SECTION A: PARTIES AND PARTICIPATION (*Version 5.0 including all Approved Modifications awaiting Implementation)*

1. GENERAL

Amend paragraph 1.4 as follows:

1.4 Energy Accounts

1.4.1 Each of the following Parties shall hold a Production Energy Account and a Consumption Energy Account for the purposes of the Code:

(a) a Party which is or is to be responsible (as defined in Section K) for Imports and/or Exports of electricity at one or more Boundary Points;

(b) a Party which is or is to be appointed and agrees to act as an Interconnector Error Administrator in relation to an Interconnector;

(c) any other Party which wishes to and applies in accordance with the Code to hold Energy Accounts.

1.4.2 Subject to paragraph 1.4.3, no Party shall hold more than one Production Energy Account and more than one Consumption Energy Account and, accordingly, a Party which falls within more than one of the descriptions in paragraph 1.4.1(a), (b) or (c) shall hold one Production Energy Account and one Consumption Energy Account for all such activities.

1.4.3 If at any time the Transmission Company is appointed (other than pursuant to Section K5.4.5) as Interconnector Error Administrator in relation to an Interconnector, then the Transmission Company shall hold a Production Energy Account and a Consumption Energy Account in its capacity as Interconnector Error Administrator (and where it is so appointed in relation to more than one Interconnector, it shall hold separate such accounts in relation to each), in addition to and separately from Energy Accounts which it may hold pursuant to paragraph 1.4.1(c).

Insert new paragraph 1.4.4 as follows:

1.4.4 A Trading Party shall be a **Tolerance Qualifying Party** where:

(a) the Trading Party has made an election, by notice to BSCCo given in accordance with BSCP 65, to be treated as such, and has not withdrawn such election; and

(b) the conditions in paragraph 1.4.5 are satisfied in relation to such Trading Party.

Insert new paragraph 1.4.5 as follows:

1.4.5 The conditions are:

(a) that no other Party which is an Affiliate of the Trading Party is a Tolerance Qualifying Party; and

(b) that the Trading Party or an Affiliate of the Trading Party is for the time being a Supplier.

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Insert new paragraph 1.4.6 as follows:

1.4.6 The election under paragraph 1.4.4(a) shall become effective, and the Trading Party shall become a Tolerance Qualifying Party, on and from the later of:

(a) the date specified by such Trading Party in its notice in accordance with BSCP 65; and

(b) the day following that on which (in accordance with BSCP 65) BSCCo confirms to the CRA that all of the requirements (including those in this paragraph 1.4) specified for such effectiveness BSCP 65 have been satisfied.

Insert new paragraph 1.4.7 as follows:

1.4.7 If (as a result of a Trading Party becoming an Affiliate of another Trading Party) the condition in paragraph 1.4.5 ceases to be satisfied in relation to a Tolerance Qualifying Party, each of the Affiliates which are Tolerance Qualifying Parties shall be deemed to have withdrawn their election under paragraph 1.4.4(a) with effect from such event.

Insert new paragraph 1.4.8 as follows:

1.4.8 Where any Trading Party elects to be treated as a Tolerance Qualifying Party under paragraph 1.4.4(a) then such Trading Party shall notify and keep notified, BSCCo of all other Trading Parties of which it is an Affiliate.

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SECTION T: SETTLEMENT AND TRADING CHARGES (*Version 15.0 including all Approved Modifications awaiting Implementation*)

Insert new paragraph 1.8 as follows:

1.8 Tolerance Band (TB) and Tolerance Price Differential (TPD)

1.8.1 For the purposes of the Code, subject to paragraph 1.8.2:

(a) the Tolerance Band shall be 20 MWh;

(b) the Tolerance Price Differential shall be 0.1.

1.8.2 The Panel may from time to time revise the value of the Tolerance Band and/or the Tolerance Price Differential with the approval of the Authority.

1.8.3 Where the Panel proposes to make any revision of the amount of the Tolerance Band and/or the Tolerance Price Differential, the Panel shall:

(a) consult with Parties on its proposed revision; and

(b) provide to the Authority a detailed summary of the views expressed on the course of such consultation.

