

SECTION K (version 9 including all Approved Modifications awaiting implementation)

Amend paragraph 3.4.1 as follows:

3.4.1 The Lead Party of a BM Unit shall estimate and notify to the CRA, in relation to each BSC Season in each year (the "**relevant**" BSC Season), from time to time in accordance with paragraph 3.4.2 and 3.4.2A, in good faith and as accurately as it reasonably can, what will be the maximum magnitude:

- (a) of the positive value of QM_{ij} (subject to paragraph 3.4.4) for the BM Unit in the relevant BSC Season; and
- (b) of the negative value of QM_{ij} (subject to paragraph 3.4.4) for the BM Unit in the relevant BSC Season,

provided that (in either case) if there is none, the value to be notified by the Lead Party shall be zero.

Add new paragraph 3.4.2A as follows:

3.4.2A The Lead Party of a Supplier BM Unit may, subject to paragraph 3.4.4, up to twice in each BSC Season, estimate and notify decreases in the magnitude negative value of QM_{ij} in accordance with paragraph 3.4.1. The Lead Party shall estimate and notify to the CRA such amount as specified in paragraph 3.4.5.

Amend paragraph 3.4.4 as follows:

3.4.4 For the purposes of paragraphs 3.4.1(a) and (b), 3.4.2A and 3.4.3(a) and (b), any part of the BM Unit Metered Volume which is delivered or taken or which the Lead Party reasonably believes will be delivered or taken by the Plant or Apparatus associated with that BM Unit in response to an Emergency Instruction (issued pursuant to Balancing Code 2.9 of the Grid Code) shall be disregarded.

Amend paragraph 3.4.5 as follows:

3.4.5 In respect of a relevant BSC Season, a revised estimate of the amount referred to in paragraph 3.4.1 (a) or (b), or 3.4.2A (as the case may be) shall be notified pursuant to paragraph 3.4.2(c) as soon as reasonably practicable after the Lead Party becomes aware that, or ought reasonably to have become aware that the criteria referred in paragraphs 3.4.3(a) or 3.4.3(b) (as the case may be) have been met, or where the Lead Party determines, to revise the estimate in accordance with 3.4.2A, provided that the Lead Party shall have no obligation to submit a revised estimate of any such amount more than 20 Business Days after the Initial Settlement Run in respect of the last Settlement Period in that BSC Season has occurred.

Amend paragraph 3.4.6 as follows:

3.4.6 In relation to a BM Unit, any revised estimates notified pursuant to paragraph 3.4.2(c) and 3.4.2A shall take effect in accordance with and from the time specified in BSCP 15 and, for the avoidance of doubt, any such revision shall:

- (a) in relation to the calculations undertaken by the SAA:
 - (i) not affect or result in the redetermination or recalculation of any values determined or calculated by the SAA under the Code which are determined or calculated in relation to Settlement Periods which fell in the period prior to the effective date of such revision;

- (ii) be used in the determination or calculation of values determined or calculated by the SAA under the Code which are determined or calculated in relation to Settlement Periods which fall in the period on and after the effective date of such revision,

and paragraph 3.5 shall be construed accordingly;

- (b) in relation to the contribution to the calculation of Energy Indebtedness for such BM Unit undertaken by the ECVAA:
 - (i) not result in the recalculation of Energy Indebtedness calculated in relation to Settlement Periods which fell in the period prior to the effective date of such revision;
 - (ii) be used in the calculation of Energy Indebtedness calculated in relation to Settlement Periods which fall in the period on and after the effective date of such revision,

and in either case, without prejudice to Section H3, the failure by a Party to notify any revised amounts in accordance with paragraph 3.4.2(c) may not give rise to any Trading Dispute.

SECTION M (*version7 including all Approved Modifications awaiting implementation*)

Add new subparagraph 1.2.1(f) as follows:

1.2 Energy Indebtedness

1.2.1 For the purposes of the Code:

- (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:
 - 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 Gate Closure for Settlement Period j), Gate Closure has passed for the first Settlement Period of the Settlement Day following that on which the Settlement Calendar specifies that the Interim Information Settlement Run for Settlement Day d is to take place (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 Period of the Settlement Day containing Settlement Period j); and
 - ii) the algebraic sum of Credit Assessment Energy Indebtedness for Trading Party p in relation to that Settlement Period and all prior Settlement Periods in days falling within the 29 day period for which paragraph 1.2.1(a)(i) does not apply;
- (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;

- (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) 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) in relation to a Trading Party and Settlement Day, where BSCCo:
 - i) is aware that the ECVAA has not received relevant Interim Information Settlement Run data from the SAA in accordance with Section T5.3.5; or
 - ii) has substantial evidence or other reasons to believe that the data to be derived from the Initial Settlement Run for that Trading Party and that Settlement Day are likely to be significantly different (in the context of that particular Trading Party) from the corresponding Interim Information Settlement Run data received by the ECVAA from the SAA in accordance with Section T5.3.5;

the absence of such data or the likelihood of such a significant difference (as the case may be) may, if BSCCo so decides and to the extent that it materially affects matters, constitute a material doubt for the purposes of paragraph 3.4.3(a)(ii).

- (f) Where a Trading Party elects to submit to BSCCo such evidence as is referred to in paragraph 1.2.1(e), BSCCo must review that evidence as soon as practicable after receiving it, but must verify any opinion formed in relation to such evidence as soon as practicable after receiving a level 1 default notice (in accordance with paragraph 3.2.1(a)(ii)) in relation to that Trading Party.

Add new paragraph 1.7 as follows:

1.7 Material Doubt Guidance

The Panel shall establish, and may from time to time revise, and shall provide to BSCCo and shall make available to all Trading Parties, principles or guidance as to the basis on which the existence or absence of material doubt is to be established by BSCCo for the purposes of paragraph 3.4.3(a)(ii).

Amend paragraph 3.4.3 as follows:

- 3.4.3 Where the ECVAA submits to BSCCo a copy of a level 1 default notice under paragraph 3.2.1 in relation to a Trading Party:
 - (a) BSCCo shall, promptly upon (but not earlier than) the expiry of the Query Period, give an authorisation notice to the ECVAA unless:
 - (i) BSCCo has been notified by the ECVAA that in the ECVAA's opinion there is, or

- (ii) BSCCo otherwise has substantial evidence that, or other reasons to believe that, there is

(in accordance with paragraph 1.2.1(e) and the prevailing principals or guidance established by the Panel in accordance with paragraph 1.7) a material doubt as to whether, at the time, the systems and processes used by the ECVAA are giving correct determinations of the values of Credit Cover Percentage for that Trading Party;

- (b) subject to paragraph (c), BSCCo shall not be required to make any enquiry of the Trading Party or any other person (but in accordance with paragraph 1.2.1(f) will take into account any information already provided by the Trading Party which is relevant to the matter in paragraph (a));
- (c) if (pursuant to paragraph (a)(i) or (ii)) BSCCo withholds an authorisation notice:
 - (i) BSCCo shall investigate the matter; and
 - (ii) if at any time it concludes that there is not (or no longer is) any material doubt as to the matter in paragraph (a), BSCCo shall promptly give the authorisation notice.