

P29/008 Addendum Attachment 1 – Proposed Text for Modifying the Code

The following text is redlined against that in the Draft Modification Report (P/29/008):

Sections M1.2 to M1.4 amended as follows:

1.2 Energy Indebtedness

1.2.1 For the purposes of the Code:

~~(a)~~ (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 ~~the~~:

~~⊕~~ ⊕ ~~(i)~~ (i) the algebraic sum of Actual Energy Indebtedness for Trading Party p for those ~~days~~Settlement Days d within the 29 day period for which (at Gate Closure for ~~period~~Settlement Period j), Gate Closure has passed for the first Settlement Period of the ~~day~~Settlement Day following that on which the Settlement ~~Timetable~~Calendar specifies that the Interim Information Settlement Run for ~~day~~Settlement Day d is to take place ~~(subject to paragraph~~(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 ~~T1.4)~~Period of the Settlement Day containing Settlement Period j); and

~~⊕~~ ⊕ ~~(ii)~~ (ii) the algebraic sum of Credit Assessment Energy Indebtedness for ~~those periods in a day~~Trading Party p in relation to that Settlement Period and all prior Settlement Periods in days falling within the 29 day period ~~that doesn't meet the above condition~~for which paragraph 1.2.1(a)(i) does not apply;

~~(b)~~ (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~~time;

~~(c)~~ (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)~~ (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)~~ (e) where BSCCo is aware that the ECVAA has not received relevant Interim Information Settlement Run data from the SAA in accordance with Section T5.3.5, the absence of such data may (if BSCCo so decides) constitute a material doubt for the purposes of paragraph 3.4.3(a)(ii).

1.2.2 For the purposes of paragraph 1.2.1, the Credit Assessment Energy Indebtedness (CEI_{pj}, in MWh) of a Trading Party in relation to a Settlement Period shall be determined as follows:

$$CEI_{pj} = - (\sum_{a,i} CAQCE_{iaj} - \sum_a QABC_{aj})$$

where:

(a) summation on 'a' extends to the Production Energy Account and Consumption Energy Account of the Trading Party, and

(b) CAQCE_{iaj} is the Credit Assessment Credited Energy Volume in accordance with paragraph 1.2.3.

1.2.3 The Credit Assessment Credited Energy Volume (CAQCE_{iaj}, in MWh) shall be determined:

(a) for each BM Unit which is a Consumption BM Unit, and for each Energy Account which is a Subsidiary Energy Account for that BM Unit, as follows:

$$CAQCE_{iaj} = (SPD * BMCAIC_i) * (QMPR_{iaj}/100) + QMFR_{iaj}$$

(b) for each BM Unit which is a Production BM Unit, and for each Energy Account which is a Subsidiary Energy Account for that BM Unit, as follows:

$$CAQCE_{iaj} = (SPD * BMCAEC_i) * (QMPR_{iaj}/100) + QMFR_{iaj}$$

(c) for each BM Unit which is a Consumption BM Unit, for the Energy Account which is the Lead Energy Account for that BM Unit, as follows:

$$CAQCE_{iaj} = (SPD * BMCAIC_i) - \sum_a CAQCE_{iaj}$$

(d) for each BM Unit which is a Production BM Unit, for the Energy Account which is the Lead Energy Account for that BM Unit, as follows:

$$CAQCE_{iaj} = (SPD * BMCAEC_i) - \sum_a CAQCE_{iaj}$$

where, for the purposes of paragraphs 1.2.3(c) and 1.2.3(d) only, \sum_a represents the sum over all Energy Accounts other than the Lead Energy Account.

1.2.4 Upon any change in the value of BM Unit Credit Assessment Export Capability or BM Unit Credit Assessment Import Capability for a BM Unit, values of Energy Indebtedness (for relevant Trading Parties) shall be determined (in relation to Settlement Periods in and from the day on which, in accordance with paragraph 1.6, the change becomes effective) as though such change were effective with effect from the first of the 29 days referred to in paragraph 1.2.1.

1.2.5 For the purposes of paragraph 1.2.1, in relation to a Settlement Day d, the Actual Energy Indebtedness (AEI_p of Trading Party p (AEI_p, expressed in MWh) shall be determined as follows:

$$AEI_p = \text{Trading Charges} / \text{CAP}$$

_____ where:

~~(a)~~ (a) CAP is the Credit Assessment Price in accordance with paragraph 1.4.1.4 prevailing at the time the relevant calculation is to be made by the ECVAA;
and

~~(b)~~ (b) the Trading Charges are the single net credit ~~and/or~~ debit amount (expressed in £) for that Trading Party, determined by the Interim Information Settlement Run, for ~~the~~ Settlement Day ~~for all Trading Charges in accordance with paragraph T5.3.3 (e)-d as referred to in paragraph T5.3.3(c).~~

1.2.6 The ECVAA shall determine each Trading Party's Energy Indebtedness in relation to each Settlement Period as soon as reasonably practicable after Gate Closure for that Settlement Period.

