EMR Consultation Response Document (Part 5 of 7)

Comments on the Electricity Capacity (Payment) Regulations

Name of reviewer	ELEXON Ltd.
Name of document being reviewed	Capacity Market (Payment) Regulations

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General Comment				ELEXON is proposed to be the settlement agent for both Contracts for Difference and the Capacity Market (and will provide this service via one or two affiliate companies, most likely subsidiary companies, of ELEXON - referred to in this comment simply as ELEXON EMRCo). The obligations on ELEXON EMRCo will be detailed and complex and are to be set out in a contract between ELEXON EMRCo and CfD Counterparty/ Capacity Market Settlement Body. We contrast the draft Contracts for Difference (Supplier Obligation) Regulations with the draft Electricity Capacity (Payment) Regulations. In the former, the settlement agent is not referred to at all (and is mentioned only once in the draft Contracts for Difference (Allocation) Regulations as a recipient of information i.e. no obligation is imposed). Instead all duties and obligations are on the Government-owned CfD Counterparty with an ability for the Counterparty to delegate some of those duties and obligations. It has chosen to do this by contracting with ELEXON EMRCo under the terms of a contract that is currently being negotiated. By contrast, the draft Electricity Capacity (Payment) Regulations make many references to the Settlement Agent as well as the Settlement Body and impose various obligations on the Settlement Agent directly. We are strongly of the view that the Capacity Market regime should follow the CfD regime whereby the obligations and duties introduced by the Regulations are placed on the Settlement Body with an ability to discharge them via a contractor (the Settlement Agent).

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				1. We wish to understand why the regimes are different? 2. If the Regulations impose duties on the Settlement Body and the Settlement Agent, there is a significant risk that conflicts or omissions will arise between the two sets of obligations, enabling one organisation to blame the other for a failure or one to accept variations but then the other not to. 3. As the Settlement Agent is not licensed or owned by Government, it cannot take on a duty if it is not satisfied it will be paid. Currently the Capacity Market Regulations do not require the Settlement Body to compensate the Settlement Agent. A situation could therefore arise whereby the Settlement Body fails to pay under the contract yet the Settlement Agent is still obliged to provide the services. No company will be able to accept this risk. 4. References to Settlement Body and to Settlement Agent introduce unnecessary complexity to the Regulations. For example the draft Electricity Capacity Regulations reference the Settlement Agent in a few places as a recipient, alongside the Settlement Body, of notices from the Delivery Body (although some references are currently in square brackets). Having mentioned the Settlement Agent, the Regulations then need to have a regime of appointing the Settlement Agent (Regulation 46). The CfD Regulations need no such regime in them. In conclusion, we believe the approach in the draft Contracts for Difference (Supplier Obligation) regulations and the draft Contracts for Difference (Allocation) Regulations is correct and the references in the draft Electricity Capacity Regulations and the draft Electricity Capacity (Payment) Regulations to the Settlement Agent should be deleted, with the associated obligations being placed upon the Settlement Body. Those detailed obligations would then be delegated by the Settlement Body to the Settlement Agent via the contract that is being negotiated currently.

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General Comment				General comment on these Regulations. There are clearly multiple areas in this draft where the provisions are incomplete, but since most of these are obvious we have not commented on each and every one of these, only commenting where they may not be obvious.
General Comment				General Comment. The detail of how capacity provider penalty payments and over-delivery payments are determined is set out in the Capacity Market Rules rather than these regulations. This means that these payments are under different governance, but it is not clear why. Both the draft Electricity Capacity (Payment) Regulations and the Capacity Market Rules cover payment calculations. It is therefore particularly important that the two requirements are consistent and remain so at all times, particularly since the governance arrangements between the two are different but the Settlement Body/agent are bound by both simultaneously.
Pg 5	Part 2 Chapter 1	Non-compliance notices	4(5)(e)	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. We note that it is the Secretary of State who must terminate the settlement agent's appointment rather than the Settlement Body. We had anticipated that the settlement agent would have a contract with the Settlement Body so presumably termination provisions will be set out there.
Pg 6	Part 2 Chapter 2	Preparation of annual forecast budgets	6(1)	Capacity year does not appear to be defined within these Regulations. See also our comment on regulation 21(3)(a) in relation to capacity years.
Pg 8	Part 2 Chapter	Settlement	10(3)(b)	This comment is made without prejudice to our general comment that the Settlement Agent should not