4. SETTLEMENT CALCULATIONS

Delete paragraph 4.7.1 and replace with the following:

4.7 Determination of Energy Imbalance Cashflows ($CAEI_{aj}$ and $TCEI_j$)

4.7.1 ~~In respect of each Settlement Period, the Account Energy Imbalance Cashflow for each Energy Account, other than the TC (Non-IEA) Energy Accounts held by the Transmission Company, will be determined as follows:~~

~~if $QAEI_{aj} > 0$ then $CAEI_{aj} = -QAEI_{aj} * SSP_j$~~

~~otherwise $CAEI_{aj} = QAEI_{aj} * SBP_j$~~

~~In respect of each Settlement Period, the Account Energy Imbalance Cashflow for each Energy Account held by the Transmission Company will be determined as follows:~~

~~$CAEI_{aj} = 0$~~

In respect of each Settlement Period, the Account Energy Imbalance Cashflow for each Energy Account will be determined as follows:

$CAEI_{aj} = CAEITB_{aj} + CAEIRV_{aj}$

Insert new paragraph 4.7.1A

4.7.1A Subject to paragraphs 4.7.1B and 4.7.1C, in respect of each Settlement Period, the Tolerance Account Energy Imbalance Cashflow and the Non-Tolerance Account Energy Imbalance Cashflow for each Energy Account will be determined as follows:

$CAEITB_{aj} = 0$

if $QAEI_{aj} > 0$ then $CAEIRV_{aj} = -QAEI_{aj} * SSP_j$

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otherwise $CAEIRV_{aj} = – QAEI_{aj} * SBP_j$

Insert new paragraph 4.7.1B

4.7.1B In relation to the Consumption Energy Account held by a Tolerance Qualifying Party, in relation to any Settlement Period for which:

(a) the Net Imbalance Volume is a positive number, and

(b) $QAEI_{aj}$ is a negative number

then the Tolerance Account Energy Imbalance Cashflow and the Non-Tolerance Account Energy Imbalance Cashflow for such Energy Account shall be determined as follows:

$CAEITB_{aj} = -\{Max (QAEI_{aj}, - TB) * TP_j\};$

$CAEIRV_{aj} = -\{Min (QAEI_{aj} + TB, 0) * SBP_j\};$

where:

TB is the Tolerance Band;

TP_j is the Tolerance Price, determined as follows:

$TP_j = Min (SBP_j, (1 + TPD) * SSP)$

where TPD is the Tolerance Price Differential.

Insert new paragraph 4.7.1C

4.7.1C In respect of each Settlement Period, the Tolerance Account Energy Imbalance Cashflow and the Non-Tolerance Account Energy Imbalance Cashflow for each of the TC (Non-IEA) Energy Accounts held by the Transmission Company will be determined as follows:

$CAEITB_{aj} = 0$

$CAEIRV_{aj} = 0$

Insert new paragraph 4.8.13A

4.8 Non-Delivery Rule and Calculations

4.8.13A In respect of each Settlement Period, the Account Tolerance Non-Delivery Charge will be determined as follows:

Where $CAEITB_{aj} = 0$, $TCND_{aj} = 0$

Otherwise

$TCND_{aj} = [Min(0, Max(QAEI_{aj} + \Sigma_{i \in a}\Sigma^n QNDO^n_{ij}, -TB) - Max(QAEI_{aj}, -TB)]* (SBP-TP)$

where:

$\Sigma_{i \in a}$ is the sum over all BM Units for which the Energy Account is the corresponding Energy Account of the Lead Party;

Σ^n is the sum over all Bid-Offer Pairs from BM Unit i

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Amend paragraph 4.8.14 as follows:

4.8.14 In respect of each Settlement Period, the Total System Non-Delivery Charge will be determined as the sum of all BM Unit Period Non-Delivery Charges for BM Units plus the sum of all Account Tolerance Non-Delivery Charges as follows:

$$TCND_j = \sum_i CND_{ij} + \Sigma_a TCND_{aj}$$

Where $\sum_i$ represents the sum over all BM Units and $\sum_a$ represents the sum over all Energy Accounts.

Amend paragraph 4.8.15 as follows:

4.8.15 In respect of each Settlement Day, for each Party p, the Daily Party Non-Delivery Charge shall be determined as:

$$CND_p = \Sigma_j \Sigma_{i \in p} CND_{ij} + \Sigma_j \Sigma_{a \in p} TCND_{aj}$$

where Σ_j represents the sum over all Settlement Periods, $\Sigma_{a \in p}$ represents the sum over the Energy Accounts of Party p and $\Sigma_{i \in p}$ represents the sum over all BM Units for which Party p is the Lead Party.

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SECTION V: REPORTING (*Version 21.0 including all Approved Modifications awaiting Implementation*)

Amend paragraph 4.2 as follows:

4. REPORTING BY BSCCO

4.2 Market data

4.2.1 BSCCo shall arrange for the data referred to in this paragraph 4.2 ("**market data**") to be published or made available in the manner specified in this paragraph 4.2, subject to paragraph 4.3.

