

## P138 MODIFICATION REPORT ANNEX 1 DRAFT LEGAL TEXT

### SECTION G

*Insert new paragraph 1.1.6:*

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 the Transmission Company gives an instruction for Demand Control pursuant to OC6 of the Grid Code.

6.1.2 For the purposes of this paragraph 6:

- (a) subject to paragraph (b), references to Demand Control are to 'Demand Control' (as defined in the Grid Code) within OC6.1.2(c), (d) or (e) of the Grid Code;
- (b) automatic low frequency disconnection (that is, Demand Control within OC6.1.2(d) and OC6.6 of the Grid Code) shall be Demand Control only where such disconnection commences within a Demand Control Period (as defined in paragraph (d) below disregarding the reference therein to reconnection under OC6.6.5 of the Grid Code);
- (c) the terms 'User System' and 'Network Operator' 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 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 of the Grid Code, and
  - (ii) (subject to paragraph 6.1.3) ending with the giving by the Transmission Company to that 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 of the Grid Code or (in a case within paragraph (b) above) reconnection under OC6.6.5;
- (d) where there occur Demand Control Periods in relation to two or more User Systems which overlap in time, the relevant Demand Control Periods constitute a series for the purposes of paragraph (g) (where the relevant Demand Control Periods are all of the Demand Control Periods for which the condition is satisfied that each of them overlaps in time with at least one other of them);
- (e) 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 6.6.1;

- (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 any Demand Control Settlement Period falling within a Demand Control Period, the **"First Demand Control Settlement Period"** is the first Settlement Period:
    - (i) which falls in whole or part within such Demand Control Period, or
    - (ii) (if such Demand Control Period falls within a series of Demand Control Periods) which falls in whole or part within the first Demand Control Period in such series;
  - (h) in relation to a Demand Control Settlement Period, the **"reference"** Settlement Period is Settlement Period j' as defined in Section T4.2.2(c);
  - (i) 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;
    - (ii) a **"Demand Control BM Unit"** is a Supplier BM Unit in that GSP Group which was importing electricity in the reference Settlement Period.
- 6.1.3 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, the aggregate amount in MWh by which, in its 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.
- 6.2.2 The determination of the Transmission Company under paragraph 6.2.1 shall be final and binding upon all Parties except that the Transmission Company may revise such determination in accordance with paragraph 6.6.2(c).

## 6.3 BM Unit Demand Control Volume

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

$$DCV_{ij} = QM_{ij'} / \sum_i QM_{ij'} * TDCV_j$$

where:

$DCV_{ij}$  is the Period Demand Control Volume

$QM_{ij'}$  is:

- (i) subject to paragraph (ii), the value of BM Unit Metered Volume for that Supplier BM Unit in the reference Settlement Period (j');

- (ii) if the value of BM Unit Metered Volume for that Demand Control BM Unit in Settlement Period  $j'$  was zero, such value in Settlement Period  $j'-1$  (irrespective of whether such value was zero);

$\sum_i$  represents the sum over all Demand Control BM Units;

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

- 6.3.2 For the purposes of paragraph 6.3.1, values of  $QM_{ij}$  shall be determined on the basis of the Initial Settlement Run for the Settlement Day in which Settlement Period  $j'$  or (as the case may be)  $j'-1$  occurred, and shall not be revised or adjusted as a result of the carrying out of any Reconciliation Settlement Run in relation to that Settlement Day.

## 6.4 Demand Control Offer Price

- 6.4.1 In relation to any Demand Control Settlement Period the Demand Control Offer Price shall be:

- (a) the Offer Price of the highest priced Period Priced Accepted Offer Volume that is not a De-Minimis Accepted Offer in relation to the First Demand Control Settlement Period (but for the avoidance of doubt not including a Demand Control Offer); or
- (b) if there is no such accepted Non De-Minimis Offer, then the Demand Control Offer Price will take the value of the term  $SBP_j$  determined in relation to the First Demand Control Settlement Period:
  - (i) in accordance with Section T4.4.5(b), or
  - (ii) where applicable, in accordance with Section T4.4.6A.

## 6.5 Treatment in Settlement

- 6.5.1 For the purposes of Settlement, in relation to each Demand Control BM Unit, the occurrence of the Demand Control shall be treated (as and to the extent provided in paragraph 6.5.2) as if:

- (a) there were an Offer ("**Demand Control Offer**") in relation to the BM Unit, for which the Offer Price is the Demand Control Offer Price; and
- (b) such Demand Control operated as an Acceptance of such Offer, for which the Period Accepted Offer Volume is the Period Demand Control Volume.

