

P262 – DRAFT PROPOSED LEGAL TEXT

(SIGNIFICANT CODE REVIEWS, SELF GOVERNANCE AND CODE ADMINISTRATION CODE OF PRACTICE)

SECTION B: THE PANEL (*version 16.0*)

Amend paragraph 2.9.2 to read as follows:

- 2.9.2 The persons referred to in paragraph 2.9.1 are each Panel Member, the Panel Secretary, any member of any Panel Committee, the secretary of any Panel Committee, the Modification Secretary and each member of a ~~Modification Group~~Workgroup, together with their alternates (where such alternates are permitted to be appointed and are appointed in accordance with the Code).

Amend paragraph 5.1.6 to read as follows:

- 5.1.6 The Panel may not establish Panel Committees for the purpose of the discharge of the functions of the Panel under Section F in relation to Code Modifications (but without prejudice to the provisions of that Section as to ~~Modification Groups~~Workgroups), and the provisions of this paragraph 5 shall not apply in relation to those functions.

SECTION C: BSCCO AND ITS SUBSIDIARIES (*version 11.0*)

1. GENERAL

1.2 Role and powers, functions and responsibilities of BSCCo

Insert new paragraph 1.2.6 to read as follows:

- 1.2.6 BSCCo shall, in the exercise of its powers, functions and responsibilities, have regard to and, to the extent they are relevant, act consistently with the Code Administration Code of Practice Principles (subject always to Section H1.5.1(b)).

3. POWERS AND FUNCTIONS OF BSCCO

3.1 General

Amend paragraphs 3.1.1, 3.1.2 and 3.1.3 to read as follows:

- 3.1.1 Without prejudice to paragraph 1.2.2, BSCCo shall have the following powers, functions and responsibilities:
- (a) to enter into, manage and enforce contracts with service providers (as BSC Agents) for the supply of the services required by BSC Service Descriptions, and negotiate and agree amendments to such contracts, as further provided in Section E;
 - (b) to advise the Panel and keep it advised as to and in respect of the matters which it is necessary or appropriate that the Panel should consider in order to discharge the Panel's functions and responsibilities in accordance with the Code;
 - (c) to provide or arrange the provision of such facilities, resources and other support as may be required by the Panel to enable the Panel or any Panel Committee or ~~Modification Group~~Workgroup to discharge its functions and responsibilities under the Code;

- (d) to provide secretarial and administrative services in connection with meetings of the Panel and Panel Committees and ~~Modification Groups~~ Workgroups, including the convening and holding of such meetings, and taking and circulation of minutes;
- (e) to provide and make available to Parties such facilities, services and information in connection with the implementation of the Code as the Code may provide or the Panel may require;
- (f) to provide or arrange the provision of facilities, resources and other support in connection with the procedures for modification of the Code in accordance with Section F;
- (g) to enter into contracts (in terms complying with any applicable provisions of Section B) of employment or other engagement with persons from time to time to be appointed as Panel Chairman or Panel Members under Section B2.5;
- (h) to indemnify against liability, and to reimburse the expenses of, Panel Members, members of Panel Committees, members of ~~Modification Groups~~ Workgroups and others as provided in the Code;
- (i) to enter on behalf of all Parties into Accession Agreements with new Parties in accordance with Section A2.2;
- (j) to act as BSC Agent for the purposes of the Master Registration Agreement in accordance with Annex K-1;
- (k) to act as shareholder of the BSC Clearer in accordance with paragraph 7;
- (l) to receive, collect and hold such data and information, and to prepare and maintain such books and records, as may be required under the Code or reasonably necessary to enable BSCCo to comply with its functions and responsibilities under the Code; and to provide data and information held by it to the Panel upon request and to other persons in accordance with any express provision of the Code;
- (m) without prejudice to the generality of paragraph (l), where it is not the function of a BSC Agent to do so, to maintain records of the extent to which Parties have satisfied requirements of the kind referred to in Section A4.5.3, and to provide details thereof to BSC Agents and other persons as required for the purposes of the Code;
- (n) to monitor whether any Party is, or with the lapse of time or giving of notice would be, in Default (in accordance with Section H3), and to give to any Party any notice the giving of which will result in that Party being in Default (but not for the avoidance of doubt to give any notice consequent upon a Party's being in Default unless expressly authorised to do so by the Panel or by a provision of the Code);
- (o) to act as the Performance Assurance Administrator ~~in accordance with Annex B-1~~;
- (p) to prepare and/or (as the Panel may require) assist the Panel to prepare the Annual BSC Report for each BSC Year in accordance with Section B6.1;
- (q) to make recommendations to the Panel as to possible Modification Proposals in the circumstances mentioned in paragraph 3.8.8 and Section F2.1.1(d)(ii) and (iii);
- (r) to the extent provided in and in accordance with the policy from time to time established by the Panel, to act as a point of contact for persons from other countries interested in, and to

explain to such persons, the arrangements for and developments in wholesale trading of electricity in Great Britain and/or Offshore, and to participate in institutional comparative discussions of such arrangements and developments in other countries; and

(s) in conjunction with the other code administrators identified in the Code Administration Code of Practice, to maintain, publish, review and (where appropriate and subject to the approval of the Authority) amend the Code Administration Code of Practice.

3.1.2 To the extent to which the terms of reference (pursuant to Section B5.3.2) of a Panel Committee or ~~Modification Group~~ Workgroup authorise the Panel Committee itself to request from BSCCo facilities, resources or other support (falling within paragraph 3.1.1(c)), BSCCo shall provide or arrange the provision of such facilities, resources or other support as may be so requested.

3.1.3 The facilities, resources and other support which BSCCo may be required to provide to or arrange for the Panel or a Panel Committee or ~~Modification Group~~ Workgroup include:

- (a) facilities for holding meetings;
- (b) the provision of advice and expertise in connection with any matter which (pursuant to the Code) is to be considered by the Panel or Panel Committee or ~~Modification Group~~ Workgroup;
- (c) the preparation of draft and final working papers, reports and other documents; and
- (d) where BSCCo so decides or the Panel specifically so requests, the services of external firms of advisers and consultants or the attendance at meetings of experts (and paying the fees and expenses of such advisers, consultants and experts).

Amend paragraph 3.5.1 to read as follows:

3.5 BSCCo resources

3.5.1 If at any time the resources (which in this paragraph 3.5 does not mean financial resources) of BSCCo are inadequate to enable it to perform any particular requirement of the Code (including a requirement specified by the Panel or a Panel Committee or ~~Modification Group~~ Workgroup pursuant to paragraph 3.1.1), BSCCo shall promptly so notify the Panel and discuss the matter with the Panel, and following such discussion shall take such steps and procure such resources as are necessary to enable BSCCo to meet such requirement (as it may have been modified following such discussion) as soon as is reasonably practicable.

SECTION F: MODIFICATION PROCEDURES (version 18.0)

Amend paragraphs 1.1.3 and 1.1.5 to read as follows:

1. MODIFICATION OF THE CODE

1.1 Modification

1.1.3 Subject to paragraph 2.11.8, a modification of the Code shall take effect from the time and date specified in the notice referred to in paragraphs 1.1.2 and 6.3.2 or, in the absence of any such time and date, from 00:00 hours on the day next following the date of service of

such notice to the Modification Secretary (without prejudice to the Implementation Date or the Self-Governance Implementation Date (as the case may be), if different).

- 1.1.5 Subject to paragraphs 5 and 6, Pparagraphs 1 and 2 of this Section F set out the procedures for modification of the Code as required by the Transmission Licence.

Insert new paragraph 1.1.8 to read as follows:

1.1.8 The provisions of this paragraph 1.1 are subject to paragraph [6.3].

Amend paragraph 1.2.2 to read as follows:

1.2 Role of the Panel, BSCCo and the Modification Secretary

- 1.2.2 Without prejudice to the generality of Section B1.2.1 and to the further provisions of this Section F, the Panel shall endeavour at all times to operate the Modification Procedures:

- (a) in an efficient, economical and expeditious manner, taking account of the complexity, importance and urgency of particular Modification Proposals; ~~and~~
- (b) with a view to ensuring that the Code facilitates achievement of the Applicable BSC Objective(s); ~~and~~
- (c) to the extent relevant, in a manner that is consistent with the Code Administration Code of Practice Principles (subject always to Section H1.5.1(b)).

