

LEGAL TEXT FOR ALTERNATIVE MODIFICATION P326

SECTION M: CREDIT COVER AND CREDIT DEFAULT (Version 24.0)

1. GENERAL

1.6 Import and Export Capabilities

Amend paragraph 1.6.1 to read as follows:

1.6.1 For the purposes of the Code:

- (a) the BM Unit Credit Assessment Export Capability (BMCAEC_i) for a BM Unit on a CALF Working Day shall be the quantity (in MW) determined as follows:

$$\text{BMCAEC}_i = \text{WDCALF}_i * \text{GC}_i$$

- (b) the BM Unit Credit Assessment Export Capability (BMCAEC_i) for a BM Unit on a CALF Non-Working Day shall be the quantity (in MW) determined as follows:

$$\text{BMCAEC}_i = \text{NWDCALF}_i * \text{GC}_i$$

- (c) the BM Unit Credit Assessment Import Capability (BMCAIC_i) for a BM Unit on a CALF Working Day shall be the quantity (in MW) determined as follows:

$$\text{BMCAIC}_i = \text{WDCALF}_i * \text{DC}_i$$

- (d) the BM Unit Credit Assessment Import Capability (BMCAIC_i) for a BM Unit on a CALF Non-Working Day shall be the quantity (in MW) determined as follows:

$$\text{BMCAIC}_i = \text{NWDCALF}_i * \text{DC}_i$$

where:

WDCALF_i is the Credit Assessment Load Factor applying in relation to the relevant BM Unit on a CALF Working Day;

NWDCALF_i is the Credit Assessment Load Factor applying in relation to the relevant BM Unit on a CALF Non-Working Day;

GC_i is the Generation Capacity of the BM Unit; and

DC_i is the Demand Capacity of the BM Unit.

SECTION V: REPORTING (Version 31.0)

4. REPORTING BY BSCCO

4.1 Parameters

Amend paragraphs 4.1.1 and 4.1.2 to read as follows:

4.1.1 BSCCo shall maintain:

- (a) an up-to-date record:
 - (i) in respect of each type of BM Unit, of the principles and guidance established and revised from time to time by the Panel pursuant to Section M1.5; and
 - (ii) in respect of each BM Unit, of the Credit Assessment Load Factor (WDCALF_i or NWDCALF_i as appropriate) determined and revised from time to time by BSCCo or redetermined by the Panel (as the case may be) pursuant to Section M1.5;
- (b) an up-to-date list of the following parameters set out in or established and revised from time to time under and in accordance with the Code:
 - (i) the Credit Assessment Price determined and revised from time to time by the Panel pursuant to Section M1.4;
 - (ii) the Transmission Loss Factors specified in Section T2.2.1(a);
 - (iii) the coefficient 'α' specified in Section T2.2.1(b);
 - (iv) the Line Loss Factors in respect of SVA Metering Systems (or classes of SVA Metering System) approved from time to time by the Panel, or where applicable the default values established in respect thereof, pursuant to Section K1.7 together with a summarised version of such factors (as described in BSCP528).

4.1.2 The record of WDCALF_i and NWDCALF_i values referred to in paragraph 4.1.1(a)(ii) (as updated from time to time) shall be made available to any Trading Party on request.

ANNEX X-1: GENERAL GLOSSARY (Version 70.0)

Amend the following definitions as follows:

"Credit Assessment Load Factor":	means a factor for the time being applicable in relation to a BM Unit in accordance with Section M1.5 <u>and which shall include, as the context requires, Working Day Credit Assessment Load Factor and Non-Working Day Credit Assessment Load Factor;</u>
---	---

Insert the following new definition in alphabetical order:

<u>"Credit Assessment Load Factor Working Day" or "CALF Working Day":</u>	<u>means any day that is not a CALF Non-Working Day;</u>
--	--

"Credit Assessment Load Factor Non-Working Day" or "CALF Non-Working Day":

means any day that is a Saturday or a Sunday, or a day designated as a bank holiday in England and Wales (for those GSP Groups in England and Wales), or a day designated as a bank holiday in Scotland (for those GSP Groups in Scotland) in accordance with the Banking and Financial Dealings Act 1971 and the St Andrew's Day Bank Holiday (Scotland) Act 2007 as amended from time to time;

ANNEX X-2: TECHNICAL GLOSSARY (Version 36.0)

Table X-2

Terms and Expressions Applying Except in Relation to Section S

Delete the following term in Table X-2:

Defined Term	Acronym	Units	Definition/Explanatory Text
Credit Assessment Load Factor	CALF_i		Is defined in Annex X-1. The factor is used to establish the BM Unit Credit Assessment Export Capability and BM Unit Credit Assessment Import Capability for BM Unit i.

