- The list of Units registered in the System Services markets is updated by the System Operator.

Agreed Procedure 18: Suspension and Termination

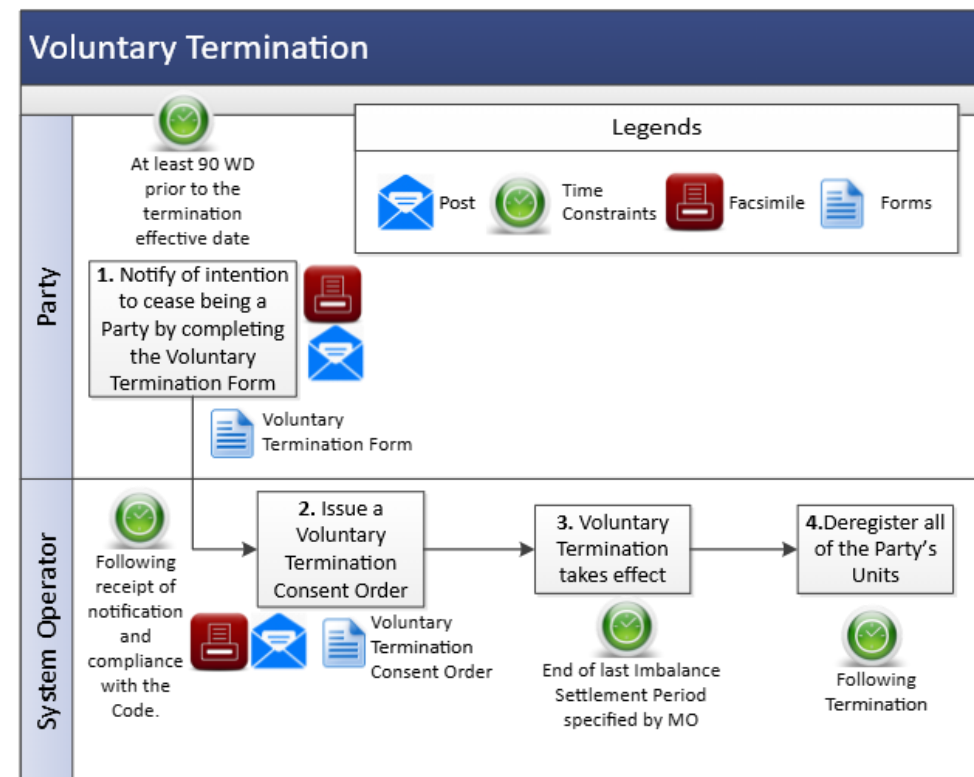
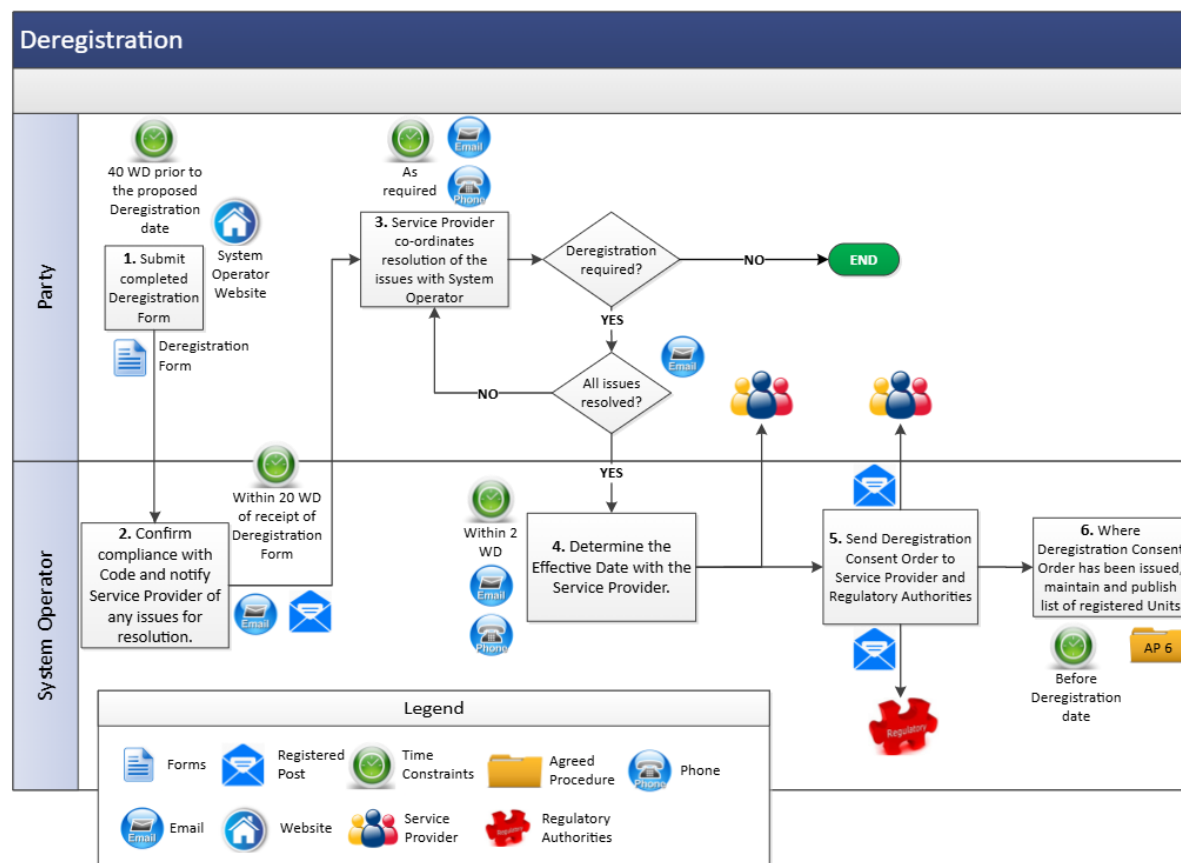
Procedure Overview

