

P231 – PROPOSED DRAFT LEGAL TEXT

SECTION G: CONTINGENCIES (Version 7)

Amend paragraph 3.1.1 to read as follows:

- 3.1.1 This paragraph 3 will apply if and only if the Transmission Company informs Users pursuant to OC9.4 of the Grid Code that either a Total Shutdown or a Partial Shutdown exists and that the Transmission Company intends to implement a Black Start (the terms 'Users', 'Total Shutdown', 'Partial Shutdown', ~~and~~ 'Black Start' and 'Total System' each having, for the purposes of this paragraph 3, the meanings given thereto in the Grid Code).

Amend paragraph 3.1.2 to read as follows:

- 3.1.2 Where this paragraph 3 applies:

- (a) BSCCo shall (as soon as is practicable following the Transmission Company's notification under OC9.4 of the Grid Code) notify all Parties that a Total Shutdown or Partial Shutdown exists and that the Transmission Company intends to implement a Black Start;
- (b) the ~~Panel~~ Transmission Company shall (as soon as is practicable following the Transmission Company's notification under OC9.4 of the Grid Code) determine, in consultation with the Transmission Company, in its reasonable opinion, the Settlement Period time and date with effect from which the Total Shutdown or Partial Shutdown commenced and inform BSCCo of that time and date;
- (~~bc~~) BSCCo shall determine the Settlement Period that corresponds with the time and date from which the Total Shutdown or Partial Shutdown commenced (as determined by the Transmission Company under paragraph (b)) and, as soon and so far as is practicable, notify all Parties of the Panel's that Settlement Period determination under paragraph (a);
- (~~ed~~) following the Transmission Company's determination (under OC9.4.7.9 of the Grid Code) of the time the Total System could ~~of~~ return to normal operation, the Panel shall determine, after consultation with the Transmission Company, the Settlement Period with effect from which the provisions of this paragraph 3 are to cease to apply, having regard to the following matters and any other matters or processes set out in the relevant BSCP:
 - (i) the time ~~of the Total System could~~ return to normal operation under the Grid Code determined by the Transmission Company;
 - (ii) the desirability of a return to normal operation under the Code at the same time or as soon as practicable thereafter; and
 - (iii) the amount of time which (in the opinion of the Panel) it is reasonable to allow for Parties to recommence operations under or for the purposes of Sections Q and P;
- (e) at any time up until one hour prior to the Settlement Period from which the provisions of this paragraph 3 would otherwise cease to apply, the Transmission Company may determine (in accordance with OC9.4.7.9 of the Grid Code) that the Total System could not return to normal operation at that time;

- (f) the Panel shall revise its determination under paragraph (d) if the Transmission Company determines under paragraph (e) that the Total System could not return to normal operation at that time; and
- (dg) BSCCo shall promptly notify all Parties of the Panel's determination under paragraph (ed) and, where applicable, paragraph (f).

Amend paragraph 3.1.3 to read as follows:

- 3.1.3 For the purposes of the Code, ~~the a~~ "Black Start Period" is ~~the a~~ period commencing at the start of the Settlement Period determined by ~~the Panel BSCCo~~ under paragraph 3.1.2(~~ac~~) and ending at the end of the Settlement Period immediately before the Settlement Period determined by the Panel under paragraph 3.1.2(~~ed~~) or paragraph 3.1.2(f), whichever is applicable.

Insert new paragraph 3.1.4 after paragraph 3.1.3 to read as follows:

- 3.1.4 BSCCo shall, as soon and so far as is practicable, keep Parties informed of the operation of BSC Systems and, in so far as it is informed by the Transmission Company, of the operation of the Transmission System during a Black Start Period.

Amend paragraph 3.2.1 by inserting new sub-paragraph 3.2.1(f) to read as follows:

- 3.2.1 In relation to all Settlement Periods which fall within a Black Start Period:
- (a) operation of the balancing mechanism shall be suspended in accordance with Section Q5.4;
 - (b) the Lead Parties of BM Units which are given instructions under the Grid Code shall be entitled to be compensated subject to and in accordance with paragraph 3.3 (and, if otherwise applicable, Section Q8 shall not apply);
 - (c) notification of contract volumes shall be suspended in accordance with Section P1.6 (and, if otherwise applicable, Section P5 shall not apply);
 - (d) a single imbalance cash-out price shall apply in accordance with Section T1.6;
 - (e) the value of Credit Assessment Energy Indebtedness (CEI_{pj}) shall be set to zero for all Trading Parties for the purposes of Section M; and
 - (f) the value of Metered Energy Indebtedness (MEI_{pj}) shall be set to zero for all Trading Parties for the purposes of Section M.