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	3	agent: data processing		be named in the Regulations. The paragraph currently reads "not held by the **settlement body**…." Should it be "**settlement agent**", instead of "**settlement body**"?
Pg 8	Part 2 Chapter 4	General	11 (2)	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. The section requires that where a person has provided data and more accurate data becomes available then this must be submitted to the Settlement Agent. BSC data undergoes reconciliation recalculations and in exceptional circumstances revised data can become less accurate. This section may need to refer to 'revised data' rather than 'more accurate data' so as to avoid any dispute being raised. See also section 61(2)(a).
Pg 8	Part 2 Chapter 4	[BSCCo]: data provision	12	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. Regulation 12 raises a number of detailed questions for us, some of which are raised below. We suggest that we should discuss the exact requirements further with you, in our role as BSCCo and prospective settlement agent, to ensure that the correct BSC data is provided. Regulation 12 currently requires BSCCo to provide various information about all settlement periods, even though some may only be required should a stress event occur. It might be more efficient to restrict the requirement to providing information for settlement periods as notified by the Settlement Body/settlement agent.

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				As with our comment on Regulation 16(2) below, we do not wish the Regulations to preclude the most efficient and effective option. To enable us to identify the most efficient approach with our IT service providers, it would be helpful if the wording of the regulation could be relaxed to allow for either option or a mixture so that it does not preclude any option by which BSCCo might transfer and the Settlement Agent receive data – that way we and our service providers can choose the most efficient and effective solution in due course. With respect to CMRS-registered (type 1 or 2) CM Units and for those that choose the metering option C (registration of an Additional BM Unit) it seems clear that the intention is that BSCCo should provide the metered output (or demand) for the settlement periods of a stress event. However, Regulation 12 does not mention this. It might be helpful if Regulation 16 made clear that a capacity provider can fulfil their obligations by nominating the use of BSC data where applicable.
Pg 8	**Part 2 Chapter 4**	**[BSCCo]: data provision**	**12(1)(b)**	The paragraph requires the provision of Metered Volumes (QM_{ij}) for BM Units 'for which a supplier is the BSC Lead Party.' Note that under the BSC this wording would usually be taken to include demand Supplier BM Units registered in SMRS, as well as those generation BM Units registered in CMRS that are owned by Supplier parties and any Additional BM Units (including in the future, any CfD generators registered by suppliers as Additional BM Units). We should discuss with you precisely what this data is to be used for in the Capacity Market and whether you wish to include or exclude certain types of supplier BM Unit and how you wish to treat embedded generation.
Pg 8 &	**Part 2**	**[BSCCo]:**	**12(1) and**	In these Regulations, the BSC is defined as a snapshot version as it was at version 33. However, the

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9	Chapter 4	data provision	(2)	BSC is a living Code under its own governance which provides data to the Capacity Market settlement process. A flexible approach to agreeing change in the BSC while not disturbing the Capacity Market settlement process would be better than relying on a snapshot version of a Code that may change. We propose that where references are made to BSC data, this should include "its equivalent replacement, if amended". The alternative is that there will be requests to revisit the Regulations to accommodate changes in the BSC; or that the development of the BSC will be unnecessarily constrained because BSC modification that would otherwise proceed will not be pursued because of this need to get Parliamentary approval for the Regulations. A good and easily foreseeable example is given by 12(2)(e), which requires the provision of System Buy Price. It is entirely possible that following Ofgem's Significant Code Review there will be a single imbalance price in the BSC and that that price is not named System Buy Price. System Buy Price will therefore cease to exist, but the Capacity Market settlement process will need its equivalent replacement in order to complete the required Capacity Market calculations.
Pg 9	Part 2 Chapter 4	[BSCCo]: data provision	12 (2)(b), 2(c)	The BSC values quoted here are inconsistent with those used in the Capacity Market Rules in the determination of $QBOA_{ij}$ (section 8.5.4), as they refer to bid/offer volumes for individual acceptances, k, rather than the total for each bid-offer number, n. Suggest the BSC values to be specified in this section are Period BM Unit Total Accepted Bid Volume, QAB_{ij}^{n} and Period BM Unit Total Accepted Offer Volume, QAO_{ij}^{n}.
Pg 9	Part 2 Chapter	[BSCCo]: data	12 (2)(d) and 12	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations.