- The Suspension and Termination Agreed Procedure covers
 - Deregistration
 - Voluntary Termination
 - Suspension
 - Issue of a Termination Order; and
 - Intermediary removal
- Drafting closely follows the TSC Suspension and Termination Agreed Procedure, however changes to drafting may be required in the future as more detail on Defaults and Suspension arrangements becomes available.
- Some aspects are not relevant e.g., those relating to the Supplier of Last Resort mechanism.
- There may be interactions between Suspension under the System Service Code and Trading and Settlement Code - these will be considered in future work.

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Deregistration and Voluntary Termination

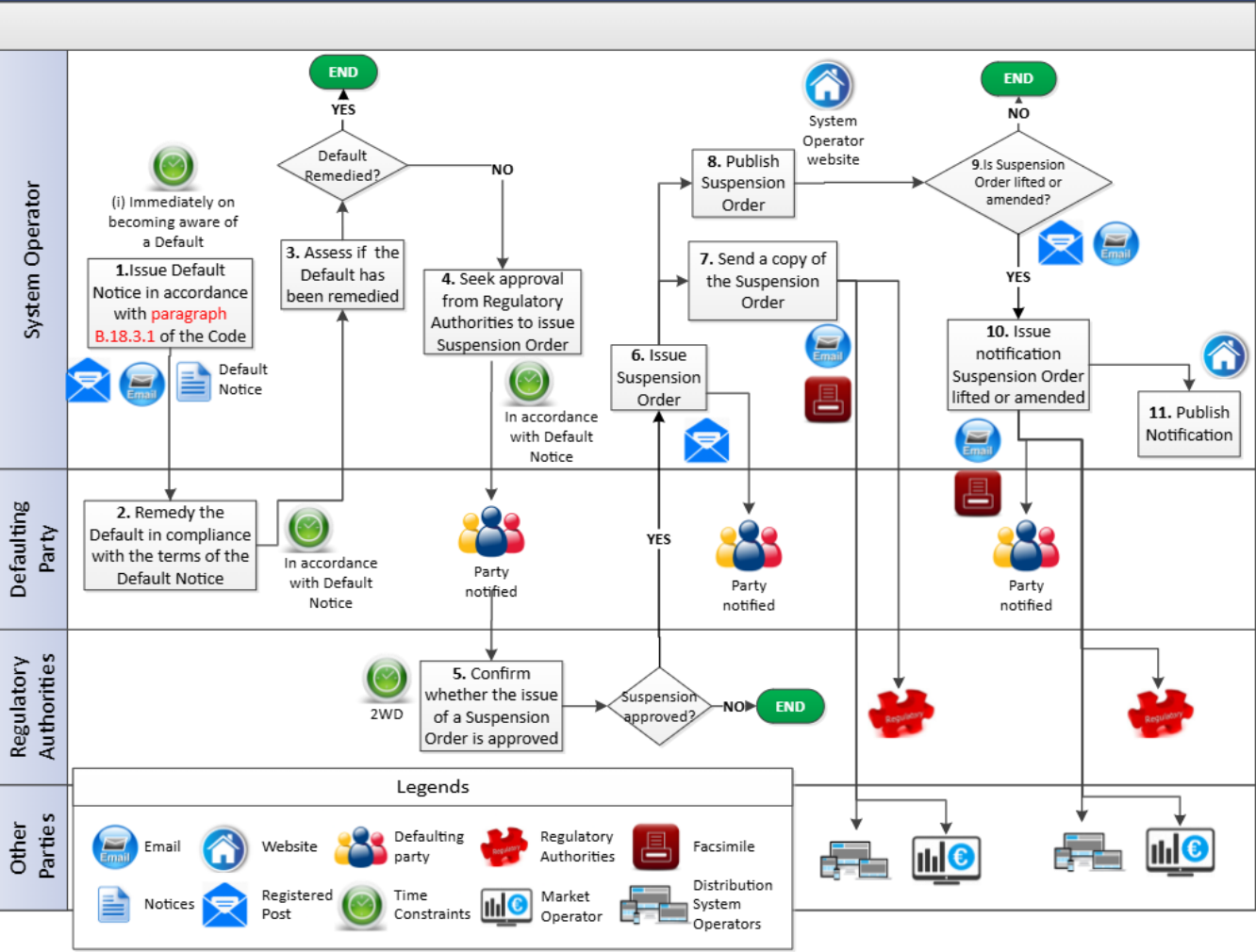


Overview and Timelines

