

ELECTRICITY MARKET REFORM SETTLEMENT SERVICES PROVIDER BSC MODIFICATION

PROPOSED LEGAL TEXT

SECTION C: BSCCO AND ITS SUBSIDIARIES (v16.0)

Insert new paragraph 1.2.1B directly after paragraph 1.2.1A to read as follows:

1.2 Role and powers, functions and responsibilities of BSCCo

- 1.2.1 The principal role of BSCCo (but subject as provided in this paragraph 1.2) is to provide and procure facilities, resources and services (including providing or procuring resources required by the Panel and Panel Committees, and procuring services under BSC Service Descriptions) required for the proper, effective and efficient implementation of the Code.
- 1.2.1A Without prejudice to paragraph 1.2.1, a BSC Company (directly or through any agent) may discharge the functions and responsibilities of the WHD Operator as set out in the Warm Home Discount (Reconciliation) Regulations 2011 subject to the following:
- (a) the appointed BSC Company may discharge the functions and responsibilities of the WHD Operator in accordance with any of the provisions, powers and mechanisms set out in the Code and the Code shall be construed accordingly;
 - (b) each Party and the Panel shall not (whether by action, omission or withholding of consent) prevent or restrict such BSC Company from discharging the functions and responsibilities of the WHD Operator and shall (where applicable) co-operate with all requests for information and payment made by such BSC Company in discharging those functions and responsibilities;
 - (c) each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature (other than for death or personal injury as a result of negligence or for an equitable remedy) against any BSC Company and releases each BSC Company from any such liability in respect of any breach by such BSC Company in connection with its discharge of the functions and responsibilities of the WHD Operator;
 - (d) Parties shall have no liability or obligation to provide financial support to the appointed BSC Company in respect of its discharge of the functions and responsibilities of the WHD Operator;
 - (e) the appointed BSC Company shall account for all costs, expenses, liabilities and resources (incurred or used) and for payments (received and made) in the discharge of the WHD Operator's functions and responsibilities separately from BSC Costs and Trading Charges respectively;
 - (f) the appointed BSC Company shall provide all information requested by the Authority or Secretary of State in relation to its discharge of the WHD Operator's functions and responsibilities;
 - (g) the appointed BSC Company shall provide the Panel with reports from time to time in relation to its discharge of the WHD Operator's functions and responsibilities, provided that such BSC Company shall not be required to disclose to the Panel any information that the Secretary of State or the Authority expressly request such BSC Company to keep confidential;

- (h) in discharging the WHD Operator's functions and responsibilities, the appointed BSC Company has the objective of the efficient and economic discharge of the functions and responsibilities under the Warm Home Discount (Reconciliation) Regulations 2011 and paragraph 1.3.1 shall accordingly not apply to this paragraph 1.2.1A;
- (i) paragraphs 3.4.5(b), 5.1, 5.2 and 7 shall not apply to this paragraph 1.2.1A;
- (j) notwithstanding Section F2, this paragraph 1.2.1A and paragraphs 3.1.2A and 3.1.2B of Section B may not be amended without the prior written consent of the Secretary of State or the Authority; and
- (k) for the purposes of the Code, this paragraph 1.2.1A shall cease to have effect upon the termination of the appointment of a BSC Company as the WHD Operator, save for paragraphs (c), (d), (e), (f), (g) and (i) which shall continue to apply to the extent and for such period as is necessary.

1.2.1B Without prejudice to paragraphs 1.2.1 and 1.2.1A, and subject to the provisions of paragraphs 3.4, 3.5 and 10, the activities set out in Annex C-1 (the "Permissible Activities") may be undertaken by an Affiliate (or Affiliates) of BSCCo established to undertake those Permissible Activities ("Permitted Affiliate").

Amend paragraph 3.1.1 to read as follows:

- 3.1.1 Without prejudice to paragraph 1.2.2, BSCCo shall have the following powers, functions and responsibilities:
- (a) to enter into, manage and enforce contracts with service providers (as BSC Agents) for the supply of the services required by BSC Service Descriptions, and negotiate and agree amendments to such contracts, as further provided in Section E and, where relevant, paragraph 10.1.5;
 - (b) to advise the Panel and keep it advised as to and in respect of the matters which it is necessary or appropriate that the Panel should consider in order to discharge the Panel's functions and responsibilities in accordance with the Code;
 - (c) to provide or arrange the provision of such facilities, resources and other support as may be required by the Panel to enable the Panel or any Panel Committee or Workgroup to discharge its functions and responsibilities under the Code;
 - (d) to provide secretarial and administrative services in connection with meetings of the Panel and Panel Committees and Workgroups, including the convening and holding of such meetings, and taking and circulation of minutes;
 - (e) to provide and make available to Parties such facilities, services and information in connection with the implementation of the Code as the Code may provide or the Panel may require;
 - (f) to provide or arrange the provision of facilities, resources and other support in connection with the procedures for modification of the Code in accordance with Section F;

- (g) to enter into contracts (in terms complying with any applicable provisions of Section B) of employment or other engagement with persons from time to time to be appointed as Panel Chairman or Panel Members under Section B2.5;
- (h) to indemnify against liability and, if relevant, to reimburse the expenses of, Panel Members, members of Panel Committees, members of Workgroups and others as provided in the Code or as otherwise required in BSCCo's discretion in connection with any BSC Agent Contract;
- (i) to enter on behalf of all Parties into Accession Agreements with new Parties in accordance with Section A2.2;
- (j) to act as BSC Agent for the purposes of the Master Registration Agreement in accordance with Annex K-1;
- (k) to act as shareholder of the BSC Clearer in accordance with paragraph 7;
- (l) to receive, collect and hold such data and information, and to prepare and maintain such books and records, as may be required under the Code or reasonably necessary to enable BSCCo to comply with its functions and responsibilities under the Code; and to provide data and information held by it to the Panel upon request and to other persons in accordance with any express provision of the Code;
- (m) without prejudice to the generality of paragraph (l), where it is not the function of a BSC Agent to do so, to maintain records of the extent to which Parties have satisfied requirements of the kind referred to in Section A4.5.3, and to provide details thereof to BSC Agents and other persons as required for the purposes of the Code;
- (n) to monitor whether any Party is, or with the lapse of time or giving of notice would be, in Default (in accordance with Section H3), and to give to any Party any notice the giving of which will result in that Party being in Default (but not for the avoidance of doubt to give any notice consequent upon a Party's being in Default unless expressly authorised to do so by the Panel or by a provision of the Code);
- (o) to act as the Performance Assurance Administrator;
- (p) to prepare and/or (as the Panel may require) assist the Panel to prepare the Annual BSC Report for each BSC Year in accordance with Section B6.1;
- (q) to make recommendations to the Panel as to possible Modification Proposals in the circumstances mentioned in paragraph 3.8.8 and Section F2.1.1(d)(ii) and (iii);
- (r) to the extent provided in and in accordance with the policy from time to time established by the Panel, to act as a point of contact for persons from other countries interested in, and to explain to such persons, the arrangements for and developments in wholesale trading of electricity in Great Britain and/or Offshore, and to participate in institutional comparative discussions of such arrangements and developments in other countries;
- (s) to provide Profile Administration Services (with the consent of the Panel) and to enter into, manage and (subject to the Code) enforce contracts with service

providers for the supply of Profile Administration Services in accordance with Section C9;

- (t) in conjunction with the other code administrators identified in the Code Administration Code of Practice, to maintain, publish, review and where appropriate (but subject always to the approval of the Authority) amend the Code Administration Code of Practice; and
- (u) to delegate responsibility for performance of the powers, functions and responsibilities specified in this paragraph 3.1.1 and otherwise provided for in the Code, to the BSC Services Manager (save in respect of paragraph (k) and its obligations and responsibilities under Section E, paragraph 4).

Insert new paragraph 3.4.6 to read as follows:

3.4 Restrictions on powers of BSCCo

3.4.6 Except where expressly provided for in the Code, BSCCo shall not give any cross-subsidy to, or receive any cross-subsidy from, a Permitted Affiliate.

