

## SECTION F: MODIFICATION PROCEDURES

### 1. MODIFICATION OF THE CODE

#### 1.1 Modification

- 1.1.1 Subject to paragraph 1.1.8, the Code may be modified from time to time (and may only be modified) pursuant to the Transmission Licence.
- 1.1.2 Upon service by the Transmission Company to the Modification Secretary of a notice of modification signed by the Transmission Company in accordance with a direction of the Authority issued pursuant to the Transmission Licence:
- (a) the Code shall be modified in accordance with the terms of such notice; and
  - (b) the Modification Secretary shall forthwith copy such notice to:
    - (i) each Party;
    - (ii) each Panel Member;
    - (iii) the Authority;
    - (iv) each BSC Agent; and
    - (v) each Core Industry Document Owner and the STC Committee.
- 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 6.3.3 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, the Self-Governance Implementation Date or the Fast Track Self-Governance Implementation Date (as the case may be), if different).
- 1.1.4 If the Transmission Company is notified by the Authority that the Authority does not intend to direct the Transmission Company to make a modification following submission of a Modification Report pursuant to paragraph 2.7.6, the Transmission Company shall notify the Modification Secretary and the Modification Secretary shall notify each of the persons referred to in paragraph 1.1.2(b) accordingly.
- 1.1.5 Paragraphs 1, 2, 5 and 6 of this Section F set out the procedures for modification of the Code as required by the Transmission Licence.
- 1.1.6 A modification made pursuant to and in accordance with paragraph 1.1.2 shall not be impaired or invalidated in any way by any failure to comply with or give effect to the succeeding provisions of this paragraph 1 and/or the provisions of paragraph 2.
- 1.1.7 For the avoidance of doubt the provisions of this Section F apply to the Code including the Pool Supplement.
- 1.1.8 The provisions of this paragraph 1.1 are subject to paragraphs 6.3 and 6.4.6.
- 1.1.9 Notwithstanding paragraph 2 and subject to paragraph 1.1.10, the following Code provisions may not be amended without the prior written consent of the Secretary of State:
- (a) paragraphs 1.1.9, 1.1.10, 1.6.1B, 1.6.3(e), 1.6.3(f), 1.9.3, 2.1.1(e), 2.1.1(f), 2.1.10(a)(viii), 2.7.6(b)(iii) and paragraph 1(d)(viii) of Annex F-1;

- (b) any paragraph in this Section F to the extent only that it makes reference to the persons referred to in paragraph 1.9.3 or refers to the Capacity Market Rules and/or the AF Rules;
- (c) Sections C1.2.1B, C11, paragraphs 1.1 and 1.2 of Annex C-1, Section D7, Section K3.1.8, Sections K3.3.12 to K3.3.14 (inclusive), Section L7.6.1A, Sections S2.4.1(i), S2.9 and S4.1.1(f), Section V5 and Section W1.5.3;
- (d) all terms and expressions that are defined in Annex X-1 and that are used only in the Code provisions specified in paragraphs 1.1.9(a), (b) and (c); and
- (e) any reference elsewhere in the Code to a CFD Settlement Services Provider, a CfD Counterparty, a Contract for Difference, a CM Settlement Services Provider, the CM Settlement Body, the Capacity Market Rules and/or an EMR Legal Requirement.

1.1.10 Minor modifications (for example, any necessary changes to formatting, paragraph numbering and references to other paragraphs in the Code) to the Code provisions specified in paragraph 1.1.9 that are required as a consequence of a Modification Proposal may be made without the prior written consent of the Secretary of State to the extent necessary to implement that Modification Proposal.

## **1.2 Role of the Panel, BSCCo and the Modification Secretary**

- 1.2.1 The Panel shall be responsible for the operation of the Modification Procedures in accordance with the provisions of the Code.
- 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;
  - (b) with a view to ensuring that the Code facilitates achievement of the Applicable BSC Objective(s); and
  - (c) (subject always to Section H1.5.1) to the extent relevant, in a manner that is consistent with the Code Administration Code of Practice Principles.
- 1.2.3 BSCCo shall be responsible for implementing Approved Modifications in accordance with the provisions of the Code (on the terms set out in this Section F).
- 1.2.4 Without prejudice to the generality of Section C1.2 and to the further provisions of this Section F, BSCCo shall implement Approved Modifications in an efficient, economical and expeditious manner and (subject to paragraph 2.11.8) in accordance with the Implementation Date contained in the notice referred to in paragraph 1.1.2.
- 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.
- 1.2.5 The Panel shall be assisted by a secretary (to be known as the "**Modification Secretary**"), who shall be a person nominated and provided by BSCCo (and may but need not be the same person as the Panel Secretary) and who shall be responsible for the administration of the Modification Procedures.
- 1.3 Modification Register**
  - 1.3.1 The Panel shall establish and maintain a register (the "**Modification Register**") which shall record, in such form as the Panel may determine, the matters set out in paragraph 1.3.3.
  - 1.3.2 The purpose of the Modification Register shall be to assist the Panel in the operation of the Modification Procedures and to enable Parties and interested third parties to be reasonably informed of the progress of Modification Proposals and Approved Modifications from time to time.
  - 1.3.3 The Modification Register shall record in respect of current outstanding Modification Business:
    - (a) details of each Modification Proposal (including the name of the Proposer, the date of the Modification Proposal and a brief description of the Modification Proposal);
    - (b) whether each Modification is an Urgent Modification Proposal;
    - (c) the current status and progress of each Modification Proposal and the anticipated date for reporting to the Authority in respect thereof;
    - (d) the current status and progress of each Approved Modification; and
    - (e) such other matters as the Panel may consider appropriate from time to time in order to achieve the purposes set out in paragraph 1.3.2.
  - 1.3.4 The Modification Register (as updated from time to time and indicating the revisions since the previous issue) shall be published on the BSC Website or (in the absence, for whatever reason, of the BSC Website) in such other manner and with such frequency (being not less than once per month) as the Panel may decide in order to bring it to the attention of Parties and interested third parties.
  - 1.3.5 The Modification Register shall include details of:
    - (a) each Modification Proposal which has been withdrawn pursuant to paragraph 2.1.12(a) or paragraph 2.1.12A or rejected by the Authority;
    - (b) each Approved Modification which has been implemented; and
    - (c) each Modification Proposal that:
      - (i) has been the subject of a notice from the Transmission Company either pursuant to paragraphs 1.1.2 or 1.1.4; and

- (ii) is the subject of a Relevant Challenge,

for a period of 3 months after such withdrawal, rejection or implementation, (and in the case of a Modification Proposal as described in sub-paragraph (c) determination of the relevant appeal or judicial review), or such longer period as the Panel may determine.

#### **1.4 Monthly Progress Report**

1.4.1 The Panel shall prepare and submit to the Authority each month a progress report (to be known as the "**Monthly Progress Report**") setting out the matters referred to in paragraph 1.4.2 in respect of the preceding month.

1.4.2 The Monthly Progress Report shall contain:

- (a) details of any proposal which has been refused pursuant to paragraph 2.1.3 or paragraph 2.1.4;
- (b) the current version of the Modification Register;
- (c) details of:
  - (i) the priority which the Panel is proposing to accord or is according to the Modification Proposals contained in the Modification Register (in accordance with paragraph 2.2.3);
  - (ii) the scheduling and timetable for consideration of each Modification Proposal and completion of the Modification Report in respect thereof in the context of all other current Modification Proposals;
  - (iii) the impact of the priority accorded to each Modification Proposal by reference to each other pending Modification Proposal;
- (d) details of any decision to amalgamate Modification Proposals in accordance with paragraph 2.3;
- (e) details of any decision to suspend a Definition Procedure or an Assessment Procedure in relation to a particular Modification Proposal and to proceed directly to the Report Phase in accordance with paragraph 2.2.11;
- (f) details of any circumstances which lead the Panel to believe that the Implementation Date for an Approved Modification is unlikely to be met or should be brought forward and, if so, why;
- (g) such other matters as the Authority may request to be included from time to time;
- (h) details of any decision of the Panel to recommend a Conditional Implementation Date in relation to any Modification Proposal as described in paragraph 1.3.5(c); and
- (i) the basis for each of the decisions referred to above (including, where applicable, the cost and other implications of those decisions).

1.4.3 If, following discussion with the Panel, the Authority issues a notice to the Modification Secretary requesting the Panel (in relation to developments and changes highlighted in the Monthly Progress Report):

- (a) not to reject a Modification Proposal pursuant to paragraph 2.1.4; and/or
- (b) not to amalgamate Modification Proposals as set out in the Monthly Progress Report; and/or
- (c) to accord a different priority to particular Modification Proposals from that set out in the Monthly Progress Report; and/or
- (d) to amend the timetable for definition and/or assessment and evaluation of a Modification Proposal,

the Panel shall comply with such notice.

1.4.4 The Modification Secretary shall publish each Monthly Progress Report on the BSC Website within 7 Business Days after it is sent to the Authority, provided that the Modification Secretary shall exclude therefrom any matters in respect of which the Authority issues a notice to the Modification Secretary for the purposes of this paragraph 1.4.4.

## **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 Workgroup established pursuant to paragraph 2.4.

1.5.2 Parties may submit suggestions to the Panel for suitable candidates to be included on such list (together with details of their relevant experience and/or expertise).

1.5.3 It is expected that Parties shall make available a reasonable level of suitably qualified personnel to act as members from time to time of Workgroups established by the Panel pursuant to paragraph 2.4.

## **1.6 Change Co-ordination**

1.6.1 The Panel shall establish (and, where appropriate, revise from time to time) joint working arrangements, consistent with any IS Policies relating to change co-ordination, with each Core Industry Document Owner to facilitate the identification, co-ordination, making and implementation of change to Core Industry Documents consequent on a Code Modification in a full and timely manner.

1.6.1A The Panel shall establish (and, where appropriate, revise from time to time) joint working arrangements, consistent with any IS Policies relating to change co-ordination, with the STC Committee to facilitate the identification, co-ordination, making and implementation of change to the System Operator-Transmission Owner Code consequent on a Code Modification in a full and timely manner.