- Deregistration and Voluntary Termination are conditional on there being no remaining payments due or obligations under the Code.
- The Deregistration Form must be provided 40 WD prior to the Deregistration date.
- For Voluntary Termination, notice must be received 90 WD prior to Voluntary Termination taking effect.

Issuing a Suspension Order and Suspending a Party

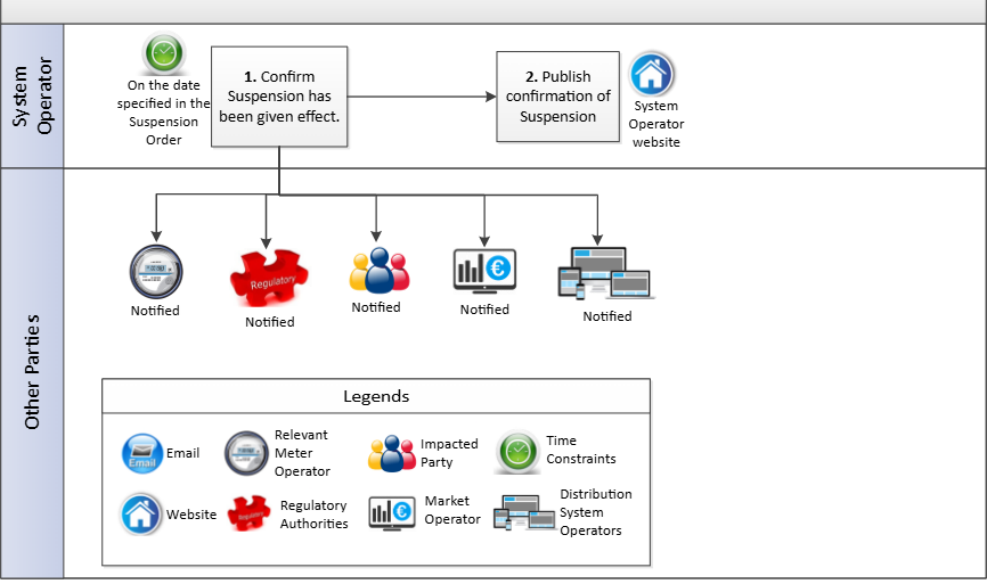
Issuing a Suspension Order - Issuing a Suspension Order in accordance with [TSC paragraph 8.18.3.1] of the code



Overview

- Suspension Orders would be sent with the approval of the Regulatory Authorities, following a Default Notice.
- If the Default is not remedied and lifted prior to the date of effect in the Suspension Order, the System Operator will confirm and apply the suspension.
- Interactions with suspension under the TSC will be further determined as part of future work.