Amend paragraph 6.1.1 to read as follows:

6.1 Introduction

6.1.1 For each BSC Year (the "**Plan Year**") BSCCo shall have:

- (a) a Business Strategy, setting out the principal activities which BSCCo expects to be carrying out in the Plan Year and each of the two following BSC Years, on the basis of the functions and responsibilities which are or have been assigned to BSCCo under or pursuant to the Code but excluding the activities of Permitted Affiliates, except as contemplated in paragraph 1.3.1 of Annex C-1;
- (b) an Annual Budget, setting out the expenditure which BSCCo considers reasonably necessary in order to carry out such activities in the Plan Year,

each established and from time to time amended in accordance with this paragraph 6.

Insert new paragraph 10 to read as follows:

10. PERMISSIBLE ACTIVITIES UNDERTAKEN BY PERMITTED AFFILIATES

10.1 General

10.1.1 In respect of each Permitted Affiliate:

- (a) BSCCo shall be entitled to subscribe for, acquire or hold any share or other security in a Permitted Affiliate and paragraph 3.4.5(b) shall not apply;
- (b) BSCCo shall not dispose of any legal or beneficial interest in any shares or other security in a Permitted Affiliate undertaking functions specified in paragraph 1 of Annex C-1 except where directed to do so by the Secretary of State in which case paragraph 3.4.5(c) shall not apply;
- (c) the Panel shall have no rights of approval or disapproval in respect of claims or proceedings by or against a Permitted Affiliate, or waivers or settlements of such claims, and paragraph 3.4.3(e) shall not apply; and

(d) paragraph 7 shall not apply.

10.1.2 Each Party and the Panel shall not (whether by action, omission or withholding of consent) prevent or restrict a Permitted Affiliate from performing all activities and functions and assuming all responsibilities and duties set out in Annex C-1.

10.1.3 Paragraphs 5.1. and 5.2 shall not apply to a Permitted Affiliate and, subject to paragraph 10.1.4, each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature against a Permitted Affiliate and releases each Permitted Affiliate from any liability in respect of any breach by such Permitted Affiliate of any provision of the Code or in tort (including negligence) or otherwise.

10.1.4 Nothing in paragraph 10.1.3 shall exclude or limit the liability of a Permitted Affiliate for:

(a) death or personal injury resulting from the negligence of such Permitted Affiliate; or

(b) fraud or fraudulent misrepresentation; or

(c) any claim against that Permitted Affiliate brought by a Party (acting in a capacity other than as a Party) solely to the extent that such Party has a right to bring a claim under an EMR Legal Requirement.

10.1.5 BSCCo may amend any BSC Agent Contract to include the supply of services to support Permissible Activities.

10.1.6 Nothing in this paragraph 10 shall affect or limit BSCCo's obligation to discharge its functions and responsibilities pursuant to the Code.

10.2 Ring-Fencing of Permitted Affiliates

10.2.1 Without prejudice to paragraphs 3.4 and 3.5, but subject to paragraph 10.1, the following provisions shall apply (as relevant) to BSCCo and to each Permitted Affiliate:

(a) without prejudice to paragraph 3, BSCCo shall not transfer, lease, licence, or lend any sum or sums, asset (including non-financial resources), right, or benefit to a Permitted Affiliate except by way of:

(i) a payment properly due for any goods, services, or assets provided on an arm's length basis and on normal commercial terms; or

(ii) a transfer, lease, licence, or loan of any sum or sums, asset, right, or benefit that is on an arm's length basis and on normal commercial terms.

(b) except as permitted in paragraph 10.2.1(a), BSCCo shall not enter into any borrowing for or on behalf of a Permitted Affiliate where the term "borrowing" has the same meaning as that term in accordance with paragraph 3.4.4;

(c) BSCCo and each Permitted Affiliate shall implement agreed contractual arrangements to ensure that:

(i) where any common or shared costs between BSCCo and a Permitted Affiliate are incurred these costs are allocated reasonably and equitably and on a normal commercial basis, provided that in determining such allocation a Permitted Affiliate shall not be

obliged to pay in excess of the established market rate, if applicable; and

(ii) where BSCCo incurs any costs (including costs in respect of any liabilities incurred by BSCCo) that arise as a consequence of services provided by BSCCo, or on BSCCo's behalf by a BSC Agent, to a Permitted Affiliate, such costs shall be recoverable from the Permitted Affiliate on a cost recovery basis.

Insert new paragraph 11 to read as follows:

11. PROVISION OF SUPPORT TO EMR SETTLEMENT SERVICES PROVIDERS

11.1 Provision of Support to EMR Settlement Services Providers

11.1.1 Without prejudice to paragraph 10, BSCCo may, in its discretion, provide (directly and/or via a BSC Agent) to an EMR Settlement Services Provider such support services (including the provision of assurance services) as may be reasonably incidental to supporting that EMR Settlement Services Provider in discharging its EMR Settlement Functions.

11.2 Agreement between BSCCo and EMR Settlement Services Providers

11.2.1 Subject to the disclosure obligations in Section V5, BSCCo shall enter into an agreement or agreements with the CFD Settlement Services Provider and the CM Settlement Services Provider including, inter alia, terms relating to the provision of Relevant EMR Settlement Data in accordance with Section V5, and terms that:

- (a) restrict the use of the Relevant EMR Settlement Data to the extent necessary to enable the CFD Settlement Services Provider and/or the CM Settlement Services Provider (and their service providers) to discharge their EMR Settlement Functions;
- (b) are consistent with the terms (as to availability and reliability of data) contained in agreements entered into by BSCCo pursuant to Section V3.2.7;
- (c) in respect of the CFD Settlement Data, impose restrictions on the use of CFD Settlement Data equivalent to the restrictions on the use of Confidential Information in Section H4 provided that the CFD Settlement Services Provider shall be entitled to share CFD Settlement Data with the CFD Counterparty, and otherwise in accordance with the EMR Legal Requirements;
- (d) in respect of the CM Settlement Data, reflect the provisions on the use of protected information contained in the EMR Legal Requirements;
- (e) where EMR Settlement Data is to be disclosed to a service provider of an EMR Settlement Services Provider, provide that such EMR Settlement Data shall only be disclosed on a "need-to-know" basis and requiring such service providers to enter into a confidentiality agreement with the relevant EMR Settlement Services Provider on terms equivalent to those contained in an EMR Legal Requirement or, if there is no applicable EMR Legal Requirement, Section H4;
- (f) allow for the provision of support services in accordance with paragraph 11.1.1 and which, to the fullest extent permitted by law, restrict BSCCo's liability to the EMR Settlement Services Provider for any claim in damages or any other

claim of a financial nature relating to the supply of services to the EMR Settlement Services Provider to the amounts payable under the agreement for those services; and

- (g) provide for the payment by the CFD Settlement Services Provider of CFD Settlement Services Provider Costs and by the CM Settlement Services Provider of CM Settlement Services Provider Costs, as appropriate to the relevant agreement, in each case in accordance with Section D7.

Insert new Annex C-1 at the end of Section C to read as follows:

ANNEX C-1: PERMISSIBLE ACTIVITIES

1 Activities performed pursuant to the Energy Act 2013

1.1 Settlement Services Provider for Feed in Tariff Contracts for Difference

1.1.1 A Permitted Affiliate may, for the duration of its appointment as CFD Settlement Services Provider, perform (either itself or through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise (whether specified in any EMR Legal Requirement or in a contract between a Permitted Affiliate and the CFD Counterparty) in connection with:

- (a) the calculation, administration and, where applicable, settlement of amounts payable or arising under:
- (i) contracts for difference entered into by the CFD Counterparty pursuant to Chapter 2 of Part 2 of the Energy Act 2013; and
 - (ii) the Contracts for Difference Supplier Obligation;
- (b) the calculation, collection, administration and enforcement of financial collateral pursuant to Chapter 2 of Part 2 of the Energy Act 2013 and as set out in:
- (i) contracts for difference entered into by the CFD Counterparty pursuant to Chapter 2 of Part 2 of the Energy Act 2013; and
 - (ii) the Contracts for Difference Supplier Obligation; and
- (c) any other matters pursuant to Chapter 2 of Part 2 of the Energy Act 2013.