Insert new paragraph 3.2.1A directly after paragraph 3.2.1 to read as follows:

- 3.2.1A In relation to all Settlement Days that fall wholly or partially within a Black Start Period the value of Actual Energy Indebtedness (AEI_p) shall be set to zero for all Trading Parties for the purposes of Section M.

SECTION H: GENERAL (Version 13)

Amend paragraph 3.1.3 to read as follows:

- 3.1.3 Without prejudice to a Party's obligation to make any payments under the Code (including under Section D, Section N and Annex S-1) in accordance with the requirements of and at

the times and in the manner specified in the Code, a Party shall not be in breach of any other provision of the Code to the extent that and for so long as it is not possible for that Party to comply with that provision as a result of Section G4 applying or by reason of a failure of a BSC Agent and/or BSCCo to perform any obligation under the Code provided that the Party shall:

- (a) promptly notify BSCCo in writing of such impossibility and the reasons why it is not possible for such Party to comply with the relevant provision of the Code; and
- (b) discuss with BSCCo whether there is a possible alternative means of complying with the relevant provision and, if so, take all reasonable steps to do so.

SECTION M: CREDIT COVER AND CREDIT DEFAULT (Version 20)

Amend paragraph 3.4.3 to read as follows:

3.4.3 Subject to paragraph 3.4.3A, ~~Where~~ where the ECVAA submits to BSCCo a copy of a level 1 default notice under paragraph 3.2.1 in relation to a Trading Party:

- (a) BSCCo shall promptly upon the earlier of:
 - (i) the expiry of the Query Period (where a Level 2 Credit Default Cure Period has not commenced prior to the expiry of such period) during which the relevant Trading Party's Credit Cover Percentage becomes greater than 90%;
 - (ii) the expiry of Gate Closure for Settlement Period J falling within a Level 1 Credit Default Cure Period during which the relevant Trading Party's Credit Cover Percentage becomes greater than 90%, unless a Level 2 Credit Default Cure Period has commenced;
 - (iii) the expiry of a Level 2 Credit Default Cure Period (if any); or
 - (iv) the expiry of a Level 1 Credit Default Cure Period during which the relevant Trading Party's Credit Cover Percentage becomes not greater than 90%;

give an authorisation notice to the ECVAA unless:

- (1) BSCCo has been notified by the ECVAA that in the ECVAA's opinion there is, or
- (2) BSCCo otherwise has substantial evidence that, or other reasons to believe that, there is

(in accordance with paragraph 1.2.1(e) and the prevailing principles or guidance established by the Panel in accordance with paragraph 1.7) a material doubt as to whether, at the time, the systems and processes used by the ECVAA are giving correct determinations of the values of Credit Cover Percentage for that Trading Party;

- (b) subject to paragraph (c), BSCCo shall not be required to make any enquiry of the Trading Party or any other person (but in accordance with paragraph 1.2.1(f)

will take into account any information already provided by the Trading Party which is relevant to the matter in paragraph (a));

- (c) if (pursuant to paragraph (a)(~~i~~1) or (~~ii~~2)) BSCCo withholds an authorisation notice:
 - (i) BSCCo shall investigate the matter; and
 - (ii) if at any time it concludes that there is not (or no longer is) any material doubt as to the matter in paragraph (a), BSCCo shall promptly give the authorisation notice.

Insert new paragraph 3.4.3A directly after paragraph 3.4.3 to read as follows:

3.4.3A BSCCo shall not give an authorisation notice to the ECVAA in relation to a Trading Party under paragraph 3.4.3 if:

- (a) Section G4 applies to that Trading Party; and
- (b) that Trading Party's Credit Cover Percentage is greater than 80% as a direct result of it being subject to a direction given by the Secretary of State or action taken on behalf of Her Majesty's Government.

Insert new paragraph 3.4.3B directly after new paragraph 3.4.3A to read as follows:

3.4.3B If paragraph 3.4.3A applies:

- (a) BSCCo shall investigate the matter; and
- (b) if at any time it concludes that the fact that the Trading Party's Credit Cover is greater than 80% is not (or no longer is) the direct result of a direction from the Secretary of State or action taken on behalf of Her Majesty's Government, BSCCo shall promptly give the authorisation notice under paragraph 3.4.3(a).