DRAFT LEGAL TEXT FOR PROPOSED MODIFICATION P386

SECTION C: BSCCO AND ITS SUBSIDIARIES (V23.0)

2. CONSTITUTION OF BSCCO AND OBLIGATIONS OF THENETSO AS BSCCO SHAREHOLDER

2.7 Taxation and other payments

Amend paragraph 2.7.2 to read as follows:

2.7.2 The NETSO covenants to pay to BSCCo an amount equal to any liability for corporation tax on chargeable gains for which the NETSO~~Transmission Company~~ or any of its Subsidiaries is primarily liable for which BSCCo or any of its Subsidiaries is liable but for which it would not have been liable but for being treated as being or having been a member of the same group as the NETSO for the purposes of corporation tax on chargeable gains.

SECTION F: MODIFICATION PROCEDURES (V30.0)

1. MODIFICATION OF THE CODE

1.7 Role of the NETSO

Amend paragraph 1.7.1 to read as follows:

1.7.1 If the Authority issues a direction to the NETSO 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 NETSO 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 NETSO and shall take such steps as the NETSO may reasonably request to enable the NETSO 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 NETSO, 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 NETSO is to assume responsibility for the Modification Procedures as set out in such direction;

(d) the NETSO shall assume (and there are hereby conferred on the NETSO) 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 NETSO is to assume responsibility for the Modification Procedures as set out in such direction;

© ELEXON Limited 2019

(e) the NETSO 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 NETSO 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 NETSO 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 NETSO, as if references to a Panel Member were to the NETSO~~Transmission Company~~, to the extent that the NETSO is carrying out the functions of the Panel pursuant to this paragraph 1.7.

SECTION H: GENERAL (V26.0)

2. COMMENCEMENT AND TERM

2.5 Effective Dates of Modification Proposal P344

Amend paragraph 2.5.2 to read as follows:

2.5.2 For the purposes of this paragraph 2.5:

(a) the "**P344 Final Implementation Date Notice**" means a notice from the NETSO ~~Transmission Company~~ setting out the time and date from which the Code provisions identified in paragraph (a) shall take effect;

(b) the "**P344 Legal Text**" means the legal text included in the P344 Modification Report (as such legal text may be amended by any process set out in Section F).

SECTION J: PARTY AGENTS AND QUALIFICATION UNDER THE CODE (V14.0)

3. QUALIFICATION PROCESS

3.9 Derogations

Amend paragraph 3.9.5 to read as follows:

3.9.5 The provisions of this paragraph 3.9 shall not apply to a Qualified Person who is also a Supplier in relation to its participation capacity of a Supplier or a Licensed Distribution System Operator in relation to its participation capacity as an Unmetered Supplies Operator and/or a SMRA or a Virtual Lead Party in relation to its participation capacity as a Virtual Lead Party.

SECTION K: CLASSIFICATION AND REGISTRATION OF METERING SYSTEMS AND BM UNITS (V40.0)

8. CONFIGURATION AND REGISTRATION OF SECONDARY BM UNITS

8.1 Configuration of Secondary BM Units

© ELEXON Limited 2019

Amend paragraph 8.1.2 to read as follows:

8.1.2 A Secondary BM Unit must satisfy the following conditions:

(a) the Secondary BM Unit does not comprise of Plant and Apparatus whose Imports and Exports are measured by CVA Metering System(s);

(b) the Secondary BM Unit may only comprise of Plant and Apparatus whose Imports and Exports are measured by ~~h~~Half ~~h~~Hourly ~~SVA~~ Metering System(s);

(c) a ~~h~~Half ~~h~~Hourly ~~SVA~~ Metering System may not be allocated to more than one Secondary BM Unit; and

(d) the Secondary BM Unit does not comprise of Plant and Apparatus associated with ~~h~~Half ~~h~~Hourly ~~SVA~~ Metering Systems that are in more than one GSP Group.

Insert new paragraph 8.1.4 to read as follows:

8.1.4 The Lead Party of a Secondary BM Unit shall make an election as to whether the P/C Status of that Secondary BM Unit is to be Production or Consumption:

(a) upon application to register the Secondary BM Unit pursuant to paragraph 8.2; and/or

(b) from time to time where the Virtual Lead Party wishes to change the P/C Status for such Secondary BM Unit,

in each case in accordance with BSCP15.