1.2 Settlement Services Provider for Capacity Agreements

1.2.1 A Permitted Affiliate may, for the duration of its appointment as CM Settlement Services Provider, perform (either itself or through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise (whether specified in any EMR Legal Requirement or in a contract between a Permitted Affiliate and the CM Settlement Body) in connection with:

- (a) the calculation, administration and, where applicable, settlement of amounts payable or arising under Chapter 3 of Part 2 of the Energy Act 2013 and set out in:
- (i) the [Electricity Capacity Regulations 2014];
 - (ii) the [Electricity Capacity (Payment) Regulation 2014]; and

(iii) the Capacity Market Rules;

(b) the calculation, collection, administration and enforcement of financial collateral pursuant to Chapter 3 of Part 2 of the Energy Act 2013 and set out in:

(i) the [Electricity Capacity Regulations 2014];

(ii) the [Electricity Capacity (Payment) Regulation 2014];

(iii) the Capacity Market Rules; and

(c) any other matters pursuant to Chapter 3 of Part 2 of the Energy Act 2013.

1.3 EMR Tender Activities

1.3.1 A Permitted Affiliate may prepare for and participate in the process for the award of the activities referred to in paragraphs 1.1 and 1.2 and if such preparation and participation has been included in a Business Strategy and an Annual Budget which have been approved and adopted under paragraph 6, the costs thereof shall be BSC Costs.

SECTION D: BSC COST RECOVERY AND PARTICIPATION CHARGES (V17.0)

1. GENERAL

1.1 Introduction

Amend paragraph 1.1.1 to read as follows:

1.1.1 This Section D sets out:

- (a) the basis on which Trading Parties' various Funding Shares will be determined;
- (b) the basis for determining specified charges payable by Parties and others to BSCCo in respect of participation under the Code;
- (c) further arrangements pursuant to which BSCCo will recover BSC Costs from Trading Parties;
- (d) arrangements pursuant to which certain Trading Parties will recover certain amounts (not being Trading Charges), directly from other Trading Parties, in respect of Party-Funded Costs; and

(e) further arrangements pursuant to which BSCCo will recover:

(i) CFD Settlement Services Provider Costs; and

(ii) CM Settlement Services Provider Costs.

2 BSC COSTS

2.1 General

Amend paragraph 2.1 to read as follows:

2.1.1 For the purposes of the Code, subject to paragraph 2.4:

- (a) "BSC Costs" means, subject to paragraph (b):

- (i) all costs, expenses and other outgoings of BSCCo and its Subsidiaries and other amounts for which BSCCo or any of its Subsidiaries may be liable (other than amounts payable as trustee for any person), net of recoverable VAT; and
 - (ii) with effect from such time as BSCCo determines to treat such amount as a bad debt, any amount payable by a Party in respect of BSCCo Charges which was not paid within 15 Business Days after the due date for payment and remains outstanding at such time, excluding any part of such amount which comprises VAT to the extent to which BSCCo considers that it will recover such VAT from a taxation authority;
- (b) BSC Costs do not include:
- (i) amounts payable by or to the BSC Clearer in respect of Trading Charges pursuant to Section N;
 - (ii) (to avoid double counting) amounts paid by BSCCo to its Subsidiaries by way of funding;
 - (iii) Party Funded Costs or any amounts payable to any Parties in respect of Supplier charges pursuant to Annex S-1;
 - (iv) any CFD Settlement Services Provider Costs and/or CM Settlement Services Provider Costs incurred by BSCCo and/or any of its Subsidiaries;
- (c) "**SVA Costs**" are BSC Costs incurred by BSCCo in connection with Supplier Volume Allocation, determined in accordance with Annex D-2;
- (d) "**Annual BSC Costs**" in relation to a BSC Year, means all BSC Costs accruing (in accordance with the BSCCo Accounting Policies) in that year;
- (e) "**Annual SVA Costs**" in relation to a BSC Year, means all SVA Costs accruing (in accordance with the BSCCo Accounting Policies) in that year;
- (f) "**Annual Default Costs**" in relation to a BSC Year, means the aggregate of all unpaid amounts falling to be treated as BSC Costs under paragraph 2.1.1(a)(ii) in that BSC Year.

2.1.2 Without prejudice to the generality of paragraph 2.1.1, and subject always to 2.1.1(b)(iv), BSC Costs include amounts for which BSCCo or any of its Subsidiaries is liable:

- (a) pursuant to or in connection with any BSC Agent Contract or Market Index Data Provider Contract or any breach by BSCCo thereof or the termination thereof;
- (b) pursuant to any indemnity given by it pursuant to the Code or any BSC Agent Contract or Market Index Data Provider Contract or otherwise;
- (c) pursuant to any provision of the Implementation Scheme;
- (d) should BSCCo in any circumstances be required to pay (other than as trustee) to any Party any amount recovered or recoverable by BSCCo from a BSC Agent or Market Index Data Provider;

- (e) by way of payment of interest or other charges or repayment (including any prepayment or premature or accelerated repayment) of principal in respect of any borrowing (and including any grossed-up amounts where any deduction is made from payment of interest);
- (f) in respect of any taxes (save to the extent to which such amounts are recoverable from any person or authority in the BSC Year in question);
- (g) to a Contract Trading Party pursuant to Section M4;
- (h) in damages (in contract or tort or otherwise) to any person, including (by virtue of Section C5.2 or otherwise) any Party.

Insert new paragraph 7 directly after paragraph 6 to read as follows:

7. EMR SETTLEMENT SERVICES PROVIDER COSTS

7.1 CFD Settlement Services Provider Costs to be recovered by BSCCo

7.1.1 For the purposes of the Code, "**CFD Settlement Services Provider Costs**" means:

- (a) the costs directly incurred by BSCCo in providing, or procuring the provision of, CFD Settlement Data to the CFD Settlement Services Provider; and
- (b) any other costs directly incurred by BSCCo in providing, or procuring the provision of, those further services to the CFD Settlement Services Provider as are permitted elsewhere in the Code.

7.2 CM Settlement Services Provider Costs to be recovered by BSCCo

7.2.1 For the purposes of the Code, "**CM Settlement Services Provider Costs**" means:

- (a) the costs directly incurred by BSCCo in providing, or procuring the provision of, CM Settlement Data to the CM Settlement Services Provider; and
- (b) any other costs directly incurred by BSCCo in providing, or procuring the provision of, those further services to the CM Settlement Services Provider as are permitted elsewhere in the Code.

7.3 General

7.3.1 No Party shall be liable to pay CFD Settlement Services Provider Costs or CM Settlement Services Provider Costs to BSCCo (other than a Party in its capacity as the CFD Settlement Services Provider or CM Settlement Services Provider, as appropriate, appointed for the time being).

ANNEX D-3: SPECIFIED BSC CHARGES

3. Main Specified Charges

Amend paragraph 3.1 to read as follows:

- 3.1 The Main Specified Charges payable by Parties in relation to each month are as follows:
 - (a) a Base Monthly Charge, payable by each Party, at a charge rate as determined and notified to Parties by the Panel by publication on the BSC Website;

- (b) a CVA Metering System Monthly Charge, for each CVA Metering System (including a Metering System at a Systems Connection Point) of which a Party is Registrant for all or any part of that month, at a charge rate as determined and notified to Parties by the Panel by publication on the BSC Website;
- (c) a CVA BM Unit Monthly Charge, for:
 - (i) each BM Unit (other than a Supplier BM Unit and other than BM Units as provided in paragraph (ii)) for which a Trading Party is Lead Party for all or any part of that month; and
 - (ii) for:
 - (1) each Consumption BM Unit associated with an Exemptable Generating Plant for which (Consumption BM Unit) the Trading Party is Lead Party for all or any part of that month (and, in this case, no charge will be made for any Exempt Export BM Units at the Exemptable Generating Plant); or
 - (2) (if there are no Consumption BM Units associated with an Exemptable Generating Plant) all Exempt Export BM Units at the Exemptable Generating Plant for which the Trading Party is Lead Party for all or any part of that month (as a single charge taking such Exempt Export BM Units in aggregate),

at a charge rate as determined and notified to Parties by the Panel by publication on the BSC Website;
- (d) a Dataline Monthly Charge, for each data communications line supplied to a Trading Party (as described in paragraph 3.3(a)), at a charge rate as determined and notified to Parties by the Panel in a 'Schedule of Specified Communication Charges' placed on the BSC Website;
- (e) a TIBCO Software Support Charge (as described in paragraph 3.3(b)), at a charge rate as determined and notified to Parties by the Panel in a 'Schedule of Specified Communication Charges' placed on the BSC Website;
- (f) a Notified Volume Charge, for the Gross Contract MWh determined for a Trading Party in accordance with paragraph 3.2, at a charge rate as determined and notified to Parties by the Panel by publication on the BSC Website;
- (g) a Base BM Unit Monthly Charge, for a set of Base BM Units (in aggregate) automatically allocated (in accordance with Section K3.3.1(a)) to a Supplier (in respect of each of its Supplier IDs), and held by a Supplier for all or any part of that month, at a charge rate as determined and notified to Parties by the Panel by publication on the BSC Website;
- (h) except for Additional BM Units that are comprised of CFD Assets or CM Assets (for which there shall be no Additional BM Unit Monthly Charge), an Additional BM Unit Monthly Charge, for each Supplier BM Unit for which a Supplier is Lead Party for all or any part of that month, and which is not charged for under paragraph (g), at a charge rate as determined and notified to Parties by the Panel by publication on the BSC Website; and