Insert paragraph 1.2.4A to read as follows:

1.2.4A BSCCo shall be responsible for providing assistance in relation to the Modification Procedures, insofar as is reasonably practicable and on reasonable request, to any of the persons referred to in paragraph 2.1.1 including assistance with:

- (a) drafting a Modification Proposal;
- (b) understanding the operation of the Code;
- (c) such persons' involvement in, and representation during, the Modification Procedures (including, for the avoidance of doubt, Panel and/or Workgroup meetings); and
- (d) accessing information relating to Modification Proposals, Approved Modifications and/or Code Modifications.

Amend paragraphs 1.5.1 and 1.5.2 to read as follows:

1.5 Standing Lists

- 1.5.1 The Panel shall establish and maintain a list of persons with relevant experience and/or expertise who may be willing to be members of a ~~Modification Group~~Workgroup established pursuant to paragraph 2.4.
- 1.5.2 1.5.3It is expected that Parties shall make available a reasonable level of suitably qualified personnel to act as members from time to time of ~~Modification Group~~Workgroups established by the Panel pursuant to paragraph 2.4.

Amends paragraphs 1.8.1 and 1.8.3 to read as follows:

1.8 Transitional Arrangements

- 1.8.1 1.8.2 If the Code is modified pursuant to the Implementation Scheme, the Panel may following the Go-live Date or, at the request of any Party, shall order a review of such modification to be carried out by a ~~Modification Group~~ Workgroup, on such terms as the Panel may decide, within 3 months after the Go-live Date in order to assess whether the purpose of the modification could be achieved more efficiently in another way.
- 1.8.3 For the purposes of paragraph 1.8.2, the provisions of paragraph 2.4 shall apply mutatis mutandis to the establishment and conduct of a ~~Modification Group~~ Workgroup charged with undertaking a review pursuant to paragraph 1.8.2.

Amend paragraph 2.1.2 to read as follows:

2. CODE MODIFICATION PROCEDURES

- 2.1.2 A proposal made pursuant to paragraph 2.1.1 shall be submitted in writing in accordance with BSCP40, and shall contain the following information in relation to such proposal:
- (a) the name of the Proposer;
 - (b) the name of the representative of the Proposer (and his alternate) who shall represent the Proposer in person for the purposes of this paragraph 2;
 - (c) a description (in reasonable but not excessive detail) of the issue or defect which the proposed modification seeks to address;
 - (d) a description (in reasonable but not excessive detail) of the proposed modification and of its nature and purpose;
 - (e) where possible, an indication of those parts of the Code which would require amendment in order to give effect to (and/or would otherwise be affected by) the proposed modification and an indication of the nature of those amendments or effects;
 - (f) the reasons why the Proposer believes that the proposed modification would better facilitate achievement of the Applicable BSC Objective(s) as compared with the then current version of the Code;
 - (g) where possible, an indication of the impact of the proposed modification on Core Industry Documents and/or the System Operator-Transmission Owner and/or an Industry Code;
 - (h) where possible, an indication of the impact of the proposed modification on BSC Systems and on other relevant computer systems and processes used by Parties;
 - (i) where the Proposer has recommended that the proposal should be treated as an Urgent Modification Proposal in accordance with paragraph 2.9, its reasons why the proposal should be treated as such.

Amend paragraphs 2.1.12, 2.1.12A and 2.2.1.12B to read as follows:

- 2.1.12 Subject to paragraphs 2.2.3(b)(iii), 2.5.9(c) and 2.9.4A, a Proposer may:

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- (a) withdraw his Modification Proposal on notice to the Modification Secretary at any time prior to the final evaluation by the ~~Modification Group~~Workgroup (in accordance with its terms of reference and working practices) of that Modification Proposal and, subject to paragraph 2.1.12B, any Modification Proposal so withdrawn shall lapse; or
 - (b) vary his Modification Proposal on notice (which may be given verbally) to the chairman of the ~~Modification Group~~Workgroup at any time prior to the final evaluation by the ~~Modification Group~~Workgroup (in accordance with its terms of reference and working practices) of that Modification Proposal provided that such varied Modification Proposal:
 - (i) shall address the same issue or defect originally identified by the Proposer in his Modification Proposal; and
 - (ii) shall be deemed to be the Proposer's Modification Proposal.
- 2.1.12A The Panel may (but shall not be obliged to) require a Modification Proposal to be withdrawn at any time if, in the Panel's opinion, the Proposer of that Modification Proposal is deliberately and persistently disrupting or frustrating the work of the ~~Modification Group~~Workgroup and that Modification Proposal shall be deemed to have been so withdrawn. In the event that a Modification Proposal is so withdrawn, the provisions of paragraphs 2.1.12B and 2.1.12C shall apply in respect of that Modification Proposal.
- 2.1.12B In relation to each Modification Proposal that has been withdrawn pursuant to paragraph 2.1.12(a) or 2.1.12A (other than Urgent Modification Proposals in respect of which this paragraph shall not apply):
- (a) the Modification Secretary shall promptly notify the persons referred to in paragraph 2.1.10(a);
 - (b) subject to paragraph 2.1.12B(d), such withdrawn Modification Proposal shall remain open to be adopted, in accordance with paragraph 2.1.12B(c) for a period commencing at 1200 hours on the first Business Day after the date of the Modification Secretary's notice and ending at 1200 hours on the 5th Business Day thereafter;
 - (c) any of the persons referred to in paragraph 2.1.1 may (subject to paragraph 2.1.12B(e) and, if applicable, the circumstances set out in paragraph 2.1.1(d)) adopt the withdrawn Modification Proposal by notifying the Modification Secretary during the period set out in paragraph 2.1.12B(b) in which case:
 - (i) the adopted Modification Proposal shall continue through the Modification Procedures from the point at which it was withdrawn; and
 - (ii) the Proposer of the adopted Modification Proposal shall be entitled, pursuant to paragraph 2.4.5(a), to appoint a member of the ~~Modification Group~~Workgroup who shall replace any member appointed by the Proposer of the withdrawn Modification Proposal;
 - (d) the Modification Proposal shall be adopted by the person whose notice is first received by the Modification Secretary in accordance with paragraph 2.1.12B; and

- (e) where a Modification Proposal has been withdrawn in accordance with paragraphs 2.1.12(a) or 2.1.12A, neither the Proposer of that Modification Proposal, nor any Affiliate of the Proposer that falls within the categories listed in paragraph 2.1.1, shall be entitled to adopt that Modification Proposal.

Amend paragraph 2.2.3 to read as follows:

2.2 Panel Proceedings

2.2.3 In relation to each new Modification Proposal, the Panel shall determine:

- (a) whether to amalgamate the Modification Proposal with any other Modification Proposal in accordance with paragraph 2.3;
- (b) whether to:
- (i) submit the Modification Proposal to the Definition Procedure pursuant to paragraph 2.5; or
 - (ii) submit the Modification Proposal to the Assessment Procedure pursuant to paragraph 2.6; or
 - (iii) proceed directly to the Report Phase pursuant to paragraph 2.7 (in which case the Proposer's right to withdraw or vary his Modification Proposal shall lapse);
- (c) where the Modification Proposal is to be submitted to the Definition Procedure or the Assessment Procedure pursuant to paragraph (b):
- (i) the composition or identity and terms of reference of the ~~Modification Group~~ Workgroup in accordance with the provisions of paragraph 2.4;
 - (ii) subject to paragraphs 2.2.8 and 2.2.9, the priority to be accorded to the Modification Proposal (as compared with other Pending Modification Proposals) and the timetable to apply for completion of the relevant procedure; and
- (d) where the Modification Proposal is to proceed directly to the Report Phase pursuant to paragraph (b):
- (i) whether the draft Modification Report shall contain a recommendation of the Panel to make the Proposed Modification; and
 - (ii) the proposed Implementation Date for implementation, subject to the consent of the Authority, of the Proposed Modification (whether or not the Panel recommends the making of such Proposed Modification).

Amend paragraphs 2.2.6 and 2.2.7 to read as follows:

2.2.6 If the Panel determines that a Modification Proposal is to be submitted to the Definition Procedure or the Assessment Procedure pursuant to paragraph 2.2.3, the Modification Secretary shall send a notice to that effect to each of the persons listed in paragraph

2.1.10(a) and shall invite them to provide comments to the ~~Modification-Group~~Workgroup in respect of such Modification Proposal.

