**DRAFT/1.6.06**

**MODIFICATION P199 – LEGAL DRAFTING**

**SECTION G**

*Insert new paragraph 1.1.6 as follows*

1.1.6 Paragraph 6 provides for variations to Settlement in respect of Demand Control Periods.

*Insert new paragraph 6 as follows:*

## 6. DEMAND CONTROL

### 6.1 General

6.1.1 This paragraph 6 applies where there is Demand Control pursuant to OC6.

6.1.2 For the purposes of this paragraph 6:

(a) references to Demand Control are to 'Demand Control' (as defined in the Grid Code) within OC6.1.2(c), (d) or (e);

(b) references to the occurrence of Demand Control are to:

(i) the giving by the Transmission Company to the relevant Network Operator of an instruction relating to that User System for Demand Control under OC6.5.3(a) or OC6.5.5(a) or OC6.7.1;

(ii) the initiation (under arrangements made by a Network Operator described in OC6.6) of automatic low Frequency Disconnection; or

(iii) the taking by the Transmission Company of an action to implement Demand Control under OC6.5.10, or for manual disconnection of a Non-Embedded Customer or Network Operator under OC6.7.7 or OC6.7.8;

and references to the time of occurrence of Demand Control shall be construed accordingly;

(c) 'OC6' is Operating Code No. 6 of the Grid Code, and references to sections of OC6 shall be construed accordingly; and subject to paragraph 6.1.3, the terms 'User System', 'Network Operator', 'Frequency', 'Disconnection' and 'Non-Embedded Customer' have the meanings given to them in the Grid Code;

(d) "**Demand Control Period**" in relation to a User System means the period:

(i) commencing with the occurrence of Demand Control in relation to that User System, and

(ii) (subject to paragraph 6.1.4) ending with:

(1) the giving by the Transmission Company to the relevant Network Operator of an instruction relating to that User System for restoration

of Demand under OC6.5.7, or (as the case may be) reconnection under OC6.7.6 or OC6.6.5;

(2) the manual reconnection of Non-Embedded Customers or Network Operators under OC6.7.7, or which have been manually disconnected under OC6.7.8; or

(3) the restoration by the Transmission Company of Demand under OC6.5.10;

(e) subject to paragraph 6.1.3, in relation to a User System the "**corresponding**" GSP Group is the GSP Group for the time being determined (and notified to the SAA) by BSCCo to correspond to such User System in accordance with paragraph 6.5.1;

(f) a "**Demand Control Settlement Period**" in relation to a User System or GSP Group is a Settlement Period which falls in whole or part within a Demand Control Period in relation to that User System or the corresponding GSP Group;

(g) in relation to a Demand Control Settlement Period, for each Settlement Run carried out in relation to such Settlement Period:

(i) the "**reference**" Settlement Period is Settlement Period j' as defined in Section T4.2.2(c);

(ii) for the purposes of paragraph 6.3, the value of $QM_{ij'}$ shall be determined on the basis of the Volume Allocation Run carried out for the purposes of the Initial Settlement Run relating to the reference Settlement Period (and shall not be revised on the basis of subsequent Volume Allocation Runs relating to the reference Settlement Period);

(h) in respect of any Demand Control Settlement Period, in relation to a GSP Group:

(i) the "**Total Demand Control Volume**" is the amount in MWh determined by the Transmission Company (in relation to the corresponding User System) under paragraph 6.2.1(a);

(ii) subject to paragraph 6.1.3, a "**Demand Control BM Unit**" is:

(1) a Supplier BM Unit, or

(2) where the Transmission Company has made a determination under paragraph 6.2.1(b), a Supplier BM Unit identified (in accordance with such determination) by the Transmission Company

in that GSP Group which was importing electricity in the reference Settlement Period.

6.1.3 In relation to Demand Control within OC6.5.10, OC6.7.7 or OC6.7.8, a BM Unit which is directly connected to the Transmission System shall be deemed for the purposes of this paragraph 6 to be a unique User System (and accordingly, in relation to a Demand Control Settlement Period, a unique Demand Control BM Unit); and in relation to such a BM Unit:

(a) references in this paragraph 6 to the relevant Network Operator shall be disregarded;

(b) paragraphs 6.2.1(b) and 6.6.10(b) shall not apply;

(c) the Transmission Company and BSCCo shall jointly establish a means by which the Transmission Company may (for the purposes of paragraph 6.5.2) identify such deemed User System;

(d) the correspondence referred to in paragraph 6.5.1 shall (for the avoidance of doubt) be one-for-one.

