

## Proposed Modification P.87 – draft legal text

### Section Q

*Paragraph 5.1.5 of Section Q shall be deleted in its entirety and replaced with the following new paragraph 5.1.5:*

5.1.5 For the purposes of paragraph 5.1.3:

- (a) the operation of an intertrip in the circumstances described in BC2.5.2.3 of the Grid Code; and
- (b) to the extent it relates to the relevant Intertrip-affected Period, any express or implied instruction issued by the Transmission Company under the Grid Code to remain at the MW level implied by the operation of such intertrip

shall not be treated as being an Acceptance.

*Paragraph 5.1.6 of Section Q shall be amended as follows:*

5.1.6 The Transmission Company shall log the communications referred to in paragraph 5.1.3 ~~and occurrences referred to in paragraph 5.1.5~~ in its system.

*Paragraph 5.1.11 of Section Q shall be amended as follows:*

5.1.11 For the purposes of the Code the "**Bid-Offer Acceptance Time**" in respect of a communication classed as an Acceptance shall be:

- ~~(a) in the case of a communication under paragraph 5.1.3(a) or (b), the time at which the communication was issued by the Transmission Company;~~
- ~~(b) in the case of the operation of an intertrip, treated as an Acceptance pursuant to paragraph 5.1.5, the time of operation of the intertrip.~~

*Paragraph 5.3.2 of Section Q shall be amended as follows:*

5.3.2 Subject to paragraph 5.3.3, for the purposes of an Acceptance falling under paragraph 5.1.3(b) ~~(including pursuant to paragraph 5.1.5)~~, the Acceptance Data shall be deemed to include a ~~Volume~~ Acceptance Volume Pair for which:

- (a) the 'from' time and MW level are the same as the latest 'to' time and MW level which are specified in or can be derived or inferred from the communication;
- (b) the 'to' time is the end of the last Settlement Period for which Gate Closure fell before the Bid-Offer Acceptance Time, and the 'to' MW level is the same as the 'from' MW level.

*The following new paragraph 5.6 shall be inserted in Section Q:*

### **5.6 Intertrip-affected Period**

5.6.1 For the purposes of this Section Q, in relation to a BM Unit (the "**Intertrip-affected BM Unit**"):

- (a) the **"Intertrip-affected Period"** is the period of time determined by the Transmission Company and notified to BSCCo, being the continuous period of time:
  - (i) commencing with (and including) the Settlement Period in which an intertrip was operated in respect of that BM Unit as, and in the circumstances, described in BC2.5.2.3 of the Grid Code; and
  - (ii) ending with (and including) the Settlement Period immediately prior to the first Settlement Period following the operation of such intertrip at the start of which the Lead Party was permitted (after taking account of the BM Unit's prevailing Dynamic Data Set) under the Grid Code to operate Plant comprised in that BM Unit at its prevailing Physical Notification level for that Settlement Period;
- (b) an **"Intertrip-affected Settlement Period"** is a Settlement Period falling within an Intertrip-affected Period;
- (c) an **"Initial Intertrip-affected Settlement Period"** is an Intertrip-affected Settlement Period for which Gate Closure occurred prior to the operation of such intertrip

5.6.2 The Transmission Company shall notify BSCCo of:

- (a) the Intertrip-affected BM Unit;
- (b) the Intertrip-affected Settlement Periods; and
- (c) the Initial Intertrip-affected Settlement Periods

as soon as reasonably practicable after the commencement of each Intertrip-affected Period.

5.6.3 In relation to the Lead Party of the Intertrip-affected BM Unit and each Initial Intertrip-affected Settlement Period, the Transmission Company shall notify to BSCCo data equivalent to and to be treated, for the purposes of Settlement, as Energy Contract Volume Data as soon as reasonably practicable after such data is available to the Transmission Company and, for these purposes:

- (a) the Energy (From) Account shall be one of the TC (Non-IEA) Energy Accounts as specified by the Transmission Company in such notification;
- (b) the Energy (To) Account shall be, in relation to the Intertrip-affected BM Unit, the corresponding Energy Account (in accordance with Section X2.2.3(d)) of the Lead Party of the Intertrip-affected BM Unit, or such other corresponding Energy Account as the Lead Party may (with the assent of the Trading Party holding such Energy Account) nominate to the Transmission Company;
- (c) the quantity of Active Energy (expressed in MWh) shall be the greater of:
  - (i) the difference between:
    - (1) the quantity of Active Energy to be Exported from the Plant or Apparatus comprised in the Intertrip-affected BM Unit as implied from the Final Physical Notification Data for that BM Unit for that Settlement Period (applying the relevant conventions under the Code); and
    - (2) the BM Unit Metered Volume for the Intertrip-affected BM Unit; and
  - (ii) zero;
- (d) such notification shall be considered to be additional to any other relevant Energy Contract Volume Notifications relating to the Initial Intertrip-affected Settlement Period.