1.3 Authority for steps under Sections M and P

1.3.1 In relation to the provisions of this Section M and Section P (and without prejudice to the generality of Section U2.6, but without prejudice to the ability of a Trading Party to raise a Trading Dispute), each Trading Party:

_____ (a) acknowledges that the calculation of Energy Indebtedness and other matters to be calculated under this Section M involves the possibility of error;

_____ (b) agrees that (subject to paragraph 3.2.4) the steps provided for in paragraph 3 and Sections P2.4 and P3.4 are to be taken notwithstanding any such error;

_____ (c) acknowledges that such Trading Party may avoid any such steps being taken, including by providing additional Credit Cover (on the basis that it may withdraw such additional Credit Cover in accordance with paragraph 2.3.3 following resolution of such error).

1.3.2 Each Trading Party:

_____ (a) hereby authorises the Panel, any Panel Committee, BSCCo, the ECVAA and the SAA to take any step contemplated by paragraph 3 and Sections P2.4 and P3.4; and

_____ (b) agrees that (without prejudice to the generality of any other provision of the Code which limits or excludes liability), the Panel, each Panel Committee, BSCCo, and each BSC Agent shall have no liability (in contract or tort including negligence or otherwise) to such Trading Party for the taking of any such step, except as provided in paragraph 4, and waives any such liability that any such body or person might otherwise have.

1.3.3 Nothing in paragraph 1.3.2(b) shall exclude or limit the liability of any person for death or personal injury resulting from that person's negligence.

1.4 Credit Assessment Price

1.4.1 For the purposes of the Code the "Credit Assessment Price" shall be such amount (in £/MWh) as the Panel shall from time to time determine, after consultation with Trading Parties, as the price which it would be appropriate to use to determine the equivalent financial amount of Trading Parties' Energy Indebtedness for the purposes of this Section M.

1.4.2 Whenever the Panel determines to revise the Credit Assessment Price:

- ~~(a)~~ (a) the Panel shall notify the revised Credit Assessment Price to each Trading Party, the FAA and the ECVAA;
- ~~(b)~~ (b) the revised Credit Assessment Price shall be effective for the purposes of the Code from the date specified by the Panel, which shall not be earlier than the 20th Business Day following the date of notification by the Panel under paragraph (a).

No further changes until new section T4.2.2 added as follows:

4.2.2 For the purposes of the Interim Information Settlement Run only, the BM Unit Metered Volume for Supplier BM ~~Units~~Unit i for Settlement Period j in Settlement Day d will be determined as follows:

$$QM_{ij} = \frac{GSPGT_{ij} * QM_{ij}}{GSPGT_{ij} * QM_{ij} / GSPGT_{ij}}$$

where:

~~(a) GSPGT_{ij}~~ (a) GSPGT_j is the GSP Group Take in period received by the SAA from the CDCA in respect of Settlement Period j for the GSP Group H in which Supplier BM Unit i is registered, and

~~(b) QM_{ij} and GSPGT_{ij} are~~ (b) QM_{ij} and GSPGT_j are respectively the values of BM Unit Metered Volume for that Supplier BM Unit and GSP Group Take for that GSP Group in Settlement Period j', and

(c) Settlement Period j' is defined as follows:

~~(e)~~ (i) if Settlement Day d is not a clock change day, Settlement Period j' is the equivalent Settlement Period on Settlement Day d' corresponding to Settlement Period j on Settlement Day d, and;

(ii) if Settlement Day d is a short clock change day, defaulting rules will be applied as follows:

(1) if Settlement Period j is one of the first two Settlement Periods of Settlement Day d, Settlement Period j' is the Settlement Period on Settlement Day d' corresponding to Settlement Period j on Settlement Day d;

(2) if Settlement Period j is not one of the first two Settlement Periods of Settlement Day d, Settlement Period j' is the second Settlement Period after the Settlement Period on Settlement Day d' corresponding to Settlement Period j on Settlement Day d;

(iii) if Settlement Day d is a long clock change day, defaulting rules will be applied as follows:

(1) if Settlement Period j is one of the first four Settlement Periods of Settlement Day d, Settlement Period j' is the Settlement Period on Settlement Day d' corresponding to Settlement Period j on Settlement Day d;