6.1.4 This paragraph 6 shall not apply in relation to a Black Start Period or a period in relation to which paragraph 4 applies; and upon the commencement of any such period, any Demand Control Period which is then in force shall end.

**6.2 Total Demand Control Volume**

6.2.1 The Transmission Company shall determine, in relation to each Demand Control Settlement Period in relation to a User System:

(a) the aggregate amount in MWh by which, in its best estimation, the quantities of Active Energy imported from the Transmission System to that User System were reduced as a result of the Demand Control below the quantities which would have been so imported in the absence of such Demand Control; and

(b) where the Transmission Company has determined (pursuant to arrangements made between the Transmission Company and the relevant Network Operator) that certain but not all of the Supplier BM Units in that User System were affected by the Demand Control in that Settlement Period, the identity of those Supplier BM Units.

6.2.2 Subject to paragraph 6.6, the determination of the Transmission Company under paragraph 6.2.1(a) and (where applicable) 6.2.1(b) shall be final and binding upon all Parties except that the Transmission Company may revise such determination in accordance with paragraph 6.5.2(c).

**6.3 Allocated BM Unit Demand Control Volume**

6.3.1 For each Demand Control BM Unit, in relation to each Demand Control Settlement Period, the "**Allocated BM Unit Demand Control Volume**" shall be the amount determined as follows:

$$ADCV_{ij} = (QM_{ij'} / \sum_i QM_{ij'}) * TDCV_j$$

where:

$ADCV_{ij}$ is the Allocated BM Unit Demand Control Volume

$QM_{ij'}$ is the value of BM Unit Metered Volume for that Supplier BM Unit in the reference Settlement Period (j');

$\sum_i$ represents the sum over all Demand Control BM Units in the relevant GSP Group;

$TDCV_j$ is the Total Demand Control Volume for that GSP Group.

6.3.2 For the avoidance of doubt, in relation to a Demand Control BM Unit within paragraph 6.1.3, $ADCV_{ij}$ is equal to $TDCV_j$.

**6.4 Treatment in Settlement**

6.4.1 For the purposes of Settlement, in relation to each Demand Control BM Unit, the occurrence of the Demand Control shall be treated, for the purposes of Section T3.9 and all provisions of the Code whose application for the purposes of Settlement follows the application of that Section, in relation to each Demand Control Settlement Period, as if (subject to paragraph 6.4.2):

(a) there were an Offer in relation to the BM Unit, for which the Offer Price ($PO^{n}_{ij}$) is zero; and

(b) such Demand Control operated as an Acceptance of such Offer, for which the Period Accepted Offer Volume ($QAO^{kn}_{ij}$) is the Allocated BM Unit Demand Control Volume.

6.4.2 Section T3.8A.1(bb) applies in respect of an Acceptance pursuant to paragraph 6.4.1(b).

6.4.3 In relation to a Demand Control BM Unit and a Demand Control Settlement Period, for the purposes of Section T4.8:

(a) the Offer pursuant to paragraph 6.4.1(a) shall be disregarded in the ranking of Offers under Section T4.8.4;

(b) in relation to such Offer, the Offer Non-Delivery Volume ($QNDO^{n}_{ij}$) will be deemed to be zero.

6.4.4 It is recognised that the SAA will apply an adjustment to the processes performed by its BSC Agent System for the purposes of implementing paragraph 6.4.1, as a result of which (without prejudice to the correct calculation of Trading Charges in Settlement) the SAA will report incorrect values of $QAS_{ij}$ and $CBM_{ij}$ for a Demand Control Settlement Period in accordance with Table 2 in Annex V-1.

6.4.5 BSCCo shall make available on the BSC Website an explanation of how the values referred to in paragraph 6.4.4 will differ from the correct values.