2.2.7 At each Panel meeting, the Panel shall consider in turn and vote (if appropriate) on any Modification Business which is outstanding at that time (including any new Modification Proposals, the report of any ~~Modification-Group~~Workgroup and any draft Modification Reports).

Amend paragraphs 2.4, 2.4.1- 2.4.18 and 2.4.20 – 2.4.23 to read as follows:

2.4 Establishment of ~~Modification-Group~~Workgroups

2.4.1 A ~~Modification-Group~~Workgroup may be a group established in order to carry out a Definition Procedure pursuant to paragraph 2.5 or a group established in order to carry out an Assessment Procedure pursuant to paragraph 2.6.

2.4.2 Where the Panel decides to submit a Modification Proposal to the Definition Procedure or the Assessment Procedure, the Panel shall establish a ~~Modification-Group~~Workgroup (or designate an existing ~~Modification-Group~~Workgroup) to carry out such Procedure in accordance with the provisions of this paragraph 2.4.

2.4.3 A single ~~Modification-Group~~Workgroup may be responsible for the definition and/or assessment of more than one Modification Proposal at the same time and the Panel may establish one or more ~~Modification-Group~~Workgroups on a standing basis to carry out definition and assessment of Modification Proposals (which may from time to time be submitted) whose subject-matter falls into a particular area or areas.

2.4.4 A ~~Modification-Group~~Workgroup shall comprise at least 5 members selected by the Panel for their relevant experience and/or expertise in the areas forming the subject-matter of the Modification Proposal(s) to be considered by such ~~Modification-Group~~Workgroup, and in the case of a standing ~~Modification-Group~~Workgroup, forming the subject matter of the issues determined by the Panel under the terms of reference for that standing ~~Modification-Group~~Workgroup (and the Panel shall ensure, as far as possible, that an appropriate cross-section of experience, interests and expertise is represented on such ~~Modification-Group~~Workgroup).

2.4.5 In addition to the members appointed by the Panel pursuant to paragraph 2.4.4:

- (a) the Proposer shall be entitled to appoint its representative as a member of the ~~Modification-Group~~Workgroup which is to consider the Proposer's Modification Proposal (and who, in the case of a standing ~~Modification-Group~~Workgroup, shall be a member for the purposes of that Modification Proposal only);
- (b) the Transmission Company shall be entitled to appoint one member of any ~~Modification-Group~~Workgroup (unless the Transmission Company is the Proposer, in which case paragraph (a) applies); and
- (c) unless the Panel otherwise determines, the Panel shall appoint at least one additional member of each ~~Modification-Group~~Workgroup who shall be an employee of BSCCo, and BSCCo shall make appropriately qualified BSCCo staff available for this purpose.

2.4.5A If, and only if, the Panel is of the view that a particular Modification Proposal may impact upon the STC, the Panel may invite the STC Committee to appoint a representative to

become a member of any ~~Modification Group~~Workgroup formed to carry out a Definition Procedure or Assessment Procedure in relation to such a Modification Proposal.

2.4.5B In the event that the STC Committee appoints a representative to become a member of a ~~Modification Group~~Workgroup:

- (a) the membership of such representative shall not become effective until the representative has complied with paragraph 2.4.6; and
- (b) such representative as a member of the ~~Modification Group~~Workgroup shall act in accordance with paragraphs 2.4.9 and 2.4.14 and shall be subject to all the other provisions of the Code applicable to a member of a ~~Modification Group~~Workgroup.

2.4.5C A Proposer may, pursuant to paragraph 2.4.5(a), appoint a representative of BSCCo as a member of the ~~Modification Group~~Workgroup (provided that BSCCo shall act as an impartial representative of the Proposer's views and shall not act as an advocate of the Modification Proposal and, where the ~~Modification Group~~Workgroup's terms of reference provide for voting, BSCCo shall not have voting rights when appointed in such capacity). If the Proposer appoints a representative of BSCCo as a member of ~~Modification Group~~Workgroup, the Proposer shall not have the right to vary his Modification Proposal pursuant to paragraph 2.1.12(b).

2.4.6 Prior to establishing the composition of a ~~Modification Group~~Workgroup:

- (a) each proposed member of the ~~Modification Group~~Workgroup shall be required to confirm to the Panel that he will be available as required throughout the relevant Definition Procedure or Assessment Procedure (or, in the case of a standing ~~Modification Group~~Workgroup, during such period as the Panel may specify) to attend ~~Modification Group~~Workgroup meetings and to carry out work to be undertaken outside those meetings as necessary; and
- (b) with the exception of a member appointed pursuant to paragraph 2.4.5(a), where the proposed member is employed, he shall provide to the Modification Secretary a letter from his employer agreeing that he may act as a member of a ~~Modification Group~~Workgroup, and that the requirements of paragraph 2.4.9 shall prevail over his duties as an employee.

2.4.7 The Panel shall appoint one of the members of a ~~Modification Group~~Workgroup to act as chairman of the ~~Modification Group~~Workgroup, and the Panel may change the chairman of a ~~Modification Group~~Workgroup from time to time as it sees fit.

2.4.8 A ~~Modification Group~~Workgroup shall not be a Panel Committee for the purposes of Section B5.

2.4.9 A member of a ~~Modification Group~~Workgroup shall act impartially and, subject to paragraph 2.4.9A, shall not be representative of a particular person or class of persons (and, accordingly, no member shall agree to follow or be bound by the instructions of any person or body, other than the Panel pursuant to this Section F, in the exercise of his functions as a member of a ~~Modification Group~~Workgroup).

2.4.9A The restrictions in paragraph 2.4.9 on a member of a ~~Modification Group~~Workgroup not being representative of a particular person or class of persons shall not apply to a member appointed pursuant to paragraph 2.4.5(a) insofar as that member shall be entitled to represent the views of the Proposer.

- 2.4.10 The Panel may add further members to a ~~Modification Group~~Workgroup at any time.
- 2.4.11 The Panel may (but shall not be obliged to) replace any member of a ~~Modification Group~~Workgroup appointed pursuant to paragraph 2.4.4 at any time if, in the Panel's opinion, such member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the ~~Modification Group~~Workgroup.
- 2.4.12 The Panel shall determine the terms of reference of each ~~Modification Group~~Workgroup (which in the case of a standing ~~Modification Group~~Workgroup may include standing terms of reference as well as specific terms of reference for any particular Modification Proposal) and may change those terms of reference from time to time as it sees fit.
- 2.4.13 The terms of reference of a ~~Modification Group~~Workgroup shall include provision in respect of (among other things) the following matters:
- (a) those areas of a ~~Modification Group~~Workgroup's powers or activities which require the prior approval of the Panel;
 - (b) the seeking of instructions, clarification or guidance from the Panel;
 - (c) in the case of a standing ~~Modification Group~~Workgroup, the area(s) of subject-matter of Modification Proposals for which the Group may be designated under paragraph 2.4.3; and
 - (d) in the case of a standing ~~Modification Group~~Workgroup, authorise the Group from time to time to consider (outwith the context of any particular submitted Modification Proposal) issues generally related to the relevant area(s) of subject-matter, designated to the Group by the Panel under 2.4.13(c).
- 2.4.14 Each ~~Modification Group~~Workgroup (and each member of a ~~Modification Group~~Workgroup) shall:
- (a) act in accordance with its terms of reference as determined (and, if applicable, changed) pursuant to paragraph 2.4.12;
 - (b) have due regard to the objectives referred to in paragraph 1.2.2 (as if references to the Panel were references to the ~~Modification Group~~Workgroup); and
 - (c) if a ~~Modification Group~~Workgroup is unable to reach agreement on any matter, the report of the ~~Modification Group~~Workgroup shall instead include a summary of the views of the members of the ~~Modification Group~~Workgroup.
- 2.4.15 In addition to any staff made available to act as members of a ~~Modification Group~~Workgroup pursuant to paragraph 2.4.5, BSCCo shall provide such staff, facilities and support to each ~~Modification Group~~Workgroup (including the engagement of external consultants and advisers) as such ~~Modification Group~~Workgroup may reasonably require to assist with the administration and operation of the business of such ~~Modification Group~~Workgroup provided that any material expenditure (as determined by the Panel in respect of a particular ~~Modification Group~~Workgroup) shall require the prior approval of the Panel (in consultation with BSCCo).
- 2.4.16 The Modification Secretary (or his deputy) shall act as secretary to each ~~Modification Group~~Workgroup meeting.

