

## P232 'Black Start and Fuel Security Compensation Arrangements and Single Imbalance Price Derivation'

### BSCP for Black Start and Fuel Security

#### 1. Procedures

##### a. BSCP – Procedures – Proposed Modification

#### Process of Black Start and FSC Claim Submission and Determination

This process is also applicable for a request for any interim payment arising from either a Black Start Period or a Fuel Security Code event.

| REF   | WHEN  | ACTION   | FROM     | TO                 | INFORMATION REQUIRED  | METHOD                           |
|-------|---|--|----------|--------------------|---|----------------------------------|
| 3.1.1 | Within 20WD of the end of a Black Start Period or within 60WD of the end of a FSC event, and a BSC Party is not ready to submit a claim <sup>1</sup> but will be doing so | BSC Party claiming (Claimant) is to fill in form BSCPXX/03 'Request for Black Start Claim or Fuel Security Event Claim Time Extension' within the required timeframe setting out (i) how much additional time they require to make their claim and all supporting information to justify the need for the additional time being set out in (i) | Claimant | Panel <sup>2</sup> | BSCPXX/03 'Request for Black Start or Fuel Security Event Claim Time Extension' | Post, fax or other agreed method |
| 3.1.2 | Upon receipt of   | BSC Panel to make a determination as to  | Panel    | Claimant           | Time-frame required to  | Post, fax or                     |

<sup>1</sup> Claims can only be made by the Lead Party of a BM Unit who has received (i) an Instruction from the National Grid during a Black Start Period or (ii) a Direction from the Secretary of State during a FSC event or in anticipation of a FSC event.

<sup>2</sup> Information will go to and from the BSC Panel via BSCCo, who will also provide information gathering and administration for the Claims Committee throughout this process.

| REF   | WHEN  | ACTION   | FROM             | TO               | INFORMATION REQUIRED  | METHOD                            |
|-------|---|--|------------------|------------------|---|-----------------------------------|
|       | BSCPXX/03   | when the claims Application for compensation is due by   |                  |                  | submit the Claim plus all Evidence and associated documentation to support that claim                     | other agreed method               |
| 3.1.3 | Within 20WD of the end of a Black Start Period or within 60WD of the end of a FSC event, or after the time determined by the Panel in 3.1.2 | Claimant submits BSCPXX/01 and BSCPXX/02<br><br>Claimant is to indicate on form if extra 60WD for evidence submission is required or if claim is complete by using 'check box' | Claimant         | Claims Committee | BSCPXX/01 'Black Start Claims Form'<br>BSCPXX/02 'Fuel Security Event Claims Form'<br>Supporting Evidence | Post, fax or other agreed method  |
| 3.1.4 | If time allowance for extra evidence submission requested in 3.1.3, within 60WD after 3.1.3   | BSC Party submits extra evidence   | Claimant         | Claims Committee | Supporting Evidence   | Post, fax or other agreed method  |
| 3.1.5 | Upon completion of 3.1.4 if applicable, otherwise upon completion of 3.1.3  | Determine process for assessing the claim <sup>3</sup> and validating the claim  | Claims Committee |                  |   |                                   |
| 3.1.6 | At any time after 3.1.2 or 3.1.3  | BSC Panel requests further information   | Panel            | Claimant         | Any relevant information  | E-mail, or other method as agreed |

<sup>3</sup> As the scope of each claim could be different, the Claims Committee is to determine the most relevant process for assessing the claims on an individual basis.

| REF                 | WHEN                              | ACTION  | FROM             | TO                                     | INFORMATION REQUIRED                                       | METHOD                                   |
|---------------------|-----------------------------------|---|------------------|--|--|--|
| 3.1.7               | Upon Completion of 3.1.4          | Claims Committee to approve or reject the claim and determine the amount (£) of compensation to be paid to the BSC Party<br>Inform Claimant <del>and</del> , National Grid <del>and</del> <u>Authority</u> of decision <sup>4</sup> | Claims Committee | Claimant<br>National Grid<br>Authority | Approved   | E-mail, or other method as agreed        |
| <u>3.1.8</u>        | <u>Upon Completion of 3.1.7</u>   | <u>Authority to determine method and timeframe of payment to Claimant</u>   | <u>Authority</u> | <u>National Grid BSCCo</u>             | <u>Amount, Method and Timeframe of payment to Claimant</u> | <u>E-mail, or other method as agreed</u> |
| 3.1. <del>98</del>  | Upon Completion of 3.1.5          | BSCCo are to publish the total amount (£) claimed for and the amount (£) approved by the Claims Committee (a total for all Claims).   | BSCCo            |  | Amount Claimed for<br>Amount approved by Claims Committee  | Publish on ELEXON website                |
| 3.1. <del>109</del> | Within 5WD of 3.1.5               | The Authority are to determine the method of Cost Recovery from the Claim   | Authority        | National Grid<br>BSCCo                 |  | Circular, or other method as agreed      |
| 3.1. <del>101</del> | Within 2WD of 3.1. <del>109</del> | BSCCo shall inform parties of the method and timeframe of cost recovery <sup>5</sup>  | BSCCo            | BSC Parties                            | Method and Timeframe of Cost Recovery                      | Circular, or other method as agreed      |

<sup>4</sup> National Grid are to arrange payment terms.

