

ANNEX 1 – PROPOSED TEXT TO MODIFY THE BSC**SECTION T** (version 10.0 including all Approved Modifications awaiting implementation)

Paragraph 4.1 of Annex T-2 shall be amended as follows:

4.1 For the purposes of this Annex T 2, ~~subject to paragraph 4.6:~~

(a) a **Zone** is

(i) the geographic area in which a GSP Group lies, determined by the Panel (applying such criteria as ~~it~~it shall decide in its discretion) but so that the Zones are mutually exclusive and comprise the whole of (and nothing but) the authorised area under the Transmission Licence;

(ii) for the purposes of calculating TLFs for Interconnector BM Units associated with the Interconnector connecting the Transmission System to transmission systems in Scotland, the single additional Zone (not comprising any geographical area) in respect of which the TLFs shall be calculated by reference to:

(1) the Zonal TLF calculated in accordance with paragraph 7 for such other Zones as determined by the Panel; and

(2) the factor to be applied to each such Zonal TLF as determined by the Panel.

(b) the Panel may from time to time review and upon reasonable notice to Parties change its determination of (or in relation to) any Zone(s); where there is any change in the GSP Group, or upon the application of a Party, or otherwise on its own initiative; provided that a change in the determination of (or in relation to) any Zone(s) shall be effective only in relation to BSC Years for which (at the time the change was made) Transmission Loss Factors have not already been determined in accordance with paragraph 7;

(c) the Panel may, but shall not be required to, consult any Party on the determination of any part of the boundary of a Zone where it considers there is material doubt as to such determination;

(d) the Panel shall publish a description of the Zones described in paragraph 4.1(a)(i) from time to time (but may do so by referring to any other document which describes or identifies the geographic areas determined by the Panel to be the Zones).

Paragraph 4.2 of Annex T-2 shall be amended as follows:

4.2 For the purposes of this Annex T-2:

(a) ~~subject to paragraph 4.6;~~ a **Node** is a node on the Transmission System;

(b) the Transmission Company shall:

(i) identify each Node and prepare, keep up-to-date, and maintain, a list of all Nodes, each identified or capable of being identified geographically; and

- (ii) provide to BSCCo the list of Nodes as from time to time updated.

Paragraph 4.3of Annex T-2 shall be amended as follows:

4.3 BSCCo shall:

- (a) prepare (consistent with any determination of the Panel under paragraph 4.4) ~~and subject to paragraph 4.6~~ and maintain a statement (the **network mapping statement**) of the following:
- (i) for each Volume Allocation Unit (other than a GSP Group or BM Unit embedded in a Distribution System), ~~and other than the Volume Allocation Unit that represents the Interconnector connecting the Transmission System to transmission systems in Scotland~~, the Node which represents or best represents that Volume Allocation Unit or (as the case may be) the Boundary Point(s) at which that Volume Allocation Unit is connected to the Transmission System (it being recognised that one Node may represent several such points);
 - ~~(ii) for the Volume Allocation Unit that represents or best represents the Interconnector connecting the Transmission System to transmission systems in Scotland, the Node which represents or best represents the Volume Allocation Unit or (as the case may be) the Boundary Point(s) at which that Volume Allocation Unit is connected to the Transmission System (it being recognised that one Node may represent several such points) and the proportion of such representation;~~
 - (iii) for each Node, the Zone in which the Node lies or should best be considered to lie, ~~provided that no Node shall lie in the Zone described in paragraph 4.1(a)(ii);~~
 - ~~(iv)~~ (v) for each BM Unit, the Zone in which the BM Unit lies, on the basis of the same correspondences as have been established under paragraphs (i) ~~and (ii) and (iii)~~, except that:
 - (1) Interconnector BM Units lie in the Zone in which (in accordance with paragraph (iii)) the Node for the relevant Interconnector lies;
 - (2) Supplier BM Units and other BM Units embedded in a Distribution System lie in the Zone which represents the geographical area of the corresponding GSP Group;
 - ~~(3) Interconnector BM Units associated with the Interconnector connecting the Transmission System to transmission systems in Scotland shall be deemed to lie in the Zone described in paragraph 4.1(a)(ii);~~
 - ~~(v) the Zones to be used for the purposes of the calculation of the Zonal TLF for the Zone described in paragraph 4.1(a)(ii); and~~
 - ~~(vi) the factor to be applied to each of the Zonal TLFs for each of the Zones referred to in paragraph (v);~~
- (b) from time to time update the network mapping statement to take account of any determination by the Panel under paragraph 4.4, any change in the list of Nodes, any change in the definition of any Zone, ~~and any~~ changes in respect of BM Units,

Transmission System Boundary Points or Systems Connection Points, any change to the proportion referred to in sub-paragraph (ii) of paragraph 4.3(a) and any changes in the Zones or factors referred to in paragraph (a)(iv) and(v);

- (c) provide a draft of the network mapping statement and any revision thereto to the Panel and each Party, wherever practicable at least 30 days before the statement or revision is to become effective, and submit any representations or comments on the draft to the Panel;
- (d) provide the network mapping statement and each revision thereof to the TLFA, the Transmission Company, the Panel and each Party.