- 2.4.17 The Modification Secretary shall notify the Authority in advance of all ~~Modification Group~~Workgroup meetings and a representative of the Authority may attend and speak at any such meeting (provided that any observations such representative may make shall not be taken to bind the Authority in any way in relation to the Modification Proposal being discussed).
- 2.4.18 Subject to paragraph 2.4.19, any meeting of a ~~Modification Group~~Workgroup shall be open to attendance by a representative of any Party and any other person entitled to receive notice of Modification Proposals under paragraph 2.1.10; and any person so attending such a meeting may speak if invited to do so by the chairman of the meeting, but (if the Group's terms of reference provide for voting) shall not vote at the meeting.
- 2.4.20 Subject to the provisions of this paragraph 2.4 and unless otherwise determined by the Panel, a ~~Modification Group~~Workgroup shall develop and adopt its own internal working procedures for the conduct of its business and shall provide a copy of such procedures to the Modification Secretary in respect of each Modification Proposal for which it is responsible.
- 2.4.21 The Modification Secretary shall ensure that details of the composition, terms of reference, timetable of meetings and internal working procedures of each ~~Modification Group~~Workgroup are published on the BSC Website.
- 2.4.22 Without prejudice to paragraph 2.7.8, each report prepared by a ~~Modification Group~~Workgroup under this Section F shall be addressed and furnished to the Panel and none of the facts, opinions or statements contained in such report may be relied upon by any other person.
- 2.4.23 With a view to facilitating consideration, by persons and bodies entitled to do so, of whether to propose modifications of the Code and how to frame such proposals, the Panel may, in the terms of reference for a standing ~~Modification Group~~Workgroup, authorise the group to consider generally issues relating to the Code, its application or implementation, or any manner in which the Code might be modified, falling within the area(s) specified by the Panel in such terms of reference; and where the Panel has so authorised a standing ~~Modification Group~~Workgroup:
- (a) the group may consider any such issue put to it by any person or body entitled to propose a modification of the Code;
 - (b) the chairman of the relevant meeting of the group shall decide in his absolute discretion whether to consider any such issue so put to the group;
 - (c) the group shall keep its consideration of any such issue separate from the transaction of its business in relation to any Modification Proposal;
 - (d) the group shall publish its views and deliberations on the issue in such manner as the Panel shall direct;

provided that neither the views of the group nor anything done by it in relation to such an issue shall have any consequence or significance in relation to the Code or its implementation or operation or interpretation, and the Panel shall not be required to have regard thereto or act in any way in consequence thereof.

Amend paragraphs 2.5.3- 2.5.9 to read as follows:

2.5 Definition Procedure

2.5.3 The Panel shall establish or designate a ~~Modification Group~~Workgroup and shall determine its terms of reference in accordance with the provisions of paragraph 2.4.

2.5.4 The ~~Modification Group~~Workgroup shall review the Modification Proposal for the purpose set out in paragraph 2.5.2 and shall prepare a written report for the Panel (in accordance with the timetable determined by the Panel pursuant to paragraph 2.2) which shall set out, in relation to the Modification Proposal, the following matters:

- (a) an assessment of the issues raised by the Modification Proposal with supporting information and data to explain the effect of such issues by reference to the Applicable BSC Objective(s) and a summary of such assessment;
- (b) an analysis of and the views and rationale of the ~~Modification Group~~Workgroup as to whether (and, if so, to what extent) the issues raised by the Modification Proposal warrant further assessment and evaluation in accordance with paragraph 2.6;
- (c) a detailed summary of the representations made by Parties and interested third parties during the consultation undertaken by the ~~Modification Group~~Workgroup (pursuant to paragraph 2.2.6 and, where applicable, paragraph 2.5.5(b)) and the comments and views of the ~~Modification Group~~Workgroup in respect thereof;
- (d) a summary of any analysis prepared by the Transmission Company and the comments and views of the ~~Modification Group~~Workgroup in respect thereof;
- (e) a summary of any analysis prepared by relevant BSC Agents and the comments and views of the ~~Modification Group~~Workgroup in respect thereof;
- (f) a copy of the terms of reference and a summary of any report or analysis of external consultants or advisers; and
- (g) such other matters as the Panel may require in the terms of reference of such ~~Modification Group~~Workgroup.

2.5.5 In preparing its report pursuant to paragraph 2.5.4, the ~~Modification Group~~Workgroup shall:

- (a) analyse the representations made in response to the consultation instigated by the Modification Secretary pursuant to paragraph 2.2.6;
- (b) conduct such further consultation with Parties and interested third parties as may be required by its terms of reference or, subject to the Panel's prior approval, as it considers necessary;
- (c) where appropriate (and subject to any requirement for Panel approval as set out in its terms of reference), request BSCCo to commission an analysis from BSC Agents and/or external consultants and/or advisers with relevant specialist knowledge;

- (d) where such views have been obtained, consider the views expressed by those referred to in paragraphs (a) to (c) and by those referred to in paragraph 2.5.6(a) to (c).

2.5.6 In respect of each Definition Procedure, BSCCo shall (after appropriate consultation with the ~~Modification Group~~Workgroup):

- (a) commission an analysis from the Transmission Company in accordance with paragraph 2.8;
- (b) if requested by the ~~Modification Group~~Workgroup, commission an analysis from relevant BSC Agents;
- (c) if requested by the ~~Modification Group~~Workgroup, commission an analysis from external consultants and/or advisers with relevant specialist knowledge.

2.5.7 Upon completion of the ~~Modification Group~~Workgroup's report prepared in accordance with paragraph 2.5.4, the Modification Secretary shall promptly:

- (a) copy the report to each of the persons referred to in paragraph 2.1.10(a);
- (b) place such report on the agenda for the next following Panel meeting in accordance with Section B4.

2.5.8 The chairman or another member (nominated by the ~~C~~chairman) of the ~~Modification Group~~Workgroup shall attend the next following Panel meeting and may be invited to present the findings of the ~~Modification Group~~Workgroup to the Panel and/or answer the questions of Panel Members in respect thereof; other members of the ~~Modification Group~~Workgroup may also attend such Panel meeting.

2.5.9 Following completion of the ~~Modification Group~~Workgroup's report pursuant to paragraph 2.5.7, the Panel shall consider the ~~Modification Group~~Workgroup's report at the next following Panel meeting and shall determine whether to:

- (a) refer the Modification Proposal back to the ~~Modification Group~~Workgroup for further analysis (in which case, the Panel shall determine the timetable and terms of reference to apply in relation to such further analysis);
- (b) submit the Modification Proposal to the Assessment Procedure pursuant to paragraph 2.6; or
- (c) proceed directly to the Report Phase pursuant to paragraph 2.7 (in which case the Proposer's right to withdraw or vary his Modification Proposal shall lapse),

and, in the case of paragraphs (a) or (b), the Panel may instruct the Panel Secretary to initiate a further process of consultation (in accordance with the terms of reference determined by the Panel).

Amend paragraphs 2.6.3- 2.6.8 and 2.6.10-2.6.13 to read as follows:

2.6 Assessment Procedure

2.6.3 The Panel shall establish or designate a ~~Modification Group~~Workgroup and shall determine its terms of reference in accordance with the provisions of paragraph 2.4.