<sup>5</sup> If the BSC is chosen to recover costs, refer BSC Section G 3.3.7 for Black Start period claims, dependant upon determination from the Authority.

**b. BSCP – Procedures – Alternative Modification**

The Alternative will have the same solution as the Proposed, except for the following changes:

Step 3.1.3: The following paragraph in the ACTION column is removed “Claimant is to indicate on form if extra 60WD for evidence submission is required or if claim is complete by using ‘check box’”

Step 3.1.4: The Step is removed in its entirety.

Step 3.1.5: The WHEN column shall read: “Upon completion of 3.1.3”

## **2. Draft Claims Committee Terms of Reference**

### **Black Start Period and Fuel Security Event Claims Committee**

#### **Draft Terms of Reference**

*This document is a draft set of terms of reference for a Claims Committee established for the purpose of determining claims for compensation for certain losses incurred in relation to a Black Start Period or Fuel Security Code direction under the BSC. This document is provided for guidance only. It was developed in consultation with the modification groups for Modifications P231 and P232, which looked at the BSC procedures surrounding such events. The Panel retains the discretion whether or not to establish any such Claims Committee and the form any such Committee would take.*

Unless otherwise stated, words and expressions used in these Terms of Reference shall have the meanings attributed to them under the Balancing and Settlement Code (BSC). References to Sections are to Sections of the BSC.

### **1. ESTABLISHMENT AND PURPOSE**

#### **1.1 Establishment**

- 1.1.1 A Panel Committee has been established by the Panel pursuant to Section B5.1.1.
- 1.1.2 The Committee is known as the Claims Committee.
- 1.1.3 The Claims Committee has been established in order to discharge the Panel's functions under Sections G3 and G5 as further described in these Terms of Reference.
- 1.1.4 For the purposes of Section B5.5.1(a), the Panel has delegated its decision-making functions under Sections G3 and G5 to the Claims Committee, as further described in these Terms of Reference, and accordingly, for the purposes of the Code:
  - (a) decisions of the Claims Committee under these Terms of Reference are binding on Parties;
  - (b) [there is no right of reference or appeal to the Panel in respect of any decision of the Claims Committee] - to be determined by the Panel at the time ; and
  - (c) the Panel is not responsible for overseeing or reviewing any decision of the Claims Committee.
- 1.1.5 The Claims Committee shall remain in existence until such time as it has discharged its functions as described in these Terms of Reference or, if sooner, until the Panel determines that it shall cease to be established.

#### **1.2 Role and Objectives**

- 1.2.1 The Claims Committee is established in order to consider and determine black start compensation amounts pursuant to Section G3 and Exceptional Costs pursuant to Section G5.

- 1.2.2 The Claims Committee shall discharge all the functions of the Panel as set out in Sections G3 and G5 save that powers in relation to the establishment of the Claims Committee, the appointment, dismissal and replacement of Claims Committee members, the designation of the Claims Committee Chairman, the determination of the Claims Committee's Terms of Reference and any subsequent changes to the same shall remain powers of the Panel.
- 1.2.3 The Claims Committee shall not have any powers, functions or duties by virtue of the Panel's delegation of functions as described in these Terms of Reference save as set out in these Terms of Reference.

## **2. COMPOSITION**

### **2.1 Membership**

- 2.1.1 The Claims Committee is to comprise [X] members.
- 2.1.2 The Panel may replace any member of the Claims Committee at any time if, in the Panel's opinion, such member is unwilling or unable to carry out his or her duties in accordance with these Terms of Reference.

### **2.2 Chairman**

- 2.2.1 The Panel has appointed [X] to be the chairman of the Claims Committee (the 'Chairman').
- 2.2.2 If, at any time, such person is unwilling or unable to act as the Chairman and/or as a member of the Claims Committee for whatever reason, such person shall cease to be a member of the Claims Committee and the Panel shall appoint a new member (being a person with similar skills and qualifications, where possible) in place of such member, and that new member shall be appointed as the Chairman.
- 2.2.3 In addition to his responsibilities as a member of the Claims Committee, the Chairman shall be responsible for the matters described in paragraph 5.2 (and, for the purposes of Section B5.1.4 and B5.5.1(a), the Panel expressly requires and permits the delegation of those functions to the Chairman).

