

## MODIFICATION PROPOSAL

### SECTION M

*Add new paragraph 1.2.1(f) as follows:*

#### 1.2 Energy Indebtedness

1.2.1 For the purposes of the Code:

- (a) in relation to a Settlement Period  $j$  the "**Energy Indebtedness**" ( $EI_{pj}$ , in MWh) of a Trading Party  $p$  shall be the algebraic sum of:
  - i) the algebraic sum of Actual Energy Indebtedness for Trading Party  $p$  for those Settlement Days  $d$  within the 29 day period for which (at Gate Closure for Settlement Period  $j$ ), Gate Closure has passed for the first Settlement Period of the Settlement Day following that on which the Settlement Calendar specifies that the Interim Information Settlement Run for Settlement Day  $d$  is to take place (but excluding those days for which, as a result of a delay in the Interim Information Settlement Run in accordance with Section T1.4, the ECVAA does not receive the Interim Information Settlement Run data from the SAA by Gate Closure for the first Settlement Period of the Settlement Day containing Settlement Period  $j$ ); and
  - ii) the algebraic sum of Credit Assessment Energy Indebtedness for Trading Party  $p$  in relation to that Settlement Period and all prior Settlement Periods in days falling within the 29 day period for which paragraph 1.2.1(a)(i) does not apply;
- (b) a reference to a Trading Party's Energy Indebtedness at any time is to its Energy Indebtedness in relation to the latest Settlement Period for which Gate Closure occurred before such time;
- (c) in relation to a Settlement Period, the 29 day period means the period of 29 Settlement Days expiring on (and including) the Settlement Day which includes that Settlement Period;
- (d) for the purposes of paragraph 1.2.1(a)(i), where (by Gate Closure for the first Settlement Period of the Settlement Day containing the Settlement Period  $j$ ), the ECVAA has not received the Interim Information Settlement Run data from the SAA in accordance with Section T5.3.5 for any Settlement Day  $d$  within the 29 day period to which paragraph 1.2.1(a)(i) applies (other than as a result of a delay in the Interim Information Settlement Run in accordance with Section T1.4), the ECVAA shall use the Credit Assessment Energy Indebtedness for the Settlement Periods in that Settlement Day  $d$  but without prejudice to paragraph 4; and
- (e) in relation to a Trading Party and Settlement Day, where BSCCo:
  - i) is aware that the ECVAA has not received relevant Interim Information Settlement Run data from the SAA in accordance with Section T5.3.5; or
  - ii) has substantial evidence or other reasons to believe that the data to be derived from the Initial Settlement Run for that Trading Party and that

Settlement Day are likely to be significantly different (in the context of that particular Trading Party) from the corresponding Interim Information Settlement Run data received by the ECVAA from the SAA in accordance with Section T5.3.5;

the absence of such data or the likelihood of such a significant difference (as the case may be) may, if BSCCo so decides and to the extent that it materially affects matters, constitute a material doubt for the purposes of paragraph 3.4.3(a)(ii).

(f) Where a Trading Party elects to submit to BSCCo such evidence as is referred to in paragraph 1.2.1(e), BSCCo must review that evidence as soon as practicable after receiving it, but must verify any opinion formed in relation to such evidence as soon as practicable after receiving a level 1 default notice (in accordance with paragraph 3.2.1(a)(ii)) in relation to that Trading Party.

*Add new paragraph 1.5A as follows:*

### **1.5A Annual Holiday Periods**

For purposes associated with the Credit Assessment Load Factor the “Annual Holiday Periods” for any BSC Year shall be the periods:

(a) commencing on the Thursday immediately prior to Good Friday and concluding on the Tuesday next following Easter Monday (inclusive); and

(b) commencing on the relevant commencement day and concluding on the relevant conclusion day (inclusive) in accordance with the following table:

<u>Christmas Eve falls:</u>	<u>commencement day:</u>	<u>New Years Day falls:</u>	<u>conclusion day:</u>
<u>Sunday</u>	<u>preceding Saturday</u>	<u>Sunday</u>	<u>following Tuesday</u>
<u>Monday</u>	<u>preceding Saturday</u>	<u>Monday</u>	<u>following Tuesday</u>
<u>Tuesday</u>	<u>preceding Saturday</u>	<u>Tuesday</u>	<u>following Wednesday</u>
<u>Wednesday</u>	<u>that day</u>	<u>Wednesday</u>	<u>following Thursday</u>
<u>Thursday</u>	<u>that day</u>	<u>Thursday</u>	<u>following Sunday</u>
<u>Friday</u>	<u>that day</u>	<u>Friday</u>	<u>following Sunday</u>
<u>Saturday</u>	<u>that day</u>	<u>Saturday</u>	<u>following Tuesday</u>

*Insert new paragraph 1.7 as follows:*

### **1.7 Material Doubt Guidance**

The Panel shall establish, and may from time to time revise, and shall provide to BSCCo and shall make available to all Trading Parties, principles or guidance as to the basis on which the existence or absence of material doubt is to be established by BSCCo for the purposes of paragraph 3.4.3(a)(ii).

*Amend paragraph 3.4.3 as follows:*

3.4.3 Where the ECVAA submits to BSCCo a copy of a level 1 default notice under paragraph 3.2.1 in relation to a Trading Party:

- (a) BSCCo shall, promptly upon (but not earlier than) the expiry of the Query Period, give an authorisation notice to the ECVAA unless:
  - (i) BSCCo has been notified by the ECVAA that in the ECVAA's opinion there is, or
  - (ii) BSCCo otherwise has substantial evidence that, or other reasons to believe that, there is  
  
(in accordance with paragraph 1.2.1(e) and the prevailing principals or guidance established by the Panel in accordance paragraph 1.7) a material doubt as to whether, at the time, the systems and processes used by the ECVAA are giving correct determinations of the values of Credit Cover Percentage for that Trading Party;
- (b) subject to paragraph (c), BSCCo shall not be required to make any enquiry of the Trading Party or any other person (but in accordance with paragraph 1.2.1(f) will take into account any information already provided by the Trading Party which is relevant to the matter in paragraph (a));
- (c) if (pursuant to paragraph (a)(i) or (ii)) BSCCo withholds an authorisation notice:
  - (i) BSCCo shall investigate the matter; and
  - (ii) if at any time it concludes that there is not (or no longer is) any material doubt as to the matter in paragraph (a), BSCCo shall promptly give the authorisation notice.

#### **Annex X-1**

*Add new defined term as follows:*

"Annual Holiday Periods" has the meaning given in M1.5A;