- 2.6.4 The ~~Modification Group~~Workgroup shall:
- (a) evaluate the Modification Proposal for the purpose set out in paragraph 2.6.2;
 - (b) where appropriate, develop an alternative proposed modification (the "**Alternative Modification**") which, as compared with the Proposed Modification, would better facilitate achievement of the Applicable BSC Objective(s); and
 - (c) prepare a report for the Panel (in accordance with the timetable determined by the Panel pursuant to paragraph 2.2 or 2.5.9(b)) which shall set out, in relation to the Proposed Modification and any Alternative Modification, the matters referred to in Annex F-1, to the extent applicable to the proposal in question.
- 2.6.5 In preparing its report pursuant to paragraph 2.6.4, the ~~Modification Group~~Workgroup shall:
- (a) analyse the comments made in response to the consultation instigated by the Modification Secretary pursuant to paragraph 2.2.6;
 - (b) conduct such further consultation with Parties and interested third parties as may be required by its terms of reference or, subject to the Panel's prior approval, as it considers necessary;
 - (c) where appropriate (and subject to any requirement for Panel approval as set out in its terms of reference), request BSCCo to commission an analysis from BSC Agents and/or external consultants and/or advisers with relevant specialist knowledge;
 - (d) where such views have been obtained, consider the views expressed by those referred to in paragraphs (a) to (c) and by those referred to in paragraph 2.6.6(a) to (c).
- 2.6.6 In respect of each Assessment Procedure, BSCCo shall (after appropriate consultation with the ~~Modification Group~~Workgroup):
- (a) commission an analysis and impact assessment from the Transmission Company in accordance with paragraph 2.8;
 - (b) if requested by the ~~Modification Group~~Workgroup, commission an impact assessment from relevant BSC Agents;
 - (c) if requested by the ~~Modification Group~~Workgroup, commission an analysis from external consultants and/or advisers with relevant specialist knowledge;
 - (d) if requested by the ~~Modification Group~~Workgroup, commission an analysis from relevant Core Industry Document Owners and/or the STC Committee; and
 - (e) prepare a project brief for the implementation of the Proposed Modification and any Alternative Modification setting out the proposed steps, timetable and programme plan for such implementation consistent with the proposed Implementation Date in accordance with the Code, BSCP40 and the IS Policies.
- 2.6.7 The preceding provisions of this paragraph 2.6 shall be subject to the provisions of paragraphs 2.6.8 and 2.6.10 and the requirements of the report to be prepared by the ~~Modification Group~~Workgroup pursuant to paragraph 2.6.4 in respect of a particular

Modification Proposal shall be amended in consequence of any directions issued by the Panel under paragraphs 2.6.8 or 2.6.10.

2.6.8 Prior to the taking of any steps in an Assessment Procedure which would result in the incurring of significant costs (as determined by the Panel in each case in the relevant terms of reference) for BSCCo, the ~~Modification Group~~Workgroup shall seek the views of the Panel as to whether to proceed with such steps and, in giving its views, the Panel may consult with the Authority in respect thereof.

2.6.10 At any stage during an Assessment Procedure:

- (a) the Panel may request the ~~Modification Group~~Workgroup to prepare an interim report setting out its provisional findings in respect of the matters referred to in paragraph 2.6.4 (or such of those matters as it has been able by then to evaluate); and
- (b) the Panel may seek the views of the Authority as to whether the findings of such report are consistent with the Authority's provisional thinking in respect thereof; and
- (c) the Panel may issue such directions as it sees fit to the ~~Modification Group~~Workgroup in consequence of the Authority's views.

2.6.11 Upon completion of the ~~Modification Group~~Workgroup's report prepared in accordance with paragraph 2.6.4, the Modification Secretary shall promptly:

- (a) copy the report to each of the persons referred to in paragraph 2.1.10(a);
- (b) place such report on the agenda for the next following Panel meeting.

2.6.12 The chairman or another member (nominated by the ~~C~~chairman) of the ~~Modification Group~~Workgroup shall attend the next following Panel meeting and may be invited to present the findings of the ~~Modification Group~~Workgroup to the Panel and/or answer the questions of Panel Members in respect thereof; other members of the ~~Modification Group~~Workgroup may also attend such Panel meeting.

2.6.13 The Panel shall consider the ~~Modification Group~~Workgroup's report at the next following Panel meeting and shall determine:

- (a) whether to:
 - (i) submit the Modification Proposal back to the ~~Modification Group~~Workgroup for further analysis (in which case, the Panel shall determine the timetable and terms of reference of such further analysis); or
 - (ii) proceed to the Report Phase in accordance with paragraph 2.7; and
- (b) where the Panel decides pursuant to paragraph (a)(ii) to proceed to the Report Phase:
 - (i) whether the Panel proposes to recommend (subject to paragraph 2.7.5) to the Authority that the Proposed Modification or any Alternative Modification should be made;

- (ii) the reasons (if different from those contained in the report prepared by the ~~Modification Group~~Workgroup) why the Proposed Modification and any Alternative Modification would or would not, in the Panel's opinion, better facilitate achievement of the Applicable BSC Objective(s); and
- (iii) the proposed Implementation Date to be included in the draft Modification Report (whether or not the Panel recommends that the Proposed Modification or any Alternative Modification should be made).

Amend paragraphs 2.7.2 and 2.7.3 to read as follows:

2.7 Report Phase

2.7.2 If:

- (a) in deciding that a Modification Proposal should proceed to the Report Phase, the Panel determines that it proposes to recommend to the Authority that the Proposed Modification or any Alternative Modification should be made; and
- (b) no proposed text to modify the Code in order to give effect to such Proposed Modification or Alternative Modification was commissioned during any Assessment Procedure,

the Modification Secretary shall forthwith commission the drafting of proposed text to modify the Code in order to give effect to such Proposed Modification or Alternative Modification and shall seek the views of the relevant ~~Modification Group~~Workgroup(s) on such text.

2.7.3 Where the Panel is proposing to recommend to the Authority that a Proposed Modification or Alternative Modification should not be made and no proposed text to modify the Code was commissioned during the Assessment Procedure, the Panel shall consult with the Authority as to whether the Authority would like the Modification Report to include such text and, if the Authority indicates that it would, the Modification Secretary shall forthwith commission the drafting of proposed text to modify the Code in order to give effect to such Proposed Modification or Alternative Modification and shall seek the views of the relevant ~~Modification Group~~Workgroup(s) on such text.

Amend paragraph 2.7.7 to read as follows:

2.7.7 The matters to be included in a Modification Report shall be the following (in respect of the Modification Proposal):

- (a) the recommendation of the Panel as to whether or not the Proposed Modification or any Alternative Modification should be made;
- (b) subject to paragraph 2.11.20, the proposed Implementation Date for implementation of any Proposed Modification or Alternative Modification; and
- (c) the other items referred to in Annex F-1, based on the report prepared by the ~~Modification Group~~Workgroup (where the proposal was submitted to a ~~Modification Group~~Workgroup prior to the Report Phase) except to the extent that the Panel has formed a different view as to any matters contained in such report,

together with a copy of the representations made by Parties and interested third parties during the consultation undertaken in respect of the Proposed Modification and any Alternative Modification.

Amend paragraphs 2.8.2 and 2.8.3 to read as follows:

2.8 Analysis of the Transmission Company

2.8.2 The Transmission Company shall provide such further explanation of any analysis prepared pursuant to paragraph 2.8.1 as the Panel may reasonably require and shall attend any meeting of the Panel or the ~~Modification Group~~ Workgroup to answer questions or provide clarification in respect thereof.

2.8.3 2.8.4 In formulating its views as to whether a Proposed Modification or any Alternative Modification would better facilitate achievement of the Applicable BSC Objective(s) (and, in particular, those Applicable BSC Objective(s) which relate specifically to the Transmission Company), the Panel and any ~~Modification Group~~ Workgroup shall have regard to the analysis provided by the Transmission Company under this paragraph 2.8 and to any other information or data which is generally available in relation to the Transmission Company or its business.

Amend paragraphs 2.9.4A, 2.9.6, 2.9.7 and 2.9.8 to read as follows:

2.9 Urgent Code Modifications

2.9.4A Where the procedure and timetable approved by the Authority in respect of an Urgent Modification Proposal does not provide for the establishment (or designation) of a ~~Modification Group~~ Workgroup the Proposer's right to withdraw or vary his Modification Proposal pursuant to paragraph 2.1.12 shall lapse from the time and date of such approval.

2.9.6 Where an Urgent Modification Proposal results in a modification being made in accordance with paragraph 1.1, the Panel may or (where it appears to the Panel that there is a reasonable level of support for a review amongst Parties) shall, following such modification, submit the modification to review by a ~~Modification Group~~ Workgroup on terms specified by the Panel in order to consider and report as to whether any alternative modification could, as compared with such modification, better facilitate achievement of the Applicable BSC Objective(s) in respect of the subject matter of such modification.

2.9.7 For the purposes of paragraph 2.9.6, the provisions of paragraph 2.4 shall apply mutatis mutandis to the establishment and conduct of a ~~Modification Group~~ Workgroup charged with undertaking a review pursuant to paragraph 2.9.6.

2.9.8 The Modification Secretary shall copy the report prepared by the ~~Modification Group~~ Workgroup pursuant to paragraph 2.9.6 to each of the persons referred to in paragraph 2.1.10(a).