- 5.6.4 The Transmission Company and the Lead Party of each BM Unit associated with an intertrip scheme shall do such further things as BSCCo may reasonably request in order to give effect to the intent of this paragraph 5.6 (including, if so requested, the submission of a relevant ECVNA Authorisation).
- 5.6.5 BSCCo shall ensure that data provided by the Transmission Company pursuant to paragraph 5.6.3 is sent to the relevant BSC Agents as soon as reasonably practicable, and such data shall be taken into account in the next Settlement Run for the relevant Initial Intertrip-affected Settlement Period following receipt of such data by the relevant BSC Agents.
- 5.6.6 For the avoidance of doubt, Settlement Runs in relation to Initial Intertrip-affected Settlement Periods shall be carried out without the data referred to in paragraph 5.6.3 until such data is provided to the relevant BSC Agents, and no Trading Dispute may be raised in respect thereof merely by virtue of the absence of such data (unless such absence constitutes a breach of paragraph 5.6.3).
- 5.6.7 In relation to the Lead Party of an Intertrip-affected BM Unit, the existence of an Intertrip-affected Period which is known to BSCCo shall, if BSCCo considers appropriate, be deemed to constitute such a material doubt as is referred to in, and for the purposes of, Section M3.4 (but no Trading Dispute may be raised in relation to the calculation of such Lead Party's Credit Cover Percentage by virtue of any matter referred to in this paragraph 5.6 and such Lead Party shall not be entitled to any Credit Cover Error Compensation in respect thereof).
- 5.6.8 The introduction of this paragraph 5.6 and any modifications to the Code made at the same time as and associated with the introduction of this paragraph 5.6 (including the modification to paragraph 5.1.5) shall cease to apply, and shall be treated as removed from the Code, with effect from 31 March 2003 such that, with effect from that date, the provisions of the Code without such modifications (including the reinstatement of any text deleted by virtue of such modifications) shall be in force and apply in respect of the period on and from such date (but without prejudice to any other modifications which may be made to the Code after the date when this paragraph 5.6 takes effect).

*The following new paragraph 9 shall be inserted in Section Q:*

## **9. COMPENSATION FOR SYSTEM ACTIONS**

### **9.1 Claims for compensation for Intertrip-affected BM Units**

- 9.1.1 The Lead Party of an Intertrip-affected BM Unit shall be entitled to make a claim for compensation to be established pursuant to paragraph 9.2 in respect of such BM Unit and each Intertrip-affected Settlement Period provided the Lead Party has demonstrated, to the satisfaction of the Panel, that:
- (a) (without prejudice to the compensation to be established pursuant to paragraph 9.2) it suffered a material loss, which it could not reasonably have avoided, as a result of the operation of the intertrip in respect of the Intertrip-affected BM Unit; and
  - (b) there is no agreement in place for the provision of any compensation or the making of any payment by the Transmission Company to such Lead Party in consequence of the operation of such intertrip (save under paragraph 9.2).
- 9.1.2 Where the Lead Party wishes to make a claim for compensation, it shall submit a notice in writing to BSCCo within 10 Business Days after the Settlement Run referred to in Section 5.6.5, together with a statement, explanation and such supporting evidence as the Lead Party considers appropriate in order to demonstrate the matters referred to in paragraph 9.1.1.
- 9.1.3 The Panel shall determine whether the Lead Party has demonstrated the matters referred to in paragraph 9.1.1 and the Panel's determination shall be final and binding.
- 9.1.4 For the purposes of paragraph 9.1.3:

- (a) (without prejudice to the Lead Party's responsibility to demonstrate the matters referred to in paragraph 9.1.1), the Lead Party and the Transmission Company shall provide the Panel with such information as the Panel may reasonably request for the purposes of making its determination; and
- (b) if the Transmission Company concurs with the Lead Party's statement that no agreement of the kind referred to in paragraph 9.1.1(b) is in place, such concurrence shall be taken as sufficient evidence to demonstrate the matters referred to in paragraph 9.1.1(b).

9.1.5 BSCCo shall notify the Lead Party of the Panel's determination pursuant to paragraph 9.1.3.

9.1.6 If the Panel determines that the Lead Party has demonstrated the matters referred to in paragraph 9.1.1, the Panel shall establish the compensation due to the Lead Party pursuant to and in accordance with paragraph 9.2.