1.6.1B The Panel shall establish (and, where appropriate, revise from time to time) joint working arrangements, consistent with any IS Policies relating to change co-ordination, with:

- (a) the Secretary of State, the CM Settlement Body and any CM Settlement Services Provider (as applicable) to facilitate the identification of potential inconsistencies between a Code Modification and the Capacity Market Documents; and

(b) the Secretary of State to facilitate the identification of potential inconsistencies between a Code Modification and the CFD Documents,

in each case, in a full and timely manner.

1.6.2 The working arrangements referred to in paragraphs 1.6.1, ~~and~~ 1.6.1A and 1.6.1B shall be such as enable the consideration, development and evaluation of Modification Proposals, and the implementation of Approved Modifications, to proceed in a full and timely manner and enable:

(a) -changes to Core Industry Documents and/or the System Operator-Transmission Owner Code (as applicable) consequent on a Code Modification to be made and given effect wherever possible (subject to any necessary consent of the Authority) at the same time as such Code Modification is made and given effect; and

(b) potential inconsistencies between the Code Modification and the Capacity Market Documents and/or the CFD Documents (as applicable) to be raised with the CM Settlement Body, the CM Settlement Services Provider and the Secretary of State (as applicable).

1.6.3 For the purposes of this Section F:

(a) **"Core Industry Documents"** shall have the meaning ascribed to such term in the Transmission Licence;

(b) **"Core Industry Document Owner"** means, in relation to a Core Industry Document, the body or entity which is responsible for the management and operation of procedures for making changes to such document;

(c) **"STC Committee"** means, in relation to the STC, the body or entity which is responsible for the management and operation of procedures for making changes to the STC; ~~and~~

(d) **"System Operator-Transmission Owner Code" or "STC"** means the code so called and created, and from time to time modified by the Transmission Company, in accordance with the Transmission Licence;

(e) "Capacity Market Documents" means the Capacity Market Rules, The Electricity Capacity Regulations 2014 and any other regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time; and

(f) "CFD Documents" means the AF Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 and The Contracts for Difference (Supplier Obligation) Regulations 2014 and any other regulations made under Chapter 2 of Part 2 of the Energy Act 2013 which are in force from time to time.

1.6.4 The Parties shall comply with the procedures set out in any IS Policies relating to the co-ordination of change, including ensuring that a person is appointed within their organisation with overall responsibility for changes to the Code and Code Subsidiary Documents.

## 1.7 Role of the Transmission Company

1.7.1 If the Authority issues a direction to the Transmission Company pursuant to condition C3 of the Transmission Licence in the circumstances described in paragraph 1.7.3, the following provisions shall apply in relation to a particular Modification Proposal or Approved Modification:

- (a) the Transmission Company shall be entitled to, and shall, assume responsibility for the Modification Procedures to the extent, on the terms and for the period set out in such direction;
- (b) the Panel, the Panel Chairman, the Modification Secretary and BSCCo shall provide such assistance to the Transmission Company and shall take such steps as the Transmission Company may reasonably request to enable the Transmission Company to comply with such direction (and, in the case of BSCCo, such assistance shall include the provision at the cost of BSCCo of all necessary data, facilities, suitably qualified staff and other support and the exercise and enforcement, at the request of the Transmission Company, of relevant rights under the BSC Agent Contracts);
- (c) subject to paragraph 1.7.1(b), the powers, functions and duties of the Panel, the Panel Chairman, the Modification Secretary and BSCCo in relation to the Modification Procedures shall be suspended to the extent and for the period that the Transmission Company is to assume responsibility for the Modification Procedures as set out in such direction;
- (d) the Transmission Company shall assume (and there are hereby conferred on the Transmission Company) the powers, functions and duties of the Panel, the Panel Chairman, the Modification Secretary and BSCCo in relation to the Modification Procedures to the extent and for the period that the Transmission Company is to assume responsibility for the Modification Procedures as set out in such direction;
- (e) the Transmission Company shall operate the Modification Procedures in accordance with the provisions mutatis mutandis of this Section F and having regard, wherever possible, to the provisions of Section B and Section C as they relate to the Modification Procedures;
- (f) the costs and expenses of the Transmission Company properly incurred in the operation of the Modification Procedures pursuant to such direction (as approved by the Authority) shall be paid by BSCCo to the Transmission Company and recovered by BSCCo from Trading Parties in accordance with the provisions of Section D;
- (g) the benefit of Section B2.9.1 shall be extended to apply to the Transmission Company, as if references to a Panel Member were to the Transmission Company, to the extent that the Transmission Company is carrying out the functions of the Panel pursuant to this paragraph 1.7.

1.7.2 The Transmission Company shall notify the Modification Secretary as soon as possible after receipt of any direction referred to in paragraph 1.7.1 and the Modification Secretary shall copy such direction forthwith to:

- (a) each Party;
- (b) each Panel Member;
- (c) the Authority;



- (d) each BSC Agent; and
- (e) where the Modification Proposal or Approved Modification affects a Core Industry Document and/or the System Operator-Transmission Owner Code, the relevant Core Industry Document Owner and/or the STC Committee respectively.

1.7.3 The circumstances referred to in paragraph 1.7.1 are that:

- (a) in the Authority's opinion, the Panel and/or BSCCo is failing or is likely to fail in any material respect to comply with the provisions of this Section F as they relate to the operation of the Modification Procedures and/or the implementation of Approved Modifications in respect of a particular Modification Proposal or Approved Modification; and
- (b) the Authority has given notice to the Modification Secretary requiring the Panel or BSCCo (as the case may be) to comply with such provisions within the time specified in such notice; and
- (c) the Panel or BSCCo (as the case may be) fails to do so in any material respect within the time specified in such notice (or such longer period as the Authority may agree).

1.7.4 The Modification Secretary shall copy any notice given pursuant to paragraph 1.7.3 to:

- (a) each Party; and
- (b) each Panel Member.

## **1.8 Transitional Arrangements**

1.8.1 The provisions of this Section F as they relate to modification of the Code shall be suspended for the period set out in the Implementation Scheme.

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 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 Workgroup charged with undertaking a review pursuant to paragraph 1.8.2.

1.8.4 The results of the review referred to in paragraph 1.8.2 shall be sent to the Authority and to each person referred to in paragraph 1.1.2(b) and published by the Panel in such manner as the Panel sees fit.

## **1.9 Interpretation**

1.9.1 For the purposes of this Section F, in relation to an Approved Modification, 'implement' (and derivative terms) shall mean 'bring into operational effect'.

1.9.2 A reference in any provision of the Code to the "**Relevant Implementation Date**" is to the Implementation Date of the Approved Modification pursuant to which that provision (in its current form) applies.



1.9.3 For the purposes of this Section F, in relation to the consultation of interested third parties, the term 'interested third parties' shall include the Secretary of State, CfD Counterparty, the CM Settlement Body, a CFD Settlement Services Provider and any CM Settlement Services Provider.

## **2. CODE MODIFICATION PROCEDURES**

### **2.1 Modification Proposals**

2.1.1 A proposal to modify the Code may be made by any of the following:

- (a) a Party (other than BSCCo or the BSC Clearer);
- (b) Citizens Advice and Citizens Advice Scotland;
- (c) such other bodies representative of interested third parties as may be designated in writing for this purpose by the Authority from time to time;
- (d) the Panel:
  - (i) on the recommendation of BSCCo in accordance with Section C3.8.8 or Section H9.8;
  - (ii) on the recommendation of BSCCo following receipt by BSCCo of a change request proposing a change to a Core Industry Document and/or the System Operator-Transmission Owner Code which would, if made, have an impact on the Code;
  - (iii) on the recommendation of BSCCo where BSCCo becomes aware of a change in circumstances, since approval of a Proposed Modification, which would make the implementation of that Approved Modification impossible or significantly more costly than anticipated at the time such Modification was approved or no longer relevant;
  - (iv) on the recommendation of BSCCo to rectify manifest errors in or to correct minor inconsistencies (or make other minor consequential changes) to the Code;
  - (v) on the recommendation of the Trading Disputes Committee in consequence of a Trading Dispute; and
  - (vi) on the recommendation of the Performance Assurance Board in accordance with Section Z8.2,

provided that, where the Panel decides to make a proposal in any of the circumstances set out in paragraphs (i) to (vi), such proposal shall be without prejudice to the Panel's decision, pursuant to paragraph 2.7, as to whether or not to recommend to the Authority that such modification should be made:

- (e) a CfD Counterparty to reflect a proposed change to the CFD Arrangements which would, if made, have an impact on the Code;
- (f) the CM Settlement Body to reflect a proposed change to the CM Arrangements which would, if made, have an impact on the Code.

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 and an indication of the impact of the proposed modification on greenhouse gas emissions where the Proposer believes that such impact is likely to be material;
- (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 and an indication of potential inconsistencies of the proposed modification with the Capacity Market Documents and/or the CFD Documents;
- (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;
- (j) whether the proposal should be treated as a Self-Governance Modification Proposal and the Proposer's reasons why the proposal should be treated as such;
- (k) where applicable, whether the proposal should be treated as a SCR Exempt Modification Proposal and the Proposer's reasons why the proposal should be treated as such.