- (i) for a Replacement Supplier BM Unit held by a Replacement Supplier for all or any part of that month:
 - (i) which corresponds to a Base BM Unit, to the Replacement Supplier, one twelfth of the Base BM Unit Monthly Charge;
 - (ii) which corresponds to an Additional BM Unit, to the Replacement Supplier, the Additional BM Unit Monthly Charge,

and no charge will be made in respect of Replacement Supplier BM Units under paragraphs (g) or (h) provided that, for the purposes of this paragraph 3.1, a BM Unit shall cease to be considered a Replacement Supplier BM Unit when all the Metering Systems associated with that BM Unit are no longer registered in the name of the relevant failing Supplier.

SECTION E: BSC AGENTS (v6.0)

Amend paragraph 2.4 to read as follows:

2.4 Contract requirements

2.4.1 Each BSC Agent Contract shall contain terms which:

- (a) give effect to the principle that Trading Parties should have the benefit of the main obligations of the BSC Agent under the contract, whether:
 - (i) by express provision to that effect in the contract, in which case the contract shall not contain provisions which would restrict the application of the Contracts (Rights of Third Parties) Act 1999 in relation to the relevant terms of the contract, but subject to paragraph 3.2.4;
 - (ii) by virtue of BSCCo entering into such contract (inter alia) as trustee for or agent for the benefit of Trading Parties;

or otherwise;

- (b) provide that such contract may be assigned or novated, without consent of the BSC Agent, to any company acting as successor to BSCCo (and having no lesser financial standing than BSCCo) for the purposes of the Code;
- (c) provide that the BSC Agent shall not make claims under or in respect of breaches of the BSC Agent Contract against any Party other than BSCCo;
- (d) reflect the requirement in paragraph 3.2.1;

(e) where such contract includes the supply of services in support of Permissible Activities pursuant to Sections C10 or C11:

(i) prevent the BSC Agent from terminating any part of a BSC Agent Contract that relates to the performance of BSC Agent services as a result solely of any breach by BSCCo of provisions relating to the supply of services by the BSC Agent in respect of Permissible Activities; and

(ii) to the fullest extent permitted by law, restrict BSCCo's liability to the BSC Agent for any claim in damages or any other claim of a

financial nature relating solely to the supply of services by the BSC Agent in support of Permissible Activities to the amounts payable under that BSC Agent Contract for those services.

SECTION F: MODIFICATION PROCEDURES (V19.0)

1.1 Modification

Insert new paragraphs 1.1.9 to read as follows:

1.1.9 Notwithstanding paragraph 2, prior to a Modification Report being sent to the Authority under paragraph 2.7.8 or a determination being made by the Panel under paragraph 6, the written consent of the Secretary of State must be obtained to a Modification Proposal where an EMR Settlement Services Provider, the CFD Counterparty, the CM Settlement Body or BSCCo has identified that the Modification Proposal would, if implemented:

- (a) prevent an EMR Settlement Services Provider, the CFD Counterparty, the CM Settlement Body or BSCCo from performing an obligation under the EMR Legal Requirements; or
- (b) cause a material impact on the CFD Arrangements or CM Arrangements.

1.6 Change Co-ordination

Amend paragraph 1.6 to read as follows:

1.6.1 The Panel shall establish (and, where appropriate, revise from time to time) joint working arrangements, consistent with any IS Policies relating to change co-ordination, with each Core Industry Document Owner to facilitate the identification, co-ordination, making and implementation of change to Core Industry Documents consequent on a Code Modification in a full and timely manner.

1.6.1A The Panel shall establish (and, where appropriate, revise from time to time) joint working arrangements, consistent with any IS Policies relating to change co-ordination, with the STC Committee to facilitate the identification, co-ordination, making and implementation of change to the System Operator-Transmission Owner Code consequent on a Code Modification in a full and timely manner.

1.6.1B The Panel shall establish (and, where appropriate, revise from time to time) joint working arrangements, consistent with any IS Policies relating to change co-ordination, with the [Authority] [and the Secretary of State] to facilitate the identification, co-ordination, making and implementation of change to the Capacity Market Rules [or the AF Rules (as applicable)] consequent on a Code Modification in a full and timely manner.

1.6.2 The working arrangements referred to in paragraphs 1.6.1, ~~and~~ 1.6.1A and 1.6.1B shall be such as enable the consideration, development and evaluation of Modification Proposals, and the implementation of Approved Modifications, to proceed in a full and timely manner and enable changes to Core Industry Documents, ~~and/or~~ the System Operator-Transmission Owner Code, ~~the Capacity Market Rules [and/or the AF Rules]~~ (as applicable) consequent on a Code Modification to be made and given effect wherever possible (subject to any necessary consent of the Authority) at the same time as such Code Modification is made and given effect.

1.6.3 For the purposes of this Section F:

- (a) "**Core Industry Documents**" shall have the meaning ascribed to such term in the Transmission Licence;
- (b) "**Core Industry Document Owner**" means, in relation to a Core Industry Document, the body or entity which is responsible for the management and operation of procedures for making changes to such document;
- (c) "**STC Committee**" means, in relation to the STC, the body or entity which is responsible for the management and operation of procedures for making changes to the STC;~~and~~
- (d) "**System Operator-Transmission Owner Code**" or "**STC**" means the code so called and created, and from time to time modified by the Transmission Company, in accordance with the Transmission Licence~~;~~;
- (e) "**Capacity Market Rules**" means the rules so called and created pursuant to Section 34 of the Energy Act 2013, and from time to time modified by the Secretary of State or the Authority in accordance with [The Electricity Capacity Regulations 2014]; and
- [(f) "**AF Rules**" means The Allocation Framework referred to in [The Contracts for Difference (Allocation) Regulations 2014].

1.6.4 The Parties shall comply with the procedures set out in any IS Policies relating to the co-ordination of change, including ensuring that a person is appointed within their organisation with overall responsibility for changes to the Code and Code Subsidiary Documents.

1.9 Interpretation

Insert new paragraph 1.9.3 to read as follows:

1.9.3 For the purposes of this Section F, in relation to the consultation of interested third parties, the term 'interested third parties' shall include the CFD Counterparty, the CM Settlement Body, the CFD Settlement Services Provider and the CM Settlement Services Provider.

2.1 Modification Proposals

Amend paragraph 2.1.1 to read as follows:

2.1.1 A proposal to modify the Code may be made by any of the following:

- (a) a Party (other than BSCCo or the BSC Clearer);
- (b) the National Consumer Council;
- (c) such other bodies representative of interested third parties as may be designated in writing for this purpose by the Authority from time to time;
- (d) the Panel:
 - (i) on the recommendation of BSCCo in accordance with Section C3.8.8 or Section H9.8;
 - (ii) on the recommendation of BSCCo following receipt by BSCCo of a change request proposing a change to a Core Industry Document

and/or the System Operator-Transmission Owner Code which would, if made, have an impact on the Code;

- (iii) on the recommendation of BSCCo where BSCCo becomes aware of a change in circumstances, since approval of a Proposed Modification, which would make the implementation of that Approved Modification impossible or significantly more costly than anticipated at the time such Modification was approved or no longer relevant;
- (iv) on the recommendation of BSCCo to rectify manifest errors in or to correct minor inconsistencies (or make other minor consequential changes) to the Code;
- (v) on the recommendation of the Trading Disputes Committee in consequence of a Trading Dispute; and
- (vi) on the recommendation of the Performance Assurance Board in accordance with Section Z8.2,

provided that, where the Panel decides to make a proposal in any of the circumstances set out in paragraphs (i) to (vi), such proposal shall be without prejudice to the Panel's decision, pursuant to paragraph 2.7, as to whether or not to recommend to the Authority that such modification should be made:

(e) the CFD Counterparty to reflect a proposed change to the CFD Arrangements which would, if made, have an impact on the Code;

(f) the CM Settlement Body to reflect a proposed change to the CM Arrangements which would, if made, have an impact on the Code.