### **2.3 Secretary**

- 2.3.1 There shall be a secretary to the Claims Committee (the 'Secretary') who shall be a person nominated and provided by BSCCo and approved by the Chairman from time to time.
- 2.3.2 The Secretary shall provide such administrative and secretarial support to the Claims Committee and the Chairman as the Claims Committee and the Chairman may require.

## **3. DUTIES**

### **3.1 Claims Committee**

- 3.1.1 The Claims Committee shall act in accordance with these Terms of Reference (as modified from time to time by the Panel).

- 3.1.2 In accordance with Section B5.3.1, the provisions of Section B1.2 shall apply to the Claims Committee in the conduct of its business as it applies in relation to the Panel and to the extent applicable to functions of the Claims Committee.
- 3.1.3 The Claims Committee shall not act as an expert or an arbitrator and the Arbitration Act 1996 shall not apply to the determination of any claims pursuant to Sections G3 and G5.

### **3.2 Members**

- 3.2.1 Each member of the Claims Committee shall act impartially and shall not be representative of, and shall act without undue regard to, the particular interests of any particular person or class of persons (including his employer).
- 3.2.2 Each member of the Claims Committee shall disclose to the Panel from time to time any interests of such member which constitute, in such member's reasonable opinion, an actual or perceived conflict of interest in the discharge of its functions as a member of the Claims Committee, and the Panel shall determine whether such member may continue to hold office or whether to replace such member.
- 3.2.3 The Panel may require confirmation from any member of the Claims Committee and/or his employer in terms equivalent to those set out in Section B2.8.2.
- 3.2.4 Unless otherwise agreed by the Panel, a member of the Claims Committee shall not be entitled to appoint an alternate or otherwise delegate any of its responsibilities as a member of the Claims Committee to any other person.

### **3.3 Chairman**

- 3.3.1 Where the Chairman is assigned functions under these Terms of Reference, the provisions of paragraphs 3.1 and 3.2 shall apply to the Chairman in the discharge of those functions, as if references to the Claims Committee were references to the Chairman.

## **4. REMUNERATION AND LIABILITIES**

### **4.1 Remuneration**

- 4.1.1 Each member of the Claims Committee shall be entitled to be paid by BSCCo such remuneration, benefits and expenses as may be included in its terms of engagement with BSCCo.
- 4.1.2 For the avoidance of doubt, any payments by BSCCo pursuant to paragraph 4.1.1 shall be BSC Costs.

### **4.2 Liabilities and indemnities**

- 4.2.1 BSCCo shall indemnify and keep indemnified each member of the Claims Committee and the Secretary (as an 'indemnity beneficiary') in accordance with Section B2.9.1.
- 4.2.2 The provisions of Section B2.9 shall apply to each member of the Claims Committee and the Secretary (as an 'indemnity beneficiary').

## **5. POWERS AND FUNCTIONS**

### **5.1 Claims Committee**

- 5.1.1 The Claims Committee shall discharge the functions assigned to the Panel under Sections G3 and G5 save for:
- (a) those matters which are reserved to the Panel as set out in paragraph 1.2.2(a) and (b) above; and
  - (b) those matters which are assigned to the Chairman as set out in paragraph 5.2 below.
- 5.1.2 Without prejudice to the generality of the foregoing, the functions of the Claims Committee shall include the following:
- (a) considering and determining such claims for black start compensation amounts and Exceptional Costs as have been validly made in accordance with Sections G3 and G5 and the relevant BSCP;
  - (b) determining what are Avoidable Costs in accordance with Section G2; ;
  - (c) determining what are Exceptional Costs in accordance with the meaning ascribed to that term in the Fuel Security Code for the purposes of Section G5;
  - (d) implementing the procedures ascribed in Section G3 and G5 and the relevant BSCP for compensation claims for black start compensation amounts and Exceptional Costs; and determining and implementing such further detailed procedures, guidance and indicative timetables, consistent with such procedures, for the conduct of such claims as it sees fit; and
  - (e) providing reasons in writing for the determination of each claim.
- 5.1.3 The Claims Committee may do anything necessary for or reasonably incidental to the discharge of the functions assigned to it under these Terms of Reference.
- 5.1.4 Without prejudice to the generality of the foregoing, for the purposes of discharging its functions hereunder (and not for any other purpose):
- (a) the Claims Committee may use and disclose such data as it sees fit, subject to and in accordance with Section B3.3, and for these purposes, the Panel's decision-making powers under Section B3.3 are delegated to the Claims Committee and further delegated to the Chairman as set out in paragraph 5.2 below; and
  - (b) the Claims Committee may request BSCCo to procure such expert or external advice and assistance as it considers appropriate.
- 5.1.5 Subject to the delegation of certain functions to the Chairman as set out in paragraph 5.2 below, the Claims Committee shall not further delegate to any person any of its powers, responsibilities and functions save as expressly permitted by the Code or the Panel (but without prejudice to paragraph 5.3).
- 5.1.6 The Claims Committee shall endeavour to determine all claims in a timely fashion.