Suspension



Agreed Procedure 14: Dispute Resolution

Procedure Overview

- The Disputes Agreed Procedure covers:
 - Raising the various types of Disputes (Pricing, Settlement Query, General);
 - Appointment of the System Services Dispute Resolution Board (SSDRB);
 - The timescales and procedures associated with a decision of the SSDRB;
- Drafting is closely aligned with the equivalent TSC procedure.

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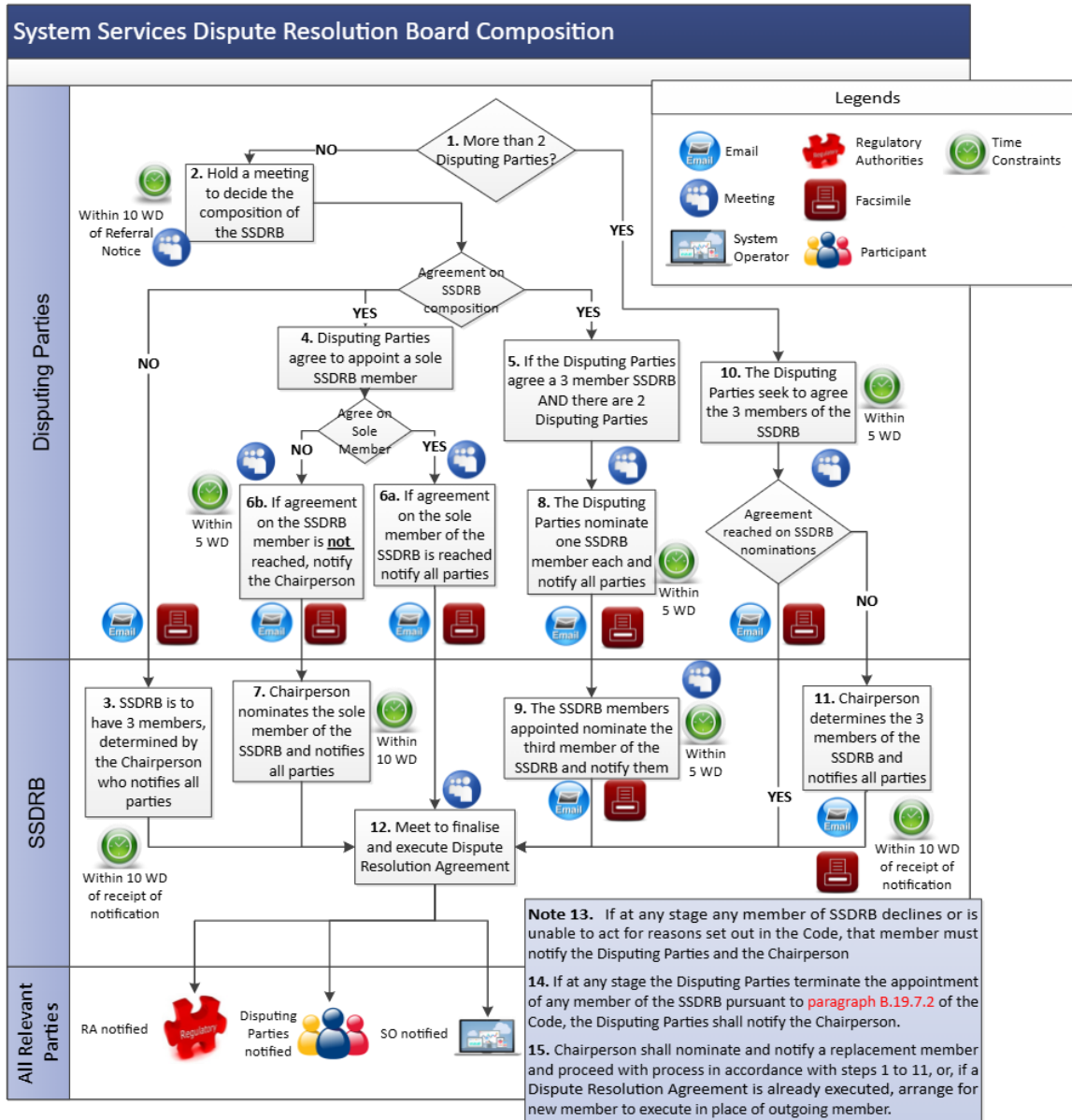
Raising a Dispute



- ## Comparison with TSC arrangements

- General or Other Disputes at step 1d must be raised within 1 year of the Disputed Event (rather than 2 years as under the TSC).