Amend Annex F-1 to read as follows:

ANNEX F-1: CONTENTS OF REPORTS

1. The matters referred to in paragraph 2.6.4 of Section F are (to the extent applicable to the proposal in question):
 - (a) a description of the Proposed Modification including the details of, and the rationale for, any variations made (or, as the case may be, omitted) by the Proposer together with the views of the Workgroup, and an analysis of and the views and rationale of the Workgroup as to whether (and, if so, to what extent) the Proposed Modification would better facilitate achievement of the Applicable BSC Objective(s);
 - (b) a description and analysis of any Alternative Modification developed by the Workgroup which, as compared with the Proposed Modification, would better facilitate achievement of the Applicable BSC Objective(s) and the views and rationale of the Group in respect thereof;
 - (c) an assessment or estimate (as the case may be) of:
 - (i) the impact of the Proposed Modification and any Alternative Modification on BSC Systems;

- (ii) any changes and/or developments which would be required to BSC Systems in order to give effect to the Proposed Modification and any Alternative Modification;
- (iii) the total development and capital costs of making the changes and/or delivering the developments referred to in paragraph (ii);
- (iv) the time period required for the design, build and delivery of the changes and/or developments referred to in paragraph (ii);
- (v) the increase or decrease in the payments due under the BSC Agent Contracts in consequence of the Proposed Modification and any Alternative Modification;
- (vi) the additional payments (if different from those referred to in paragraph (v)) due in connection with the operation and maintenance of the changes and/or developments to BSC Systems as a result of the Proposed Modification and any Alternative Modification;
- (vii) any other costs or liabilities associated with BSC Systems attributable to the Proposed Modification and any Alternative Modification;

(d) an assessment of:

- (i) the impact of the Proposed Modification and any Alternative Modification on the Core Industry Documents and/or the System Operator-Transmission Owner Code;
- (ii) the changes which would be required to the Core Industry Documents and/or the System Operator-Transmission Owner Code in order to give effect to the Proposed Modification and any Alternative Modification;
- (iii) the mechanism and likely timescale for the making of the changes referred to in paragraph (ii);
- (iv) the changes and/or developments which would be required to central computer systems and processes used in connection with the operation of arrangements established under the Core Industry Documents and/or the System Operator-Transmission Owner Code;
- (v) the mechanism and likely timescale for the making of the changes referred to in paragraph (iv);
- (vi) an estimate of the costs associated with making and delivering the changes referred to in paragraphs (ii) and (iv);

(vii) the impact of the Proposed Modification and any Alternative Modification on the CFD Arrangements and/or the CM Arrangements.

together with a summary of representations in relation to such matters;

(e) an assessment of:

- (i) the likely increase or decrease in BSC Costs (to the extent not already taken into account in paragraph (c) above) in consequence of the Proposed Modification and any Alternative Modification;
 - (ii) the changes required to Systems and processes of BSCCo in order to give effect to the Proposed Modification and any Alternative Modification; and
 - (iii) the BSC Costs which are expected to be attributable to the implementation of the Proposed Modification and any Alternative Modification, to the extent not taken into account under any other provision of this Annex F-1;
- (f) to the extent such information is available to the Workgroup, an assessment of the impact of the Proposed Modification and any Alternative Modification on Parties in general (or classes of Parties in general) and Party Agents in general, including the changes which are likely to be required to their internal systems and processes and an estimate of the development, capital and operating costs associated with implementing the changes to the Code and to Core Industry Documents and/or the System Operator-Transmission Owner Code;
 - (g) an assessment of the Proposed Modification and any Alternative Modification in the context of the statutory, regulatory and contractual framework within which the Code sits (taking account of relevant utilities, competition and financial services legislation);
 - (h) a summary of the representations (pursuant to paragraph 2.2.6 or 2.6.5(b) of Section F) made by Parties and interested third parties during the consultation undertaken in respect of the Proposed Modification and any Alternative Modification and the views and comments of the Workgroup in respect thereof;
 - (i) a summary of the analysis and impact assessment prepared by the Transmission Company pursuant to paragraph 2.6.6 and the views and comments of the Workgroup in respect thereof;
 - (j) a summary of the impact assessment prepared by relevant BSC Agents and the views and comments of the Workgroup in respect thereof;
 - (k) a summary of any impact assessment prepared by Core Industry Document Owners and/or the STC Committee and the views and comments of the Workgroup in respect thereof;
 - (l) a copy of the terms of reference and any report or analysis of external consultants or advisers engaged in respect thereof;
 - (m) a list of the key assumptions which the Workgroup has made in formulating its views;
 - (n) any other matters required by the terms of reference of such Workgroup;
 - (o) any other matters which the Workgroup consider should properly be brought to the attention of the Panel to assist the Panel in forming a view as to whether the Proposed Modification and any Alternative Modification would better facilitate achievement of the Applicable BSC Objective(s) including an assessment, conducted in accordance with paragraph 2.6.2A, of the quantifiable impact of

the Proposed Modification and any Alternative Modification on greenhouse gas emissions where such impact is likely to be material;

- (p) subject to paragraph 2.6.8 and 2.6.9 of the Section F, the proposed text to modify the Code in order to give effect to the Proposed Modification and any Alternative Modification, together with a commentary setting out the nature and effect of such text and of other areas of the Code which would be affected by the changes;
- (q) subject to paragraph 2.11.20 of Section F, the Workgroup's proposed Implementation Date(s) for implementation (subject to the consent of the Authority) of the Proposed Modification and any Alternative Modification;
- (r) an executive summary of the project brief prepared by BSCCo pursuant to paragraph 2.6.6(e);
- (s) a recommendation (where applicable) as to whether, if the Proposed Modification or Alternative Modification is approved, Settlement Runs and Volume Allocation Runs carried out after the Implementation Date of such Approved Modification in respect of Settlement Days prior to that date should be carried out taking account of such Approved Modification or not;
- (t) the proposed text (if any) to modify the Memorandum and Articles of Association of BSCCo and/or the BSC Clearer in order to give effect to the Proposed Modification and any Alternative Modification, together with a commentary setting out the nature and effect of such text and of other areas of the Memorandum and Articles of Association and/or the Code which would be affected by the changes; and
- (u) a summary of any changes which would be required to Code Subsidiary Documents as a consequence of such Proposed Modification or Alternative Modification.

SECTION G: CONTINGENCIES (V9.0)

3. BLACK START

3.1 General

Amend paragraph 3.1.2 to read as follows:

3.1.2 Where this paragraph 3 applies:

- (a) BSCCo shall (as soon as is practicable following the Transmission Company's notification under OC9.4 of the Grid Code) notify all Parties and the CM Settlement Services Provider that a Total Shutdown or Partial Shutdown exists and that the Transmission Company intends to implement a Black Start;
- (b) the Transmission Company shall (as soon as is practicable following its notification under OC9.4 of the Grid Code) determine, in its reasonable opinion, the time and date with effect from which the Total Shutdown or Partial Shutdown commenced and inform BSCCo of that time and date;
- (c) BSCCo shall determine the Settlement Period that corresponds with the time and date from which the Total Shutdown or Partial Shutdown commenced (as determined by the Transmission Company under paragraph (b)) and, as soon

and so far as is practicable, notify all Parties and the CM Settlement Services Provider of that Settlement Period;

- (d) following the Transmission Company's determination (under OC9.4.7.9 of the Grid Code) of the time the Total System could return to normal operation, the Panel shall determine, after consultation with the Transmission Company, the Settlement Period with effect from which the provisions of this paragraph 3 are to cease to apply, having regard to the following matters and any other matters or processes set out in the relevant BSCP:
 - (i) the time the Total System could return to normal operation under the Grid Code determined by the Transmission Company;
 - (ii) the desirability of a return to normal operation under the Code at the same time or as soon as practicable thereafter; and
 - (iii) the amount of time which (in the opinion of the Panel) it is reasonable to allow for Parties to recommence operations under or for the purposes of Sections Q and P;
- (e) at any time up until one hour prior to the Settlement Period from which the provisions of this paragraph 3 would otherwise cease to apply, the Transmission Company may determine (in accordance with OC9.4.7.9 of the Grid Code) that the Total System could not return to normal operation at that time;
- (f) the Panel shall revise its determination under paragraph (d) if the Transmission Company determines under paragraph (e) that the Total System could not return to normal operation at that time; and
- (g) BSCCo shall promptly notify all Parties and the CM Settlement Services Provider of the Panel's determination under paragraph (d) and, where applicable, paragraph (f).