## **5.2 Chairman**

- 5.2.1 In addition to his duties as a member of the Claims Committee, the Chairman shall be responsible for the following functions:
- (a) scheduling meetings of the Claims Committee (as he sees fit or as requested by any other member of the Claims Committee);



- (b) setting the agenda for and chairing meetings of the Claims Committee;
  - (c) deciding the application of procedural rules to individual claimants and claims and determining any procedural issues relating to individual claims (within the parameters of the BSC and relevant BSCP, and within the parameters of any more detailed procedures established by the Claims Committee) including any variation or extension of time;
  - (d) determining the grouping of claims and the order in which they should be considered by the Claims Committee;
  - (e) determining whether other persons should attend meetings of the Claims Committee and where appropriate inviting such persons to attend and speak at any meeting;
  - (f) taking such other steps and determining such other matters or queries as may be ascribed to the Chairman; and
  - (g) determining such other procedural or ancillary matters and queries at any stage as may be necessary to ensure the proper, timely and efficient conduct of claims.
- 5.2.2 Where the Chairman is to discharge any function assigned to him as Chairman pursuant to paragraph 5.2.1, it shall not be necessary to hold a meeting of the Claims Committee for that purpose (except in the case of chairing meetings of the Claims Committee).
- 5.2.3 Where a function of the Chairman is the determination of a matter, the Chairman shall record any decision made by him in the exercise of such functions and shall report such decisions to the next meeting of the Claims Committee.
- 5.2.4 The decision of the Chairman in relation to any matters or queries to be determined by the Chairman pursuant to this paragraph 5.2 shall be final and binding on Parties, the Claims Committee and the Panel.

### **5.3 BSCCo**

- 5.3.1 In addition to any functions assigned to BSCCo under Sections G3 and G5, BSCCo shall:
- (a) provide or arrange for the provision of such facilities, resources and other support as may be required by the Claims Committee and/or the Chairman to enable them to discharge their respective functions as described in these Terms of Reference;
  - (b) provide secretarial and administrative services in connection with meetings of the Claims Committee;
  - (c) at the request of the Claims Committee or the Chairman, procure such expert or external advice and assistance as may be so requested; and
  - (d) keep BSC Parties informed of the operation of the Claims Committee, including the publication of data on the determinations of the Claims Committee, as it sees fit to disclose in accordance with Section B3.3.

## **6. PROCEEDINGS**

### **6.1 General**

- 6.1.1 Subject to the matters prescribed in paragraph 6.2 below, the Claims Committee shall determine the manner in which the proceedings and business of the Claims Committee shall be conducted (including the frequency and convening of meetings, the circulation of Claims Committee papers and the minuting of meetings) and, for the purposes of Section B5.4, the provisions of Section B4 (in relation to the Panel) shall not apply to the Claims Committee.
- 6.1.2 Any decision as to application of Section B4.5.1 to Claims Committee meetings shall be made by the Chairman in accordance with Section B4.5.2.

## **6.2 Prescribed matters**

- 6.2.1 Any matter of the Claims Committee to be decided shall:
- (a) be put to the vote at the request of any member of the Claims Committee; and
  - (b) be decided by simple majority vote (and, for these purposes, each member shall hold one vote).
- 6.2.2 A resolution in writing signed by or on behalf of all the Claims Committee members in respect of any business of the Claims Committee shall be valid and effectual as if it had been agreed to at a duly convened meeting of the Claims Committee.

## **6.3 Attendance**

- 6.3.1 Subject to paragraphs 6.3.2 and 5.2.1(e), all meetings of the Claims Committee shall be held in closed session.
- 6.3.2 The Authority shall be entitled to receive notice of, and to appoint one or more representatives to attend and speak, but not vote, at any meeting of the Claims Committee.

### 3. Forms

The following forms are in this BSCP:

- BSCPXX/01 Black Start Claim Form
- BSCPXX/02 Fuel Security Event Claim Form
- BSCPXX/03 Request for Black Start or Fuel Security Event Claim Time Extension
- BSCPXX/04 Request for Black Start or Fuel Security Event Claim Withdrawal

There is a check box at the bottom of BSCPXX/01 and BSCPXX/02 which would be included in the *Proposed Modification* only.

