

MODIFICATION P194 – LEGAL TEXT**SECTION T: SETTLEMENT AND TRADING CHARGES**

Amend as shown below:

1. GENERAL**1.7 De Minimis Acceptance Threshold**

- 1.7.1 For the purposes of the Code the “**De Minimis Acceptance Threshold**” (DMAT) shall be 1 MWh or such other amount (in MWh) as the Panel may from time to time determine, after consultation with, the Transmission Company and Trading Parties and subject to the approval of the Authority, as the de-minimis level below which it would be appropriate to disregard accepted Bids and accepted Offers from the calculation of the energy imbalance prices.
- 1.7.2 Where a revised value for the De Minimis Acceptance Threshold is approved by the Authority:
- (a) such revised value shall be effective from such date as the Panel shall determine with the approval of the Authority, not being less than 20 Business Days after the date of the Panel’s determination;
 - (b) the Panel Secretary shall promptly give notice of the revised value and its effective date to each Party, the SAA and the BMRA and shall copy such notice to the Authority.

1.8 Price Average Reference Volume

- 1.8.1 For the purposes of the Code the “Price Average Reference Volume” (PAR) shall be 100 MWh.**

4. SETTLEMENT CALCULATIONS

- 4.4.4A In respect of each Settlement Period, the Net Imbalance Volume will be determined as follows:

$$NIV_j = \{\sum_i \sum^n QAPON_{ij} + EBVA_j + SBVA_j + TQUAO_j\} - \{\sum_i \sum^n (-QAPB_{ij}) + (-ESVA_j) + (-SSVA_j) + (-TQUAB_j)\}$$

where \sum_i is the sum over all BM Units and \sum^n is either the sum over all Accepted Offers that are not De Minimis Accepted Offers and not Arbitrage Accepted Offers, or the sum over all Accepted Bids that are not De Minimis Accepted Bids and not Arbitrage Accepted Bids, as the case may be.

- 4.4.4B Without prejudice to paragraph 1.5A.4(b) and 1.5A.6(b), if in respect of a Settlement Period j and a Market Index Data Provider s either:
- (a) the Individual Liquidity Threshold exceeds the Market Index Volume (QXP_{sj});
 - or

- (b) the Market Index Data Provider fails for whatever reason to submit the Market Index Data in time such that it can be taken into account in the relevant Settlement Run,

the Market Index Volume (QXP_{sj}) and the Market Index Price (PXP_{sj}) for that Market Index Data Provider shall be deemed to be zero.

4.4.4C In respect of each Settlement Period:

- (a) some or all of the accepted Bids and accepted Offers which are not NIV Tagged Bids and NIV Tagged Offers respectively may be defined as PAR Tagged Bids and PAR Tagged Offers respectively in accordance with the provisions in Annex T-1;
- (b) some or all of the NIV-Untagged Buy Price Volume Adjustment (Energy) (NUEBVA) and NIV-Untagged Sell Price Volume Adjustment (Energy) (NUESVA) may be defined as PAR Tagged EBVA and PAR Tagged ESVA respectively in accordance with the provisions in Annex T-1.

4.4.5 In respect of each Settlement Period:

- (a) if the Net Imbalance Volume is not equal to zero, and is a positive number, and $\{\sum_i \sum^n \{QAPO_{ij}^n * TLM_{ij}\} + UEBVA_j\}$ is not equal to zero, then the System Buy Price will be determined as follows:

$$SBP_j = \{\{\sum_i \sum^n \{QAPO_{ij}^n * PO_{ij}^n * TLM_{ij}\} + UEBVA_j\} / \{\sum_i \sum^n \{QAPO_{ij}^n * TLM_{ij}\} + UEBVA_j\} + \{BPA_j\}$$

where \sum_i represents the sum over all BM Units and \sum^n represents the sum over those accepted Offers that are not De Minimis Accepted Offers and not Arbitrage Accepted Offers and not NIV Tagged Offers and not PAR Tagged Offers;

- (b) if the Net Imbalance Volume is equal to zero, or is a negative number, and / or $\{\sum_i \sum^n \{QAPO_{ij}^n * TLM_{ij}\} + UEBVA_j\}$ is equal to zero, then the System Buy Price will (subject to paragraph 4.4.6A) be determined as follows:

$$SBP_j = \sum_s \{PXP_{sj} * QXP_{sj}\} / \sum_s \{QXP_{sj}\}$$

where \sum_s represents the sum over all Market Index Data Providers;

provided that, if the Net Imbalance Volume is a negative number and SBP_j as determined in accordance with paragraph 4.4.6(a) would exceed SBP_j as determined in this paragraph (b), then SBP_j shall instead be equal to SBP_j as determined in accordance with paragraph 4.4.6(a).