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	4	provision	(1)(a)	The BSC value for 'Period FPN' is more correctly given as FPN_{ij}, rather than $FPN_{ij}(t)$, as the latter is technically a spot time which has to be integrated to give a value of FPN for the Settlement Period. The Payment Regulations refer to 'Period FPN (Final Physical Notification) (BSC value $FPN_{ij}(t)$)'. We assume that the data required from BSCCo is FPN_{ij} for each Settlement Period which has already been calculated under the BSC at the time a Capacity Market Warning is issued and for Settlement Periods in that Capacity Market Warning period and no other later calculated FPN_{ij} values in that period (in support of the calculation of E_{ij} in Capacity Market Rules 14.2.1(b)(ii)). If this is correct, Regulation 12(1)(a) could mislead as FPN_{ij} values are not required for all settlement periods in which a stress event has occurred, in fact the use of some (later calculated) FPN_{ij} values in the calculation of E_{ij} would be incorrect. However, there are different routes to the provision of data, e.g. either the settlement agent requests the data it needs from BSCCo; or it could obtain all FPN_{ij} data and select the data it needs from that received. For FPN_{it} effective at the time the Capacity Market Warning is given (in support of the calculation of the Frozen Physical Notification – $FRPN_{ij}$ as defined in Capacity Market Rules 1.1 Definitions and 14.3.1) we assume this would be required from the System Operator under Regulation 13(2)(c) not from BSCCo under Regulation 12. From the above thoughts, we suggest that Regulation 12 as currently drafted, does not meet the requirements and that we should discuss this further with you.
Pg 9	Part 2 Chapter 4	[BSCCo]: data provision	12 (3)(a)	An observation. On the assumption that QM_{ij} is required (regulation 12(1)(b)) in order to determine market shares of the suppliers at the actual Triad periods notified by the System Operator by March each year, the requirement to provide such data by 17 working days after the end of the month in which the settlement period occurs will not normally provide Triad data as the Triads cannot be

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				confirmed until March each year.
Pg 9	Part 2 Chapter 4	[BSCCo]: data provision	12 (3)(b)	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. We assume that the Capacity Market Settlement Agent will require revised BSC data arising from the routine reconciliation recalculations, and that this data will be delivered according to the BSC timetables.
Pg 9	Part 2 Chapter 4	System operator: data provision	13	We suggest that we have further discussions with you and the delivery partners as to the wording of regulation 13 as we believe it needs to be more precise as to how data is being provided with respect to Settlement Periods, Relevant Settlement Periods, stress events, etc.
Pg 9	Part 2 Chapter 4	System operator: data provision	13(1)(c)	Is this information (non-BSC balancing services instructions) intended to be used in the calculation of ALFCOij as a variation of the QASij provided by BSCCo? If not, how is this information used?
Pg 9	Part 2 Chapter 4	System operator: data provision	13 (2)(c)	It is unclear whether Physical Notification, in the context of System Operator data provision, relates to FPN_{it} values (used to calculate integrated Frozen PN_{ij}) as opposed to the FPN_{ij} values provided by BSCCo (regulation 12), or to FPN_{it} values for non-CMRS CMUs (where available). In either case the values need to be those effective at the time of the Capacity Market Warning, rather than as defined in 13(2)(c)(i) and (ii).
Pg 9	Part 2 Chapter 4	System operator: data provision	13(2)(b)(ii) and 13(2)(d)	Details of any termination fees or bond details do not seem to be values that can be provided 'in respect of each Settlement Period' (required by 13(2)). In 2014 due to the shortened timescales for pre-qualification acceptable forms of bid bonds should be

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				limited to cash and letters of credit.
Pg 9	Part 2 Chapter 4	System operator: data provision	13(2)(e)	It is not clear from the Capacity Market Rules what the 'outturn electrical demand in MWh' provided in this section is used for, in addition to the electrical demand already provided pursuant to regulation 13(5) and which is used to determine the Weighting Factor pursuant to regulation 21. There are also different definitions of demand in use in the electricity industry that could all fit the description of "outturn electrical demand" and we need to be clear what is required here.
Pg 10	Part 2 Chapter 4	Suppliers: data provision	15(1)(a)	There is no need to require suppliers to forecast when the TRIAD periods will occur. Capacity Market settlement only requires them to forecast the demand as set out in 15(1)(b) for whatever periods are determined to be the TRIAD periods post-event as notified by the system operator pursuant to regulation 13(4). Therefore 15(1)(a) should be deleted and the wording in 15(1)(b) amended as a consequence.
Pg 10	Part 2 Chapter 4	Suppliers: data provision	15(1)(b)	j is used as a subscript for Supplier in SSPDjx, whereas it is used as a subscript for Settlement Period in regulation 12(2) and throughout the Market Capacity Rules.
Pg 10 & 11	Part 2 Chapter 4	Capacity providers: data provision	16(2)	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. As written 16(2)(b) is insufficient. DSR CMU data is required for all settlement periods on a continuing basis to establish the baseline demand against which the demand reduction during a stress event will be assessed. Demand data for only the stress event and immediately neighbouring settlement periods is not sufficient for settlement purposes. This is the converse of our comment on Regulations 12. Regulation 16 currently requires BSCCo to