**Black Start Claim Form (BSCPXX/01)**

| <div style="border: 1px solid black; padding: 2px; display: inline-block;"><b>BSCPXX/01</b></div>   | <h2 style="margin: 0;">Black Start Claim Form</h2> | <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>Black Start Claim Number:</b><br/> <i>BSCCo Use only</i> </div> |                         |      |                   |                         |            |  |  |  |                |  |  |  |
|---|--|--|-------------------------|------|-------------------|-------------------------|------------|--|--|--|----------------|--|--|--|
| <i>(Form completed by Claimant)</i>   |  |  |                         |      |                   |                         |            |  |  |  |                |  |  |  |
| Claimant (name): _____ Date Raised: ____/____/____  |  |  |                         |      |                   |                         |            |  |  |  |                |  |  |  |
| Company Name / Lead Party BMU ID / Role: _____  |  |  |                         |      |                   |                         |            |  |  |  |                |  |  |  |
| Address: _____  |  |  |                         |      |                   |                         |            |  |  |  |                |  |  |  |
| Telephone: _____ Fax: _____ Email: _____  |  |  |                         |      |                   |                         |            |  |  |  |                |  |  |  |
| <b>Director's Certification of Claim</b><br>Authorised By: _____ Signature: _____ Date: _____   |  |  |                         |      |                   |                         |            |  |  |  |                |  |  |  |
| <p><b>Please complete the following section as appropriate and attach additional evidence:</b></p> <p>Black Start Period<sup>6</sup> being claimed for:</p> <p>From ____/____/____ Settlement Period: ____ To ____/____/____ Settlement Period: ____</p> <p>BM Unit ID<sup>7</sup>: _____ Lead Party Name: _____</p> <p>Total Amount Claimed for: £ _____</p> <p>Description of National Grid Black Start Instruction received in relation to this BM Unit ID:</p> <p>_____</p> <p>_____</p> <p>Summary of Attached Evidence: _____</p> <p>_____</p> <p>_____</p> <p>Number of Attachments: _____ Number of Pages with submission (incl this page): _____</p> <p>Does this Claim require an Interim Payment<sup>8</sup>? (Yes/No) _____</p> <p><u>Details of Cost (supporting evidence must be provided for each Settlement Period)<sup>9</sup>:</u></p> <p>Total Normal Exports: _____ Exports During Period: _____ Change (in MWh): _____</p> <p>Total Normal Imports: _____ Imports During Period: _____ Change (in MWh): _____</p> <p><u>Avoidable Costs<sup>10</sup> incurred during the Black Start period (evidence must be produced):</u></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 25%;">Cost Category</th> <th style="width: 25%;">Fuel</th> <th style="width: 25%;">Plant &amp; Apparatus</th> <th style="width: 25%;">Other Operational Costs</th> </tr> </thead> <tbody> <tr> <td>Amount (£)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Evidence (Y/N)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p style="margin-top: 10px;">(Proposed Modification Only) Is an extra 60 days required to submit further evidence? (Yes/No) _____</p> |  |  | Cost Category           | Fuel | Plant & Apparatus | Other Operational Costs | Amount (£) |  |  |  | Evidence (Y/N) |  |  |  |
| Cost Category   | Fuel   | Plant & Apparatus  | Other Operational Costs |      |                   |                         |            |  |  |  |                |  |  |  |
| Amount (£)  |  |  |                         |      |                   |                         |            |  |  |  |                |  |  |  |
| Evidence (Y/N)  |  |  |                         |      |                   |                         |            |  |  |  |                |  |  |  |

<sup>6</sup> The Claim must be submitted within 20 Business Days of the end of the Black Start Period of which the claim is pertaining to ([Alt Edition – unless form BSCPXX/03 has been submitted and approved by the Panel]).

<sup>7</sup> A claim can only be made by the Lead Party of a BM Unit and then only if that Party has received a Black Start Instruction in relation to that BM Unit from National Grid.

<sup>8</sup> If this claim is for an interim amount as part of an on-going Black Start Period, any amount approved cannot be claimed for as part of the final claim.

<sup>9</sup> The Calculation for the “black start compensation amount” is as per Section G 3.3.2 of the BSC. Supporting evidence is required.

<sup>10</sup> Avoidable Cost is a defined term under the BSC.

**Fuel Security Event Claim Form (BSCPXX/02)****BSCPXX/02****Fuel Security Event Claim Form**Fuel Security Claim Number:  
*BSCCo use only**(Form completed by Claimant)*

Claimant (name): \_\_\_\_\_ Date Raised: \_\_\_\_/\_\_\_\_/\_\_\_\_

Company Name / Lead Party BMU ID / Role: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Director's Certification of Claim**

Authorised By: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Please complete the following section as appropriate and attach additional evidence:**Fuel Security Event Period<sup>11</sup>:

From \_\_\_\_/\_\_\_\_/\_\_\_\_ Settlement Period: \_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_ Settlement Period: \_\_\_\_

BM Unit ID<sup>12</sup>: \_\_\_\_\_ Site Name: \_\_\_\_\_

Total Amount Claimed for: £ \_\_\_\_\_

Description of Secretary of State (or National Grid) FSC Direction received in relation to this BM Unit ID:

\_\_\_\_\_  
\_\_\_\_\_

Summary of Attached Evidence: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Number of Attachments: \_\_\_\_\_ Number of Pages with submission (incl this page): \_\_\_\_\_