4.4.6 In respect of each Settlement Period:

- (a) if the Net Imbalance Volume is not equal to zero, and is a negative number, and $\{\sum_i \sum^n \{QAPB_{ij}^n * TLM_{ij}\} + UESVA_j\}$ is not equal to zero, then the System Sell Price will be determined as follows:

$$SSP_j = \{ \{ \sum_i \sum^n \{ QAPB_{ij}^n * PB_{ij}^n * TLM_{ij} \} + UESCA_j \} / \{ \sum_i \sum^n \{ QAPB_{ij}^n * TLM_{ij} \} + UESVA_j \} \} + \{ SPA_j \}$$

where \sum_i represents the sum over all BM Units and \sum^n represents the sum over those accepted Bids that are not De Minimis Accepted Bids and not Arbitrage Accepted Bids and not NIV Tagged Bids and not PAR Tagged Bids;

- (b) if the Net Imbalance Volume is equal to zero, or is a positive number, and / or $\{ \sum_i \sum^n \{ QAPB_{ij}^n * TLM_{ij} \} + UESVA_j \}$ is equal to zero, then the System Sell Price will (subject to paragraph 4.4.6A) be determined as follows:

$$SSP_j = \sum_s \{ PXP_{sj} * QXP_{sj} \} / \sum_s \{ QXP_{sj} \}$$

where \sum_s represents the sum over all Market Index Data Providers;

provided that, if the Net Imbalance Volume is a positive number and SSP_j as so determined would exceed SBP_j as determined in accordance with paragraph 4.4.5(a), then SSP_j shall instead be equal to SBP_j as determined in accordance with paragraph 4.4.5(a).

- 4.4.9 In respect of each Settlement Period, the Total Arbitrage Volume will be determined as follows:

$$TAQ_j = \sum_i (\sum^{n'} QAPB_{ij}^{n'} - \sum^{n*} QAPO_{ij}^{n*}) / 2$$

where \sum_i represents the sum over all BM Units and $\sum^{n'}$ represents the sum over those accepted Bids that are Arbitrage Accepted Bids and \sum^{n*} represents the sum over those accepted Offers that are Arbitrage Accepted Offers.

- 4.4.10 In respect of each Settlement Period, the Total NIV Tagged Volume will be determined as follows:

$$TCQ_j = \{ \{ (\sum_i \sum^{n'} QAPB_{ij}^{n'}) + TTQUAB_j + \cancel{TESVA_j} - \cancel{NTESVA_j} + TSSVA_j \} - \{ (\sum_i \sum^{n*} QAPO_{ij}^{n*}) + TTQUAO_j + \cancel{TEBVA_j} - \cancel{NTEBVA_j} + TSBVA_j \} \} / 2$$

where \sum_i represents the sum over all BM Units and $\sum^{n'}$ represents the sum over those accepted Bids which are NIV Tagged Bids and \sum^{n*} represents the sum over those accepted Offers which are NIV Tagged Offers.

ANNEX T-1: CALCULATIONS

3 NIV Tagging

3.1 In respect of each Settlement Period, NIV Tagged Offers, NIV Tagged Bids, NIV Tagged EBVA, NIV Tagged SBVA, NIV Tagged ESVA, NIV Tagged SSVA, NIV Tagged System Total Un-priced Offer Volume and NIV Tagged System Total Un-priced Bid Volume will be defined in the following way:

(a) If:

$$\{\{\sum^{n'} (-QAPB^{n'}_{ij})\} + (-ESVA_j) + (-SSVA_j) + (-TQUAB_j)\} = 0$$

where $\sum^{n'}$ is the sum over those accepted Bids that are both Non-De Minimis Bids and Non-arbitrage Bids; or

$$\{\{\sum^{n*} QAPO^{n*}_{ij}\} + EBVA_j + SBVA_j + TQUAO_j\} = 0$$

where \sum^{n*} is the sum over those accepted Offers that are both Non-De Minimis Offers and Non-arbitrage Offers:

then no Bids or Offers or ESVA volume or SSVA volume or EBVA volume or SBVA volume or System Total Un-priced Offer Volume or System Total Un-priced Bid Volume will be NIV Tagged.