Insert new paragraphs 5 and 6 to read as follows:

5. SIGNIFICANT CODE REVIEW

5.1. Significant Code Review Phase

5.1.1. The Authority may at any time notify [Parties] of a Significant Code Review.

5.1.2. The notice referred to in paragraph 5.1.1 [shall] include:

- (a) that the Authority's review will constitute a Significant Code Review;
- (b) the start date of the Significant Code Review; and
- (c) a description of the matters for consideration that will fall within scope of the Significant Code Review.

5.1.3. A Significant Code Review Phase will commence on the date specified by the Authority pursuant to paragraph 5.1.2(b) and will be deemed to have ended on the date that:

- (a) a Modification Proposal is raised by the Transmission Company in accordance with a direction issued by the Authority arising from a Significant Code Review (an "**SCR Modification Proposal**");
- (b) the Authority issues a statement to [Parties] to the effect that no direction pursuant to paragraph 5.1.4(a) will be issued; or
- (c) in accordance with paragraph 5.1.4,

provided that the events described in paragraphs 5.1.4(a) or (b) occur within 28 days after the Authority publishes its Significant Code Review Conclusions.

5.1.4. If either of the events described in paragraphs 5.1.3(a) or 5.1.3(b) do not occur within 28 days after the date on which the Authority publishes its Significant Code Review Conclusions, then for the purposes of the Code, a Significant Code Review Phase will be deemed to have ended on the 29th day after publication of the Significant Code Review Conclusions.

5.2. Modifications raised during a Significant Code Review Phase

5.2.1. The Authority may notify the Panel at any time that a Modification Proposal raised during a Significant Code Review Phase is in its determination exempt from the Significant Code Review (an "**SCR Exempt Modification Proposal**").

5.2.2. Unless the Authority issues a notification pursuant to paragraph 5.2.1 the Panel shall, as soon as reasonably practicable after a Modification Proposal is raised during a Significant Code Review Phase, conduct a SCR Suitability Assessment of that Proposed Modification and any Alternative Modification and submit its assessment to the Authority of whether such Proposed Modification or any Alternative Modification falls within the scope of a Significant Code Review and its reasons for that assessment (an "**SCR Suitability Assessment Report**").

5.2.3. For the purposes of a SCR Suitability Assessment, the Panel may invite representations from Parties or conduct a consultation with Parties as it deems fit in its absolute discretion and any associated SCR Suitability Assessment Report shall contain such representation or consultation responses (as the case may be).

5.2.4. Following receipt of an SCR Suitability Assessment Report, the Authority shall notify the Panel of its determination of whether the relevant Modification Proposal falls within the scope of a relevant Significant Code Review.

5.2.5. [Subject to paragraph 5.2.7] a Modification Proposal raised during a Significant Code Review Phase may not proceed until and unless the Authority:

- (a) has made a notification pursuant to paragraph 5.2.1;
- (b) pursuant to paragraph 5.2.4 has notified its consent to the Panel for the Modification Proposal to proceed and in which case it shall be treated for the purposes of the Code as an SCR Exempt Modification Proposal; or
- (c) notifies the Panel, having considered all the relevant circumstances including the urgency of the subject matter of the Modification Proposal, that such Modification Proposal shall proceed notwithstanding its determination that the Modification Proposal falls within the scope of the relevant Significant Code Review.

5.2.6. If the Authority determines that a Modification Proposal raised during a Significant Code Review Phase falls within the scope of a Significant Code Review either:

- (a) pursuant to paragraph 5.2.4; or
- (b) (notwithstanding any prior notification made by the Authority pursuant to paragraphs 5.2.5(a), 5.2.5(b) or otherwise) at any time prior to the Modification Report being submitted to the Authority pursuant to paragraph 2.7.6, (a “Subsumed SCR Modification Proposal”).

then such Subsumed SCR Modification Proposal shall not be processed in accordance with this [Section F] until the relevant Significant Code Review Phase has ended in accordance with Section 5.1.3.

5.2.7. [If the Authority does not determine whether or not a Modification Proposal raised during a Significant Code Review Phase within 15 Business Days of such Modification Proposal being raised in accordance with paragraph 2.1.1.] then such Modification Proposal shall be processed in accordance with [paragraph 2].

5.2.8. For the avoidance of doubt, if the Authority determines that a Proposed Modification is an SCR Exempt Modification Proposal, any associated Alternative Proposal shall not be the subject of an SCR Suitability Assessment.

5.3. Significant Code Review Modifications

5.3.1. If the Authority directs the Transmission Company to raise an SCR Modification Proposal then:

- (a) the Transmission Company shall comply with the Authority’s directions (including any timetable relating thereto);
- (b) the Transmission Company may not withdraw the SCR Modification Proposal pursuant to [paragraph 2.1.12] without the prior consent of the Authority;
- (c) the SCR Modification Proposal shall not be amalgamated with any other Modification Proposal [in accordance with paragraph 2.3 or otherwise] without the prior consent of the Authority; and

- (d) the Authority's Significant Code Review Conclusions (if any) or directions in respect of the SCR Modification Proposal shall not fetter the voting rights of the Panel or the recommendation of the Modification Report in respect of such SCR Modification Proposal.

5.3.2. The Panel shall not refuse an SCR Modification in accordance with [paragraph 2.1.4].

5.3.3. If pursuant to paragraph 5.3.1(b) the Authority consents to the withdrawal of an SCR Modification Proposal, a Party may not adopt such SCR Modification Proposal in accordance with [paragraph 2.1.12B(c)].

5.4. Miscellaneous

5.4.1. [For the avoidance of doubt, an Alternative Modification cannot be the subject of an SCR Suitability Assessment or be treated as within the scope of a Significant Code Review.]

6. SELF GOVERNANCE ROUTE

6.1. Determination of Self-Governance Route

6.1.1. A Modification Proposal shall be treated as suitable for self-governance ("a Self-Governance Modification Proposal") where:

- (a) subject to paragraphs 6.1.2, 6.1.3 and 6.1.4 the Panel has submitted (and not withdrawn) a Self-Governance Statement to the Authority in respect of a Modification Proposal; or
- (b) the Authority notifies the Panel of its determination that a Modification Proposal satisfies the Self-Governance Criteria and is suitable for self-governance, provided that a Self-Governance Statement has either not been submitted or has been withdrawn by the Panel.

6.1.2. The Panel [may] conduct a consultation of [Parties] prior to submitting a Self-Governance Statement to the Authority but where it does so it shall, unless otherwise directed by the Authority, submit copies of all consultation responses received to the Authority at least 7 days prior to the date it intends to make any determination in accordance with paragraph 6.1.3.

6.1.3. [Subject to paragraph 6.1.4], the Panel may determine no earlier than 7 days after submitting the consultation responses to the Authority in accordance with paragraph 6.1.2 whether or not a Proposed Self-Governance Modification or any Alternative Self-Governance Modification relating thereto [better facilitates the achievement of the BSC Objectives when compared to the existing provisions of the Code].

6.1.4. If the Authority has directed that it intends to make a determination as to whether a Modification Proposal is a Self-Governance Modification Proposal, the Panel may not make a determination pursuant to paragraph 6.1.3 until and unless the Authority has determined that the Modification Proposal satisfies all the Self-Governance Criteria and is suitable for self-governance.

6.1.5. For the avoidance of doubt, if a Modification Proposal is not suitable for self-governance in accordance with paragraph 6.1.1 or as otherwise determined by the Authority it shall be processed as further provided in paragraph 2.

6.1.6. [Subject to the provisions of this paragraph 6, the Panel may adopt such procedures from time to time as it deems fit in respect of a Self-Governance Modification Proposal, provided that BSCCo shall ensure that such procedures are published on the BSC Website.]

6.2. Withdrawal of a Self Governance Statement

6.2.1. The Panel may at any time after the submission of a Self-Governance Statement to the Authority pursuant to paragraph 6.1.1, withdraw a Self Governance Statement in respect of a Modification Proposal and, subject to any determination of the Authority pursuant to paragraph 6.1.1(b), such Modification Proposal shall be processed as further provided in paragraph 2.

6.3. [Implementation of a Self - Governance Modification Proposal]

6.3.1. Within [1Business Day] after the Panel meeting at which it determined whether or not the Proposed Self-Governance Modification or any Alternative Self- Governance Modification should be implemented, the Modification Secretary shall finalise the Self-Governance Modification Report and shall forthwith:

(a) submit a copy of such Self-Governance Modification Report to each Party and each Panel member;

(b) submit such Self-Governance Modification Report to the Authority; and

(c) in the event that the Panel determines that a Proposed Self –Governance Modification or any Alternative Self-Governance Modification should be implemented, submit such Self-Governance Modification Report to the Transmission Company.