SECTION Q: BALANCING SERVICES ACTIVITIES (V31.0)

1. INTRODUCTION

1.1 Scope

Amend paragraph 1.1.1 to read as follows:

1.1.1 This Section Q provides for:

(a) the submission of data items in respect of relevant BM Units in accordance with the Grid Code;

(b) the submission of Physical Notifications in accordance with the Grid Code such as to enable Final Physical Notification Data to be submitted by the NETSO and Point FPNs to be established by the SAA in respect of BM Units for each Settlement Period;

(c) the submission of Final Physical Notification Data to enable Period FPNs to be established by the ECVAA in respect of Interconnector BM Units and for each Credit Qualifying BM Unit for each Settlement Period;

(d) arrangements for the submission by Lead Parties of Bid-Offer Pairs in respect of relevant BM Units and for the acceptance of Bids and Offers by the NETSO;

(e) the submission by the NETSO of Acceptance Data for the purposes of Section T and Section V;

© ELEXON Limited 2019

(f) the submission by the NETSO of Balancing Services Adjustment Data for the purposes of Settlement;

(g) the submission by the NETSO to the BMRA of other operational data items for the purposes of Section V;

(h) not used;

(i) not used;

(j) the submission by the NETSO of Transparency Regulation Data to the BMRA for the purposes of Section V;

(k) the submission by relevant Market Participants of Inside Information Data to the BMRA via the NETSO or BSCCo (as the case may be) for the purpose of Section V;

(l) the submission by the NETSO of Loss of Load Probability values and Demand Control Event data for the purposes of Section R, Section S, Section T and Section V

(m) arrangements for the submission by Lead Parties of Replacement Reserve Bbids in respect of BM Units to the NETSO~~Transmission Company~~;

(n) the submission by the NETSO ~~Transmission Company~~ of Replacement Reserve Auction Result Data for the purposes of Section T and Section V.

4. BALANCING SERVICES BID-OFFER SUBMISSION

4.3 Replacement Reserve Bid Data Submission

Amend paragraph 4.3.2 to read as follows:

4.3.2 Any submission of Replacement Reserve Bid Data under this paragraph 4.3 shall be communicated to the NETSO in accordance with BC4.5 of the Grid Code and so as to be received no later than Gate Closure for the relevant Replacement Reserve Auction Period.

SECTION S: SUPPLIER VOLUME ALLOCATION

10. SVA METERING SYSTEM BALANCING SERVICES REGISTER

10.1 Allocation of MSID Pairs to BM Units that offer Balancing Services

Amend paragraph 10.1.2 to read as follows:

10.1.2 For the avoidance of doubt a Half Hourly~~SVA~~ Metering System within a MSID Pair may not be allocated to more than one MSID Pair and a MSID Pair may not be allocated to more than one BM Unit that offers Balancing Services for any given time.

10.2 Process

Amend paragraphs 10.2.1 to 10.2.3 to read as follows:

10.2.1 Where a Lead Party wishes to allocate MSID Pairs to a BM Unit in a GSP Group pursuant to paragraph 10.2, the Lead Party shall notify the SVAA in accordance with BSCP602 of:

© ELEXON Limited 2019

(a) the identification number of the relevant BM Unit;

(b) in relation to an MSID Pair, the GSP Group in which the Import Metering System and (where applicable) Export Metering System are located;

(c) the SVA Metering System Number of such Half Hourly Metering System which is an Import Metering System;

(d) the SVA Metering System Number of such Half Hourly Metering System which is an Export Metering System (where applicable);

(e) the date from when, subject to paragraph 10.1.2, the Lead Party wishes such Half Hourly Metering System(s) to be allocated to such BM Unit for the purposes of providing Balancing Services;

(f) the date to when, subject to paragraph 10.1.2, the Lead Party wishes such Half Hourly Metering System(s) to be allocated to such BM Unit for the purposes of providing Balancing Services;

(g) a Customer Consent Flag for the SVA Metering System Number of the Import Metering System setting out:

(i) the date from when the Customer Consent Flag is to be effective; and

(ii) the date to when the Customer Consent Flag is to be effective;

(h) a Customer Consent Flag for the SVA Metering System Number of the Export Metering System setting out:

(i) the date from when the Customer Consent Flag is to be effective; and

(ii) the date to when the Customer Consent Flag is to be effective.