(b) Otherwise, the following procedure will be carried out. The set of all accepted Bids, which are neither De Minimis Bids nor Arbitrage Accepted Bids, will be ranked in price order, cheapest first (where the cheapest is allocated a n' value of 1, the next cheapest a n' value of 2 and so on). In any case where such Bids have the same price as each other, the ordering of such Bids will be random, subject to paragraph (g). The set of Non-De Minimis and Non-arbitrage Bids $\{QAPB^{n'_1}_{ij}, QAPB^{n'_2}_{ij}, \dots, QAPB^{n'_w}_{ij}\}$ is then a set of "**Ranked Priced Bids**".

The Sell Price Volume Adjustment (Energy) ($ESVA_j$) will be added into the set of Ranked Priced Bids according to the Sell Price Cost Adjustment (Energy) ($ESCA_j$) (converted to a price in £/MWh, i.e. $ESCA_j / ESVA_j$). The volume will, for the purposes of the NIV calculation only, be assigned a n' value and the n' values of the Ranked Priced Bids will be adjusted accordingly. The set of Ranked Priced Bids including the Sell Price Volume Adjustment (Energy) ($ESVA_j$) will then be a set of "**Ranked Bids**".

Where the price of the Sell Price Volume Adjustment (Energy) is the same as any other Ranked Priced Bid, then the Sell Price Volume Adjustment (Energy) volume will be given the highest n' value of the Bid(s) with the same price.

The System Total Un-priced Bid Volume ($TQUAB_j$) will then be added into the set of Ranked Bids as $n' = 1$ and the n' values of the Ranked Bids will be adjusted accordingly. The volume will, for the purposes of the NIV calculation only, be assigned a n' value.

The Sell Price Volume Adjustment (System) ($SSVA_j$) will then be added into the set of Ranked Bids as $n' = 2$ and the n' values of the Ranked Bids will be adjusted accordingly. The volume will, for the purposes of the NIV calculation only, be assigned a n' value.

This then, for the purposes of the NIV Tagging calculation only, will constitute a set of "**Ranked Bid Volumes**", as follows:

$$(-TQUAB^{n'}_j), (-SSVA^{n'}_j), ((-QAPB^{n'}_{ij} \dots) (-ESVA^{n'}_j))$$

The set of all accepted Offers, which are neither De Minimis Offers nor Arbitrage Accepted Offers will be ranked in price order, most expensive first (where the most expensive is allocated a n^* value of 1, the next most expensive a n^* value of 2 and so on). In any case where such Offers have the same price as each other, the ordering of such Offers will be random, subject to paragraph (g). The set of Non-De Minimis and Non-arbitrage Offers $\{QAPO^{n^*}_{ij}, QAPO^{n^*}_{ij}, \dots, QAPO^{n^*}_{ij}\}$ is then a set of "**Ranked Priced Offers**".

The Buy Price Volume Adjustment (Energy) ($EBVA_j$) will be added into the set of Ranked Priced Offers according to the Buy Price Cost Adjustment (Energy) ($EBCA_j$) (converted to a price in £/MWh, i.e. $EBCA_j / EBVA_j$). The volume will, for the purposes of the NIV calculation only, be assigned a n^* value and the n^* values of the Ranked Priced Offers will be adjusted accordingly. The set of Ranked Priced Offers including the Buy Price Volume Adjustment (Energy) ($EBVA_j$) will then be a set of "**Ranked Offers**".

Where the price of the Buy Price Volume Adjustment (Energy) is the same as any other Ranked Priced Offer, then the Buy Price Volume Adjustment (Energy) volume will be given the highest n^* value of the Offer(s) with the same price.

The System Total Un-priced Offer Volume ($TQUAO_j$) will then be added into the set of Ranked Offers as $n^*=1$ and the n^* values of the Ranked Offers will be adjusted accordingly. The volume will, for the purposes of the NIV calculation only, be assigned a n^* value.

The Buy Price Volume Adjustment (System) ($SBVA_j$) will then be added into the set of Ranked Offers as $n^* = 2$ and the n^* values of the Ranked Offers will be adjusted accordingly. The volume will, for the purposes of the NIV calculation only, be assigned a n^* value.