Does this Claim require an Interim Payment<sup>13</sup>? (Yes/No) \_\_\_\_\_Details of Exceptional Costs<sup>1415</sup> incurred during the Fuel Security Code period (evidence must be produced):

| Cost Category  | Fuel | Insurance | Financing | Overhead | Emission |
|----------------|------|-----------|-----------|----------|----------|
| Amount (£)     |      |           |           |          |          |
| Evidence (Y/N) |      |           |           |          |          |

| Cost Category  | Damages | Industry Charges | Other Costs | Total Claimed |
|----------------|---------|------------------|-------------|---------------|
| Amount (£)     |         |                  |             |               |
| Evidence (Y/N) |         |                  |             |               |

*(Proposed Modification Only)* Is an extra 60 days required to submit further evidence? (Yes/No) \_\_\_\_\_<sup>11</sup> The Claim must be submitted within 60 Business Days of the end of the Fuel Security Event Period of which the claim is pertaining to.<sup>12</sup> A claim can only be made by the Lead Party of a BM Unit and if that Party has received a Fuel Security Code Direction in relation to that BM Unit from the Secretary of State (or National Grid acting as his agent) under the FSC.<sup>13</sup> If this claim is for an interim amount, for costs incurred to date, any amount approved cannot be claimed for as part of the final claim.<sup>14</sup> Details of what constitutes each Cost Category for a Fuel Security event can be found in Section XX.X of this BSCP.<sup>15</sup> Exceptional Cost is a defined term under the Fuel Security Code.

## Request for Black Start or Fuel Security Event Claim Time Extension (BSCPXX/03)

|  |   |
|--|---|
| <b>BSCPXX/03</b>   | <b>Request for Time Extension to Submit Claim</b> |
| <i>(Form completed by Claiming Party)</i>  |   |
| Claimant (name): _____ Date: ____/____/____  |   |
| Company Name: _____  |   |
| Address: _____   |   |
| Telephone: _____ Fax: _____  |   |
| Email: _____   |   |
| <b><u>Black Start / Fuel Security Period Details:</u></b>  |   |
| Period: From ____/____/____ Settlement Period ____ To ____/____/____ Settlement Period ____  |   |
| BM Unit ID <sup>16</sup> : _____ Site Name: _____  |   |
| Description of National Grid Black Start Instruction or Fuel Security Code Direction received in relation to this BM Unit ID:        |   |
| _____  |   |
| _____  |   |
| _____  |   |
| Response: _____  |   |
| _____  |   |
| _____  |   |
| _____  |   |
| How much additional time (beyond the time already allowed) do you require to submit a completed claim?                               |   |
| _____  |   |
| Therefore by close of business on which date will you be submitting your completed claim: _____                                      |   |
| What is the justification/evidence as to why you require this additional time to complete the submission of your claim Reason: _____ |   |
| _____  |   |
| _____  |   |
| _____  |   |
| <i>(Completed by BSCCo after recommendation by Panel)</i>  |   |
| Deadline for completed claim: _____  |   |
| Claim to be Received By Date: ____/____/____ BSCCo representative: _____   |   |
| Panel Decision Date: ____/____/____ BSCCo signature: _____   |   |

<sup>16</sup> A claim can only be made by the Lead Party of a BM Unit and if that party has received a Black Start Instruction or a Fuel Security Direction in relation to that BM Unit from the National Grid or the Secretary of State under the FSC.

## Request for Black Start or Fuel Security Event Claim Withdrawal (BSCPXX/04)

**BSCPXX/04**

### Request for Withdrawal of a Black Start period or a Fuel Security Code event Claim

*(Form completed by Claiming Party)*

Claimant (name): \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Director, or Authorised Person, Approval for Withdrawal:

Authorised By: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Claim Number (if known): \_\_\_\_\_ (the Details section is not necessary if Claim Number is known)

#### Black Start / Fuel Security Period Details:

Period: From \_\_\_\_/\_\_\_\_/\_\_\_\_ Settlement Period \_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_ Settlement Period \_\_\_\_

BM Unit ID: \_\_\_\_\_ Site Name: \_\_\_\_\_

Description of National Grid Black Start Instruction or Fuel Security Code Direction received in relation to this BM Unit ID: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Response: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

#### Reason for Withdrawal:

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*(Completed by BSCCo after recommendation by Panel)*

Claim Withdrawal approved? (Yes/No): \_\_\_\_\_

Date of Withdrawal: \_\_\_\_/\_\_\_\_/\_\_\_\_ BSCCo representative: \_\_\_\_\_

Panel Decision Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ BSCCo signature: \_\_\_\_\_

## 4. Guidance

**References to requirements, 'REQ', correspond to the Requirements Matrix in Appendix 4 of the P232 Consultation document.**

### **Role of the Claims Committee and Experts – REQ 2.4 and REQ 2.6**

REQ 2.4 - The membership of any Claims Committee will be appointed by the BSC Panel and may contain members of the BSC Panel but does not have to (i.e. the Claims Committee could be the BSC Panel, a sub-set of the BSC Panel, or have no direct BSC Panel Members' involvement).