2.1.3 If a submitted proposal fails in any material respect to comply with the requirements of paragraph 2.1.2 (excluding paragraphs (e), (g) and (h) thereof), the Modification Secretary may refuse to accept such submission provided that:

- (a) the Modification Secretary shall furnish the Proposer with the reasons for such refusal;
- (b) the Modification Secretary shall report such refusal to the Panel at the next Panel meeting;

- (c) if the Panel decides to reverse the Modification Secretary's decision to refuse the submission, the Modification Secretary shall notify the Proposer accordingly and the proposal shall be dealt with in accordance with the succeeding provisions of this paragraph 2;
  - (d) nothing in this paragraph 2.1.3 shall prevent a Proposer from submitting a revised proposal in compliance with the requirements of paragraph 2.1.2 in respect of the same subject-matter.
- 2.1.4 Without prejudice to the development of any Alternative Modification pursuant to paragraph 2.6.2 but subject to paragraph 5.3.2, the Panel may refuse to accept the submission of a proposal made pursuant to paragraph 2.1.1 if and to the extent that such proposal has, in the opinion of the Panel, substantially the same effect as:
  - (a) a Pending Modification Proposal; or
  - (b) a Rejected Modification Proposal, where such proposal is made at any time within 2 months after the decision of the Authority not to direct the Transmission Company to modify the Code pursuant to the Transmission Licence in the manner set out in such Modification Proposal.
- 2.1.5 For the purposes of paragraph 2:
  - (a) a "**Pending Modification Proposal**" is a Modification Proposal in respect of which, at the relevant time, the Authority has not yet made a decision as to whether to direct such Proposed Modification to be made pursuant to the Transmission Licence (whether or not a Modification Report has been submitted in respect of such Modification Proposal); and
  - (b) a "**Rejected Modification Proposal**" is a Modification Proposal in respect of which the Authority has decided not to direct the Transmission Company to modify the Code pursuant to the Transmission Licence in the manner set out therein.
- 2.1.6 The Modification Secretary shall notify the Proposer if the Panel refuses to accept the submission of a proposal pursuant to paragraph 2.1.4.
- 2.1.7 A proposal made pursuant to paragraph 2.1.1 and not refused pursuant to paragraph 2.1.3 or 2.1.4 shall be processed as a Modification Proposal as further provided in this paragraph 2.
- 2.1.8 Subject to paragraph 2.1.14, with a view to assisting the Panel in its determination pursuant to paragraph 2.2.3, BSCCo shall prepare an initial written assessment of the implications of each Modification Proposal as soon as reasonably practicable after such Modification Proposal is made and shall endeavour to complete such assessment such that it can be reviewed by the Panel at the Panel meeting at which such Modification Proposal is first to be considered.
- 2.1.9 Subject to paragraphs 2.1.14 and 2.9, the Modification Secretary shall place the Modification Proposal on the agenda of the next Panel meeting in accordance with the provisions of Section B4.1.
- 2.1.10 The Modification Secretary shall as soon as reasonably practicable:
  - (a) send a copy of the Modification Proposal and (if available) the initial assessment prepared by BSCCo pursuant to paragraph 2.1.8 to:

- (i) each Party;
- (ii) each BSC Agent;
- (iii) the Authority;
- (iv) each Panel Member;
- (v) Citizens Advice and Citizens Advice Scotland;
- (vi) any other body designated by the Authority pursuant to paragraph 2.1.1(c);
- (vii) each Core Industry Document Owner and the STC Committee;
- (viii) each person referred to in paragraph 1.9.3;

- (b) post a copy of the Modification Proposal on the BSC Website or, failing that, publish the Modification Proposal in such other manner as may be appropriate to bring it to the attention of interested third parties.

2.1.11 It shall be a condition to the right to make or adopt a proposal to modify the Code under this paragraph 2.1 that the Proposer:

- (a) assigns fully, irrevocably and unconditionally any and all present and future rights, IPRs or moral rights it may have in such proposal (as regards use or application in Great Britain and Offshore) to BSCCo and each Proposer acknowledges and agrees that any such rights, IPRs and moral rights shall vest in BSCCo unconditionally; and
- (b) warrants that, to the best of its knowledge, information and belief, no other person has asserted to the Proposer that such person has any IPRs or moral rights or rights of confidence in such proposal.

2.1.12 Subject to paragraphs 2.2.3(b)(iii), 2.5.9(c), 2.9.4A, 2.7A.9 and 5.3.1(b), a Proposer may:

- (a) withdraw his Modification Proposal on notice to the Modification Secretary at any time prior to the final evaluation by the 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 Workgroup at any time prior to the final evaluation by the 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 Subject to paragraph 5.3.1(b), 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 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 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.
- 2.1.12C In relation to each Modification Proposal that has been withdrawn pursuant to paragraph 2.1.12(a) or 2.1.12A, or withdrawn and subsequently adopted pursuant to paragraph 2.1.12B, the Modification Secretary shall promptly:
- (a) revise the Modification Register; and
  - (b) notify the persons referred to in paragraph 2.1.10(a).
- 2.1.12D The changes effected by Modification Proposal P247 (in respect of paragraphs 1.3.5(a), 2.1.11, 2.1.12, 2.1.12A, 2.1.12B, 2.1.12C, 2.1.12D, 2.2.3(b)(iii), 2.2.11, 2.3.2(c), 2.4.5(a), 2.4.5C, 2.4.6, 2.4.9, 2.4.9A, 2.5.9(c), 2.9.4A, paragraph 1(a) of Annex F-1 and the definition of Proposer in Section X) shall only be effective in respect of any Modification Proposal raised, pursuant to paragraph 2.1.1, after the Relevant Implementation Date.
- 2.1.13 The provisions of Section B4 shall apply in relation to the convening and conduct of Panel meetings for the purposes of Modification Business.

- 2.1.14 Where there is a proposal made by the Panel to modify the Code pursuant to either paragraph 2.1.1(d) or Section G1.5, then the initial written assessment for that proposal may be presented at the same Panel meeting at which that proposal is made and the provisions of paragraph 2.2 shall apply.

## **2.2 Panel Proceedings**

- 2.2.1 The provisions of this paragraph 2.2 are subject to paragraph 2.9.
- 2.2.2 The Proposer's representative shall attend the Panel meeting at which its Modification Proposal is first to be considered and the Panel may invite the Proposer's representative to present his Modification Proposal to the Panel.
- 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 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).
- 2.2.4 For the avoidance of doubt, it is expected that the Panel would usually proceed directly to the Report Phase pursuant to paragraph 2.2.3(b)(iii) where the Modification Proposal is of a minor or inconsequential nature and/or where the recommendation which the Panel

should make to the Authority in relation to such Modification Proposal would generally be considered to be self-evident.

- 2.2.5 If the Panel considers that there is insufficient information available to it to enable it to take a decision referred to in paragraph 2.2.3 in respect of a particular Modification Proposal, the Panel may in exceptional circumstances and having regard always to the requirements of paragraph 1.2.2 defer consideration of the relevant issue until the next succeeding Panel meeting provided that, in so doing, the Panel shall prescribe the steps which need to be taken (by the Modification Secretary, BSCCo or otherwise) to enable the Panel to decide the matter at such subsequent meeting (including completion, where necessary, of an initial assessment by BSCCo pursuant to paragraph 2.1.8).
- 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 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 Workgroup and any draft Modification Reports).
- 2.2.8 In setting the timetable referred to in paragraph 2.2.3(c)(ii), the Panel shall exercise its discretion such that, in respect of each Modification Proposal, a Modification Report may be submitted to the Authority as soon after the Modification Proposal is made as is consistent with the proper definition and/or assessment and evaluation of such Modification Proposal, taking due account of its complexity, importance and urgency.
- 2.2.9 Without prejudice to paragraph 2.2.8, the Panel shall set the timetable referred to in paragraph 2.2.3(c)(ii) such that:
- (a) in respect of a Definition Procedure, it is no longer than 2 months; and
  - (b) in respect of an Assessment Procedure, it is no longer than 3 months
- unless the particular circumstances of the Modification Proposal (taking due account of its complexity, importance and urgency) justify an extension of such timetable (and provided that the Authority has not issued a contrary direction in accordance with paragraph 1.4.3 in respect thereof).
- 2.2.10 Having regard to the complexity, importance and urgency of particular Modification Proposals, the Panel may determine the priority of Modification Proposals and may (subject to paragraph 1.4.3) adjust the relevant modification timetable for each Modification Proposal accordingly.
- 2.2.11 The Panel may decide at any time to stop a Definition Procedure and/or an Assessment Procedure and proceed, in either case, directly to the Report Phase, in which case the Proposer's right to withdraw or vary his Modification Proposal shall lapse.

## **2.3 Amalgamation**

- 2.3.1 Subject to paragraph 1.4.3, the Panel may decide at any time to amalgamate a Modification Proposal with one or more other Modification Proposals where the subject-matter of such Modification Proposals is sufficiently proximate to justify amalgamation on the grounds of efficiency and/or where such Modification Proposals are logically dependent on each other.
- 2.3.2 Where Modification Proposals are amalgamated pursuant to paragraph 2.3.1:



- (a) such Modification Proposals shall be treated as a single Modification Proposal;
- (b) references in this Section F to a Modification Proposal shall include and apply to a group of two or more Modification Proposals so amalgamated;
- (c) without prejudice to each Proposer's right to withdraw his Modification Proposal prior to the amalgamation of his Modification Proposal, the Proposers of each such Modification Proposal shall co-operate in deciding which of them is to be the Proposer of the amalgamated Modification Proposal and, in default of agreement, the Panel shall nominate one of the Proposers for that purpose; and
- (d) the Panel shall establish such arrangements as it considers appropriate for the evaluation of the amalgamated Modification Proposals.

## **2.4 Establishment of Workgroups**

- 2.4.1 A 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 Workgroup (or designate an existing Workgroup) to carry out such Procedure in accordance with the provisions of this paragraph 2.4.
- 2.4.3 A single 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 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 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 Workgroup, and in the case of a standing Workgroup, forming the subject matter of the issues determined by the Panel under the terms of reference for that standing Workgroup (and the Panel shall ensure, as far as possible, that an appropriate cross-section of experience, interests and expertise is represented on such 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 Workgroup which is to consider the Proposer's Modification Proposal (and who, in the case of a standing 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 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 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 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 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 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 Workgroup.
- 2.4.5C A Proposer may, pursuant to paragraph 2.4.5(a), appoint a representative of BSCCo as a member of the 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 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 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 Workgroup:
- (a) each proposed member of the 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 Workgroup, during such period as the Panel may specify) to attend 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 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 Workgroup to act as chairman of the Workgroup, and the Panel may change the chairman of a Workgroup from time to time as it sees fit.
- 2.4.8 A Workgroup shall not be a Panel Committee for the purposes of Section B5.
- 2.4.9 A member of a 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 Workgroup).
- 2.4.9A The restrictions in paragraph 2.4.9 on a member of a 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 Workgroup at any time.

- 2.4.11 The Panel may (but shall not be obliged to) replace any member of a 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 Workgroup.
- 2.4.12 The Panel shall determine the terms of reference of each Workgroup (which in the case of a standing 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 Workgroup shall include provision in respect of (among other things) the following matters:
- (a) those areas of a 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 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 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 Workgroup (and each member of a 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 Workgroup); and
  - (c) if a Workgroup is unable to reach agreement on any matter, the report of the Workgroup shall instead include a summary of the views of the members of the Workgroup.
- 2.4.15 In addition to any staff made available to act as members of a Workgroup pursuant to paragraph 2.4.5, BSCCo shall provide such staff, facilities and support to each Workgroup (including the engagement of external consultants and advisers) as such Workgroup may reasonably require to assist with the administration and operation of the business of such Workgroup provided that any material expenditure (as determined by the Panel in respect of a particular 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 Workgroup meeting.
- 2.4.17 The Modification Secretary shall notify the Authority in advance of all 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 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.