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				provide various information about selected settlement periods, even though it may be more efficient and effective to provide data on a continuous basis. As with our comment on Regulation 12 we do not wish the Regulations to preclude the most efficient and effective option. To enable us to identify the most efficient approach with our IT service providers, it would be helpful if the wording of the regulation could be relaxed to allow for either option or a mixture so that it does not preclude any option by which BSCCo might transfer and the Settlement Agent receive data – that way we and our service providers can choose the most efficient and effective solution in due course.
Pg 11	**Part 2 Chapter 4**	**Capacity providers: data provision**	**16(3)(b)**	It is unclear why the additional condition (b) is required – if BSCCo has not provided any of the items described in regulation 12(2), the data specified in 16(3)(a) is still required from the capacity provider under that paragraph. As written the capacity provider is under no obligation if BSCCo has not provided any data.
Pg 11	**Part 2 Chapter 5**	**Calculations : general**	**18(5)**	The ACMP definition is currently in regulation 20 not 21.
Pg 11	**Part 2 Chapter 5**	**Calculations : general**	**18(5) and 61(2)(a)**	$SSPD_{jx}$ is defined in relation to regulation 15(1)(b). 15(1)(b) refers to Supplier forecasts of their likely demands at the forecast TRIADs. Once the TRIADs are known, $SSPD_{jx}$ will no longer relate to 15(1)(b). This raises a more general point: that the distinction between using Supplier forecasts and the actual TRIADS could be brought more to the fore in the Regulations. For example, regulation 61(2)(a) requires in reconciliations the use of "more accurate data provided under chapter 4" but this does not recognise that the later data may no longer be provided by the same parties as the original data, e.g. TRIAD forecasts by suppliers will be replaced by actual data provided either by the system operator or BSCCo.
Pg 12	**Part 2 Chapter**	**Annual capacity**	**20**	We assume the intention is that the regular monthly capacity payments can be transferred by secondary trading as well as well as penalties and over-delivery payments. However, we are unsure whether the

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	5	market capacity provider payments		wording of regulation 20 requires the calculation of the annual amount (which must made by no later than 3 months before the commencement of the capacity year) requires that any secondary trades that have already taken place are to be taken into account or not? (We understand that secondary trading can take place from one year prior to the capacity year.)
Pg 13	Part 2 Chapter 5	Weighting factor	21(3)(a)	"electrical demand in GWh in Great Britain" would benefit from clarification, but we understand it to mean volumes metered at Grid Supply Points, plus any transmission-connected demand, where the registrant is a Licensed Supplier. This particular regulation also makes reference to three preceding capacity years. Depending on how a capacity year is defined, these may not all exist for the first DSR capacity year.
Pg 13	Part 2 Chapter 5	Weighting factor	21(4) and 61(2)(a)	This appears to be an impossible requirement to meet, when taken in conjunction with 21(3). 21(3) requires data right up to the end of the preceding capacity year, e.g. up to 30 September 2018 but 21(4) appears to require the calculation to be done by 1 July 2018 – when of course the data wouldn't all be available. Our understanding is that the monthly Weighting Factor is not recalculated as a result of changes to electrical demand values in BSC Settlement Runs occurring after the initial calculation of the Weighting Factors. However, 61(2)(a) may be read to require a recalculation.
Pg 13	Part 2 Chapter 5	Monthly capacity market supplier charges	22 (2) and 22(3)(b)	It is unclear why this has to be recalculated by the first day of every month, but perhaps it takes account not only of changes from the annual calculation in 22(3)(a) caused by reconciliation of Triads but also any suspended or reduced payments to capacity providers? We need to understand how the monthly calculation differs from the annual one. We believe that the monthly capacity market supplier charge ($MCMSC_{jm}$) should be recalculated for all