- 6.5.2 In relation to the Demand Control Offer, subject to paragraphs 6.5.3 and 6.5.4:

- (a) Section T3.7.2 shall apply on the basis that  $QAO_{ij}^{kn} = DCV_{ij}$ ;
- (b) Section T3.10.1 shall apply on the basis that  $PO_{ij}^n = DCP$ ;

and all provisions of the Code whose application for the purposes of Settlement follows the application of Sections T3.7.2 or (as the case may be) T3.10.1 shall apply accordingly.

- 6.5.3 For the purpose of Section T3.8A, in relation to any Demand Control Settlement Period and all Demand Control BM Units:

- (a) in relation to the Acceptance of the Demand Control Offer, the value of  $CAD_t^k$  shall be the duration of the Demand Control Period;

- (b) for the purposes of the application of Section T3.1A in relation to any other Acceptance, the Acceptance of the Demand Control Offer shall be disregarded.
- 6.5.4 In relation to a Demand Control BM Unit and a Demand Control Settlement Period, for the purposes of calculating the values of Period BM Unit Non-Delivered Offer Volume pursuant to Section T4.8, the Period BM Unit Non-Delivered Volume,  $QNDO_{ij}$ , will be deemed to be zero.
- 6.5.5 It is recognised that the SAA will apply a manual adjustment to the processes performed by its BSC Agent System for the purposes of implementing paragraph 6.5.1, 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  $CBM_{ij}$ , and will report certain additional parameter values, for a Demand Control Settlement Period in accordance with Table 2 in Annex V-1.
- 6.5.6 BSCCo shall make available on the BSC Website an explanation of how the values referred to in paragraph 6.5.5 will differ from the correct values and of what additional values will be so reported.

## 6.6 Procedures

- 6.6.1 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.
- 6.6.2 Where the Transmission Company gives an instruction for Demand Control in relation to a User System:
  - (a) the Transmission Company shall send to the BMRA:
    - (i) as soon as possible after it gives such instruction, notice that it has given such instruction and the identity of the User System;
    - (ii) as soon as possible after it gives an instruction (as referred to in paragraph 6.1.2(d)(ii)) to end the Demand Control, notice that it has given such instruction;
    - (iii) as soon as possible after the end of each Demand Control Settlement Period, its estimate of the Total Demand Control Volume and the applicable Demand Control Price in relation to that Settlement Period;
  - (b) the Transmission Company shall determine and send to the SAA the Total Demand Control Volume for each Demand Control Settlement Period within a Settlement Day, not later than the second Business Day after the Settlement Day;
  - (c) where it appears to the Transmission Company that it has made a manifest error in its estimation of the Total Demand Control Volume, it may revise its estimate and send the revised estimate to the SAA no later than the fourth Business Day after the 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 (c) for the purposes of Settlement in accordance with paragraph 6.5 above.

## SECTION T

Add the following to T4.8.1

- 4.8.1 Subject to Section G6.4.5, in respect of each Settlement Period, for each BM Unit, the Period BM Unit Non-Delivered Offer Volume will be determined as follows:

$$QNDO_{ij} = \text{Min}\{\text{Max}\{QME_{ij} - QM_{ij}, 0\}, \sum^n QAO^n_{ij}\}$$

where  $\sum^n$  represents the sum over all Bid-Offer Pair Numbers for the Accepted Offer Volumes for the BM Unit.

## SECTION V

Insert new paragraph 2.2.5 as follows:

- 2.2.5 The BMRA shall make available on the BMRS any information sent the Transmission Company pursuant to Section G6.6.2(a) relating to any instructions for Demand Control.

## ANNEX X-1

*Insert new definitions as follows:*

<b>"First Demand Control Settlement Period"</b>	has the meaning given to that term in Section G6.1.2(g);
<b>"Demand Control BM Unit"</b>	has the meaning given to that term in Section G6.1.2(i)(ii);
<b>"Demand Control Offer"</b>	has the meaning given to that term in Section G6.5.1(a);
<b>"Demand Control Period"</b>	has the meaning given to that term in Section G6.1.2(d);
<b>"Demand Control Settlement Period"</b>	has the meaning given to that term in Section G6.1.2(f);
<b>"Period Demand Control Volume"</b>	has the meaning given to that term in Section G6.3.1;
<b>"Total Demand Control Volume"</b>	has the meaning given to that term in Section G6.1.2(i)(i);