Insert the following new terms into Table X-3 in alphabetical order:

<u>Defined Term</u>	<u>Acronym</u>	<u>Units</u>	<u>Definition/Explanatory Text</u>
<u>Non-Working Day Credit Assessment Load Factor</u>	<u>NWDCALF_i</u>		<u>Is defined in Annex X-1. The factor is used to establish the BM Unit Credit Assessment Export Capability and BM Unit Credit Assessment Import Capability for BM Unit i on a CALF Non-Working Day determined for the purposes of Credit Assessment Load Factor.</u>
<u>Working Day Credit Assessment Load Factor Working Day</u>	<u>WDCALF_i</u>		<u>Is defined in Annex X-1. The factor is used to establish the BM Unit Credit Assessment Export Capability and BM Unit Credit Assessment Import Capability for BM Unit i on a CALF Working Day determined for the purposes of Credit Assessment Load Factor.</u>

Table X-3

Glossary of Acronyms Applying Except In Relation To Section S

Delete the following term in Table X-3:

CALF_i		Credit Assessment Load Factor
-----------------------------	--	--

Insert the following new terms into Table X-3 in alphabetical order:

<u>NWDCALF_i</u>		<u>Non-Working Day Credit Assessment Load Factor</u>
<u>WDCALF_i</u>		<u>Working Day Credit Assessment Load Factor</u>

HOUSEKEEPING CHANGES INCLUDED UNDER PROPOSED MODIFICATION P326

SECTION M: CREDIT COVER AND CREDIT DEFAULT (Version 24.0)

1. GENERAL

1.2 Energy Indebtedness

Amend paragraph 1.2.1 as follows:

1.2.1 For the purposes of the Code:

- (a) in relation to a Settlement Period j the "**Energy Indebtedness**" (EI_{pj} , in MWh) of a Trading Party p shall be the algebraic sum of:
 - (i) the algebraic sum of Actual Energy Indebtedness for Trading Party p for those Settlement Days d within the 29 day period for which (at Gate Closure for Settlement Period j), Gate Closure has passed for the first Settlement Period of the Settlement Day following that on which the Settlement Calendar specifies that the Interim Information Settlement Run for Settlement Day d is to take place (but excluding those days for which, as a result of a delay in the Interim Information Settlement Run in accordance with Section T1.4, the ECVAAs does not receive the Interim Information Settlement Run data from the SAA by Gate Closure for the first Settlement Period of the Settlement Day containing Settlement Period j);
 - (ii) the algebraic sum of Metered Energy Indebtedness for Trading Party p in relation to those Settlement Days d within the 29 day period for which paragraph 1.2.1(a)(i) does not apply, and for which (at Gate Closure for Settlement Period j), Gate Closure has passed for the first Settlement Period of the Settlement Day following that on which the Settlement Calendar specifies that the Credit Cover Volume Allocation Run for Settlement Day d is to take place; and
 - (iii) the algebraic sum of Credit Assessment Energy Indebtedness for Trading Party p in relation to that Settlement Period and all prior Settlement Periods in days falling within the 29 day period for which neither paragraphs 1.2.1(a)(i) or 1.2.1(a)(ii) applies;
- (b) a reference to a Trading Party's Energy Indebtedness at any time is to its Energy Indebtedness in relation to the latest Settlement Period for which Gate Closure occurred before such time;
- (c) in relation to a Settlement Period, the 29 day period means the period of 29 Settlement Days expiring on (and including) the Settlement Day which includes that Settlement Period;
- (d) for the purposes of paragraph 1.2.1(a)(i), where (by Gate Closure for the first Settlement Period of the Settlement Day containing the Settlement Period j), the ECVAAs has not received the Interim Information Settlement Run data from the SAA in accordance with Section T5.3.5 for any Settlement Day d within the 29 day period to which paragraph 1.2.1(a)(i) applies (other than as a result of a delay in the Interim Information Settlement Run in accordance with Section T1.4), the ECVAAs shall use the Metered Energy Indebtedness for the