SECTION H: GENERAL (V17.0)

4. CONFIDENTIALITY AND OTHER INTELLECTUAL PROPERTY RIGHTS

4.1 Interpretation

Amend paragraph 4.1.1 to read as follows:

4.1.1 In this paragraph 4:

- (a) "**Authorised Recipient**" means any Business Person to whom Protected Information has been divulged in accordance with paragraph 4.4 provided that such person:
 - (i) requires access to such Protected Information for the proper performance of his duties as a Business Person in the course of Permitted Activities; and
 - (ii) has been informed of the duties of the Transmission Company in relation to inter alia Protected Information under paragraph 4.4;

- (b) "**Business Person**" means any person who is a Main Business Person or a Corporate Functions Person, and "**Business Personnel**" shall be construed accordingly;
- (c) "**Corporate Functions Person**" means any person who:
- (i) is an officer of the Transmission Company; or
 - (ii) is an employee of the Transmission Company, carrying out any administrative, finance or other corporate services of any kind which in part relate to the Main Business; or
 - (iii) is engaged by or on behalf of the Transmission Company as an agent or adviser to or otherwise to perform work in relation to services for the Main Business;
- (d) "**Disclose**" means disclose, reveal, report, publish or transfer by any means and "**Disclosure**" shall be construed accordingly;
- (e) "**Main Business**" means, in relation to the Transmission Company, any business of the Transmission Company as at the Code Effective Date and any business which the Transmission Company must carry out under the Transmission Licence;
- (f) "**Main Business Person**" means any employee of the Transmission Company who is engaged solely in the Main Business of the Transmission Company, and "**Main Business Personnel**" shall be construed accordingly;
- (g) "**Nominated Agreements**" means:
- (i) the Code;
 - (ii) the Code Subsidiary Documents;
 - (iii) the Implementation Scheme;
 - (iv) the Scheme Subsidiary Documents;
 - (v) the Settlement Agreement for Scotland;
 - (vi) the Master Registration Agreement;
 - (vii) all Connection Agreements;
 - (viii) the Data Transfer Service Agreement; ~~and~~
 - (ix) all Contracts for Difference; and
 - ~~(ix)~~ any other electricity industry agreement or document as may be specified (or of a type specified) as a Nominated Agreement by the Panel from time to time (following such consultation with Parties as the Panel considers appropriate for this purpose);
- (h) "**Permitted Activities**" means activities carried on for the purposes of the Main Business;

- (i) **"Protected Information"** means any information relating to the affairs of a Party which is furnished to Business Personnel pursuant to the Code unless, prior to such information being furnished, such Party has informed the recipient thereof by notice in writing or by endorsement on such information that the said information is not to be regarded as Protected Information;
- (j) **"Relevant Instrument"** means any or, as the context may require, a particular one of the following:
 - (i) the Act and all subordinate legislation made under the Act;
 - (ii) the Data Protection Act 1998 and all subordinate legislation made under it;
 - (iii) any Licence and any determination or notice made or issued by the Authority pursuant to the terms thereof;
 - (iv) the Capacity Market Rules,

and whether under any of the foregoing or otherwise, all authorisations, approvals, licences, exemptions, filings, registrations, notarisations, consents, guidelines and other matters which are required or which a Party acting in accordance with Good Industry Practice would obtain or comply with for the purposes of the Code, of or from any Competent Authority.

4.4 Confidentiality for the Transmission Company

Amend paragraph 4.4.2 to read as follows:

4.4.2 Nothing in this paragraph 4.4 shall apply to any Protected Information:

- (a) which, before it is furnished to Business Personnel, is in the public domain; or
- (b) which, after it is furnished to Business Personnel:
 - (i) is acquired by the Transmission Company in circumstances in which this paragraph 4.4 does not apply; or
 - (ii) is acquired by the Transmission Company in circumstances in which this paragraph 4.4 does apply and thereafter ceases to be subject to the restrictions imposed by this paragraph 4.4; or
 - (iii) enters the public domain,

and in any such case otherwise than as a result of either a breach by the Transmission Company of its obligations in this paragraph 4.4 or a breach by the person who disclosed that Protected Information of any confidentiality obligation of that person where the Transmission Company is aware of such breach by that person; and/or
- (c) disclosed to any person where the Transmission Company or any Affiliate of the Transmission Company is required or expressly permitted to make such disclosure to such person:
 - (i) in compliance with the duties of the Transmission Company under the Act or any other Legal Requirement; or

- (ii) in compliance with the conditions of the Transmission Licence or any document referred to in the Transmission Licence with which the Transmission Company or any Affiliate of the Transmission Company is required by virtue of the Act or the Transmission Licence to comply; or
- (iii) in compliance with any other Legal Requirement; or
- (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
- (v) pursuant to the arbitration rules for the Electricity Arbitration Association or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Transmission Company or its Affiliates; or

(vi) pursuant to an EMR Legal Requirement; or

- (d) to the extent that the Transmission Company or any of its Affiliates is expressly permitted or required to disclose that information under the terms of any agreement or arrangement (including the Code, the Grid Code, the Distribution Codes and the Fuel Security Code) with the Party to whose affairs such Protected Information relates.

7. DISPUTE RESOLUTION

7.1 Arbitration

Amend paragraph 7.1.1 to read as follows:

- 7.1.1 Save where expressly stated in the Code to the contrary and subject to any contrary provision of the Act, ~~or any Licence,~~ any EMR Legal Requirement or the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, any Licence or otherwise howsoever, any dispute or difference of whatever nature howsoever arising under, out of or in connection with the Code between any one or more Parties shall be and is hereby referred to arbitration pursuant to the arbitration rules of the Electricity Arbitration Association in force from time to time.

9.4 Rights of Third Parties

Amend paragraph 9.4.3 to read as follows:

- 9.4.3 Save for the Authority and the Panel as provided in Section F and, in respect of the Secretary of State, to the extent provided in Section C, no third party consent shall be required to rescind, vary or modify the Code or any Code Subsidiary Document (but without prejudice to the rights of BSC Agents under their respective BSC Agent Contracts in respect of any change to such BSC Agent Contract).

SECTION K: CLASSIFICATION AND REGISTRATION OF METERING SYSTEMS AND BM UNITS (V34.0)

3. CONFIGURATION AND REGISTRATION OF BM UNITS

3.1 Configuration of BM Units

Insert new paragraph 3.1.8 to read as follows:

3.1.8 A BM Unit comprised of:

- (a) CFD Assets shall be comprised solely of the CFD Assets specified in the Contract for Difference relating to that BM Unit and shall not include any other Plant or Apparatus (the "Relevant CFD Assets"); and
- (b) CM Assets shall be comprised solely of the CM Assets specified in the Capacity Agreement relating to that BM Unit and shall not include any other Plant or Apparatus (the "Relevant CM Assets").

3.3 Supplier BM Units

Insert new paragraph 3.3.12 to read as follows:

3.3.12 Where a Supplier is the Registrant of SVA Metering System(s) associated with CFD Assets, the Supplier shall in respect of those CFD Assets:

- (a) ensure that Additional BM Unit(s) have been registered in accordance with this Section K; and
- (b) assign only the Relevant CFD Assets to such Additional BM Unit(s); or

3.3.13 Where a Supplier is the Registrant of SVA Metering System(s) associated with CM Assets, the Supplier shall either:

- (a) in respect of those CM Assets:
 - (i) ensure that Additional BM Unit(s) have been registered in accordance with this Section K; and
 - (ii) assign only the Relevant CM Assets to such Additional BM Unit(s);
or
- (b) comply with the requirements of Section S2.9.

3.3.14 If at any time BSCCo receives a notice from an EMR Settlement Services Provider in respect of CFD Assets or CM Assets to register or de-register Additional BM Units in a GSP Group then BSCCo shall:

- (a) in respect of the GSP Group to which those CFD Assets or CM Assets are connected, register Additional BM Units for each Supplier identified by BSCCo under paragraph 3.3.15; or
- (b) de-register any Additional BM Unit in that GSP Group which were registered under paragraph 3.3.14(a) and which are connected to those CFD Assets or CM Assets (as applicable) but which are no longer required,

in each case in accordance with BSCP15.

