

TERMS OF REFERENCE
(Version 2.0)

APPENDIX FOR MODIFICATION PROPOSAL P232

Modification Proposal P232 will be considered by the Governance Standing Modification Group and Settlement Standing Modification Group in accordance with the GSMG, SSMG and P232 Terms of Reference and the Appendix attached.

P232 – ‘Black Start and Fuel Security Compensation and Single Imbalance Price Derivation’

1. ASSESSMENT PROCEDURE

- 1.1 The Modification Group will carry out an Assessment Procedure in respect of Modification Proposal P232 pursuant to section F2.6 of the Balancing and Settlement Code.
- 1.2 The Modification Group will produce an Assessment Report for consideration at the BSC Panel Meeting on 09 April 2009.
- 1.3 The Modification Group shall consider and/or include in the Assessment Report as appropriate:
 - Confirm what further detail is required regarding the compensation arrangements pursuant to a Black Start or FSC event, and where this detail should be documented including:
 - Whether there should be a ‘de-minimis threshold’ and, if so, what it should be;
 - The timetable for submission of claims and admission of further evidence;
 - The timetable and process for progressing claims;
 - The treatment of interim claims; and
 - The publication of claims material and compensation decisions.
 - Confirmation of the process for cost recovery under the BSC;
 - Identify the impacts on BSC Parties, BSC Panel, BSCCo and the Transmission Company;
 - Detail the formulation and composition of the claims committee;
 - Confirm the further detail of the calculation of a single Imbalance Price, to determine whether this is the best methodology to use and to ensure the methodology is enduring to a range of possible FSC events, and to confirm the Panel’s role in the process;
 - Determine whether additional procedures introduced by P232 will necessitate the development of a new BSCP to facilitate the proposed claims process; and
 - Determine which costs should constitute Avoidable Costs (in terms of a Black Start) and, with respect to what are determined as Exceptional Costs in the FSC, identifying the cost headings for dealing with FSC Claims.