2.4.19 Paragraph 2.4.18 shall not apply:

- (a) in the case of a meeting held by telephone conference; or
- (b) where it is impractical in the opinion of the chairman of the meeting to hold the meeting in open session;

2.4.20 Subject to the provisions of this paragraph 2.4 and unless otherwise determined by the Panel, a 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 Workgroup are published on the BSC Website.

2.4.22 Without prejudice to paragraph 2.7.8, each report prepared by a 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 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 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.

## **2.5 Definition Procedure**

2.5.1 The provisions of this paragraph 2.5 shall apply if the Panel decides to submit a Modification Proposal to the Definition Procedure pursuant to paragraph 2.2.

2.5.2 The purpose of the Definition Procedure is to define the issues raised by a Modification Proposal in sufficient detail to enable the Panel to determine which of the options set out in paragraph 2.5.9 is the most appropriate in all the circumstances.

- 2.5.3 The Panel shall establish or designate a Workgroup and shall determine its terms of reference in accordance with the provisions of paragraph 2.4.
- 2.5.4 The 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 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 Workgroup (pursuant to paragraph 2.2.6 and, where applicable, paragraph 2.5.5(b)) and the comments and views of the Workgroup in respect thereof;
  - (d) a summary of any analysis prepared by the Transmission Company and the comments and views of the Workgroup in respect thereof;
  - (e) a summary of any analysis prepared by relevant BSC Agents and the comments and views of the 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 Workgroup.
- 2.5.5 In preparing its report pursuant to paragraph 2.5.4, the 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 Workgroup):
- (a) commission an analysis from the Transmission Company in accordance with paragraph 2.8;

- (b) if requested by the Workgroup, commission an analysis from relevant BSC Agents;
  - (c) if requested by the Workgroup, commission an analysis from external consultants and/or advisers with relevant specialist knowledge.
- 2.5.7 Upon completion of the 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 chairman) of the Workgroup shall attend the next following Panel meeting and may be invited to present the findings of the Workgroup to the Panel and/or answer the questions of Panel Members in respect thereof; other members of the Workgroup may also attend such Panel meeting.
- 2.5.9 Following completion of the Workgroup's report pursuant to paragraph 2.5.7, the Panel shall consider the Workgroup's report at the next following Panel meeting and shall determine whether to:
  - (a) refer the Modification Proposal back to the 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).
- 2.6 Assessment Procedure**
- 2.6.1 The provisions of this paragraph 2.6 shall apply if the Panel decides to submit a Modification Proposal to the Assessment Procedure pursuant to paragraph 2.2, 2.5.9(b) or 7.3.4(c).
- 2.6.2 The purpose of the Assessment Procedure is to evaluate whether the Proposed Modification identified in a Modification Proposal better facilitates achievement of the Applicable BSC Objective(s) and whether any alternative modification would, as compared with the Proposed Modification, better facilitate achievement of the Applicable BSC Objective(s) in relation to the issue or defect identified in the Modification Proposal.
- 2.6.2A Where a Proposed Modification and any Alternative Modification are likely to have a material impact on greenhouse gas emissions then the evaluation pursuant to paragraph 2.6.2, in respect of the Applicable BSC Objective(s), shall include an assessment of the quantifiable impact of the Proposed Modification and any Alternative Modification on greenhouse gas emissions and such assessment shall be conducted in accordance with the guidance (on the treatment of carbon costs and evaluation of greenhouse gas emissions) that may be issued by the Authority from time to time.



- 2.6.3 The Panel shall establish or designate a Workgroup and shall determine its terms of reference in accordance with the provisions of paragraph 2.4.
- 2.6.4 The 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 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 Workgroup):
- (a) commission an analysis and impact assessment from the Transmission Company in accordance with paragraph 2.8;
  - (b) if requested by the Workgroup, commission an impact assessment from relevant BSC Agents;
  - (c) if requested by the Workgroup, commission an analysis from external consultants and/or advisers with relevant specialist knowledge;
  - (d) if requested by the 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



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 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.
- 2.6.9 For the purposes of paragraph 2.6.8, the steps include:
- (a) the commissioning of detailed impact assessments;
  - (b) the commissioning of legal text to modify the Code in order to give effect to a Proposed Modification and/or an Alternative Modification.
- 2.6.10 At any stage during an Assessment Procedure:
- (a) the Panel may request the 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 Workgroup in consequence of the Authority's views.
- 2.6.11 Upon completion of the 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 chairman) of the Workgroup shall attend the next following Panel meeting and may be invited to present the findings of the Workgroup to the Panel and/or answer the questions of Panel Members in respect thereof; other members of the Workgroup may also attend such Panel meeting.
- 2.6.13 The Panel shall consider the Workgroup's report at the next following Panel meeting and shall determine:
- (a) whether to:
    - (i) submit the Modification Proposal back to the 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 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).

## **2.7 Report Phase**

2.7.1 The provisions of this paragraph 2.7 shall apply where the Panel decides, pursuant to paragraphs 2.2.3(b)(iii), 2.2.11, 2.5.9(c) or 2.6.13(a)(ii), that a Modification Proposal should proceed to the 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 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 Workgroup(s) on such text.

2.7.4 The Modification Secretary shall:

- (a) prepare a draft Modification Report which shall set out the matters referred to in paragraph 2.7.7 as soon as possible and, in any event, within 15 Business Days after the Panel decides that the Modification Proposal should proceed to the Report Phase;
- (b) copy such draft report to each of the persons listed in paragraph 2.1.10(a);
- (c) publish such draft report in such manner as may be appropriate to bring it to the attention of other persons who may be affected by such report;

- (d) invite representations on the draft report within such period as the Panel may determine (and, in any event, not more than 15 Business Days);
- (e) prepare a summary of the representations received during the consultation conducted pursuant to paragraph (d); and
- (f) put the draft report and the summary referred to in paragraph (e) on the agenda for the next following Panel meeting.

2.7.5 The Panel shall consider the draft Modification Report at the next following Panel meeting and, having taken due account of the representations contained in the summary referred to in paragraph 2.7.4(e), the Panel shall determine:

- (a) whether to recommend to the Authority that the Proposed Modification or any Alternative Modification should be made;
- (b) whether to approve the draft Modification Report or to instruct the Modification Secretary to make such changes to the report as may be specified by the Panel;
- (c) (if applicable) whether to approve the proposed text for modifying the Code in order to give effect to any Proposed Modification or Alternative Modification which it is recommending or to instruct the Modification Secretary to make such changes to the text as may be specified by the Panel;
- (d) the proposed Implementation Date for implementation of the Proposed Modification or any Alternative Modification (whether or not the Panel recommends the making of such Proposed Modification or Alternative Modification).

2.7.6 Subject to paragraph 6.3.2, within 7 Business Days after the Panel meeting referred to in paragraph 2.7.4, the Modification Secretary shall finalise the Modification Report and shall forthwith:

- (a) submit such Modification Report to the Authority; and
- (b) copy such Modification Report to:
  - (i) each Party;
  - (ii) each Panel Member; and
  - (iii) each of the persons specified in paragraph 1.9.3.

2.7.6A If the Panel intends to instruct (under paragraph 2.7.5(b) changes to be made to the draft Modification Report, as a result of information obtained by BSCCo relating to matters (including those specified in paragraph 1(c) of Annex F-1) which were identified by BSCCo since the draft report was prepared, the Panel may with the approval of the Authority:

- (a) instruct the Modification Secretary to publish, and invite further representations (from the persons listed in paragraph 2.1.10(a)) on those changes; and
- (b) defer to such date as the Authority may approve the submission of the Modification Report to the Authority, to allow such further consultation to take place.

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 Workgroup (where the proposal was submitted to a 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.

2.7.8 Each Modification Report shall be addressed and furnished to the Authority and none of the facts, opinions or statements contained in such Modification Report may be relied upon by any other person.

#### **2.7A Send Back Process**

2.7A.1 Where the Authority considers that it is unable to form an opinion in relation to a Modification Report submitted to it pursuant to paragraph 2.7.6 then it may issue a direction to the Panel:

- (a) specifying any additional steps that it requires in order to form such an opinion including drafting or amending the proposed text to modify the Code, revising the implementation timetable and/or proposed Implementation Date(s), revising or providing additional analysis and/or information; and
- (b) requiring such Modification Report to be revised and re-submitted to the Authority,

and the Authority may include in such direction its reasons for why it has been unable to form an opinion (a "**Send Back Direction**").

2.7A.2 The Panel shall re-submit the revised Modification Report as soon after the Authority's direction pursuant to paragraph 2.7A.1 as is appropriate (taking into account the complexity, importance and urgency of the Modification Proposal) and the implementation timetable and the proposed Implementation Date(s) specified in the Modification Report (but no other aspect of that Modification Report) shall be deemed to be suspended for the duration of the Send Back Process.

2.7A.3 Subject to paragraph 2.7A.4, in relation to each Send Back Direction BSCCo shall prepare a draft Send Back Process for approval by the Panel which:

- (a) shall include a procedure and timetable for the reconsideration by the Panel of its recommendation and the re-submission of the revised Modification Report to the Authority; and
- (b) may include such further matters as the Panel considers necessary to address the Send Back Direction including:
  - (i) further consultation with Parties and interested third parties;

- (ii) revised or additional analysis and/or information;
- (iii) drafting or amending proposed text to modify the Code;
- (iv) revising the proposed Implementation Date(s) (and, without prejudice to the generality of paragraph 2.7A.3(b)(i)), the Panel shall conduct a consultation with Parties and interested third parties in respect of any revised proposed Implementation Date(s); and
- (v) any other steps required by the Panel to address the Send Back Direction.

2.7A.4 Where the requirements specified in the Send Back Direction are of a minor nature such that it would be more appropriate for BSCCo to address the matters contained therein without preparing a draft Send Back Process then:

- (a) BSCCo may take such steps as are necessary to address the requirements of that Send Back Direction; and
- (b) the provisions of paragraphs 2.7A.6(b), 2.7A.6(c), 2.7A.7 and 2.7A.8 shall apply thereto provided that if the Panel does not approve the revised draft Modification Report then it may require BSCCo to prepare a draft Send Back Process in accordance with paragraph 2.7A.3.