6.3.2. Following receipt of a Self-Governance Modification Report pursuant to paragraph 6.3.1(b), the Transmission Company shall serve a notice of modification on the Modification Secretary signed by the Transmission Company in accordance with the determination of the Panel set out in the relevant Self-Governance Modification Report:

(a) subject to paragraph 6.4, the Code shall be modified in accordance with the terms of such notice; and

(b) the Modification Secretary shall send a copy of such notice to all the persons listed in paragraph 1.1.2(b).

6.3.3. The Self-Governance Modification Report shall not specify a Self-Governance Implementation Date (if any) earlier than 16 Business Days after the Panel’s determination pursuant to paragraph 6.3.1.

6.4. Appeal relating a Panel determination of a Self - Governance Modification Proposal

6.4.1. The Panel’s determination in relation to a Proposed Self-Governance Modification or any Alternative Self-Governance Modification shall be final and binding on all Parties and implemented in accordance with paragraph 6.3.2 unless an appeal is raised by a Party [or] in accordance with paragraph 6.4.2.

6.4.2. An appeal may raised by a Party [or] in relation to the Panel’s determination pursuant to paragraph 6.3.1(the “**appealing party**”) provided that, the appeal is raised within 15 Business Days after the Panel’s determination pursuant to paragraph 6.3.1 and in the opinion of the Authority:

(a) the appealing party is, or is likely to be, unfairly prejudiced by the implementation or non-implementation of a Self-Governance Modification Proposal; or

(b) the appeal is on the grounds that:

(i) in the case of an Approved Self-Governance Modification, the Proposed Self-Governance Modification or the Alternative Self-Governance Modification (if any) does not better facilitate the achievement of any of the applicable BSC objectives; or

(ii) in the case of a Rejected Self-Governance Modification, the Proposed Self-Governance Modification or the Alternative Self-Governance Modification (if any) better facilitates the achievement of one or more of the applicable BSC Objectives; and

(iii) it is not brought for reasons that are trivial, vexatious or have no reasonable prospect of success.

6.4.3. Subject to an appeal being raised in accordance with paragraph 6.4.2, the Authority may:

(a) reject the appeal;

(b) uphold the appeal and quash the Panel's determination pursuant to paragraph 6.3.1; or

(c) remit the Proposed Self-Governance Modification and any Alternative Self-Governance Modification back to the Panel for re-consideration and a further determination.

6.4.4. Without prejudice to paragraph 6.4.7, if an appeal is upheld in accordance with paragraph 6.4.3(b) and the Authority quashes the Panel's determination pursuant to paragraph 6.3.1 then such determination shall, for the purposes of the Code, be treated as a Modification Report containing a recommendation of the Panel pursuant to paragraph 2.7.7.

6.4.5. If an appeal is rejected in accordance with paragraph 6.4.3(a), the Panel's determination pursuant to paragraph 6.3.1 shall be implemented and the Code shall be modified in accordance with paragraph 6.3.2(b).

6.4.6. Notwithstanding paragraph 6.3, a Self-Governance Modification Proposal may not be implemented pending the outcome of any appeal in respect of that Self-Governance Modification.

6.4.7. If the Authority upholds an appeal in accordance with paragraph 6.4.3(b) it may at the same time issue a direction pursuant to the Transmission Licence in respect of such Modification Proposal.

6.4.8. For the avoidance of doubt, the provisions of paragraphs 6.3 and 6.4 shall apply to any determination of the Panel made pursuant to a remittal by the Authority in accordance with paragraph 6.4.3(c).

Amend Annex F-1 to read as follows:

ANNEX F-1: CONTENTS OF REPORTS

1. The matters referred to in paragraph 2.6.4 of Section F are (to the extent applicable to the proposal in question):
 - (a) a description of the Proposed Modification including the details of, and the rationale for, any variations made (or, as the case may be, omitted) by the Proposer together with the views of the ~~Modification-Group~~Workgroup, and an analysis of and the views and rationale of the ~~Modification-Group~~Workgroup as to whether (and, if so, to what extent) the Proposed Modification would better facilitate achievement of the Applicable BSC Objective(s);
 - (b) a description and analysis of any Alternative Modification developed by the ~~Modification-Group~~Workgroup which, as compared with the Proposed Modification, would better facilitate achievement of the Applicable BSC Objective(s) and the views and rationale of the Group in respect thereof;
 - (c) an assessment or estimate (as the case may be) of:
 - (i) the impact of the Proposed Modification and any Alternative Modification on BSC Systems;
 - (ii) any changes and/or developments which would be required to BSC Systems in order to give effect to the Proposed Modification and any Alternative Modification;
 - (iii) the total development and capital costs of making the changes and/or delivering the developments referred to in paragraph (ii);
 - (iv) the time period required for the design, build and delivery of the changes and/or developments referred to in paragraph (ii);
 - (v) the increase or decrease in the payments due under the BSC Agent Contracts in consequence of the Proposed Modification and any Alternative Modification;
 - (vi) the additional payments (if different from those referred to in paragraph (v)) due in connection with the operation and maintenance of the changes and/or developments to BSC Systems as a result of the Proposed Modification and any Alternative Modification;
 - (vii) any other costs or liabilities associated with BSC Systems attributable to the Proposed Modification and any Alternative Modification;
 - (d) an assessment of:
 - (i) the impact of the Proposed Modification and any Alternative Modification on the Core Industry Documents and/or the System Operator-Transmission Owner Code;
 - (ii) the changes which would be required to the Core Industry Documents and/or the System Operator-Transmission Owner Code in order to give effect to the Proposed Modification and any Alternative Modification;

- (iii) the mechanism and likely timescale for the making of the changes referred to in paragraph (ii);
- (iv) the changes and/or developments which would be required to central computer systems and processes used in connection with the operation of arrangements established under the Core Industry Documents and/or the System Operator-Transmission Owner Code;
- (v) the mechanism and likely timescale for the making of the changes referred to in paragraph (iv);
- (vi) an estimate of the costs associated with making and delivering the changes referred to in paragraphs (ii) and (iv),

together with a summary of representations in relation to such matters;

(e) an assessment of:

- (i) the likely increase or decrease in BSC Costs (to the extent not already taken into account in paragraph (c) above) in consequence of the Proposed Modification and any Alternative Modification;
- (ii) the changes required to Systems and processes of BSCCo in order to give effect to the Proposed Modification and any Alternative Modification; and
- (iii) the BSC Costs which are expected to be attributable to the implementation of the Proposed Modification and any Alternative Modification, to the extent not taken into account under any other provision of this Annex F-1;

(f) to the extent such information is available to the ~~Modification Group~~Workgroup, an assessment of the impact of the Proposed Modification and any Alternative Modification on Parties in general (or classes of Parties in general) and Party Agents in general, including the changes which are likely to be required to their internal systems and processes and an estimate of the development, capital and operating costs associated with implementing the changes to the Code and to Core Industry Documents and/or the System Operator-Transmission Owner Code;

(g) an assessment of the Proposed Modification and any Alternative Modification in the context of the statutory, regulatory and contractual framework within which the Code sits (taking account of relevant utilities, competition and financial services legislation);

(h) a summary of the representations (pursuant to paragraph 2.2.6 or 2.6.5(b) of Section F) made by Parties and interested third parties during the consultation undertaken in respect of the Proposed Modification and any Alternative Modification and the views and comments of the ~~Modification Group~~Workgroup in respect thereof;

(i) a summary of the analysis and impact assessment prepared by the Transmission Company pursuant to paragraph 2.6.6 and the views and comments of the ~~Modification Group~~Workgroup in respect thereof;