Paragraph 4.4 of Annex T-2 shall be amended as follows:

- 4.4 Any question or dispute as to the matters in sub-paragraphs (i) ~~and (ii)~~ and (iii) of paragraph 4.3(a) shall be determined by the Panel in its discretion, after consultation with the Transmission Company and the Lead Party(ies) of the BM Unit(s) affected by such question or dispute, having regard (so far as appears to the Panel to be relevant) to the parts of the Transmission System in which power flows are typically most influenced by changes in power flows at the relevant Node or (as the case may be) the relevant BM Unit.

Paragraph 4.6 of Annex T-2 shall be deleted in its entirety:

- 4.6 ~~In relation to the Interconnector connecting the Transmission System to transmission systems in Scotland:~~
 - ~~(a) — there shall be deemed to be a single additional Zone (not comprising any geographical area);~~
 - ~~(b) — each Node which includes an Interconnector Boundary Point shall be treated as comprising:

 - ~~(i) — a Node in respect of such Interconnector Boundary Point, which shall be treated as lying in such additional Zone;~~~~
 - ~~(ii) — to the extent to which (as determined in accordance with paragraph 4.3(a)(i)) there is any other Boundary Point or Systems Connection Point at such Node, a separate Node in respect thereof, lying in the Zone determined in~~

Paragraph 7.3 of Annex T-2 shall be amended as follows:

- 7.3 For each Sample Settlement Period the TLFA shall determine the Zonal TLF (TLF_{Zj}) for each Zone ~~(described in established in accordance with paragraph 4.1(a)(i))~~ according to the following formula:

$$TLF_{Zj} = \sum_N (TLF_{Nj} * QM_{Nj}) / \sum_N QM_{Nj}$$

where for that Settlement Period, and for each Node in that Zone (determined by the TLFA on the basis of the network mapping statement):

TLF_{Nj} is the value of Nodal TLF for Zones established in accordance with paragraph 4.1(a)(i);

QM_{Nj} is the magnitude of the value of the Nodal power flow;

and where \sum_N is the summation by Node in a Zone.

Paragraph 7.4 of Annex T-2 shall be amended as follows:

- 7.4 For each BSC Year the TLFA shall determine the Annual Zonal TLF (TLF_{Zy}) for each Zone (~~described in accordance with paragraph 4.1(a)(i)~~) according to the following formula:

$$TLF_{Zy} = \sum_p ((\sum_s TLF_{Zj} / S_p) * J_p) / \sum_p J_p$$

where:

S_p is the number of Sample Settlement Periods for a Load Period

J_p is the total number of Settlement Periods falling within the Load Period

\sum_s is summation by Sample Settlement Periods within a Load Period

\sum_p is summation by Load Period within the Reference Year.

Paragraph 7.5 of Annex T-2 shall be amended as follows:

- 7.5 For each BSC Year, the TLFA shall determine the Adjusted Annual Zonal TLF ($ATLF_{Zy}$) for each Zone (~~described in accordance with paragraph 4.1(a)(i)~~) according to the following formula:

$$ATLF_{Zy} = TLF_{Zy} / 2$$

Insert the following new paragraph 7.6 into Annex T-2, and re-number the existing paragraph 7.6 as paragraph 7.7 (with the amendments shown) as follows:

- 7.6 For each BSC Year BSCCo shall:-

(a) determine the Adjusted Annual Zonal TLF ($ATLF_{Zy}^2$) for the Zone (described ~~established in accordance with paragraph 4.1(a)(ii)~~) according to the following formula:

$$ATLF_{Zy}^2 = \sum_z P_z * ATLF_{Zy}$$

where:

\sum_z is summation by Zone as provided in the network mapping statement.

P_{nz} is the weighting factor (described in paragraph 4.3(a)(ii) and shall be equal to the proportion of the Volume Allocation Unit that flows into a Node(s) within a relevant Zone;.

(b) not later than three Business Days prior to 1st December in the preceding BSC Year, send such Adjusted Annual Zonal TLF to the TLFA, ~~proportion of the Volume Allocation Unit representing the Interconnector connecting the Transmission System to transmission systems in Scotland represented by or best represented by a node or nodes in Zone z as provided in the network mapping statement in accordance with paragraph 4.3(a)(ii);~~

\sum_N is summation by Zone as provided in the network mapping statement.

7.-67 For each BSC Year:

- (a) the Transmission Loss Factor (TLF_{ij}) for each BM Unit shall be the Adjusted Annual Zonal TLF (ATLF_{zy} and ATLF_{zy}) for the Zone in which that BM Unit is located (determined by the TLFA on the basis of the network mapping statement);
- (b) the TLFA shall, not later than 1st December in the preceding BSC Year, send such Transmission Loss Factors to the BMRA and the SAA.

SECTION X

Table X – 2 in Annex X – 2 shall be amended by alphabetically adding the following:

<u>Adjusted Annual Zonal TLF</u>	<u>ATLF_{zy}</u>		<u>The factor determined in accordance with Annex T-2.</u>
<u>Annual Zonal TLF</u>	<u>TLF_{zy}</u>		<u>The factor determined in accordance with Annex T-2.</u>
<u>Nodal TLF</u>	<u>TLF_{ij}</u>		<u>The factor specified in Annex T-2.</u>
<u>Zonal TLF</u>	<u>TLF_{zi}</u>		<u>The factor determined in accordance with Annex T-2.</u>