REQ 2.6 - The BSC Panel or a Claims Committee may employ expert/ technical/ specialist sub-committees to advise or to assist it in determining a claim.

The Claims Committee discharges the responsibilities ascribed to the BSC Panel in section G of the Code, the FSC and FSC Guidance (the last two documents being those published by DECC on behalf of the Secretary of State, as amended from time to time).

The Claims Committee can establish (a) one, or a number of, expert/technical/specialist sub-committee(s) to which the Claims Committee can delegate consideration of claims to and / or (b) advisory groups/individuals to assist the Claims Committee in determining the validity of claims. Specifically in relation to FSC claims only, establishment of any sub-committee(s) are subject to the Authority not disapproving (i.e. sub-committee(s) will be established unless the Authority notifies the Claims Committee of its specific disapproval); note this applies to establishment only, sub-committee (or indeed the Claims Committee) membership is not subject to Authority approval.

Note that an expert or number of experts can be co-opted directly onto the Claims Committee. In such a case they become Claim Committee members rather than advisory experts.

Sub-committee(s) can potentially perform the bulk of claim validation work, particularly if the volume and complexity of claims was significant (e.g. due to a lengthy FSC period affecting all/many BSC Parties). Thus sub-committee(s) might be established, depending on the volume of claims etc, to look at the main (technical/specialist) aspects of all the claims received. These might be, for example, 'Fuel Costs', 'Insurance', 'Financing', 'Overheads', 'Emissions', 'Damages', 'Industry Charges' and 'Other Costs'. In other words, under this example, all the 'Fuel Costs' aspects of all the individual claims received would go to the 'Fuel Costs' sub-committee for validation, with this sub-committee membership being drawn from those persons whom the Claims Committee believed to be competent in the field of 'Fuel Costs' etc..

The role of sub-committee(s) can be to validate aspects of claims that fall under their specialist area of knowledge/expertise and advise the Claims Committee accordingly of their conclusions. The onus is on the claimant to supply sufficient evidence to the Claims Committee to enable it (or any sub-committee etc., that they establish to assist them) to carry out their duties. The role of the Claims Committee (and any sub-committee(s) supporting it) is to verify (and adjust as necessary) claims and determine the amount (£) of compensation to be paid to the BSC Party making the claim in question. In accordance with this sub-committee(s) would not actively gather evidence but would engage only in verification of evidence submitted. However, if the evidence submitted by the claimant is, in the opinion of the sub-committee(s) (or the Claims Committee itself) insufficient to carry out its duties it may, if it wishes, ask the Claims Committee to seek such additional information from the claimant as, in the reasonable opinion of the sub-committee(s) (or the Claims Committee itself), it believes would be sufficient to complete its duties.

The Claims Committee is to make a judgement of the need to employ expert sub-committee(s) based on the need for specialist expertise and knowledge in relation to particular claim(s) and the need to delegate due to the volume of claims. The Claims Committee is to be mindful of the need to maintain the efficiency of the process by minimising the number of sub-committee(s) involved

### **Role of ELEXON and the Claims Committee – REQ 2.7**



REQ 2.7 - ELEXON are to provide the Claims Committee with any administrative support and are to provide any requested information.

ELEXON are to provide to the Claims Committee:

- Any administrative and secretarial support necessary to assist the Claims Committee; and
- Any supporting information it requests which is available to ELEXON (e.g. Metered Volume data).

### **Confidentiality – REQ 2.8**

REQ 2.8 - Any meeting of the Claims Committee shall be held in close session to ensure confidentiality.

Meetings of the Claims Committee are to be held in closed session to ensure confidentiality.

As well as the Claims Committee and (if invited) any sub-committee(s) members or experts, the Authority and DECC are free to attend meetings in an observational capacity. Relevant persons (e.g. representatives of claimants) can be invited to attend only for the consideration of particular claims, as deemed necessary by the Claims Committee.

Information submitted by claimant as part of a claim (or in response to a request from the Claims Committee) is to be treated as confidential by the Claims Committee.

Following the claims validation process, information held by the Claims Committee shall be destroyed after a period of time previously determined by the Claims Committee (and that date would be published to industry). For example, this time period may align with a time period permitted for appeal of the Credit Committee's determination.

### **FSC Costs – REQ 2.16**

REQ 2.16 - The following Cost Headings are to be used for FSC claims: Fuel Costs, Insurance Costs, Financing Costs, Overhead Costs, Maintenance Costs, Emission Costs, Damages, Industry charges, Other Costs

The cost headings below are a list of areas which can comprise 'Exceptional Costs' required for Generator operation in accordance with an FSC period, and therefore appropriate for inclusion in a FSC Exceptional Cost claim.