2.7A.5 The Panel shall consider the draft Send Back Process and, having considered any comments made or received by the representative of the Authority, shall determine whether to approve the draft Send Back Process or to instruct BSCCo to make such changes to the draft Send Back Process as may be specified by the Panel.

2.7A.6 Following approval by the Panel of the Send Back Process:

- (a) BSCCo and (where applicable) the Workgroup shall perform the additional steps set out in the Send Back Process (including, to the extent necessary, the revision by the Workgroup of its views and rationale as to whether the Proposed Modification and any Alternative Modification better facilitate the achievement of the Applicable BSC Objective(s));
- (b) the Modification Secretary shall notify the persons specified in paragraph 2.7.6(b) that the Authority has issued a Send Back Direction, revise the Modification Report, re-submit that Modification Report to the Panel and take any further steps in relation to it as are set out in this paragraph 2.7A and the Send Back Process; and
- (c) the Panel shall consider the revised Modification Report in accordance with paragraph 2.7A.7,

in each case in accordance with the procedure(s) and timetable set out in the Send Back Process.

2.7A.7 The Panel shall consider the revised Modification Report and determine:

- (a) whether to revise the recommendation it made to the Authority pursuant to paragraph 2.7.5(a):
- (b) whether to approve the revised Modification Report or to instruct the Modification Secretary to make such further changes to the revised report as may be specified by the Panel;

- (c) (if applicable) whether to approve any revised proposed text to modify the Code or to instruct the Modification Secretary to make any further changes as may be specified by the Panel; and/or
- (d) (if applicable) whether to approve any revised proposed Implementation Date(s) for implementation of the Proposed Modification or any Alternative Modification (whether or not the Panel recommends the making of such Proposed Modification or Alternative Modification).

2.7A.8 The Modification Secretary shall:

- (a) finalise the revised Modification Report which shall, for the purposes of the Code, be deemed to be the Modification Report as from the date of the Panel's determination pursuant to paragraph 2.7A.7; and
- (b) submit such Modification Report to the Authority and copy it to the persons specified in paragraph 2.7.6(b).

2.7A.9 For the avoidance of doubt, a Proposer shall have no right to withdraw or vary his Modification Proposal during the Send Back Process.

## **2.8 Analysis of the Transmission Company**

2.8.1 At the request of the Panel or BSCCo, the Transmission Company shall prepare an analysis of any Modification Proposal with:

- (a) an assessment of the impact of the Proposed Modification (and, if applicable, any Alternative Modification) on the ability of the Transmission Company to discharge its obligations efficiently under the Transmission Licence and on its ability to operate an efficient, economical and co-ordinated transmission system;
- (b) the views and rationale of the Transmission Company as to whether the Proposed Modification or any Alternative Modification would better facilitate achievement of the Applicable BSC Objective(s);
- (c) an assessment (where applicable) of:
  - (i) the impact of the Proposed Modification and any Alternative Modification on the computer systems and processes of the Transmission Company;
  - (ii) the changes required to such systems and processes in consequence of the Proposed Modification and any Alternative Modification;
  - (iii) an estimate of the development, capital and operating costs (broken down in reasonable detail) which the Transmission Company anticipates that it would incur in and as a result of implementing the Proposed Modification and any Alternative Modification and any consequential change to Core Industry Documents and/or the System Operator-Transmission Owner Code; and
- (d) such other matters as the Panel or BSCCo may reasonably request.

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 Workgroup to answer questions or provide clarification in respect thereof.

- 2.8.3 Subject to the provision by the Transmission Company of any analysis requested pursuant to paragraph 2.8.1 and any further explanation or clarification requested pursuant to paragraph 2.8.2, the Transmission Company shall not be obliged by virtue of any provision of this Section F to disclose or provide access to any information or data relating to its business which is not otherwise generally available.
- 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 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.

## **2.9 Urgent Code Modifications**

- 2.9.1 Where there has been a recommendation of the Transmission Company and/or BSCCo or a recommendation of the Proposer (pursuant to paragraph 2.1.2) that a proposal should be treated as an Urgent Modification Proposal in accordance with this paragraph 2.9, then the Panel shall make a recommendation to the Authority as to:

- (a) whether, in the Panel's opinion, the proposal should be treated as an Urgent Modification Proposal;
- (b) the procedure and timetable to be followed in the event that the Authority instructs that the proposal shall be treated as an Urgent Modification Proposal; and

in making its recommendation under this paragraph 2.9.1 the Panel may consider any relevant information provided to it by BSCCo and/or the Transmission Company.

- 2.9.2 For the avoidance of doubt, in relation to any Modification Business involving an Urgent Modification Proposal (or a Modification Proposal which the Proposer or BSCCo and/or the Transmission Company recommend should be treated as an Urgent Modification Proposal):

- (a) the provisions of Section B.4.6 shall apply; and
- (b) where the Panel Chairman was unable to contact sufficient Panel Members in accordance with Section B4.6, the Panel Chairman shall make the recommendation referred to in paragraph 2.9.1.

- 2.9.3 The Panel shall:

- (a) not treat any Modification Proposal as an Urgent Modification Proposal except with the prior consent of the Authority;
- (b) comply with the procedure and timetable in respect of any Urgent Modification Proposal approved by the Authority;
- (c) comply with any instruction of the Authority not to treat a Modification Proposal as an Urgent Modification Proposal; and



- (d) comply with any instruction of the Authority issued in respect of any recommendation of the Panel or the Panel Chairman made pursuant to paragraphs 2.9.1 or 2.9.2.

2.9.4 For the purposes of this paragraph 2.9, the procedure and timetable in respect of an Urgent Modification Proposal may (with the approval of the Authority pursuant to paragraph 2.9.3) deviate from all or part of the Modification Procedures or follow any other procedure or timetable approved by the Authority. The Panel must notify the persons listed in paragraph 1.9.3 of any Urgent Modification Proposal and when approving any alternative procedure or timetable, the Authority must consider whether or not such procedure and timetable should allow for the persons listed in paragraph 1.9.3 to be consulted on the Urgent Modification Proposal and if so how much time should be allowed.

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 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.

2.9.5 The Modification Report in respect of an Urgent Modification Proposal shall include any statement provided by the Authority as to why the Authority believes that such Modification Proposal should be treated as an Urgent Modification Proposal and the extent to which the procedure followed deviated from the Modification Procedures.

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 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 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 Workgroup pursuant to paragraph 2.9.6 to each of the persons referred to in paragraph 2.1.10(a).

2.9.9 Each Party, each Panel Member, each of the persons referred to in paragraph 1.9.3, BSCCo and the Modification Secretary shall take all reasonable steps to ensure that an Urgent Modification Proposal is considered, evaluated and (subject to the approval of the Authority) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an Urgent Modification Proposal may (subject to the Approval of the Authority) result in a Code Modification being made on the day on which such proposal is submitted.

## **2.10 Confidentiality**

2.10.1 Any representations submitted by a person pursuant to the Modification Procedures shall be made publicly available save as otherwise expressly requested by such person by notice in writing to BSCCo.

2.10.2 The Panel and BSCCo shall not be liable for any accidental publication of a representation which is the subject of a request made under paragraph 2.10.1.

2.10.3 For the avoidance of doubt, all representations (whether or not marked confidential) shall be sent to the Authority.

2.10.4 Where any provision of this paragraph 2 provides for data, information or reports to be published or made available to Parties and/or other persons, the Panel shall exclude therefrom any matters in respect of which the Authority issues a notice to the Modification Secretary for the purposes of this paragraph 2.10.4.

## **2.11 Implementation**

2.11.1 BSCCo shall be responsible for implementing the Approved Modification in accordance with the project brief prepared pursuant to paragraph 2.6.6(e) in relation to that Modification.

2.11.2 The Panel shall make such modifications to Code Subsidiary Documents (in accordance with the provisions of paragraph 3) and/or adopt such new Code Subsidiary Documents as may be necessary to give full and timely effect to an Approved Modification by the Implementation Date.

2.11.3 BSCCo shall take appropriate steps to secure such amendments to the BSC Agent Contracts as may be necessary to give full and timely effect to an Approved Modification by the Implementation Date.

2.11.4 BSCCo shall take appropriate steps to procure changes to BSC Systems and processes in order to give full and timely effect to an Approved Modification by the Implementation Date.

2.11.5 BSCCo shall promptly provide a report to the Panel where:

- (a) it appears, in BSCCo's reasonable opinion, that problems may arise, or have arisen, in the implementation of an Approved Modification in accordance with the project brief prepared pursuant to paragraph 2.6.6(e); and/or
- (b) BSCCo has reason to believe that the changes necessary to BSC Systems and processes will not have been completed by the Implementation Date; and/or
- (c) BSCCo becomes aware of any circumstances which might otherwise prevent or delay the full and timely implementation of the Approved Modification.

2.11.6 In relation to Approved Modifications:

- (a) each Party shall use its reasonable endeavours to implement changes made to Core Industry Documents and/or the System Operator-Transmission Owner Code in order to give full and timely effect to a Code Modification by the Implementation Date; and
- (b) the Transmission Company shall make such changes to those of its systems which support the operation of the Code as may be necessary in order to give effect to a Code Modification by the Implementation Date.

2.11.7 Without prejudice to the obligations of the Panel and BSCCo under this Section F, the Implementation Date may be extended or brought forward with the prior approval of, or at the direction of, the Authority.

2.11.8 The Panel shall apply to the Authority for an extension to the Implementation Date if it becomes aware of any circumstance which is likely to cause a delay in the implementation of an Approved Modification.