10.2.2 The SVAA shall in accordance with BSCP602:

(a) validate the data submitted to it by a Lead Party under paragraph 10.2.1 as to compliance with the requirements of this paragraph 10;

(b) on the basis of the checks referred to in paragraph (a), confirm or reject the relevant allocation by notice to the Lead Party;

(c) where it confirms the relevant allocation in accordance with paragraph (b), the SVAA shall record the relevant data in the SVA Metering System Balancing Services Register to take effect, for the purposes of Settlement, from the date specified under paragraph 10.2.1(e);

(d) where the Half Hourly~~SVA~~ Metering System is already allocated to a BM Unit that offers Balancing Services, the SVAA shall, subject to validation under paragraph 10.2.2, confirm the most recent allocation and notify the previous SVA Metering System Balancing Service Register registrant of:

(i) the SVA Metering System Number of each Half Hourly Metering System that is no longer allocated to a BM Unit under this paragraph 10;

(ii) the GSP Group in which such Metering System is located;

© ELEXON Limited 2019

(iii) the date from when, subject to paragraph 10.1.2, such Half Hourly ~~SVA~~ Metering System(s) will no longer be allocated to their BM Unit for the purposes of providing Balancing Services in Settlement.

10.2.3 In respect of a Primary BM Unit, upon being informed that ~~the~~ a Half Hourly~~SVA~~ Metering System~~(s)~~ will no longer be allocated to that BM Unit for the purposes of providing Balancing Services in Settlement (in accordance with paragraph 10.2.2(d)), it is the responsibility of the Lead Party of that Primary BM Unit to ensure that such Half Hourly ~~SVA~~ Metering System is not subsequently used for any Balancing Services activity.

11. SECONDARY BM UNITS

11.2 Allocation of MSID Pairs to Secondary BM Units

Amend paragraph 11.2.3 to read as follows:

11.2.3 "**MSID Standing Data**" means, in relation to a Metering System:

(a) the GSP Group in which the Metering System is located;

(b) the Supplier ID of the Supplier that has in accordance with section K2.4 registered the Metering System in SMRS;

(c) the Half Hourly Data Aggregator appointed in relation to that Metering System; and

(d) any other data item defined in BSCP50~~78~~ as being included in MSID Standing Data.

ANNEX S-2: SUPPLIER VOLUME ALLOCATION RULES

3.10 Determination of Metering System Delivered Volumes

Amend paragraph 3.10.4 to read as follows:

3.10.4 If $MPDV_j$ is less than zero the following formulae shall apply:

(a) for the Import MSID in the MSID Pair, subject to (c):

$QVMD_{Kj} = – MIN(–MPDV_j, VMMC_{HZaNLKji})$;

(b) for the Export MSID in the MSID Pair:

$QVMD_{Kj} = MPDV_j - QVMD_{Import}$

where $QVMD_{Import}$ is the value of $QVMD_{Kj}$ allocated to the Import MSID in accordance with paragraph (a); and

(c) if $MPDV < –VMMC_{HZaNLKji}$ and there is no Export MSID in the MSID Pair then for the Import MSID:

$QVMD_{Kj} = 0$

and the SVAA shall inform BSCCo and the NETSO ~~Transmission Company~~ that the MSID Pair Delivered Volume could not be allocated to MSIDs.

© ELEXON Limited 2019

7.2 Determination of Half Hourly Consumption (Losses) by Supplier

Amend paragraphs 7.2.4 and 7.2.5 to read as follows:

7.2.4 The SVAA shall determine the Secondary Half Hourly Consumption (Losses) ($VLOSS_{i2Nj}$) within Consumption Component Class "N" (which Consumption Component Class shall be a Consumption Component Class for line losses) for each Secondary BM Unit "i2" according to the following formula:

$$VLOSS_{i2Nj} = \Sigma_{aK} (\Sigma^{(vv)}{}_{LK} ((LLF_{Lj} - 1) * \Sigma^{(vv)}{}_{PR} VBMMC_{i2aNLKji}))$$

where Secondary BM Unit Metered Consumption ($VBMMC_{i2aNLKji}$) is determined pursuant to paragraph 7.1.1B and "(vv)" is the Consumption Component Class (not for line losses) associated with the Consumption Component Class "N" for which the value of $VLOSS_{i2Nj}$ is to be determined.

The SVAA shall provide the relevant Virtual Lead Party, as recorded in the SVA Metering System Balancing Services Register, with the Secondary Half Hourly Consumption (Losses) ($VLOSS_{i2Nj}$) for each Metering System "K" in the relevant Secondary BM Unit "i2" for each Settlement Period "j" for each Volume Allocation Run, where received.

7.2.5 The SVAA shall determine the Secondary Half Hourly Delivered (Losses) ($VDLOSS_{i2NKji}$) within Consumption Component Class "N" (which Consumption Component Class shall be a Consumption Component Class for line losses) for each Metering System "K" for each Secondary BM Unit "i2" and Supplier BM Unit "i" according to the following formula:

$$VDLOSS_{i2NKji} = (\Sigma^{(vv)}{}_{LK} ((LLF_{Lj} - 1) * \Sigma^{(vv)}{}_{PR} QVBMD_{i2NLKji}))$$

where Secondary BM Unit Delivered Volume ($QVBMD_{i2NLKji}$) is determined pursuant to paragraph 7.1.1C and "(vv)" is the Consumption Component Class (not for line losses) associated with the Consumption Component Class "N" for which the value of $VDLOSS_{i2NKji}$ is to be determined.