These areas can be used to facilitate the handling of claims by the Claims Committee, and might also be the areas for which specialist sub-committee(s) may be formed and employed to advise the Claims Committee in validating claims.

This list is not exhaustive (the 'Other Costs' section can be used when uncertain). There is no ability for a claimant to 'double recover' any of these costs; if they are able to trade commercially and do so, any income received should be used to offset the claimant's costs prior to making any claim under the provisions of the FSC. Claim items may include:

- Fuel costs (including purchase, freight/transportation, storage, handling and use e.g. any changes to fuel efficiency arising from operating in accordance with the FSC);
- Insurance costs (including proportion of current insurance costs applied to the period in question as well as any increase in those costs arising due to the FSC period being invoked and/or resultant claim submissions, as appropriate);
- Financing costs (costs associated with funding the power station(s), via banking loan and/or via shareholder funds, using a reasonable rate of return/risk assessment);
- Overhead costs (cost of running the power station(s), including those associated with staffing e.g. overtime payments, and ancillary supplies, rent,);
- Maintenance costs (costs associated with day-to-day operation, ongoing maintenance and wear & tear of plant/specific apparatus);

- Damages (losses in respect of damage to property e.g. plant/apparatus or death/injury to persons);
- Emissions costs (cost of purchasing various emissions allowances, e.g. CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>x</sub>, needed to operate the power station(s));
- Industry charges (including proportion of current TNUoS and BSUoS charges applied to the claim period, and any additional charges arising from the FSC period being invoked and/or resultant claim submissions, as appropriate); and
- Other costs (any additional costs necessarily and properly incurred in good faith and on a basis consistent with commercial practices and procedures that were normal and prudent, after all reasonable efforts had been made to establish that no practicable alternative action (or inaction) was available at lower cost).

To assist the Claims Committee (and any sub-committee(s) established) with the handling of Black Start Period claims, claimants should also breakdown their claim costs into their constituent parts using the following headings: "Fuel", "Plant & Apparatus", "Emissions", "Industry Charges" and "Others".

### **Interim Payments – REQ 2.20 and REQ 2.21**

REQ 2.20 - Interim payment sums (£) can be agreed by the Claims Committee only for Exceptional Costs (arising from complying with an FSC Direction received by the Claimant) which have been incurred (up to the date of the interim claim submission) throughout a FSC anticipation period or during a FSC period. The Claims Committee do not manage payment of that claim. BSC Parties are advised to ensure submitted claims are easy to validate if they require swift determination by the Claims Committee.

REQ 2.21 - Payment received as an Interim Payment cannot be claimed for again as part of the final claim; i.e. no double recovery.

The interim (claims) payment process for claims arising from costs incurred (up to the date of the interim claim submission) during a Black Start Period, during a FSC event or in an anticipation of a FSC event is to be exactly the same process as for the 'final' claims process for similar claims for these three examples. The purpose is so claims for interim payment can be assessed and approved for BSC Parties to make claims where cash-flow might be an issue, but any BSC Party can claim if they so desire. However the process of assessing the claim as determined by the Claims Committee will not change.

Claimants are reminded that claims, for interim (or indeed final) payment, can only be for those costs:

- a) defined in the BSC as "Avoidable Costs" for a Black Start Period; or
- b) defined in the FSC as "Exceptional Costs" for FSC events

where:

- i) the BM Unit concerned has received a specific Black Start Instruction or FSC Direction (as the case may be) which gave rise to those costs being incurred; and
- ii) those costs have actually been incurred by that BM Unit up to the date of the interim claims submission.

Any Payment amount (£) determined by the Claims Committee cannot be claimed for again as part of any final claim; i.e. there is no double recovery. Claimants are to submit details of any interim payment made as support to their final claim.

BSC Parties who wish to receive prompt determination by the Claims Committee of their interim claims (which could help to facilitate them receiving prompt payment) are advised to send in these claims with evidence which is easily assessable and understood, and attach a note requesting a quick resolution. For

example, during a FSC event a BSC P could submit multiple claims for fuel costs as interim payments, then claim for Insurance and Financing costs for the entire event once it has ended.

*Notes:*

- i)* The 20 day claim submission time-frame for Black Start Periods and the 60 day claim submission time-frame for FSC events do not apply for claims submitted for interim payments during an on-going Black Start Period, FSC event or anticipation period for a FSC event. Only when these periods/events end do the claims time-frames apply (for making the final claims application).
- ii)* The Claims Committee is not responsible for ensuring any Payment is made. The Claims Committee can only determine that a claim is valid for payment.
- iii)* No costs claim for interim payment can be made for costs which may (or will) be incurred at a future date.