- 2.11.9 The Panel may, after consultation with the persons listed in paragraph 2.1.10(a), apply to the Authority (providing copies of the representations made in such consultation) to bring forward the Implementation Date if the Panel is reasonably satisfied that an Approved Modification is capable of being implemented sooner than the current Implementation date and is of the opinion that its implementation should be so brought forward.
- 2.11.10 Where a Relevant Challenge is made and the Panel considers the Implementation Date or a **"Proposed Implementation Date"** (as defined in paragraph 2.11.15) relating to a Modification Proposal is or may no longer be appropriate or may expire prior to a determination made in relation to the Relevant Challenge, the Panel shall consult with the persons listed in paragraph 2.1.10(a) as to the following:
- (a) whether a Conditional Implementation Date in replacement of the current Implementation Date or Proposed Implementation Date is appropriate or advisable as a result of the Relevant Challenge; and
  - (b) (if the Panel considers it appropriate) whether the Conditional Implementation Date should replace the current Implementation Date or Proposed Implementation Date subject to the condition precedent that it shall be effective only if the determination of the relevant appeal or judicial review is received on or before (or not received after) a specified date.
- 2.11.11 After undertaking a consultation pursuant to paragraph 2.11.10 the Panel may recommend to the Authority a Conditional Implementation Date which is subject to the condition precedent that it shall be effective only if the determination in the relevant appeal or judicial review is received on or before (or not received after) a specified date.
- 2.11.12 The Panel shall, at the same time as the making of its recommendation under paragraph 2.11.11, provide copies of the representations made in relation to such consultation and any relevant additional information (including any information or assessment from BSCCo relating to the BSC Systems and processes) to the Authority.
- 2.11.13 If the Authority decides to accept the Panel's recommendation referred to in paragraph 2.11.11, the Conditional Implementation Date so accepted (subject to any conditions precedent to its effectiveness imposed by the Authority) shall be deemed to replace the:
- (a) current Implementation Date which is applicable (or purportedly applicable) by reason of paragraph 1.1.3; or
  - (b) Proposed Implementation Date set out in any Modification Report relating to the relevant Modification Proposal.
- 2.11.14 Where the Panel considers that:
- (a) a Conditional Implementation Date (whether or not subject to any condition precedent concerning its effectiveness) imposed in accordance with this paragraph 2.11 is or may no longer be appropriate or may expire prior to a determination being made in relation to the Relevant Challenge; or
  - (b) where the Authority has previously rejected a recommendation from the Panel made pursuant to paragraph 2.11.11 but, as a result of the progress of the appeal or judicial review or some other relevant circumstance, the Panel considers that it may be appropriate to make or consider making a new recommendation to the Authority concerning a Conditional Implementation Date;

paragraphs 2.11.10, 2.11.11, 2.11.12 and 2.11.13 shall apply mutatis mutandis.

- 2.11.15 For the purposes of this paragraph 2.11:
- (a) there shall be a Relevant Challenge where any necessary consent or permission to bring an appeal or seek a judicial review from or of a decision by the Authority to accept or reject a Modification Proposal is granted and such an appeal or judicial review is made, brought or proceeded with; and
  - (b) Proposed Implementation Date means a proposed Implementation Date set out in a Modification Report in accordance with Annex F-1 in relation to any Modification Proposal in respect of which a decision has been made (or purportedly made) by the Authority to approve or reject such Modification Proposal.
- 2.11.16 Where, in relation to a Modification Proposal which is the subject of a notice of the Transmission Company pursuant to paragraphs 1.1.2 or 1.1.4, a Party either makes:
- (a) an application for consent or permission to make or seek an appeal or judicial review; or
  - (b) a Relevant Challenge;
- the Party must submit written notice of such application and/or Relevant Challenge to the Modification Secretary no later than 5 Business Days from the date such application and/or Relevant Challenge is made.
- 2.11.17 Upon receiving a notice pursuant to paragraph 2.11.16(b) the Modification Secretary shall send notice of such to the persons listed in paragraph 2.1.10(a).
- 2.11.18 Where the Authority considers that the proposed Implementation Date specified in a Modification Report in accordance with paragraph 2.7.7(b) (and in respect of which notification of the Authority's decision pursuant to paragraphs 1.1.2 or 1.1.4 has not been made), is or may no longer be appropriate or might otherwise prevent the Authority from making such decision by reason of the effluxion of time, the Authority may direct the Panel to consult with the persons listed in paragraph 2.1.10(a) on a revised proposed Implementation Date.
- 2.11.19 Following the completion of a consultation held pursuant to paragraph 2.11.18, the Panel shall recommend a revised proposed Implementation Date to the Authority.
- 2.11.20 If the Authority decides to accept the Panel's recommendation pursuant to paragraph 2.11.19 the Authority shall notify the Panel of its decision and the revised proposed Implementation Date so accepted shall, for the purposes of the Code, be deemed to have replaced the proposed Implementation Date specified in the relevant Modification Report.
- 2.11.21 In respect of any consultation held pursuant to paragraph 2.11.18, the Panel may in addition consult on any matters relating to the relevant Modification Report which in the Panel's opinion have materially changed since the relevant Modification Report was submitted to the Authority in accordance with paragraph 2.7.6 and where it does so, the Panel shall report on such matters as part of its recommendation in accordance with paragraph 2.11.19.
- 2.11.22 For the purposes of a direction made pursuant to paragraph 2.11.18, the Authority may:
- (a) specify that the revised proposed Implementation Date shall not be prior to a specified date;

- (b) specify a reasonable period (taking into account a reasonable period for consultation) within which the Panel shall be obliged to make its recommendation in accordance with paragraph 2.11.19; and/or
  - (c) provide such reasons as it deems appropriate for such direction including in respect of those matters referred to in paragraphs 2.11.22(a) and 2.11.22(b), where applicable.
- 2.11.23 The provisions of paragraphs 2.11.18, 2.11.19, 2.11.20, 2.11.21 and 2.11.22 shall only be effective in respect of any Modification Proposals raised pursuant to paragraph 2.1.1 (but subject always to paragraphs 2.1.7 and 2.1.12) after the Relevant Implementation Date.

## **2.12 Intentionally left blank**

# **3. CREATION AND MODIFICATION OF CODE SUBSIDIARY DOCUMENTS**

## **3.1 Scope**

- 3.1.1 Subject to the further provisions of this paragraph 3.1, the Panel may modify (whether by way of amendment, deletion, addition, replacement or otherwise) existing Code Subsidiary Documents or create additional Code Subsidiary Documents in accordance with the procedures set out in paragraph 3.2.
- 3.1.2 The Panel may only make modifications to existing Code Subsidiary Documents or create additional Code Subsidiary Documents if and to the extent that:
- (a) the modified Code Subsidiary Document or additional Code Subsidiary Document is consistent with, and does not impair, frustrate or invalidate, the provisions of the Code; and
  - (b) the modification or addition does not impose new obligations or restrictions of a material nature on Parties or Party Agents (or classes thereof) which are not authorised or envisaged by, or subsidiary to, the rights and obligations of the Parties under, the Code.
- 3.1.3 The Panel Secretary shall notify:
- (a) each Party;
  - (b) each BSC Agent; and
  - (c) the Authority
- promptly of any modification to an existing Code Subsidiary Document or the creation of any new Code Subsidiary Document.
- 3.1.4 A modification to or the addition of a Code Subsidiary Document pursuant to this paragraph 3.1 shall take effect on the later of:
- (a) the date specified by the Panel; and
  - (b) the date of any notice issued pursuant to paragraph 3.1.3.
- 3.1.5 The Panel may establish a Panel Committee, in accordance with Section B, which shall be responsible for reviewing, considering and recommending changes to Code Subsidiary

Documents or the establishment of new Code Subsidiary Documents with a view to ensuring that the Code and the Code Subsidiary Documents together continue to facilitate achievement of the Applicable BSC Objective(s).

- 3.1.6 For the purposes of this Section F, Code Subsidiary Documents shall be construed as including the Agreed Procedures, Codes of Practice, Service Lines and Supplier Service Lines referred to in (and, in each case, as defined in) the Pool Supplement.

## **3.2 Procedures**

- 3.2.1 The Panel shall, prior to making any modification to a Code Subsidiary Document or to establishing a new Code Subsidiary Document pursuant to paragraph 3.1.1, consult with Parties and interested third parties in such manner as it considers appropriate, in the light of the complexity, importance and urgency of the proposed change and shall have regard to any representations made and not withdrawn during such consultation.
- 3.2.2 In complying with paragraph 3.2.1, the Panel shall ensure that the proposed draft changes are copied to each Party and (subject, to the extent applicable, to Section H1.4.3) otherwise published in such manner as it sees fit, and Parties and interested third parties shall be given a reasonable opportunity to comment on the proposed changes, having regard to the urgency of the matter.
- 3.2.3 The provisions of BSCP40 shall apply in relation to the modification of any existing or the establishment of any new Code Subsidiary Document pursuant to this paragraph 3.

## **3.3 Master Registration Agreement**

- 3.3.1 Without prejudice to the generality of the foregoing, in relation to the Master Registration Agreement:

- (a) where:
- (i) changes to the BSC Requirements for the MRA are to be effected through changes to a Code Subsidiary Document and such changes are approved by the Panel; and
  - (ii) the corresponding changes to the Priority Provisions (as defined in the MRA) are agreed under the Master Registration Agreement,
- the Parties shall use their reasonable endeavours to ensure that such changes to the Code Subsidiary Document and to the MRA are made with effect from the same date;
- (b) without prejudice to the Authority's powers in relation to the Implementation Date of an Approved Modification, the Panel shall be responsible for liaising with the relevant forum under the Master Registration Agreement to ensure co-ordination of the implementation of changes to the BSC Requirements for the MRA;
- (c) where BSCCo receives a copy of a change request to the Priority Provisions under the Master Registration Agreement which has been proposed under the terms of the Master Registration Agreement, BSCCo:
- (i) may recommend to the Panel that a proposal to modify the Code should be made or that a modification should be made to a Code Subsidiary Document in consequence of such change request; and



- (ii) shall consult as it sees fit with Parties; and
- (iii) shall, within the timescale indicated in the copy of the change request, provide the relevant forum under the Master Registration Agreement with comments, if any, on the change request (having regard to the views of Parties expressed in response to any consultation which BSCCo undertakes) and shall indicate whether an impact assessment may be necessary on the change request.

## **4. IS POLICIES**

### **4.1 Establishment**

4.1.1 The Panel may establish and implement policies addressing, among other things, the following matters:

- (a) the establishment and maintenance of a quality management system;
- (b) the establishment of a design authority to oversee changes to BSC Systems;
- (c) the establishment of a change co-ordination function to assist in the co-ordination of changes to the BSC Systems;
- (d) the establishment and maintenance of appropriate security arrangements (covering, for example, confidentiality, system access control and building access control).