This then, for the purposes of the NIV Tagging calculation only, will constitute a set of "**Ranked Offer Volumes**", as follows:

$$(TQUAO^{n^*}_j), (SBVA^{n^*}_j), ((QAPO^{n^*}_{ij} \dots) (EBVA^{n^*}_j))$$

(c) If:

$$\{\sum^{n'} (-QAPB^{n'}_{ij}) + (-ESVA^{n'}_j) + (-SSVA^{n'}_j) + (-TQUAB^{n'}_j)\} \leq \{\sum^{n^*} QAPO^{n^*}_{ij} + EBVA^{n^*}_j + SBVA^{n^*}_j + TQUAO^{n^*}_j\}$$

where $\sum^{n'}$ is the sum over the Ranked Priced Bids and \sum^{n^*} is the sum over the Ranked Priced Offers,

then all the Ranked Bid Volumes (for all values of n') will be defined as NIV Tagged Bids, or the NIV Tagged ESVA, or the NIV Tagged SSVA or the NIV Tagged System Total Un-priced Bid Volume (as the case may be).

- (d) Since $\{\Sigma^{n'} (-QAPB^{n'}_{ij}) + (-ESVA^{n'}_j) + (-SSVA^{n'}_j) + (-TQUAB^{n'}_j)\} \leq \{\Sigma^{n*} QAPO^{n*}_{ij} + EBVA^{n*}_j + SBVA^{n*}_j + TQUAO^{n*}_j\}$ there must exist a number e and a number ϕ (which may be a fraction or zero) for which

$$\{\Sigma^{n'} (-QAPB^{n'}_{ij}), (-ESVA^{n'}_j), (-SSVA^{n'}_j), (-TQUAB^{n'}_j)\} = \{(\Sigma^{n* v < e} (QAPO^{n* v}_{ij}), (EBVA^{n* v}_j), (SBVA^{n* v}_j), (TQUAO^{n* v}_j)) + \phi * ((QAPO^{n* e}_{ij}), (EBVA^{n* e}_j), (SBVA^{n* e}_j), (TQUAO^{n* e}_j))\}$$

where $\Sigma^{n'}$ is the sum over all Ranked Bid Volumes and $\Sigma^{n* v < e}$ is the sum over those Ranked Offer Volumes for which v is less than e .

Subject to paragraph (g), each Ranked Offer Volume of the Ranked Offer Volumes numbered 1 to $e-1$ for which this is true will be defined as NIV Tagged Offers, or the NIV Tagged EBVA, or the NIV Tagged SBVA, or the NIV Tagged System Total Un-priced Offer Volume (as the case may be). If ϕ is a fraction rather than 0, then the fraction ϕ of the Ranked Offer Volume numbered e will be defined as a NIV Tagged Offer, the NIV Tagged EBVA, or the NIV Tagged SBVA, or the NIV Tagged System Total Un-priced Offer Volume (as the case may be).

For the purposes of ~~the energy imbalance price calculation (Section T4.4.5 and 4.4.6) PAR Tagging and the determination of Untagged EBVA (UEBVA_j) (paragraph 4(f) of this Annex T-1)~~:

The NIV Untagged EBVA (~~UEBVA_j~~, NUBVA_j) is the portion of Buy Price Volume Adjustment (Energy) (EBVA_j) which is not NIV Tagged EBVA (~~TEBVA_j~~, NTEBVA_j) for the relevant Settlement Period. If none of the Buy Price Volume Adjustment (Energy) (EBVA_j) is NIV Tagged EBVA, the NIV Untagged EBVA shall be equal to the Buy Price Volume Adjustment (Energy) (EBVA_j) (and the NIV Tagged EBVA shall be set to zero). If all of the Buy Price Volume Adjustment (Energy) (EBVA_j) is NIV Tagged EBVA, the NIV Untagged EBVA shall be set to zero.

~~The NIV Untagged EBCA (UEBCA_j) is then the portion of the Buy Price Cost Adjustment (Energy) associated with the NIV Untagged EBVA for the relevant Settlement Period determined as follows:~~

$$\text{UEBCA}_j = \text{UEBVA}_j * (\text{EBCA}_j / \text{EBVA}_j)$$

For the purposes of reporting:

If none of the Buy Price Volume Adjustment (System) (SBVA_j) for the relevant Settlement Period is NIV Tagged SBVA (TSBVA_j), the value of NIV Tagged SBVA (TSBVA_j) shall be set to zero for that Settlement Period.

If none of the System Total Un-priced Offer Volume for the relevant Settlement Period is NIV Tagged System Total Un-priced Offer Volume (TTQUAO_j), the value of NIV Tagged System Total Un-priced Offer Volume (TTQUAO_j) shall be set to zero for that Settlement Period.