## 6.5 Procedures

6.5.1 BSCCo shall from time to time, in accordance with such guidance (if any) as may be given to it by the Panel, determine and notify to the SAA the identity of the GSP Group which best corresponds (on the basis of the Distribution System(s) comprised in such GSP Group) to each User System.

6.5.2 Where Demand Control occurs in relation to any User System(s):

(a) the Transmission Company shall send to the BMRA information as follows:

(i) as soon as reasonably practicable after such occurrence, notice of such occurrence, specifying:

(1) the time of the occurrence;

(2) the identity of the User System(s); and

(3) for each User System, the estimated amount of the Demand Control, expressed both as a MW value and as a percentage of demand at the time of the occurrence;

provided that, where the Transmission Company is able to provide some of the information before the rest, the information may be provided in more than one notice;

(ii) in relation to each Settlement Day, at the same time as sending information to the SAA and BSCCo under paragraph (b), that information if it differs materially from what was sent under paragraph (i) above;

(iii) as soon as reasonably practicable (and where possible before the end of the Demand Control Period), notice of the end of the Demand Control Period, specifying:

(1) the time at which the Demand Control Period ended or (as the case may be) is expected to end;

(2) the identity of the User System(s); and

(3) to the extent practicable, for each User System, its best estimate of the Demand Control (expressed in MW) achieved or (as the case may be) expected to be achieved for each Demand Control Settlement Period;

provided that, where the Transmission Company is able to provide some of the information before the rest, the information may be provided in more than one notice;

(iv) where the Transmission Company sent notice under paragraph (iii) before the end of the Demand Control Period, and there is any material change in the time at which such period is expected to end or in the Demand Control expected to be achieved for any Demand Control Settlement Period, a revised notice specifying the changed information;

(b) the Transmission Company shall send to the SAA and BSCCo, as soon as reasonably practicable and where possible not later than the second Business Day after each Settlement Day in which any part of the Demand Control Period fell, a report specifying:

(i) the time of commencement and (where then known) end of the Demand Control Period;

(ii) the Settlement Day;

(iii) the User System(s); and

(iv) for each such User System, and each Demand Control Settlement Period within that Settlement Day:

(1) the Total Demand Control Volume; and

(2) in a case within paragraph 6.2.1(b), the identity of the relevant Supplier BM Units;

as then estimated or determined by it under paragraph 6.2;

(c) where (in relation to any Demand Control Settlement Period) it subsequently appears to the Transmission Company that it can materially improve its estimate (under paragraph (b) above) of the Total Demand Control Volume pursuant to paragraph

6.2.1(a), or (where applicable) determination of Supplier BM Units pursuant to paragraph 6.2.1(b), it shall revise its estimate and/or determination and send the revised estimate and/or identification of Supplier BM Units to the SAA and BSCCo no later than the 5th Business Day before the carrying out of the Initial Settlement Run in respect of the relevant Settlement Day;

(d) the SAA (on the basis of the User System/GSP Group correspondence for the time being notified to it by BSCCo) shall apply the data sent under paragraph (b) (and where applicable paragraph (c)) for the purposes of Settlement in accordance with paragraph 6.4 above.

**6.6 Demand Control Reallocation Claims**

6.6.1 For the purposes of this paragraph 6.6:

(a) in relation to any Demand Control Settlement Period and Demand Control BM Unit:

(i) "**Actual BM Unit Demand Control Volume**" means the amount in MWh by which the quantities of Active Energy imported from the Transmission System to such BM Unit in such Settlement Period were reduced, as a result of the Demand Control, below the quantities which would have been so imported in the absence of such Demand Control;

(ii) the "**Demand Control Reallocation Condition**" is that:

(1) there are circumstances relating to such BM Unit in such Settlement Period as a result of which it is possible to determine with reasonable certainty the amount of the Actual BM Unit Demand Control Volume (including a determination that such amount was zero, because the BM Unit would not in the absence of the Demand Control have been importing), and

(2) the amount so determined differs materially from the amount determined under paragraph 6.3.1;

(b) a "**Demand Control Reallocation Claim**" is a claim (in relation to a single BM Unit and a Demand Control Period) made in accordance with paragraph 6.6.2;

(c) in relation to a Demand Control Reallocation Claim:

(i) the "**relevant**" BM Unit is the BM Unit,

(ii) a "**relevant**" Settlement Period is any of the Settlement Period(s)

in relation to which such claim is made.