3.3.15 In respect of each GSP Group BSCCo shall establish and maintain a list identifying:

- (a) Active Power Purchasing Suppliers in that GSP Group; and
- (b) any other Qualified Half Hourly Supplier that has requested to be included on that list.

SECTION L: METERING (V15.0)

6. ACCESS TO PROPERTY

6.2 Invitees

Amend Section 6.2.1 to read as follows:

6.2.1 For the purposes of the Code, each of the following shall be an Invitee:

- (a) the Panel and any Panel Committee acting through any reasonably nominated employee, agent or contractor of BSCCo;
- (b) BSCCo acting through any reasonably nominated employee, agent or contractor;
- (c) the TAA and the CDCA, acting through any reasonably nominated employee, agent or contractor;
- (d) the BSC Auditor acting through any partner or employee;
- (e) the Transmission Company, acting through any reasonably nominated employee, agent or contractor; and
- (f) the CFD Counterparty, the CFD Settlement Services Provider, the CM Settlement Body and/or the CM Settlement Services Provider, in each case acting through any reasonably nominated employee, agent or contractor.

7.6 Reporting

Insert new paragraph 7.6.1A after 7.6.1 to read as follows:

7.6.1A Where BSCCo becomes aware of a non-compliance that has impacted metered volumes then it shall, as soon as reasonably practicable thereafter, notify the CFD Settlement Services Provider and the CM Settlement Services Provider and include in that notice at least the following:

- (a) the MSID(s) (if known) relating to the applicable SVA Metering System or CVA Metering System; and
- (b) the nature of the non-compliance.

SECTION S: SUPPLIER VOLUME ALLOCATION (V20.0)

2. RESPONSIBILITIES OF SUPPLIERS AND SUPPLIER AGENTS

2.4 Data Aggregators

Amend paragraph 2.4.1 to read as follows:

2.4.1 The principal functions of a Half Hourly Data Aggregator are, in accordance with this Section S, the Supplier Volume Allocation Rules, BSCP503 and Party Service Line 100:

- (a) to receive half-hourly data from the relevant Half Hourly Data Collectors;
- (b) to validate data and provide reports;
- (c) to enter data into the relevant data aggregation system;
- (d) to maintain relevant standing data;

- (e) to receive and maintain Line Loss Factors provided by BSCCo and approved by the Panel;
- (f) to aggregate the metered data in MWh in the relevant data aggregation system;
- (g) to receive and maintain Additional BM Unit data for each Supplier (in respect of which such Half Hourly Data Aggregator is appointed) and to receive, validate and maintain details of the SVA Metering Systems for which such Supplier is the Registrant allocated by that Supplier to its Additional BM Units in the same GSP Group;
- (h) to provide to the SVAA data aggregated by Supplier BM Unit or by Supplier and by GSP Group in accordance with the further provisions of this Section S-;
- (i) where applicable, to provide metered data to an EMR Settlement Services Provider in accordance with paragraph 2.9.

Insert new paragraph 2.9 as follows:

2.9 Provision of Data to the CM Settlement Services Provider

2.9.1 Where a Supplier that is the Registrant of an SVA Metering System associated with CM Assets is so requested by a Customer or generator that has entered into a Capacity Agreement in respect of those CM Assets then that Supplier shall ensure that its Half Hourly Data Aggregator provides metered data relating to that SVA Metering System to the CM Settlement Services Provider in accordance with BSCP503.

4. FUNCTIONS OF BSC AGENTS IN RELATION TO SUPPLIER VOLUME ALLOCATION

4.1 Supplier Volume Allocation Agent

Amend paragraph 4.1.1 to read as follows:

- 4.1.1 The principal functions of the SVAA are, in accordance with the Code and relevant Code Subsidiary Documents (including BSCP508):
- (a) to provide a supplier volume allocation service in accordance with the relevant BSC Service Description and the Supplier Volume Allocation Rules and to comply with the other requirements of the relevant BSC Service Description;
 - (b) to provide a daily profile production service in accordance with the relevant BSC Service Description involving, inter alia, receiving, obtaining and maintaining data relating to GSP Groups, noon temperatures and times of sunset, the preparation of Daily Profile Coefficients and the provision of reports on profiles and Standard Settlement Configurations to Non Half Hourly Data Collectors and Suppliers;
 - (c) to provide a Market Domain Data service to the electricity markets of England and Wales and Scotland in accordance with the relevant BSC Service Description;
 - (d) to perform additional related services if and to the extent required by the Panel, including:

- (i) the development and maintenance of a contingency plan in accordance with the relevant BSC Service Description for approval from time to time by the Panel;
 - (ii) the provision of a disaster recovery service, and the development and maintenance of a disaster recovery plan, all in accordance with the relevant BSC Service Description;
 - (iii) the provision of a national helpdesk service, a problem management service, a change management service, a committee support service, a performance report service, an ad hoc reporting service, a dispute support service, a software acceptance testing service and an integration testing service, in each case in accordance with the relevant BSC Service Description;
 - (iv) the development and maintenance of a hand-over service, and the provision of an exit management plan, in accordance with the relevant BSC Service Description;
 - (v) the provision of a consultancy service, a technical architecture and design service and a software maintenance service, in each case in accordance with the relevant BSC Service Description; and
 - (vi) such other services as may from time to time be agreed by the Panel;~~and~~
- (e) to provide data to the Transmission Company and Distribution System Operators necessary for the purposes of calculating transmission and distribution use of system charges respectively in accordance with BSCP508;
and
- (f) to provide such data to the SAA as is necessary for the provision of Relevant EMR Settlement Data to an EMR Settlement Services Provider.

SECTION V: REPORTING (V26.0)

Insert new paragraph 5 to read as follows:

5. EMR SETTLEMENT DATA REQUIREMENTS

5.1 Provision of data and information to the EMR Settlement Services Providers

5.1.1 For the purposes of the Code, CFD Settlement Data and CM Settlement Data shall collectively be referred to as "EMR Settlement Data".

5.2 Provision of data and information to the CFD Settlement Services Provider

5.2.1 Subject to paragraph 5.2.4, BSCCo must provide, or procure that a BSC Agent provides, such data, information and reports to the CFD Settlement Services Provider and the CFD Counterparty as the CFD Settlement Services Provider and the CFD Counterparty reasonably require in order to discharge their EMR Settlement Functions (the "CFD Settlement Data").

5.2.2 In respect of the CFD Settlement Data, BSCCo shall provide to the Panel:

- (a) a schedule of the CFD Settlement Data reasonably required by the CFD Settlement Services Provider and the CFD Counterparty;

(b) an explanation of why the CFD Settlement Data is reasonably required to enable the CFD Settlement Services Provider and the CFD Counterparty to discharge their EMR Settlement Functions; and

(c) a copy of the agreement required by paragraph 5.4.1.

5.2.3 In respect of any CFD Settlement Data that is:

(a) publicly available;

(b) available to any person on request; or

(c) expressly contemplated under any EMR Legal Requirement.

then each Party and the Panel shall not (whether by action, omission or withholding of consent) prevent or restrict BSCCo from providing that CFD Settlement Data to the CFD Settlement Services Provider and the CFD Counterparty.

5.2.4 Subject always to paragraph 5.2.3, if the Panel considers that any CFD Settlement Data is not reasonably required to enable the CFD Settlement Services Provider to discharge its EMR Settlement Functions the Panel shall instruct BSCCo to refer the matter to the CFD Counterparty.

5.2.5 Following such referral, the CFD Counterparty shall, in its absolute discretion, determine whether that CFD Settlement Data is reasonably required to enable the CFD Settlement Services Provider to discharge its functions and the CFD Counterparty's determination shall be final and binding for the purposes of the Code.

5.2.6 If at any time the CFD Settlement Services Provider or the CFD Counterparty requests further CFD Settlement Data from BSCCo then the provisions of paragraphs 5.2.1, 5.2.2(b), 5.2.3, 5.2.4 and 5.2.5 shall apply in respect of that CFD Settlement Data.

5.2.7 BSCCo shall arrange for a schedule of CFD Settlement Data to be published on the BSC Website from time to time and revised as soon as reasonably practicable after any change is made to the schedule of CFD Settlement Data in accordance with paragraph 5.2.5.