4.2.2 Market data comprises the following:

(a) the CRS registration data as described in paragraph 4.2.3;

(b) the Funding Shares of each Trading Party as described in paragraph 4.2.4;

(c) the Indicative Balancing Services Adjustment Data and Balancing Services Adjustment Data as described in paragraph 4.2.5;

(d) the System Sell Price, System Buy Price, Tolerance Price and Net Imbalance Volume as described in paragraph 4.2.6;

(e) the Credit Default statements as described in paragraph 4.2.7;

(f) the Market Index Data as described in paragraph 4.2.8~~.~~;

(g) the list of all Tolerance Qualifying Parties and the associated trading party group as described in paragraph 4.2.8A.

Amend paragraph 4.2.6 as follows:

4.2.6 The System Sell Price, the System Buy Price, Tolerance Price and Net Imbalance Volume for each Settlement Period in a Settlement Day shall be published on the BSC Website (and displayed for a period of 30 days), as soon as reasonably practicable after the Initial Settlement Run in respect of such Settlement Day has been carried out and BSCCo has received such data from the SAA.

Add new paragraph 4.2.8A as follows:

4.2.8A An up to date list of all Tolerance Qualifying Parties and all Trading Parties in the associated trading party group of each Tolerance Qualifying Party shall be published on the BSC Website and revised from time to time as soon as practicable after any change in such data.

Add new paragraph 4.2.8B

4.2.8B For the purposes of this paragraph 4.2, a "**trading party group**" means a Trading Party and every Affiliate Trading Party of that Trading Party.

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Amend Table X-1 as follows:

ANNEX X-1: GENERAL GLOSSARY (*Version 32.0 including all Approved Modifications awaiting Implementation)*

"Tolerance Qualifying Party":	Has the meaning given to that term in Section A1.4.4;

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Amend Table X-2 of Annex X-2 by adding the following new definitions in alphabetical order:

ANNEX X-2: TECHNICAL GLOSSARY (*Version 23.30 including all Approved Modifications awaiting Implementation)*

Table X–2

Terms and Expressions Applying Except in Relation to Section S

1. Subject to paragraph 2, unless the context otherwise requires, in the Code the words, expressions and acronyms set out in this Table shall bear the respective meanings set out therein.

2. In the fourth column of this Table, words in italics are explanatory only and shall not affect the interpretation of any term in the Table or otherwise of the Code.

Defined Term	Acronym	Units	Definition/Explanatory Text
Account Tolerance Non-Delivery Charge	$TCND_{aj}$	£	The amount determined in accordance with Section T4.8.13A. *The Account Tolerance Non-Delivery Charge is a charge in Settlement Period j, that may relate to an accepted Offer n, that is determined not to have been delivered (within the Tolerance Band) (either wholly or in part) from BM Unit i.*
Non-Tolerance Account Energy Imbalance Cashflow	$CAEIRV_{aj}$	£	The amount determined in accordance with Section T4.7. *The Non-Tolerance Account Energy Imbalance Cashflow is the total cashflow resulting from the Energy Imbalance (excluding that part of the Energy Imbalance, if any, that relates to the Tolerance Band) of Energy Account a in Settlement Period j such that a negative quantity represents a payment to the Trading Party holding Energy Account a and a positive quantity represents a payment by the Trading Party holding Energy Account a.*
Tolerance Account Energy Imbalance Cashflow	$CAEITB_{aj}$	£	The amount determined in accordance with Section T4.7.
Tolerance Band	TB	MWh	The quantity determined in accordance with Section T1.8.
Tolerance Price	TP_j	£/MWh	The price determined in accordance with Section T4.7.1B.
Tolerance Price Differential	TPD		The amount established in accordance with Section T1.8.

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Amend Table X-3 of Annex X-2 by adding the following new definitions in alphabetical order:

Table X-3

Glossary of Acronyms Applying Except In Relation To Section S

This table provides a list of the acronyms defined in Table X-2, presented in alphabetical order of the acronym name.

Acronym	Units	Corresponding Defined Term or Expression
$CAEIRV_{aj}$	£	Non-Tolerance Account Energy Imbalance Cashflow
$CAEITB_{aj}$	£	Tolerance Account Energy Imbalance Cashflow
TB	MWh	Tolerance Band
$TCND_{aj}$	£	Account Tolerance Non-Delivery Charge
TP_j	£/MWh	Tolerance Price
TPD		Tolerance Price Differential

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