- (e) If:

$$\{\Sigma^{n'} (-QAPB^{n'}_{ij}) + (-ESVA^{n'}_j) + (-SSVA^{n'}_j) + (-TQUAB^{n'}_j)\} > \{\Sigma^{n*} QAPO^{n*}_{ij} + EBVA^{n*}_j + SBVA^{n*}_j + TQUAO^{n*}_j\}$$

where \sum^{n^*} is the sum over the Ranked Priced Bids and \sum^{n^*} is the sum over the Ranked Priced Offers,

then all the Ranked Offer Volumes (for all values of n^*) will be defined as NIV Tagged Offers, or the NIV Tagged EBVA, or the NIV Tagged SBVA, or the NIV Tagged System Total Un-priced Offer Volume (as the case may be).

- (f) Since $\{\sum^{n^*} (-QAPB^{n^*}_{ij}) + (-ESVA^{n^*}_j) + (-SSVA^{n^*}_j) + (-TQUAB^{n^*}_j)\} > \{\sum^{n^*} QAPO^{n^*}_{ij} + EBVA^{n^*}_j + SBVA^{n^*}_j + TQUAO^{n^*}_j\}$ there must exist a number e and a number ϕ (which may be a fraction or zero) for which

$$\{\sum^{n^*} (QAPO^{n^*}_{ij}), (EBVA^{n^*}_j), (SBVA^{n^*}_j), (TQUAO^{n^*}_j)\} = \{\sum^{n^* v < e} (-QAPB^{n^* v}_{ij}), (-ESVA^{n^* v}_j), (-SSVA^{n^* v}_j), (-TQUAB^{n^* v}_j)\} + \phi * \{(-QAPB^{n^* e}_{ij}), (-ESVA^{n^* e}_j), (-SSVA^{n^* e}_j), (-TQUAB^{n^* e}_j)\}$$

where \sum^{n^*} is the sum over all Ranked Offer Volumes and $\sum^{n^* v < e}$ is the sum over those Ranked Bid Volumes for which v is less than e .

Subject to paragraph (g), each Ranked Bid Volume of the Ranked Bid Volumes numbered 1 to $e-1$ for which this is true will be defined as NIV Tagged Bids, or the NIV Tagged ESVA, or the NIV Tagged SSVA or the NIV Tagged System Total Un-priced Bid Volume (as the case may be). If ϕ is a fraction rather than 0, then the fraction ϕ of the Ranked Bid Volume numbered e will be defined as a NIV Tagged Bid, or the NIV Tagged ESVA, or the NIV Tagged SSVA or the NIV Tagged System Total Un-priced Bid Volume (as the case may be).

For the purposes of ~~the energy imbalance price calculation (Section T-4.4.5 and 4.4.6) PAR Tagging and the determination of Untagged ESVA (UESVA_j) (paragraph 4(d) of this Annex T-1):~~

The NIV Untagged ESVA (~~UESVA_j~~, ~~NUESVA_j~~) is the portion of the Sell Price Volume Adjustment (Energy) (ESVA_j) which is not NIV Tagged ESVA (~~TESVA_j~~, ~~NTESVA_j~~) for the relevant Settlement Period. If none of the Sell Price Volume Adjustment (Energy) (ESVA_j) is NIV Tagged ESVA, the NIV Untagged ESVA shall be equal to the Sell Price Volume Adjustment (Energy) (ESVA_j) (and the NIV Tagged ESVA shall be set to zero). If all of the Sell Price Volume Adjustment (Energy) (ESVA_j) is NIV Tagged ESVA, the NIV Untagged ESVA shall be set to zero.

~~The NIV Untagged ESCA (UESCA_j) is then the portion of the Sell Price Cost Adjustment (Energy) (ESCA_j) associated with the NIV Untagged ESVA for the relevant Settlement Period determined as follows:~~

~~$$UESCA_j = UESVA_j * (ESCA_j / ESVA_j)$$~~

For the purposes of reporting:

If none of the Sell Price Volume Adjustment (System) (SSVA_j) for the relevant Settlement Period is NIV Tagged SSVA (TSSVA_j), the value of NIV Tagged SBVA (TSSVA_j) shall be set to zero for that Settlement Period.

If none of the System Total Un-priced Bid Volume for the relevant Settlement Period is NIV Tagged System Total Un-priced Bid Volume (TTQUAB_j), the value of NIV Tagged System Total Un-priced Bid Volume (TTQUAB_j) shall be set to zero for that Settlement Period.