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				subsequent months following the publication of the TRIADS in March, independently of the Reconciliation process. Months October to March will then be reconciled using the actual Triad data. It is our understanding that Suppliers who start trading between the TRIAD forecasts and the publication of the actual TRIADs will incur zero charges at the initial payment runs, and that charges for any relevant months between October and February won't be calculated until data is provided for the actual triads notified in March.
Pg 13	Part 2 Chapter 5	Monthly capacity market capacity provider payments	23	We understand that the intention is that the right to receive the capacity payments transfers with the physical trade so this also implies that the monthly calculation needs to take this into account. Given that trade can take effect on any day is it the intention that the payments would be pro-rated between the transferor and transferee? Regulation 23 does not reflect this detail.
Pg 14	Part 2 Chapter 6	Determinations: suppliers	27(1)(b)	Should this say "payable by all suppliers", not "payable to all suppliers"? (It is possible that 'payable to' is intentional, and is there to cover the case of penalty residual supplier amounts. These are in the scope of Regulation 27 since 27(2)(a) refers back to 'calculations made under Chapter 5' of the Regulations. Either way this would benefit from clarification.)
Pg 14	Part 2 Chapter 6	Determinations: suppliers	27(3)	This provision is incomplete as it ends with "including."
Pg 15	Part 2 Chapter 6	Determinations: capacity providers &	28 & 29	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations.

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		Determinations: portfolio adjustment payers		Does this require the settlement agent to show evidence of calculations even when there is no stress event in the month?
Pg 15 & 16	Part 2 Chapter 6	Issue of invoices	30	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. It is unclear to us how this works in practice as between the settlement agent and the settlement body. It appears from regulations 27, 28 and 29 that the settlement agent must produce invoices in the name of the settlement body, but then rather than issuing them to the invoices directly it must send them to the settlement body who must then issue them itself. This seems inefficient and unnecessary. Given that the agent produces the invoices in the name of the Settlement Body, it would seem less costly to the consumer to permit the agent to issue the invoices. This would also not be a normal interpretation of the intent of Figure 4.15 on Page 207 of the EMR Consultation Document which shows the split of the activities between the settlement body and the settlement agent.
Pg 16	Part 2 Chapter 7	Payment of invoices and accruing interest	32(1)&(2)	These regulations are drafted in terms of "receipt" of invoices. It would be much more practical to write in terms of the payment due date on the invoice and set the payment due date on the invoice to be no later than three days after issue of the invoice. The concept of deemed receipt is more difficult to operate.
Pg 18	Part 2 Chapter 8	Suppliers: credit notes – penalty	35(5)(a)	We assume that OP is calculated as ODP_{ijm} (as defined in 14.3 of the Capacity Market Rules) summed over all CM Units and Stress Event Settlement Periods.

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		residual supplier amounts		This also shows the strong linkage between the Rules and Regulations as far as Capacity Market payments are concerned and the necessity to keep the two consistent at all times.
Pg 18	Part 2 Chapter 8	Suppliers: credit notes – penalty residual supplier amounts	35(5)(b)	We assume that PHA is calculated as PHA (as defined in 14.4.6 of the Capacity Market Rules) summed overall Portfolio Payers. Again, as above, this shows the strong linkage between the Rules and Regulations as far as Capacity Market payments are concerned and the necessity to keep the two consistent at all times.
Pg 18	Part 2 Chapter 8	Capacity providers: credit notes – capacity provider payments and over-delivery payments	36(5)	There is a reference to paragraph (6), but paragraph (6) does not yet exist.
Pg 19	Part 2 Chapter 8	Issue of credit notes	38	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. This paragraph states issuing of credit notes is the role of the settlement body. As with our comment on regulation 30 above, this regulation would not be a normal interpretation of the intent of Figure 4.15 on Page 207 of the EMR Consultation Document which shows the split of the activities between the settlement body and the settlement agent.

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				Again, we suggest it is not efficient for the settlement agent to undertake the calculation and then provide the results of the calculation to the settlement body to issue the credit notes.
Pg 21 & 22	Part 2 Chapter 9	Provision of credit cover & Non-provision of credit cover	46 and 47	If the supplier has overprovided on credit cover, it would be unnecessary for the supplier to provide further credit cover where the credit provided is partly not approved but the approved portion is still sufficient to meet the requirements of 46(1). This would mean that no further credit cover would be required under 47(1) to meet the requirements of 46(1). Does the current wording allow for this scenario? It appears that the supplier would at least be in stage 1 credit default under 46(3)(a) and then the same scenario could apply under 47(3) leading to stage 2 credit default, both of which appear to be unnecessarily harsh in this scenario.
Pg 22 & 23	Part 2 Chapter 9	Non-provision of credit cover & Apportionment	47 & 48	These regulations do not cover the scenario where the credit lodged by the suppliers in stage 2 credit default is partly or wholly utilised to pay the default amounts, so that the default amounts that need to be mutualised are reduced or eliminated. There needs to be a linkage with regulation 33 relating to draw down of credit cover.
Pg 25	Part 2 Chapter 10	Investigation by the settlement agent	54(1)	The cross reference should be to 53(6)(a)(i).
Pg 26	Part 2 Chapter 10	Decisions of the settlement body	56(2) (a) and (b)	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. It is unclear why the settlement agent does not have a right to the same information under 56(2)(a) as is required to be provided to the disputing party under 56(2)(b)(iii). It is inefficient to exclude the