- (j) a summary of the impact assessment prepared by relevant BSC Agents and the views and comments of the ~~Modification Group~~Workgroup in respect thereof;
- (k) a summary of any impact assessment prepared by Core Industry Document Owners and/or the STC Committee and the views and comments of the ~~Modification Group~~Workgroup in respect thereof;
- (l) a copy of the terms of reference and any report or analysis of external consultants or advisers engaged in respect thereof;
- (m) a list of the key assumptions which the ~~Modification Group~~Workgroup has made in formulating its views;
- (n) any other matters required by the terms of reference of such ~~Modification Group~~Workgroup;
- (o) any other matters which the ~~Modification Group~~Workgroup consider should properly be brought to the attention of the Panel to assist the Panel in forming a view as to whether the Proposed Modification and any Alternative Modification would better facilitate achievement of the Applicable BSC Objective(s);
- (p) subject to paragraph 2.6.8 and 2.6.9 of the Section F, the proposed text to modify the Code in order to give effect to the Proposed Modification and any Alternative Modification, together with a commentary setting out the nature and effect of such text and of other areas of the Code which would be affected by the changes;
- (q) subject to paragraph 2.11.20 of Section F, the ~~Modification Group~~Workgroup's proposed Implementation Date(s) for implementation (subject to the consent of the Authority) of the Proposed Modification and any Alternative Modification;
- (r) an executive summary of the project brief prepared by BSCCo pursuant to paragraph 2.6.6(e);
- (s) a recommendation (where applicable) as to whether, if the Proposed Modification or Alternative Modification is approved, Settlement Runs and Volume Allocation Runs carried out after the Implementation Date of such Approved Modification in respect of Settlement Days prior to that date should be carried out taking account of such Approved Modification or not;
- (t) the proposed text (if any) to modify the Memorandum and Articles of Association of BSCCo and/or the BSC Clearer in order to give effect to the Proposed Modification and any Alternative Modification, together with a commentary setting out the nature and effect of such text and of other areas of the Memorandum and Articles of Association and/or the Code which would be affected by the changes; and
- (u) a summary of any changes which would be required to Code Subsidiary Documents as a consequence of such Proposed Modification or Alternative Modification.

SECTION H: GENERAL (version 15.0)

Amend paragraph 1.5.1 to read as follows:

1.5.1 In the event of any conflict between the provisions of the Code and:

- (a) the provisions of any Code Subsidiary Document; ~~and/or~~
- (b) the Code Administration Code of Practice Principles; and/or
- (~~b~~c) the provisions of any other document established or adopted under and pursuant to the Code or any Code Subsidiary Document,

the provisions of the Code shall prevail.

Insert new paragraph 1.6.6 to read as follows:

1.6.6 BSCCo shall inform the Panel and the Transmission Company where it becomes aware of any conflict or material inconsistency between the Code and another applicable Industry Code.

Amend paragraph 4.6.2 as follows:

4.6.2 For the purposes of this paragraph 4.6:

- (a) **"relevant party data"** in relation to a Party (other than BSCCo, the BSC Clearer and any Licensed Distribution System Operator acting in its capacity as a SMRA) means data which is to be provided to any relevant person by or on behalf of that Party (including by any Party Agent appointed by that Party) pursuant to any provision of the Code, including metering data derived (but not estimated, where such estimation is carried out by a relevant person other than that Party or its Party Agent) from any Metering System of which such Party is Registrant;
- (b) **"relevant BSC data"** means data, including data derived from any relevant party data (but excluding any relevant party data), which is created, produced or acquired:
 - (i) pursuant to or for the purposes of the Code, or
 - (ii) pursuant to any process, procedure, calculation or determination provided for by the Codeby or on behalf of any relevant person;
- (c) a **"relevant person"** is any of:
 - (i) the Panel, any Panel Committee, any ~~Group~~ **Modification Workgroup**, BSCCo, the BSC Clearer, any other Subsidiary of BSCCo, any BSC Agent and any SMRA;
 - (ii) any Party and any Party Agent appointed by any Party;
- (d) references to the Code include any Code Subsidiary Document;

- (e) any express provision of any other part of the Code as to the ownership of IPRs in data or to data ownership shall, so far as in conflict with, prevail over the provisions of this paragraph 4.6.

Amend paragraph 7.1.2 to read as follows:

- 7.1.2 For the avoidance of doubt, the provisions of paragraph 7.1.1 shall not apply in respect of any dispute by any Party with the Panel, any Panel Committee or any ~~Modification-Group~~Workgroup.

Amend paragraph 9.2.3 to read as follows:

9.2.3 The provisions of this paragraph 9.2:

- (a) extend to any notice or other communication to be given by or to the Panel, any Panel Committee, any ~~Modification-Group~~Workgroup or any secretary to the Panel, any Panel Committee or a ~~Modification-Group~~Workgroup; and
- (b) apply, mutatis mutandis, to any notice or communication to be given under any Code Subsidiary Document; and
- (c) are subject to Section O.

SECTION X: DEFINITIONS AND INTERPRETATION (Version 48.0)

ANNEX X-1: GENERAL GLOSSARY

Amend Section X by amending the following definition in Annex X – 1 General Glossary:

"Confidential Information":

means, in relation to a Party, all data, documents and other information supplied to that Party, that Party's Party Agent or any nominee of that Party by or on behalf of another Party (or Party Agent) or by or on behalf of the Panel, any Panel Committee, any ~~Modification-Group~~Workgroup, a BSC Agent or a Market Index Data Provider under or pursuant to the provisions of the Code or any Code Subsidiary Document and, additionally, where the Party is a Supplier who was also a Distribution System Operator (being, or being the successor to, the holder at the Code Effective Date of a PES Supply Licence relating to distribution activities in England and Wales or being, or being the successor to, the holder at the BETTA Effective Date of a PES Supply Licence relating to distribution activities in Scotland, acting in that capacity), any data and other information which is held in respect of a Customer and which was previously acquired by that Supplier acting in its capacity as such a Distribution System Operator;

Amend Section X by deleting the following definition from Annex X – 1 General Glossary:

<u>"Modification Group":</u>	<u>a group established by the Panel in accordance with and for the purposes set out in Section F2.4;</u>
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Amend Section X by inserting the following definitions in alphabetical order into Annex X – 1 General Glossary:

<u>"Alternative Self-Governance Modification"</u>	<u>[means an alternative proposed self-governance modification, which as compared with the Proposed Self-Governance Modification, would better facilitate achievement of the Applicable BSC Objective(s);]</u>
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<u>"Approved Self-Governance Modification"</u>	<u>[means a modification to the Code which has been made pursuant to [Section F6.3.2] but which has not yet been implemented;]</u>
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<u>"Code Administration Code of Practice":</u>	<u>means the Code Administration Code of Practice approved by the Authority from time to time;</u>
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<u>"Code Administration Code of Practice Principles":</u>	<u>means the principles set out in Section 1 of the Code Administration Code of Practice;</u>
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<u>"Industry Code":</u>	<u>means a multilateral code or agreement created and maintained pursuant to a licence granted by the Authority under section 6 of the Electricity Act 1989 or under sections 7, 7ZA or 7A the Gas Act 1986</u>
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<u>"Modification Procedures"</u>	<u>means the procedures for the modification of the Code (including the implementation of Approved Modifications) as set out in paragraphs 1 2, 5 and 6 of Section F;</u>
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<u>"Proposed Self-Governance Modification"</u>	<u>[means a modification to the Code which has been proposed by way of a Self-Governance Modification Proposal but which has not yet been made in accordance with [Section F6.3.2];]</u>
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<u>"Rejected Self-Governance Modification"</u>	<u>means a Self-Governance Modification Proposal in respect of which the Panel has determined that it does not better facilitate achievement of the Applicable BSC Objective(s);]</u>
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<u>"Significant Code Review Phase"</u>	<u>has the meaning given to that term in the Transmission Licence;</u>
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<u>"Significant Code Review Conclusions"</u>	<u>means the document published by the Authority containing its conclusions in respect of a Significant Code Review;</u>
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“SCR Suitability Assessment”

means the Panel’s assessment of whether a Modification Proposal falls within the scope of a Significant Code Review

“SCR Modification Proposal”

means a Modification Proposal raised by the Transmission Company pursuant to a direction from the Authority arising from a Significant Code Review;

“Self-Governance Implementation Date”

[means in relation to an Approved Self-Governance Modification, the date with effect from which the Code is to be given effect as modified by that modification, as such date may be extended pursuant to [Section F2.11.7];]

“Self-Governance Modification Report”

[means in relation to a Proposed Self-Governance Modification (and any associated Alternative Self-Governance Modification), the report prepared or to be prepared in accordance with [Section 6.3.1];]

“Self-Governance Statement”

has the meaning given to that term in the Transmission Licence;

“Self- Governance Criteria”

has the meaning given to that term in the Transmission Licence;

“Significant Code Review”

has the meaning given to that term in the Transmission Licence;

“Workgroup”:

a group established by the Panel in accordance with and for the purposes set out in Section F2.4;