

LEGAL TEXT FOR PROPOSED MODIFICATION P345

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

1. GENERAL

1.4 Credit Assessment Price

Amend paragraph 1.4.2 as follows:

- 1.4.1 For the purposes of the Code the "Credit Assessment Price" shall be such amount (in £/MWh) as the Panel shall from time to time determine, after consultation with Trading Parties, as the price which it would be appropriate to use to determine the equivalent financial amount of Trading Parties' Energy Indebtedness for the purposes of this Section M.
- 1.4.2 Whenever the Panel determines to revise the Credit Assessment Price:
- (a) the Panel shall notify the revised Credit Assessment Price to each Trading Party, the FAA and the ECVAA;
 - (b) the revised Credit Assessment Price shall be effective for the purposes of the Code from the date ~~specified-determined~~ by the Panel pursuant to paragraph (c), which shall not be earlier than the 210th Business Day following the date of notification by the Panel under paragraph (a);
 - (c) subject to paragraph (b), the notice period for implementing revisions to the Credit Assessment Price shall be specified by the Panel from time to time after consultation with Trading Parties.

CREDIT ASSESSMENT PRICE (CAP) REVIEW GUIDANCE DOCUMENT (Version 15.0)

Amend section 2 as follows:

2 Process Overview

The CAP review procedures are as follows:

- On the first working day of each week ELEXON compares the current CAP value (or if a new CAP value has been formally notified to BSC Parties prior to its implementation, that new CAP value) to a value derived from forward looking electricity prices. This is known as the reference price and its calculation is described in section 3;
- If the difference between the CAP and the reference price exceeds a pre-set trigger value ELEXON issues an industry consultation seeking views on the CAP change;
- The Credit Committee meets after the end of the consultation period to consider the responses and the latest data and, if the Committee feels it appropriate, approves a new CAP value;
- If a new CAP value is approved by the Credit Committee, this value comes into effect following an ~~20 working day~~ implementation period specified by the Credit Committee, which is currently 15 working days. This implementation period may be amended in accordance with-as required by Section M 1.4.2(b) of the Code.