4.1.2 The purpose of the IS Policies shall be to give assurance to Parties that the BSC Systems meet any requirements associated with quality.

4.1.3 The policies described in paragraph 4.1.1 shall be known as "**IS Policies**" and shall be published in such manner as the Panel sees fit.

### **4.2 Changes to BSC Systems**

4.2.1 Where a change is proposed to a BSC System which does not require a Code Modification or a modification to a Code Subsidiary Document, such change shall be evaluated, developed and, if approved by the Panel, implemented in accordance with the IS Policies and with BSCP40.

## **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) a statement that the Authority's review shall constitute a Significant Code Review;
- (b) the start date of the Significant Code Review; and



- (c) a description of the matters for consideration within the scope of the Significant Code Review.

5.1.3 Subject to paragraph 5.1.4, a Significant Code Review Phase shall commence on the date specified by the Authority pursuant to paragraph 5.1.2(b) and shall be deemed to have ceased for the purposes of the Code on the date that:

- (a) the Transmission Company raises a SCR Modification Proposal in accordance with a direction from the Authority pursuant to paragraph 5.3.1 arising from the relevant Significant Code Review; or
- (b) the Authority issues a statement to Parties to the effect that no direction in accordance with paragraph 5.1.3(a) will be issued;

provided that the Authority shall issue a direction pursuant to paragraph 5.3.1 or issue a statement pursuant to paragraph 5.1.3(b) within 28 days after the Authority publishes its Significant Code Review Conclusions.

5.1.4 If either of the Authority's direction described in paragraphs 5.3.1 or the Authority's statement described in paragraph 5.1.3(b) is not issued 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 shall 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 of its determination that a Proposed Modification raised during a Significant Code Review Phase is exempt from the Significant Code Review (a "**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 the relevant Modification Proposal and submit a SCR Suitability Assessment Report to the Authority which shall include the Panel's assessment of:

- (a) whether such Modification Proposal falls within the scope of a Significant Code Review and its reasons for that assessment;
- (b) whether such Modification Proposal is a SCR Modification Proposal; and
- (c) any other matters which the Panel considers to be relevant including the urgency or otherwise of the Modification Proposal.

5.2.3 For the purposes of a SCR Suitability Assessment, the Panel may invite representations from Parties or conduct a consultation with such of those persons listed in paragraph 2.1.10(a) as it deems fit in its absolute discretion provided that any associated SCR Suitability Assessment Report shall contain such representations or consultation responses (as the case may be).

5.2.4 Following receipt of a SCR Suitability Assessment Report the Authority may 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 5.2.6 but without prejudice to paragraph 2.1.12, a Modification Proposal raised during a Significant Code Review Phase shall proceed in accordance with paragraph 2 of this Section F until and unless the Authority notifies the Panel of its

determination that such Modification Proposal falls within the scope of a Significant Code Review (a "**SCR Subsumed Modification Proposal**") whereupon the Panel shall, as soon as reasonably practicable, notify those persons listed at paragraph 2.1.10(a) and the Proposer that such SCR Subsumed Modification Proposal shall not proceed further in accordance with paragraph 2 of this Section F until the relevant Significant Code Review Phase has ended in accordance with paragraph 5.1.3.

- 5.2.6 Without prejudice to paragraph 5.2.10, the Authority may notify the Panel that, notwithstanding its determination that a Modification Proposal falls within the scope of the relevant Significant Code Review, having considered all the relevant circumstances including the urgency of the subject matter of the Modification Proposal, such Modification Proposal may proceed in accordance with paragraph 2 of this Section F.
- 5.2.7 Subject to paragraph 5.2.9, for the avoidance of doubt, if the Authority determines that a Proposed Modification is a SCR Exempt Modification Proposal then for the purposes of the Code any associated Alternative Proposal shall be treated as a SCR Exempt Modification Proposal.
- 5.2.8 At any time prior to the submission of a Modification Report in respect of a SCR Exempt Modification Proposal in accordance with paragraph 2.7.6, the Authority may direct that the Panel re-submit a SCR Suitability Assessment Report in respect of that SCR Exempt Modification Proposal and/or any associated Alternative Proposal, provided that until and unless the Authority makes a determination in accordance with paragraph 5.2.9 such SCR Exempt Modification Proposal and/or any associated Alternative Proposal shall proceed in accordance with paragraph 2 of this Section F.
- 5.2.9 Following the receipt of a SCR Suitability Assessment Report pursuant to paragraph 5.2.8, if the Authority notifies the Panel of its determination that the relevant Proposed Modification and/or any associated Alternative Modification shall be treated as a SCR Subsumed Modification Proposal for the purposes of the Code then such Modification Proposal shall not proceed further until the relevant Significant Code Review Phase has ended in accordance with paragraph 5.1.3 and the Modification Secretary shall notify the Authority's determination pursuant to this paragraph 5.2.9 to those persons listed in paragraph 2.1.10(a).
- 5.2.10 The provisions of paragraph 2.9 shall apply mutatis mutandis to a SCR Subsumed Modification Proposal as if:
- (a) references to a "proposal" and a "Modification Proposal" were references to a "SCR Subsumed Modification Proposal";
  - (b) references to BSCCo and/or the Transmission Company were removed in paragraphs 2.9.1 and 2.9.2, such that the right to make a recommendation to the Panel to treat a SCR Subsumed Modification Proposal as an Urgent Modification Proposal were limited to the Proposer; and
  - (c) the Proposer were obliged to provide reasons for any recommendation to the Panel pursuant to paragraph 2.9.1.
- 5.2.11 For the avoidance of doubt, if the Authority consents to treat a SCR Subsumed Modification Proposal as an Urgent Modification Proposal it shall cease to be treated as a SCR Subsumed Modification Proposal for the purposes of the Code and shall proceed in accordance with paragraph 2.9.

### 5.3 Significant Code Review Modifications

- 5.3.1 The Authority may direct the Transmission Company to raise a SCR Modification Proposal and:
- (a) the Transmission Company shall comply with the Authority's direction (including any timetable relating thereto);
  - (b) the Transmission Company and/or the Panel shall not withdraw the SCR Modification Proposal pursuant to paragraphs 2.1.12 and 2.1.12A respectively 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 direction in respect of the SCR Modification Proposal shall not fetter the views of the relevant Workgroup, 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 to accept a SCR Modification Proposal in accordance with paragraph 2.1.4 or otherwise.
- 5.3.3 If, pursuant to paragraph 5.3.1(b), the Authority consents to the withdrawal of a SCR Modification Proposal, the provisions of paragraph 2.1.12B shall apply to such SCR Modification Proposal.
- 5.4 Modifications raised prior to a Significant Code Review**
- 5.4.1 Without prejudice to paragraph 2.1.12(a), the Proposer of a Modification Proposal raised prior to a Significant Code Review may at any time prior to completion of the Workgroup's report prepared in accordance with paragraph 2.6.4, request that the Panel suspend progress of such Modification Proposal until the relevant Significant Code Review ceases in accordance with paragraph 5.1.3.
- 5.4.2 The Proposer shall specify the reasons for a request submitted in accordance with paragraph 5.4.1.
- 5.4.3 If the Panel is satisfied that a Modification Proposal should be suspended pursuant to paragraph 5.4.1 ("a **SCR Suspended Modification Proposal**"), the Modification Secretary shall notify those persons listed in paragraph 2.1.10(a).
- 5.4.4 Upon cessation of the relevant Significant Code Review in accordance with paragraph 5.1.3, the Panel shall, subject to paragraph 2.2.9, revise the timetable for completion of the Definition Procedure and/or Assessment Procedure (as the case may be) relating to a SCR Suspended Modification Proposal taking into account the period of suspension.
- 5.4.5 For the avoidance of doubt, a period of suspension in respect of a SCR Suspended Modification Proposal shall not be treated as a period of extension of the timetable for the purposes of paragraph 2.2.9.

## **6. SELF-GOVERNANCE**

### **6.1 Determination of Self-Governance**

- 6.1.1 A Modification Proposal shall be treated as suitable for the self-governance route ("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 such Modification Proposal; or
  - (b) the Authority notifies the Panel of its determination that such Modification Proposal satisfies the Self-Governance Criteria and is suitable for the self-governance route.
- 6.1.2 The Panel may conduct a consultation of the relevant persons listed in paragraph 2.1.10(a) 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 associated Alternative Self-Governance Modification better facilitates the achievement of the Applicable BSC Objectives when compared to the existing provisions of the Code.
- 6.1.4 Where paragraph 6.1.1(a) applies, the Panel may determine a Self-Governance Modification Proposal in accordance with paragraph 6.1.3 until and unless the Authority directs the Panel that such Modification Proposal does not satisfy the Self-Governance Criteria and is not suitable for self-governance provided that such direction occurs no later than any relevant determination by the Panel in accordance with paragraph 6.1.3.
- 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 of this Section F.
- 6.1.6 For the avoidance of doubt (but subject always to the provisions of this paragraph 6) the provisions of paragraph 2 of this Section F shall apply mutatis mutandis to a Self-Governance Modification Proposal as if:
- (a) references to a "Proposed Modification" were references to a "Proposed Self-Governance Modification";
  - (b) references to a "Alternative Modification" were references to a "Alternative Self-Governance Modification"; and
  - (c) references to a "Modification Report" were references to a "Self-Governance Modification Report".
- 6.1.7 A Self-Governance Statement shall, wherever possible, include the Panel's proposed date for the Panel's determination of a relevant Self-Governance Modification Proposal, provided that without prejudice to the foregoing the Modification Secretary shall notify the Authority as soon as reasonably practicable of the proposed date where it is not stated in the Self-Governance Statement or any revisions to such proposed date.

## **6.2 Withdrawal of a Self-Governance Statement**

- 6.2.1 The Panel may, prior to making its determination pursuant to paragraph 6.1.3, withdraw an associated Self-Governance Statement provided that it notifies those persons listed in paragraph 2.1.10(a) of its decision and the reasons in respect thereof, 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 of this Section F.

### **6.3 Implementation of a Self-Governance Modification Proposal**

6.3.1 Within the same day as the Panel determines whether or not the Proposed Self-Governance Modification or any associated Alternative Self-Governance Modification should be implemented in accordance with paragraph 6.1.3, the Modification Secretary shall notify the Authority, the Transmission Company, each of the persons referred to in paragraph 1.9.3 and each Party of the Panel's determination.