6.6.2 Where, in relation to one or more Settlement Periods falling within a Demand Control Period, the Lead Party of a Demand Control BM Unit considers that the Demand Control Reallocation Condition is satisfied, such Party may (subject to paragraphs 6.6.3 and 6.6.4) make a claim to that effect by giving notice of such claim to BSCCo:

(a) identifying the relevant BM Unit and relevant Settlement Period(s), and

(b) setting out (in relation to each relevant Settlement Period) the grounds on which such Party considers that such condition is satisfied.

6.6.3 Where a Party makes a Demand Control Reallocation Claim:

(a) such Party shall pay a fee to BSCCo the amount of which (for each such claim) shall be £5,000, or such other amount as the Panel may from time to time, after consultation with Parties, determine upon not less than 30 days notice to Parties, which fee shall not be reimbursed in any circumstances;

(b) the Party may (without prejudice to its obligation to pay the fee under paragraph (a)) withdraw such claim by notice to BSCCo at any time before or within the period of 10 Business Days referred to in paragraph 6.6.6(f).

6.6.4 A Demand Control Reallocation Claim may not be submitted later than the 15th Business Day after the carrying out of the Initial Settlement Run in respect of the day on which the Demand Control Period commenced.

6.6.5 In relation to any Demand Control Period, where any Demand Control Reallocation Claim(s) are made the Panel shall initially determine, in relation to each such claim, whether (in its opinion) the claim makes out a prima facie case that the Demand Control Reallocation Condition is satisfied, failing which the claim shall lapse and no further steps be taken in respect thereof.

6.6.6 In relation to all (if any) Demand Control Reallocation Claims which do not lapse pursuant to paragraph 6.6.5:

(a) the Panel shall establish, and may from time to time revise, in respect of all (if any) claims, a procedure and timetable for the steps pursuant to this paragraph 6.6.6;

(b) the Panel Secretary shall (in accordance with the procedure and timetable for the time being so established by the Panel):

(i) request the claiming Party to provide evidence and information supporting its claim;

(ii) provide a copy of the claim and the evidence and information provided pursuant to paragraph (i) to the Transmission Company and the relevant Distribution System Operator, and request each of them to provide comments on such claim, evidence and information;

(c) the claiming Party, the Transmission Company and the relevant Distribution System Operator shall provide to the Panel such further information as the Panel may reasonably request to assist it in making its determinations under paragraph (d) and (if applicable) (e);

(d) the Panel shall determine, in relation to each Demand Control Reallocation Claim:

(i) whether (in its opinion) the Demand Control Reallocation Condition is satisfied;

(ii) if so, the basis (which may or may not be that proposed by the claimant) on which (in the Panel's opinion) the amount of the Actual BM Unit Demand Control Volume may (as provided in paragraph 6.6.1(a)(ii)(1)) be determined, and

(iii) the amount (in its opinion) of the Actual BM Unit Demand Control Volume determined on such basis;

(e) the Panel may, where (on the basis of the evidence, comments and information submitted to it pursuant to paragraphs (b) and (c)) the Panel has formed the view that that the Transmission Company's estimate (or final estimate) under paragraph 6.2.1(a) is materially inaccurate, determine a revised estimate (in its opinion) of the aggregate amount in MWh by which the quantities of Active Energy imported from the Transmission System to the relevant User System were reduced as a result of the Demand Control below the quantities which would have been so imported in the absence of such Demand Control;

(f) not less than 10 Business Days before the Panel proposes to finalise its determinations under paragraphs (d) and (e), the Panel Secretary shall circulate to all Parties details of the determinations which the Panel proposes to make; and in finalising its determinations the Panel may (in its discretion, having regard to the provisions of this paragraph 6) take into account any submission made (within such period of 10 Business Days) by any Party in relation to the proposed determinations, and may (for the purpose of considering any such submission) extend the period for finalisation of its determinations;

(g) BSCCo shall give such instructions to the SAA as are necessary to give effect to the Panel's determinations in accordance with paragraph 6.6.10.