SECTION T: SETTLEMENT AND TRADING CHARGES (28.0)

1.2 Obligation and entitlement of Parties

Amend paragraph 1.2.2 to read as follows:

1.2.2 For the purposes of paragraph 1.2.1, the Trading Charges for a Party are as follows:

(a) for each Imbalance Party and each Settlement Day:

(i) the Daily Party BM Unit Cashflow for that Imbalance Party, which shall be an amount representing either a credit or a debit to that Imbalance Party (as determined in accordance with paragraph 1.2.3);

(ii) the Daily Party Non-Delivery Charge for that Imbalance Party, which shall be an amount representing a debit to that Imbalance Party;

(iii) the Daily Party Energy Imbalance Cashflow for that Imbalance Party, which shall be an amount representing either a credit or a debit to that Imbalance Party (as determined in accordance with paragraph 1.2.3);

© ELEXON Limited 2019

(iv) the Daily Party Information Imbalance Charge for that Imbalance Party, which shall be an amount representing a debit to that Imbalance Party; and

(v) the Daily Party Residual Settlement Cashflow for that Imbalance Party, which shall be an amount representing either a credit or a debit to that Imbalance Party (as determined in accordance with paragraph 1.2.3);

(vi) the Daily Party RR Cashflow for that Imbalance Party; and

(vii) the Daily Party RR Instruction Deviation Cashflow for that Imbalance Party.

and, for each Imbalance Party and each Settlement Day, the amounts referred to in paragraphs (i) to (vii) shall be netted, in accordance with paragraph 5.3.3, to produce a single credit or debit amount for each Imbalance Party;

1.14 Replacement Reserve Schedule Methodology Document

Amend paragraph 1.14.1 to 1.14.3 as follows:

1.14.1 The Panel shall establish, and have in force at all times thereafter, a document containing detailed requirements for the construction of Point Acceptance Volumes (qA^k_{it}) to represent the physical dispatch by the NETSO~~Transmission Company~~ of a BM Unit to fulfil a Quarter Hour RR Activation (the "**Replacement Reserve Schedule Methodology Document**").

1.14.2 The Panel shall review the Replacement Reserve Schedule Methodology Document from time to time and in any event if there is a change to the NETSO's~~Transmission Company's~~ requirements for the physical dispatch of a BM Unit to fulfil a Quarter Hour RR Activation, and shall make such revisions as it considers necessary.

1.14.3 BSCCo shall ensure that a copy of the Replacement Reserve Schedule Methodology Document (as revised from time to time) is sent to each Party, the SAA and the BMRA.

3. SETTLEMENT OF BALANCING MECHANISM ACTIONS

3.1 Conversion of Data Received from the NETSO

Amend paragraph 3.1.4 to read as follows:

3.1.4 It is recognised that Replacement Reserve Activation Data, GB Need Met Data and Interconnector Schedule Data derived from data submitted or determined under the Grid Code (and received by the SAA from the ~~ ~~NETSO~~Transmission Company~~) will contain values with an associated Position and Replacement Reserve Auction Period Resolution Type whereas the equivalent data required for the purposes of this Section T are required to contain Quarter Hour values (as defined in Annex X-2).

3.4 Establishment of Acceptance Volume ($qA^k_{ij}(t)$)

Amend paragraph 3.4.2A to read as follows:

~~3.4.2A For spot times where the following criteria is met Settlement shall not record an Acceptance Volume $qA^k_{ij}(t)$:~~

© ELEXON Limited 2019

~~(a) the $qA^{k}_{ij}(t)$ is not flagged as relating to a RR Schedule or a RR Instruction; and~~

~~(b) the $qA^{k-}_{ij}(t)$ immediately preceding $qA^{k}_{ij}(t)$ is flagged as relating to a RR Schedule; and~~

~~(c) $qA^{k}_{ij}(t)$ Bid-Offer Acceptance Time < $qA^{k-}_{ij}(t)$ associated Replacement Reserve Activation Time; and~~

~~(d) $|qA^{k}_{ij}(t)| < |qA^{k-}_{ij}(t)|$~~

~~where $|qA^{k}_{ij}(t)|$ and $|qA^{k-}_{ij}(t)|$ represents the absolute MW value.~~