4 PAR Tagging

4.1 In respect of each Settlement Period, PAR Tagged Offers, PAR Tagged Bids, PAR Tagged EBVA and PAR Tagged ESVA will be defined in the following way:

- (a) The set of all accepted Bids, which are neither De Minimis Bids nor Arbitrage Accepted Bids nor NIV Tagged Bids, will be ranked in price order, cheapest first (where the cheapest is allocated a n" value of 1, the next cheapest a n" value of 2 and so on). In any case where such Bids have the same price as each other, the ordering of such Bids will be random, subject to paragraph (g). The set of Non-De Minimis and Non-arbitrage and NIV-Untagged Bids $\{QAPB^{n_1}_{ij}, QAPB^{n_2}_{ij}, \dots, QAPB^{n_w}_{ij}\}$ is then a set of "**Ranked Priced Bids**".

The NIV-Untagged Sell Price Volume Adjustment (Energy) (NUESVA_i) will be added into the set of Ranked Priced Bids according to the Sell Price Cost Adjustment (Energy) (ESCA_i) (converted to a price in £/MWh, i.e. ESCA_i / ESVA_i). The volume will, for the purposes of the PAR calculation only, be assigned a n" value and the n" values of the Ranked Priced Bids will be adjusted accordingly. The set of Ranked Priced Bids including the NIV-Untagged Sell Price Volume Adjustment (Energy) (NUESVA_i) will then be a set of "**Ranked Bids**".

Where the price of the NIV-Untagged Sell Price Volume Adjustment (Energy) is the same as any other Ranked Priced Bid, then the NIV-Untagged Sell Price Volume Adjustment (Energy) volume will be given the highest n" value of the Bid(s) with the same price.

This then, for the purposes of the PAR Tagging calculation only, will constitute a set of "**Ranked Bid Volumes**", as follows:

$$((-QAPB^{n_{ij}} \dots), (-NUESVA^{n_{ij}}))$$

- (b) The set of all accepted Offers, which are neither De Minimis Offers nor Arbitrage Accepted Offers nor NIV Tagged Offers will be ranked in price order, most expensive first (where the most expensive is allocated a n" value of 1, the next most expensive a n" value of 2 and so on). In any case where such Offers have the same price as each other, the ordering of such Offers will be random, subject to paragraph (g). The set of Non-De Minimis and Non-arbitrage and NIV-Untagged Offers $\{QAPO^{n_1}_{ij}, QAPO^{n_2}_{ij}, \dots, QAPO^{n_x}_{ij}\}$ is then a set of "**Ranked Priced Offers**".

The NIV Untagged Buy Price Volume Adjustment (Energy) (NUEBVA_i) will be added into the set of Ranked Priced Offers according to the Buy Price Cost Adjustment (Energy) (EBCA_i) (converted to a price in £/MWh, i.e. EBCA_i / EBVA_i). The volume will, for the purposes of the PAR calculation only, be assigned a n" value and the n" values of the Ranked Priced Offers will be adjusted accordingly. The set of Ranked Priced Offers including the NIV-Untagged Buy Price Volume Adjustment (Energy) (NUEBVA_i) will then be a set of "**Ranked Offers**".

Where the price of the NIV-Untagged Buy Price Volume Adjustment (Energy) is the same as any other Ranked Priced Offer, then the NIV-Untagged Buy Price Volume Adjustment (Energy) volume will be given the highest n" value of the Offer(s) with the same price.

This then, for the purposes of the PAR Tagging calculation only, will constitute a set of "Ranked Offer Volumes", as follows:

$$\underline{((QAPO^{n''}_{ij} \dots), (NUEBVA^{n''}_j))}$$

(c) If:

$$\underline{\{\sum^{n''} (-QAPB^{n''}_{ij}) + (-NUESVA^{n''}_j)\} \leq PAR}$$

where $\sum^{n''}$ is the sum over the Ranked Priced Bids,

then none of the Ranked Bid Volumes (for all values of n'') will be defined as PAR Tagged Bids or the PAR Tagged ESVA (as the case may be).

(d) If $\{\sum^{n''} (-QAPB^{n''}_{ij}) + (-NUESVA^{n''}_j)\} > PAR$ there must exist a number f and a number ϕ (which may be a fraction or one) for which

$$\underline{PAR = \{(\sum^{n'' v < f} (-QAPB^{n'' v}_{ij}), (-NUESVA^{n'' v}_j)) + \phi * ((-QAPB^{n'' f}_{ij}), (-NUESVA^{n'' f}_j))\}}$$

where $\sum^{n'' v < f}$ is the sum over those Ranked Bid Volumes for which v is less than f .