5.3 Provision of data and information to the CM Administrative Parties

5.3.1 BSCCo must provide, or procure that a BSC Agent provides, such data, information and reports to the relevant CM Administrative Parties as it is required to provide under any EMR Legal Requirement (the "CM Settlement Data") in accordance with the requirements contained therein.

5.3.2 BSCCo shall provide to the Panel:

(a) a schedule of the CM Settlement Data to be provided to CM Administrative Parties; and

(b) a copy of the agreement required by paragraph 5.4.1,

and BSCCo shall arrange for the schedule of CM Settlement Data to be published on the BSC Website from time to time.

5.4 General

5.4.1 Where EMR Settlement Data is provided to an EMR Settlement Services Provider pursuant to this paragraph 5, BSCCo shall enter into and remain a party to an agreement

with the CFD Settlement Services Provider and the CM Settlement Services Provider (as applicable) in accordance with Section C11 relating to the provision of data provided that any failure to enter into such an agreement must not prevent BSCCo from complying with any EMR Legal Requirement.

SECTION W: TRADING DISPUTES (V12.0)

1.2 Resolution of Trading Disputes

Amend paragraph 1.2.1 to read as follows:

1.2.1 Subject to paragraphs 1.2.3 and 1.2.4, and save where expressly provided to the contrary under the Code, and subject to any contrary provision of the Act, ~~or any Licence,~~ any EMR Legal Requirement or the rights, powers and duties of the Authority or the Secretary of State under the Act or any Licence, each Party hereby agrees that:

- (a) all Trading Disputes shall be raised, dealt with and (subject only to paragraph 3.6) decided in accordance with this Section W;
- (b) no Party may refer a Trading Dispute to arbitration in accordance with Section H7 unless the Trading Dispute has first been so raised, dealt with and decided in accordance with the provisions of this Section W.

Insert new paragraph 1.5.3 to read as follows:

1.5.3 Where BSCCo becomes aware of any matters which would or might reasonably be expected to give rise to a Trading Dispute under paragraph 1.5.1 then it shall also notify the CFD Counterparty and the CM Settlement Body and include in that notice:

- (a) the MSID(s) (if known) relating to the applicable SVA Metering System(s) or CVA Metering System(s) impacted by that matter; and
- (b) the nature of the error.

SECTION X: DEFINITIONS AND INTERPRETATION

ANNEX X-1: GENERAL GLOSSARY (V55.0)

Amend Annex X – 1 General Glossary by amending the following definition:

"BSC Company": means BSCCo and each Affiliate of BSCCo other than a Permitted Affiliate;

Amend Annex X – 1 General Glossary by inserting the following definitions in alphabetical order:

"Active Power Purchasing Supplier": in respect of a GSP Group, means a Supplier that has recorded a Half Hourly Active Export greater than zero for that GSP Group at any point over a period of the 30 most recent Settlement Days for which data is available;

"AF Rules": has the meaning given to that term in Section F1.6.3;

"Capacity Agreement": has the meaning given to that term in the Capacity Market Rules;

"Capacity Market Rules": has the meaning given to that term in Section F1.6.3;

"Capacity Provider": has the meaning given to that term in the Capacity Market Rules;

"CFD Arrangements": means:

- (i) the contract for difference arrangements specified in Chapter 2 of Part 2 of the Energy Act 2013;
- (ii) any regulation, licence or Directive made by virtue of or pursuant to Chapter 2 of Part 2 of the Energy Act 2013; and
- (iii) the systems and processes used by the CFD Counterparty and/or the CFD Settlement Services Provider in complying with, and delivering the requirements specified in (i) and/or (ii);

"CFD Assets": means Plant and Apparatus (including apparatus used for station load or other demand required for the purposes of netting under a Contract for Difference to the extent that any arrangements for netting are identified in the Contract for Difference relating to those Plant and Apparatus) that are subject to a Contract for Difference;

"CFD Counterparty": means the person designated as CFD Counterparty by the Secretary of State pursuant to the Energy Act 2013 from time to time or any successor to the functions of the CFD Counterparty;

"CFD Settlement Data": has the meaning given to that term in Section V5.2.1;

<u>"CFD Settlement Services Provider "</u> :	<u>means any person appointed for the time being and from time to time by the CfD Counterparty to carry out any of the CFD settlement activities or who is designated, by virtue of Section C1.2.1B, to carry out CFD settlement (or any successor performing the functions of that person);</u>
<u>"CFD Settlement Services Provider Costs"</u> :	<u>has the meaning given to that term in Section D7.1.1;</u>
<u>"CM Administrative Parties"</u> :	<u>has the meaning given to the term 'administrative parties' in [The Electricity Capacity Regulations 2014];</u>
<u>"CM Arrangements"</u> :	<u>means:</u> <ul style="list-style-type: none"> <u>(i) the capacity market arrangements specified in Chapter 3 of Part 2 of the Energy Act 2013;</u> <u>(ii) any regulations, rules, licence or Directive made pursuant to Chapter 3 of Part 2 of the Energy Act 2013; and</u> <u>(iii) the systems and processes used by the CM Settlement Body and/or the CM Settlement Services Provider in complying with, and delivering the requirements specified in, (i) and/or (ii);</u>
<u>"CM Assets"</u> :	<u>where a Capacity Provider has elected to use a BSC metering option, means Plant and Apparatus (including apparatus used for station load or other demand required for the purposes of netting under the Capacity Arrangements) that are subject to a Capacity Agreement entered into pursuant to Chapter 3 of Part 2 of the Energy Act 2013;</u>
<u>"CM Settlement Body"</u> :	<u>has the meaning given to the term settlement body in the Energy Act 2013;</u>
<u>"CM Settlement Data"</u> :	<u>has the meaning given to that term in Section V5.3.1;</u>
<u>"CM Settlement Services Provider "</u> :	<u>means the person appointed as the capacity market settlement services provider by the CM Settlement Body from time to time or who is designated, by virtue of Section C1.2.1.B, to carry out the CM settlement (or any successor performing the functions of that person);</u>
<u>"CM Settlement Services Provider Costs"</u> :	<u>has the meaning given to that term in Section D7.2.1;</u>
<u>"Contract for Difference"</u> :	<u>means a contract for difference entered into by the CFD Counterparty pursuant to Chapter 2 of Part 2 of the Energy Act 2013;</u>
<u>"Contracts for Difference Supplier Obligation"</u> :	<u>means the supplier obligation established pursuant to the Energy Act 2013 and set out in [The Contracts for Difference (Supplier Obligation) Regulations 2014];</u>

<u>"EMR Legal Requirement":</u>	<u>means the Energy Act 2013, The Electricity Capacity Regulations 2014, The Electricity Capacity (Payment) Regulations 2014, The Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Supplier Obligation) Regulations 2014[, the AF Rules] and any regulation or instrument made by virtue of or pursuant to Chapter 2 (contracts for difference) of Part 2 of the Energy Act 2013 or Chapter 3 (capacity market) of Part 2 of the Energy Act 2013 or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013;</u>
<u>"EMR Settlement Data":</u>	<u>has the meaning given to that term in Section V5.1.1;</u>
<u>"EMR Settlement Functions":</u>	<u>means those functions of the CFD Counterparty, CM Settlement Body or an EMR Settlement Services Provider described in the EMR Legal Requirements or as such EMR Legal Requirements are contracted to an EMR Settlement Services Provider by the CFD Counterparty or CM Settlement Body;</u>
<u>"EMR Settlement Services Provider":</u>	<u>means the CFD Settlement Services Provider and/or the CM Settlement Services Provider;</u>
<u>"Permissible Activity":</u>	<u>has the meaning given to that term in Section C1.2.1B;</u>
<u>"Permitted Affiliate":</u>	<u>has the meaning given to that term in Section C1.2.1B;</u>
<u>"Relevant CFD Assets":</u>	<u>has the meaning given to that term in Section K3.1.8;</u>
<u>"Relevant EMR Settlement Data":</u>	<u>means:</u> <ul style="list-style-type: none"> <u>(i) the CFD Settlement Data where EMR Settlement Data is to be provided to the CFD Settlement Services provider; and</u> <u>(ii) the CM Settlement Data where EMR Settlement Data is to be provided to the CM Settlement Services Provider;</u>