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				settlement agent as the reasoning and precedents established by the settlement body in coming to its decisions will then not be reflected in future settlement agent investigations when they could be, making it more likely that the settlement agent and settlement body will differ in their recommendations/decisions in future disputes.
Pg 26	Part 2 Chapter 10	The disputes register	58(3)(a)	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. This regulation will require the settlement agent to assume a deemed receipt by the settlement body of a report.
Pg 27	Part 2 Chapter 11	Setting reconciliation runs	60	It would be more efficient to have a clear settlement timetable related to the availability of data from BSC reconciliation settlement runs than have ad-hoc (unplanned) reconciliation runs such as envisaged, particularly under regulation 60(6). The timings in 60(5) are implicitly linked to BSC settlements (they are identical to the timings in BSC Procedure 01), but it would be better to make this explicit so that any changes in BSC settlement timings are covered. Under the BSC these timings can be changed relatively easily as they are in a Procedure, so it would be inefficient if the Capacity Market timings were out of synchronisation with the BSC timings. Also as written the timings in regulation 60(5) are currently identical to the BSC timings whereas they should be a few working days after any BSC settlement run otherwise the settlement body can chose a date for its Capacity Market reconciliation that was a day or two earlier than the BSC reconciliation but still within the allowable range – this would be highly inefficient. We also note that the CMS settlement dispute process outlined in paragraph 656 of the consultation document states that disputes over external data should be progressed through the relevant disputes

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				mechanism e.g. BSC for BSC metered volumes. We agree. However, the timings stated in regulation 60, as currently drafted, would not allow for the use of BSC Dispute Final run data to be included in Capacity Market reconciliations. For all these reasons we suggest that the timings in 60(5) are explicitly linked to actual settlement runs under the BSC and take place a few working days later; and that the ability to call an ad hoc reconciliation run in 60(6) is constrained to explicit significant changes that may occur and which are not related to BSC settlements.
Pg 27 & 28	Part 2 Chapter 11	Recalculations by the settlement agent	61(1)	It is unclear why portfolio adjustment payers are only included in (a) and not also in (b). It is also not clear why the determinations are dependent on whether invoices or credit notes have been issued previously. It is possible that no invoice was issued to a supplier, for example, who is now determined to owe money. Or that a supplier to whom an invoice was previously issued is now owed money. Neither of these situations are currently covered by 61(1).
Pg 28	Part 2 Chapter 11	Recalculations by the settlement agent	61(2)(a)	This comment is made without prejudice to our general comment that the Settlement Agent should not be named in the Regulations. Recalculations by the Settlement Agent must "make use of any more accurate data . . . than previously used". This includes BSC data which can be amended in BSC Reconciliation Runs. It should be noted that while the intent is that Reconciliations under the BSC contain more accurate data, exceptional circumstances arise which may lead to less accurate data being settled. It is not possible for the settlement agent to guarantee that reconciliation data is more accurate than previous data. But the disputes process is there under the BSC to pick this up.
Pg 28	Part 2 Chapter 11	Reconciliation reports	62(2)	The amount payable under an invoice or credit note should not be the "revised relevant amount" but the difference between the revised relevant amount and the net aggregate amount on invoices and

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		and invoices		credit notes previously issued to that party in respect of the month M.
Pg 29	Part 2 Chapter 11	Withholding credit payments	66(3)(b)	If the settlement body has otherwise confirmed that P is in administration is a formal notice from the administrator still required before this regulation 66 can apply?
Pg 29 & 30	Part 2 Chapter 11	Payment of withheld credit (except capacity provider insolvency)	67(3)(b)	If the settlement body has otherwise confirmed that P is in administration is a formal notice from the administrator still required before this regulation 67 can apply?