9.1.7 In order to facilitate determinations under this paragraph 9.1, the Transmission Company and the relevant Lead Party shall notify BSCCo from time to time:

- (a) of each BM Unit of the Lead Party for which the Plant includes an intertrip scheme; and
- (b) whether or not such BM Unit is the subject of an agreement of the type referred to in paragraph 9.1.1(b);

and such notification shall, for the purposes of this paragraph 9.1 be conclusive evidence that such an agreement is in place until and unless the Transmission Company and/or the Lead Party notifies BSCCo to the contrary.

## **9.2 Establishment of compensation**

9.2.1 In this paragraph 9.2:

- (a) the 'relevant' Lead Party is the Lead Party making a claim for compensation falling within this paragraph 9.2 under any provision of the Code which provides for such claim to be made;
- (b) the 'relevant' BM Unit is the BM Unit of the Lead Party in respect of which such claim is made;
- (c) the 'relevant' Settlement Period or Periods is (or are) the Settlement Period(s) in respect of which such claim is made;
- (d) the 'relevant' event is the event or circumstance giving rise to such claim as described in the provision of the Code which provides for such claim to be made.

9.2.2 This paragraph 9.2 applies where a provision of the Code provides for the establishment of compensation pursuant to this paragraph 9.2.

9.2.3 Where this paragraph 9.2 applies, the Panel shall determine, in respect of a relevant Lead Party, the amount of compensation due to the relevant Lead Party in respect of the relevant BM Unit and each relevant Settlement Period in accordance with the principles set out in paragraph 9.2.4.

9.2.4 The principles referred to in paragraph 9.2.3 are:

- (a) the compensation shall reflect the amount of loss, in the Panel's opinion, suffered by the relevant Lead Party as a result of the relevant event;
- (b) the Panel may take into account the extent to which, in the Panel's opinion, the relevant Lead Party could reasonably have avoided such loss; and
- (c) in considering the amount of such loss and the extent to which it could reasonably have been avoided, the Panel shall have regard to:

- (i) any Avoidable Costs lost or saved, in the Panel's opinion, as a result of the relevant matter (including for the avoidance of doubt any costs incurred or saved or revenue lost or earned, in the Panel's opinion, in trading Active Energy to mitigate the effect of the relevant event);
- (ii) any revenue which has, in the Panel's opinion, been foregone (having regard to relevant historical data) by virtue of the Lead Party's inability to provide balancing services via the relevant BM Unit to the Transmission Company as a result of the relevant event;
- (iii) any Trading Charges incurred or saved by the Lead Party which would not have been incurred or saved but for the relevant event (including any Non-Delivered Offer or Bid Charges).

9.2.5 For the purposes of paragraph 9.2.3, the relevant Lead Party and the Transmission Company shall provide the Panel with such information as the Panel may reasonably request for these purposes.

9.2.6 The determination of the Panel pursuant to paragraph 9.2.3 shall be final and binding.

9.2.7 Where, in relation to a relevant Lead Party, the Panel has established the amount of compensation due to the relevant Lead Party pursuant to this paragraph 9.2:

- (a) the relevant Lead Party shall be entitled to be paid by the BSC Clearer the sum, for all relevant BM Units and all relevant Settlement Periods relating to the claim, of the amounts of compensation determined by the Panel pursuant to paragraph 9.2.3 together with interest at the Base Rate on each compensation amount from the Initial Payment Date for the relevant Settlement Period to (but not including) the date (if later) when such payment is made;
- (b) the Transmission Company shall be liable to pay to the BSC Clearer an amount equal to the sum payable to the relevant Lead Party under paragraph (a);
- (c) the amount of the entitlements and liabilities under paragraphs (a) and (b) shall be Ad-hoc Trading Charges for the purposes of Section N6.9;
- (d) BSCCo shall give such instructions to the FAA as are necessary to give effect to the payment of such Ad-hoc Trading Charges; and
- (e) any sum for which the Transmission Company is liable under paragraph (b) shall be treated (other than for Settlement purposes) as if it were a debit or credit (as the case may be) to the Daily System Operator BM Cashflow referred to in Section T1.2.2(b) for the Settlement Day in respect of which the Payment Date is the same as the Payment Date for such Ad-hoc Trading Charges.

**Annex X-1**

*The following new definitions shall be inserted in alphabetical order in Annex X-1:*

<b>"Avoidable Costs":</b>	has the meaning given to that term in Section G2.1;
<b>"Initial Intertrip-affected Settlement Period":</b>	has the meaning given to that term in Section Q5.6;
<b>"Intertrip-affected BM Unit":</b>	has the meaning given to that term in Section Q5.6;
<b>"Intertrip-affected Period":</b>	has the meaning given to that term in Section Q5.6;
<b>"Intertrip-affected Settlement Period":</b>	has the meaning given to that term in Section Q5.6;