System Services Dispute Resolution Board Composition



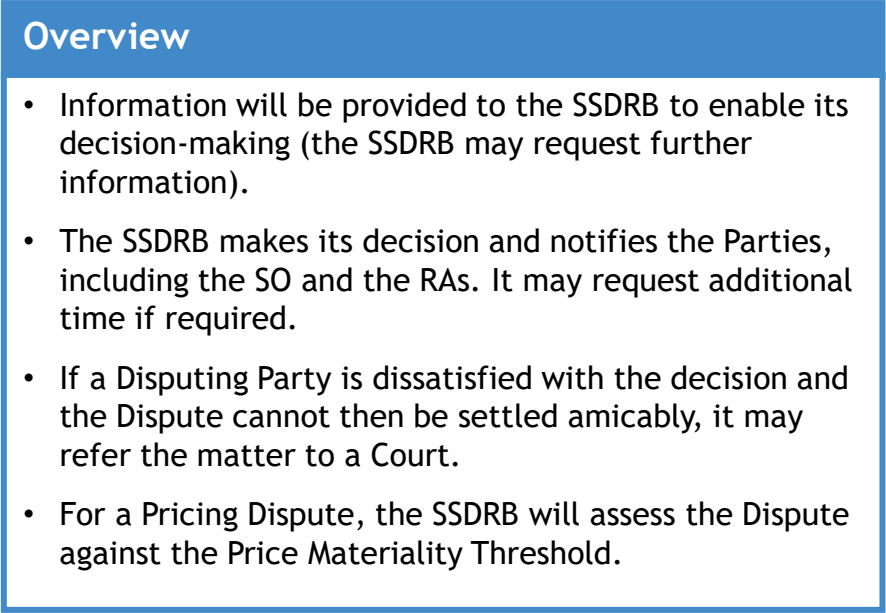
Overview

- The SSDRB will have a single member, unless one of the following conditions are met, in which case it will have 3 members:
 - There are more than 2 Disputing Parties
 - The Disputing Parties cannot agree on the number of members or agree to 3 members.
- Where the Disputing Parties cannot agree on the selection of member(s) (or the number of members), the SSDRB chairperson will appoint the members. Otherwise:
 - If a Single member SSDRB:** The Disputing Parties agree the single member.
 - If a 3 member SSDRB:** The Disputing Parties each appoint one member. The appointed members then appoint a third member.

Comparison with TSC arrangements

- In there is no agreement on number of members on the SSDRB, there will be 3 members (rather than 1 member).

System Services Dispute Resolution Board Decision



- Information will be provided to the SSDRB to enable its decision-making (the SSDRB may request further information).
- The SSDRB makes its decision and notifies the Parties, including the SO and the RAs. It may request additional time if required.
- If a Disputing Party is dissatisfied with the decision and the Dispute cannot then be settled amicably, it may refer the matter to a Court.
- For a Pricing Dispute, the SSDRB will assess the Dispute against the Price Materiality Threshold.

- Information will be provided to the SSDRB to enable its decision-making (the SSDRB may request further information).
- The SSDRB makes its decision and notifies the Parties, including the SO and the RAs. It may request additional time if required.
- If a Disputing Party is dissatisfied with the decision and the Dispute cannot then be settled amicably, it may refer the matter to a Court.
- For a Pricing Dispute, the SSDRB will assess the Dispute against the Price Materiality Threshold.

Revised Layout for Auction Design

Proposal for Revised Table of Contents

Section Ref.	Code Sections - PEV 1
2	Background and Interpretation
3	Legal and Governance
4	Participation, Accession and Registration
5	Qualification
6	Auction format of DASSA
7	Secondary and Bilateral Trading
8	Obligations
9	<i>TBC - Real Time Security Solution (Alternative to FAM)</i>
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New Sections

Section Ref.	Proposed Revision of Code Sections
2	Background and Interpretation
3	Legal and Governance
4	Participation, Accession and Registration
5	Qualification
6	System Services and Products
7	Zones and Product Requirements
8	TSO Operational Preferences
9	Day Ahead System Services Auction
10	Secondary and Bilateral Trading
11	Obligations
12	Real Time Security Solution - Alternative to FAM
13	System Services Supplier Charge
14	Long Term Contracts
15	Transition Arrangements
16	Settlement
17	Appendices

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7	Zones and Product Requirements
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AOB