6.3.2 Within 3 Business Days after the notification pursuant to paragraph 6.3.1, the Modification Secretary shall finalise the relevant Self-Governance Modification Report and shall forthwith:

- (a) submit such Self-Governance Modification Report to the Authority and the Transmission Company; and
- (b) copy such Self-Governance Modification Report to:
  - (i) each Party; and
  - (ii) each Panel Member; and
  - (iii) each of the persons referred to in paragraph 1.9.3.

6.3.3 Subject always to paragraph 6.4, following receipt of a Self-Governance Modification Report pursuant to paragraph 6.3.2(a), 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 and furthermore:

- (a) the Code shall (if applicable) 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).

6.3.4 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 6.1.3.

### **6.4 Appeal relating to the Panel's determination of a Self-Governance Modification Proposal**

6.4.1 The Panel's determination in relation to a Proposed Self-Governance Modification or any associated Alternative Self-Governance Modification shall be implemented in accordance with paragraph 6.3.3 unless an appeal is notified by any of the persons listed in paragraph 2.1.10(a) ~~a Party~~ to the Authority and the Panel in accordance with paragraphs 6.4.2 and 6.4.10 no later than 15 Business Days after the relevant Panel determination was notified to Parties pursuant to paragraph 6.3.1.

6.4.2 ~~A Party~~ Subject to paragraph 6.4.2A, any of the persons listed in paragraph 2.1.10(a) (an "appealing party") may raise an appeal in relation to a determination of the Panel pursuant to paragraph 6.3.1 upon the basis that:

- (a) the appealing party is, or is likely to be, unfairly prejudiced by the implementation or non-implementation of a Self-Governance Modification Proposal;
- (b) in the case of an Approved Self-Governance Modification Proposal, the Proposed Self-Governance Modification or an associated Alternative Self-Governance Modification (if any) does not better facilitate the achievement of one or more of the Applicable BSC Objectives; or
- (c) in the case of a Rejected Self-Governance Modification Proposal, the Proposed Self-Governance Modification or an associated Alternative Self-Governance Modification (if any) better facilitates the achievement of one or more of the Applicable BSC Objectives.

6.4.2A The Secretary of State, a CFD Settlement Services Provider and a CM Settlement Services Provider shall not be entitled to raise an appeal under paragraph 6.4.2.

6.4.3 Where an appeal is raised in relation to a determination of the Panel pursuant to paragraph 6.3.1 the Authority may:

- (a) refuse permission to appeal where:
  - (i) the appeal does not comply with paragraphs 6.4.1; and/or
  - (ii) none of the grounds set out in paragraph 6.4.2 have been specified by the appealing party as the basis for their appeal; or
  - (iii) in the opinion of the Authority the appeal has been brought for reasons which are trivial, vexatious or have no reasonable prospect of success; or
- (b) where permission to appeal has not been refused pursuant to paragraph 6.4.3(a), consider the appeal and:
  - (i) reject the appeal where, in the opinion of the Authority, the criterion set out in paragraph 6.4.2(a) has not been satisfied and/or the determination of the Panel pursuant to paragraph 6.3.1 was correct; or
  - (ii) subject to paragraph 6.4.5, uphold the appeal where, in the opinion of the Authority, at least one of the criteria for appeal set out in paragraph 6.4.2 are satisfied.

6.4.4 If permission to appeal is refused in accordance with paragraph 6.4.3(a) or an appeal is rejected in accordance with paragraph 6.4.3(b)(i), the Panel's determination pursuant to paragraph 6.3.1 shall be implemented and (if applicable) the Code shall be modified in accordance with paragraph 6.3.3(a).

6.4.5 Without prejudice to paragraph 6.4.9, where the Authority upholds an appeal in accordance with paragraph 6.4.3(b)(ii), it shall:

- (a) quash the relevant Panel determination appealed against and determine whether or not the relevant Proposed Self-Governance Modification and any associated Alternative Self-Governance Modification should be implemented, provided that in such event the relevant Panel determination appealed against 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; or



- (b) remit the Proposed Self-Governance Modification and any associated Alternative Self-Governance Modification back to the Panel for re-consideration and a further determination by the Panel pursuant to paragraph 6.1.3.
- 6.4.6 Notwithstanding the provisions of paragraph 6.3, a Proposed Self-Governance Modification and any associated Alternative Self-Governance Modification shall not be implemented pending the outcome of any appeal in respect of that Self-Governance Modification Proposal.
- 6.4.7 For the avoidance of doubt, if the Authority upholds an appeal in accordance with paragraph 6.4.3(b)(ii) and makes a determination in accordance with paragraph 6.4.5(a), the provisions of paragraph 2 of this Section F shall apply to the relevant Modification Proposal.
- 6.4.8 For the avoidance of doubt, the provisions of paragraphs 6.3 and 6.4 shall apply to any further determination of the Panel made pursuant to a remittal by the Authority in accordance with paragraph 6.4.5(b).
- 6.4.9 For the avoidance of doubt, the Panel shall comply with any decision or direction of the Authority arising from an appeal under this paragraph 6.4, including the provision of additional analysis or information.
- 6.4.10 A notice of appeal issued pursuant to paragraph 6.4.1 shall specify:
  - (a) the basis for the appeal in accordance with paragraph 6.4.2; and
  - (b) the reasons for the appeal.
- 7. FAST TRACK SELF-GOVERNANCE**
- 7.1 Determination of Fast Track Self-Governance**
- 7.1.1 A Modification Proposal shall be treated as suitable for the fast track self-governance route (a "**Fast Track Self-Governance Modification Proposal**") where the Panel determines by unanimous vote that a Modification Proposal meets all of the Fast Track Self-Governance Criteria.
- 7.2 Implementation of Fast Track Self-Governance Modification Proposals**
- 7.2.1 A Fast Track Self-Governance Modification Proposal shall only be implemented pursuant to paragraph 7 where:
  - (a) the Panel has unanimously determined that the Fast Track Self-Governance Modification Proposal should be implemented; and
  - (b) no objections have been received pursuant to paragraph 7.3.
- 7.2.2 Within 1 Business Day after the Panel has made its determination under paragraph 7.2.1, the Modification Secretary shall send the Fast Track Self-Governance Modification Report to the Authority, the Transmission Company and each Party and publish it on the BSC Website.
- 7.2.3 Subject always to paragraph 7.3, following receipt of a Fast Track Self-Governance Modification Report pursuant to paragraph 7.2.2, 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 Fast Track Self-Governance Modification Report and:

- (a) 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).

7.2.4 The Fast Track Self-Governance Modification Report shall not specify a Fast Track Self-Governance Implementation Date (if any) earlier than 16 Business Days after the date of the notice under paragraph 7.2.2.

### **7.3 Objections to Fast Track Self-Governance Modification Proposals**

7.3.1 The Panel's determination in relation to a Fast Track Self-Governance Modification Proposal shall be implemented in accordance with paragraph 7.2.3 unless an objection is raised in accordance with paragraph 7.3.2.

7.3.2 Any of the persons specified in paragraph 7.2.2 may raise an objection to a determination of the Panel pursuant to paragraph 7.1.1 or 7.2.1 by:

- (a) notifying the Modification Secretary of the objection no later than 15 Business Days after the date of the notice sent under paragraph 7.2.2; and
- (b) including in such objection notice an explanation of why the objecting person objects to the Modification Proposal including, where applicable, rationale for why the Modification Proposal does not satisfy all of the Fast Track Self-Governance Criteria.

7.3.3 Within 1 Business Day of receiving an objection notice the Modification Secretary shall notify each of the persons specified in paragraph 1.1.2 (b) that an objection has been raised in respect of that Fast Track Self-Governance Modification Proposal.

7.3.4 Where an objection is raised pursuant to paragraph 7.3 the Fast Track Self-Governance Modification Proposal shall not be implemented under paragraph 7 and the Panel shall:

- (a) determine that such Modification Proposal shall be progressed under paragraph 6 in which case:
  - (i) the Modification Proposal shall be deemed to be a Self-Governance Modification Proposal;
  - (ii) the Fast Track Self-Governance Modification Report shall be deemed to be a Self-Governance Statement; and
  - (iii) the provisions of paragraphs 6.3, 6.4 and (subject always to the provisions of paragraph 6) 2.7 shall apply in respect of that Modification Proposal; or
- (b) determine that such Modification Proposal shall be progressed as further provided in paragraph 2.7 of this Section F; or
- (c) determine that such Modification Proposal shall be progressed as further provided in paragraph 2.6 of this Section F.

- 7.3.5 Before making a determination in accordance with paragraphs 7.3.4(a) or 7.3.4(b) the Panel shall first make a determination as to whether the Modification Proposal better facilitates the achievement of the Applicable BSC objectives when compared with the existing provisions of the Code.

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## 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 Workgroup, and an analysis of and the views and rationale of the 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 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 and an indication of potential inconsistencies the Proposed Modification and any Alternative Modification have with the Capacity Market Documents and/or the CFD Documents;
    - (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 and/or the Capacity Market Documents and/or the CFD Documents;
- (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);
- (vii) any potential inconsistencies the Proposed Modification and any Alternative Modification have with the CFD Arrangements and/or the CM Arrangements,

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 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 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 Workgroup in respect thereof;
- (j) a summary of the impact assessment prepared by relevant BSC Agents and the views and comments of the Workgroup in respect thereof;
- (k) a summary of any impact assessment prepared by Core Industry Document Owners and/or the STC Committee, and a summary of any impact assessment prepared by:
  - (i) the Secretary of State, the CM Settlement Body and/or a CM Settlement Services Provider in relation to the Capacity Market Rules;
  - (ii) the Secretary of State in relation to the Capacity Market Documents;
  - (iii) the Secretary of State, any CfD Counterparty and/or any CFD Settlement Services Provider in relation to the AF Rules; or
  - (iv) the Secretary of State in respect of the CFD Documents,

and the views and comments of the 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 Workgroup has made in formulating its views;
- (n) any other matters required by the terms of reference of such Workgroup;
- (o) any other matters which the 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) including an assessment, conducted in accordance with paragraph 2.6.2A, of the quantifiable impact of the Proposed Modification and any Alternative Modification on greenhouse gas emissions where such impact is likely to be material;
- (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 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.

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