6.6.7 The Panel Secretary shall notify to all Parties:

(a) following the deadline under paragraph 6.6.4 for submitting such claims, brief details of Demand Control Reallocation Claims received in relation to any Demand Control Period; and

(b) following the Panel Meeting at which each such determination was made, the Panel's determinations under paragraphs 6.6.5 and 6.6.6(a), (d) and (e), together (in the case of paragraphs 6.6.5 and 6.6.6(d) and (e)) with the reasons indicated by the Panel for its determinations.

6.6.8 The determinations of the Panel (or any Panel Committee established or appointed under paragraph 6.6.9) under paragraphs 6.6.5 and 6.6.6 shall be final and binding on all Parties.

6.6.9 For the avoidance of doubt the Panel may establish or appoint a Panel Committee to discharge its functions under this paragraph 6.6; and (notwithstanding Section W2.2) the Panel may appoint the Trading Disputes Committee, and (if so appointed) that Committee shall have the ability and competence to do so.

6.6.10 Where the Panel determines in relation to any Demand Control Settlement Period that (in relation to one or more Demand Control BM Units) the Demand Control Reallocation Condition was satisfied, or makes a determination under paragraph 6.6.6(e), the Allocated BM Unit Demand Control Volume for each Demand Control BM Unit shall be adjusted as follows:

(a) in relation to each Demand Control BM Unit for which the Panel determined that the Demand Control Reallocation Condition was satisfied, the Allocated BM Unit Demand Control Volume shall be the amount determined by the Panel under paragraph 6.6.6(d)(iii);

(b) in relation to each other Demand Control BM Unit, Allocated BM Unit Demand Control Volume shall be determined in accordance with paragraph 6.3 applied on the basis that:

(i) $TDCV_{ij}$ is the Total Demand Control Volume, or (where the Panel made a determination under paragraph 6.6.6(e)), the amount so determined by the Panel, less the aggregate of the amounts within paragraph (a);

(ii) $\sum_i$ represents the sum over all Demand Control BM Units other than BM Units within paragraph (a)

SECTION Q

*Amend section Q5.1.3(b) to read as follows:*

(b) a communication, excluding a communication in respect of Demand Control (as defined in Section G6.1.2(a)), issued as an Emergency Instruction in respect of a BM Unit in accordance with BC2.9, excluding BC2.9.1.2(e), of the Grid Code, which:

(i) complies with the requirement in paragraph 5.1.4, and

(ii) was not rejected by the Lead Party on safety grounds in accordance with BC2.9.2.1 of the Grid Code.

SECTION T

*Insert new paragraph (bb) after paragraph 3.8A.1(b), as follows:*

(bb) if Acceptance k is an Acceptance by virtue of Demand Control pursuant to Section G6.4.1(b), then no values of the Period Priced Accepted Offer Volume and Period Priced Accepted Bid Volume will be determined in relation to Acceptance k in any Settlement Period;

SECTION V

*Insert new paragraph 2.2.5 as follows:*

2.2.5 The BMRA shall make available on the BMRS any information sent by the Transmission Company pursuant to Section G6.5.2(a) relating to any instructions for Demand Control.

ANNEX X-1

*Insert new definitions as follows:*

| | |
|---|---|
| "**Actual BM Unit Demand Control Volume**" | has the meaning given to that term in Section G6.6.1(a)(i); |
| "**Demand Control BM Unit**" | has the meaning given to that term in Section G6.1.2(h)(ii); |
| "**Demand Control Period**" | has the meaning given to that term in Section G6.1.2(d); |
| "**Demand Control Reallocation Condition**" | has the meaning given to that term in Section G6.6.1(a)(ii); |
| "**Demand Control Reallocation Claim**" | has the meaning given to that term in Section G6.6.1(b); |
| "**Demand Control Settlement Period**" | has the meaning given to that term in Section G6.1.2(f); |
| "**Allocated BM Unit Demand Control Volume**" | has the meaning given to that term in Section G6.3.1; |
| "**Total Demand Control Volume**" | has the meaning given to that term in Section G6.1.2(h)(i); |