Subject to paragraph (g), each Ranked Bid Volume of the Ranked Bid Volumes numbered $f+1$ or higher for which this is true will be defined as a PAR Tagged Bid or the PAR Tagged EBVA (as the case may be). If ϕ is a fraction rather than 1, then the fraction $(1-\phi)$ of the Ranked Bid Volume numbered f will be defined as a PAR Tagged Bid or the PAR Tagged ESVA (as the case may be).

For the purposes of the energy imbalance price calculation (Section T 4.4.5 and 4.4.6):

The Untagged ESVA ($UESVA_j$) is the portion of NIV Untagged Sell Price Volume Adjustment (Energy) ($NUESVA_j$) which is not PAR Tagged ESVA ($PTESVA_j$) for the relevant Settlement Period. If none of the NIV Untagged Sell Price Volume Adjustment (Energy) ($NUESVA_j$) is PAR Tagged ESVA, the Untagged ESVA shall be equal to the NIV Untagged Sell Price Volume Adjustment (Energy) ($NUESVA_j$) (and the PAR Tagged ESVA shall be set to zero). If all of the Sell Price Volume Adjustment (Energy) ($ESVA_j$) is NIV Tagged ESVA or PAR Tagged ESVA, the Untagged ESVA shall be set to zero.

The Untagged ESCA ($UESCA_j$) is then the portion of the Sell Price Cost Adjustment (Energy) associated with the Untagged ESVA for the relevant Settlement Period determined as follows:

$$\underline{UESCA_j = UESVA_j * (ESCA_j / ESVA_j)}$$

(e) If:

$$\underline{\{\sum^{n''} (QAPO^{n''}_{ij}) + (NUEBVA^{n''}_j)\} \leq PAR}$$

where $\sum^{n''}$ is the sum over the Ranked Priced Offers,

then none of the Ranked Offer Volumes (for all values of n'') will be defined as PAR Tagged Offers or the PAR Tagged EBVA (as the case may be).

- (f) If $\{\sum^n (QAPO^{n}_{ij}) + (NUEBVA^{n}_{j})\} > PAR$ there must exist a number f and a number ϕ (which may be a fraction or one) for which

$$PAR = \{(\sum^{n \text{ } v < f} (QAPO^{n \text{ } v}_{ij}), (NUEBVA^{n \text{ } v}_{j})) + \phi * ((QAPO^{n \text{ } f}_{ij}), (NUEBVA^{n \text{ } f}_{j}))\}$$

where $\sum^{n \text{ } v < f}$ is the sum over those Ranked Offer Volumes for which v is less than f .

Subject to paragraph (g), each Ranked Offer Volume of the Ranked Offer Volumes numbered $f+1$ or higher for which this is true will be defined as a PAR Tagged Offer or the PAR Tagged EBVA (as the case may be). If ϕ is a fraction rather than 1, then the fraction $(1-\phi)$ of the Ranked Offer Volume numbered f will be defined as a PAR Tagged Offer or the PAR Tagged EBVA (as the case may be).

For the purposes of the energy imbalance price calculation (Section T 4.4.5 and 4.4.6):

The Untagged EBVA ($UEBVA_j$) is the portion of NIV Untagged Buy Price Volume Adjustment (Energy) ($NUEBVA_j$) which is not PAR Tagged EBVA ($PTEBVA_j$) for the relevant Settlement Period. If none of the NIV Untagged Buy Price Volume Adjustment (Energy) ($NUEBVA_j$) is PAR Tagged EBVA, the Untagged EBVA shall be equal to the NIV Untagged Buy Price Volume Adjustment (Energy) ($NUEBVA_j$) (and the PAR Tagged EBVA shall be set to zero). If all of the Buy Price Volume Adjustment (Energy) ($EBVA_j$) is NIV Tagged EBVA or PAR Tagged EBVA, the Untagged EBVA shall be set to zero.