(2) if Settlement Period j is not one of the first four Settlement Periods of Settlement Day d, Settlement Period j' is the second Settlement Period prior to the Settlement Period on Settlement Day d' corresponding to Settlement Period j on Settlement Day d;

or, in the case of paragraphs (ii) and (iii), such other or supplementary defaulting rules as may be approved from time to time by the Panel and notified by BSCCo to Trading Parties and the Transmission Company;

~~(d)~~ (d) Settlement Day d' is the most recent Settlement Day, that Day prior to Settlement Day d, that is not a clock change day and is the same week day of the week as Settlement Day d, and for which the Initial Settlement Run has taken place;

(e) in this paragraph 4.2.2, corresponding means corresponding in sequence (that is to say, the first Settlement Period of a Settlement Day corresponds to the first Settlement Period of another Settlement Day and so on).

No further changes until new section T5.3.5 added as follows:

5.3.5 In relation to each Settlement Day, following the Interim Information Settlement Run, the SAA shall provide to the ECVAA the data and information specified in paragraphs 5.3.2 ~~to 5.3.4, and 5.3.3,~~ relating to each Interim Information Settlement Run, on the day that the Settlement Calendar specifies the Interim Information Settlement Run for the Settlement Day is to take place (subject to paragraph 1.4).

No further changes until section U2.3.2 is amended as follows:

2.3.2 In addition to the foregoing, an interim Settlement Run ("**Interim Information Settlement Run**"), and an interim Volume Allocation Run in respect of Central Volume Allocation (an "**Interim Information Volume Allocation Run**"), not giving rise to Settlement, will be carried out before the Initial Settlement Run, for the purposes of informing Trading Parties and the Transmission Company of the amounts expected to give rise to payments under the Initial Settlement Run and enabling them to identify and seek correction of any errors they believe to have been made in the determination of such amounts, and for the purposes of Section M1.2.

No further changes until definitions in Table X-2 of Annex X-2 amended as follows:

Actual Energy Indebtedness	AEI _p	MWh	The amount determined as such in accordance with Section M1.2.5. <i>The Actual Energy Indebtedness is the net energy contribution determined to be allocated to a Trading Party for Settlement Periods as defined in Section M1.2.1.</i>
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BM Unit Metered Volume	QM _{ij}	MWh	<p>In respect of a Settlement Period:</p> <ul style="list-style-type: none"> (i) in relation to a BM Unit (other than an Interconnector BM Unit) comprising CVA Metering Systems, the Metered Volume (as determined in accordance with Section R); (ii) in relation to an Interconnector BM Unit of an Interconnector User, the quantity determined in accordance with Section R7.4.2 (but without prejudice to Section T1.4.6); (iii) in relation to an Interconnector BM Unit allocated to an Interconnector Error Administrator, the quantity determined in accordance with Section T4.1; and (iv) in relation to a Supplier BM Unit, the quantity determined in accordance with Section T4.2.1 and or <u>(for the purposes only of the Interim Information Settlement Run) Section T4.2.2.</u>
Credit Assessment Energy Indebtedness	CEI _{pj}	MWh	<p>The amount determined as such in accordance with Section M1.2.2.</p> <p><i>The Credit Assessment Energy Indebtedness is the net energy contribution determined to be allocated to a Trading Party for Settlement Periods as defined in Section M1.2.1.</i></p>

No further changes until following acronym added to Table X-3 of Annex X-2:

AEI _p	MWh	Actual Energy Indebtedness
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P29/008 Addendum Attachment 2 – Alternative Text for Option (b)

As described in section 3 of the Addendum to P/29/008, the review of the drafting did identify an alternative option for changing the Code, which would not allow Parties to claim Credit Cover Error Compensation if they were placed in Credit Default as a result of failure by ECVAA to receive data from SAA in a timely manner. The text to implement this option would be as in Attachment 1, except as follows:

Paragraph M1.2.1(a) would be replaced by the following:

1.2.1 For the purposes of the Code:

- (a) in relation to a Settlement Period j the "**Energy Indebtedness**" ($E_{I_{pj}}$, 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 the time the ECVAA is to determine the Energy Indebtedness of that Trading Party for that Settlement Period):
 - (1) the ECVAA has received the Interim Information Settlement Run data from the SAA in accordance with Section T5.3.5; and
 - (2) Gate Closure has passed for the first Settlement Period of the Settlement Day following that on which the ECVAA received such Interim Information Settlement Run data; and

Paragraph M1.2.1(d) would be deleted.

Paragraph M1.2.1(e) would be renumbered to M1.2.1(d).