Settlement Periods in that Settlement Day d but without prejudice to paragraph 4;

- (e) for the purposes of paragraph 1.2.1(a)(ii), where (by Gate Closure for the first Settlement Period of the Settlement Day containing the Settlement Period j), the ECVAAs has not received the Credit Cover Volume Allocation Run data from the CDCA in accordance with Section R5.7.1(d) for any Settlement Day d within the 29 day period to which paragraph 1.2.1(a)(ii) applies, the ECVAAs shall use the Credit Assessment Energy Indebtedness for the Settlement Periods in that Settlement Day d but without prejudice to paragraph 4;
- (f) in relation to a Trading Party and Settlement Day, where BSCCo:
 - (i) is aware that the ECVAAs has not received relevant Interim Information Settlement Run data from the SAA in accordance with Section T5.3.5; or
 - (ii) is aware that the ECVAAs has not received relevant Credit Cover Volume Allocation Run data from the CDCA in accordance with Section R5.7.1(d); or
 - (iii) has substantial evidence or other reasons to believe that the data to be derived from the Initial Settlement Run for that Trading Party and that Settlement Day are likely to be significantly different (in the context of that particular Trading Party) from the corresponding Interim Information Settlement Run data received by the ECVAAs from the SAA in accordance with Section T5.3.5; or
 - (iv) has substantial evidence or other reasons to believe that the data to be derived from the Initial Volume Allocation Run for that Trading Party and that Settlement Day are likely to be significantly different (in the context of that particular Trading Party) from the corresponding Credit Cover Volume Allocation Run data received ~~by~~ from the CDCA in accordance with Section R5.7.1(d);

the absence of such data or the likelihood of such a significant difference (as the case may be) may, if BSCCo so decides and to the extent that it materially affects matters, constitute a material doubt for the purposes of paragraph 3.4.3(a)(~~ii~~); and
- (g) where a Trading Party elects to submit, to BSCCo, such evidence as is referred to in paragraph 1.2.1(~~fe~~), BSCCo must review that evidence as soon as practicable after receiving it, but must verify any opinion formed in relation to such evidence as soon as practicable after receiving a level 1 default notice (in accordance with paragraph 3.2.1(a)(ii)) in relation to that Trading Party.

Amend paragraph 1.2.4B as follows:

1.2.4B The Metered Credit Assessment Credited Energy Volume ($MAQCE_{iaj}$ in MWh) shall be determined:

- (a) for each BM Unit which meets all the requirements in paragraph 1.2.4C, and for each Energy Account which is a Subsidiary Energy Account for such BM Unit, as follows:

$$MAQCE_{iaj} = QM_{ij} * (QMPR_{iaj}/100) + QMFR_{iaj}$$

- (b) for each BM Unit which meets all the requirements in paragraph 1.2.4C, and for the Energy Account which is the Lead Energy Account for such BM Unit, as follows:

$$MAQCE_{iaj} = QM_{ij} - \sum_a MAQCE_{iaj}$$

- (c) for each BM Unit which does not meet all of the requirements in paragraph 1.2.4C, and for each Energy Account, as follows:

$$MAQCE_{iaj} = CAQCE_{iaj}$$

where, for the purpose of paragraph 1.2.4B(b), \sum_a represents the sum over all Energy Accounts other than the Lead Energy Account.

3. CREDIT DEFAULT STATUS

3.3 Level 2 Credit Default

Amend paragraph 3.3.11 as follows:

3.3.11 If in relation to any Settlement Period a Trading Party's Credit Cover Percentage, as determined by the ECVAA, becomes greater than 100% the ECVAA shall as soon as reasonably practicable after Gate Closure:

- (a) give a notice to the Trading Party which states that Trading Party's Credit Cover Percentage and alerts it to the provisions of paragraph H3.1.1(c); and
- (b) submit a copy of such notice to BS~~C~~Co.