The Untagged EBVA ($UEBCA_j$) is then the portion of the Buy Price Cost Adjustment (Energy) associated with the Untagged EBVA for the relevant Settlement Period determined as follows:

$$UEBCA_j = UEBVA_j * (EBCA_j / EBVA_j)$$

- (g) However, for each of paragraphs (c), (d), (e) and (f) (each a "relevant provision") separately, if the application of the relevant provision (the "initial calculation") would result in there being any Ranked Bid or Ranked Offer which:

- (1) is not defined as (as the case may be) a PAR Tagged Bid, PAR Tagged Offer, PAR Tagged ESVA or PAR Tagged EBVA, but
- (2) has the same price (other than merely by virtue of being a fraction ϕ pursuant to the initial calculation) as, in the case of a Ranked Bid, a Ranked Bid which is a PAR Tagged Bid or PAR Tagged ESVA or, in the case of Ranked Offer, a Ranked Offer which is a PAR Tagged Offer or PAR Tagged EBVA,

then:

- (i) all such Ranked Bids $QAPB^{n \text{ } r}_{ij}$ or $ESVA^{n \text{ } r}_j$ or Ranked Offers $QAPO^{n \text{ } r}_{ij}$ or $EBVA^{n \text{ } r}_j$ (whether or not PAR Tagged Bids, PAR Tagged ESVA, PAR Tagged Offers or PAR Tagged EBVA on the

basis of the initial calculation) which have the same price are "threshold Bids" (in the case of Ranked Bids) or "threshold Offers" (in the case of Ranked Offers):

- (ii) no threshold Bid or threshold Offer shall be defined as a PAR Tagged Bid or PAR Tagged ESVA or PAR Tagged Offer or PAR Tagged EBVA (as the case may be) pursuant to the relevant provision, but instead the fraction δ of each threshold Bid $QAPB^{n_r}_{ij}$ or $ESVA^{n_r}_j$ or threshold Offer $QAPO^{n_r}_{ij}$ or $EBVA^{n_r}_j$ which satisfies the following shall be defined as PAR Tagged Bids, PAR Tagged ESVA, PAR Tagged Offers or PAR Tagged EBVA (as the case may be):

$$\delta * (\sum^{n_r} QAPB^{n_r}_{ij}, ESVA^{n_r}_j) = \sum^{n_{r'}} QAPB^{n_{r'}}_{ij}, ESVA^{n_{r'}}_j$$

or (as the case may be)

$$\delta * (\sum^{n_r} QAPO^{n_r}_{ij}, EBVA^{n_r}_j) = \sum^{n_{r'}} QAPO^{n_{r'}}_{ij}, EBVA^{n_{r'}}_j$$

where

\sum^{n_r} is the sum over all threshold Bids or (as the case may be) threshold Offers, and

$\sum^{n_{r'}}$ is the sum over all threshold Bids or (as the case may be) threshold Offers (including a fraction $1-\phi$ thereof) which, on the basis of the initial calculation would have been defined as PAR Tagged Bids or PAR Tagged ESVA or (as the case may be) PAR Tagged Offers or PAR Tagged EBVA.

ANNEX X-2, TABLE X-2

Replace the acronyms UEBVA_j, TEBVA_j, UESVA_j and TESVA_j with the following acronyms: NUEBVA_j, NTEBVA_j, NUESVA_j and NTESVA_j

Delete the definitions of NIV Untagged EBCA and NIV Untagged ESCA.

Insert new definitions:

<u>PAR Tagged Bid</u>			<u>Has the meaning given to that term in Annex T-1</u>
<u>PAR Tagged EBVA</u>	<u>TEBVA_j</u>	<u>MWh</u>	<u>Has the meaning given to that term in Annex T-1</u>
<u>PAR Tagged ESVA</u>	<u>TESVA_j</u>	<u>MWh</u>	<u>Has the meaning given to that term in Annex T-1</u>
<u>PAR Tagged Offer</u>			<u>Has the meaning given to that term in Annex T-1</u>
<u>Price Average reference Volume</u>	<u>PAR</u>	<u>MWh</u>	<u>Has the meaning given to that term in Section T1.8.1</u>

<u>Untagged EBCA</u>	<u>UEBCA_j</u>	<u>£</u>	<u>Has the meaning given to that term in Annex T-1</u>
<u>Untagged EBVA</u>	<u>UEBVA_j</u>	<u>MWh</u>	<u>Has the meaning given to that term in Annex T-1</u>
<u>Untagged ESCA</u>	<u>UESCA_j</u>	<u>£</u>	<u>Has the meaning given to that term in Annex T-1</u>
<u>Untagged ESVA</u>	<u>UESVA_j</u>	<u>MWh</u>	<u>Has the meaning given to that term in Annex T-1</u>