3.4.2A No Acceptance Volume ($qA^{k}_{ij}(t)$) shall be calculated for any spot times t where the following criteria are met

(a) $qA^{k}_{ij}(t)$ is not flagged as relating to a RR Schedule or a RR Instruction; and

(b) there exists a $qA^{k*}_{ij}(t)$ flagged as relating to a RR Schedule; and

(c) GCT < $qA^{k}_{ij}(t)$ Bid-Offer Acceptance Time < $qA^{k*}_{ij}(t)$ Replacement Reserve Activation Time; and

(d) either:

$$qA^{k-}_{ij}(t) < qA^{k}_{ij}(t) < qA^{k*}_{ij}(t)$$

or

$$qA^{k*}_{ij}(t) < qA^{k}_{ij}(t) < qA^{k-}_{ij}(t)$$

where:

$qA^{k-}_{ij}(t)$ represents the latest Acceptance Volume relating to the latest Acceptance issued prior to Gate Closure of the relevant Replacement Reserve Auction Period (GCT). If no such previously calculated value of Acceptance Volume $qA^{k-}_{ij}(t)$ exists, then the Acceptance Volume shall be set to the value of $FPN_{ij}(t)$ for those spot times; and

$qA^{k}_{ij}(t)$, $qA^{k-}_{ij}(t)$ and $qA^{k*}_{ij}(t)$ represent the associated spot time MW values.

3.17 Determination of Deemed Standard Product Shape ($qDSP^{J}_{ij}(t)$)

Amend paragraph 3.17.1 to read as follows:

3.17.1 In respect of each Settlement Period that contains a Deemed Standard Product Point Variable ($qDSP^{J}_{ijt}$), for a particular Quarter Hour RR Activation, for each BM Unit, the Deemed Standard Product Shape ($qDSP^{J}_{ij}(t)$) for spot times shall be established by linear interpolation from the Deemed Standard Product Point Variables ($qDSP^{J}_{ijt}$) created from the Quarter Hour RR Activation issued by the NETSO~~Transmission Company~~.

3.18 Determination of Deemed Standard Product Volume ($qDSPV^{J}_{ij}(t)$)

Amend paragraph 3.18.1 to read as follows:

© ELEXON Limited 2019

3.18.1 In respect of each Settlement Period, for each BM Unit, for each Quarter Hour RR Activation 'J' the volume (in MW) of Deemed Standard Product Volume shall be established as follows:

$qDSPV^{J}_{ij}(t) = qDSP^{J}_{ij}(t) - qDSP^{J-1}_{ij}(t)$

where, for all Replacement Quarter Hour Replacement Reserve within the Replacement Reserve Auction Period for which a Deemed Standard Product Volume has been determined for the Settlement Period, J-1 represents that Deemed Standard Product Shape from the previous Quarter Hour. If no $qDSP^{J-1}_{ij}(t)$ has been determined in the Settlement Period which has a $qDSP^{J}_{ij}(t)$ then $qDSP^{J-1}_{ij}(t)$ shall be set equal to zero.

4. SETTLEMENT CALCULATIONS

4.2A Determination of BM Unit Metered Volume (QM_{ij}) for Secondary BM Units

Amend paragraph 4.2A.1 to read as follows:

4.2A.1 For each Settlement Period, the BM Unit Metered Volume for Secondary BM Units ~~and~~ will, subject to paragraph 1.4.7, be determined as follows:

$QM_{ij} = -VBMUDV_{ij}$

4.3B Determination of Period Supplier BM Unit Delivered Volume ($QBSD_{ij}$) for Secondary BM Units

Amend paragraph 4.3B.4 to read as follows:

4.3B.4 In respect of each Settlement Period, for each Secondary BM Unit "i2", for each Primary BM Unit "i", the Period Secondary BM Unit Supplier Delivered Volume (QSD_{iji2}) is the amount determined as follows:

$QSD_{iji2} = (QSD_{i2j} * TLM_{ij}) * SP_{iji2}$

4.4 Determination of Energy Imbalance Prices (SBP_j and SSP_j)

Amend paragraphs 4.4.2 and 4.4.3 to read as follows:

4.4.2 In respect of each Settlement Period if the Net Imbalance Volume is not equal to zero, and is a positive number, and $\{\Sigma_i\Sigma^n\Sigma^k \{QAO^{kn}_{ij} * TLM_{ij}\} + \Sigma^m QBSAB^m_j + \Sigma^t QSIV^t_j + \Sigma_c QSDC_{cj} + \Sigma_c QBDC_{cj}\} + \Sigma^J \{VGB_j^J\} + \{RRAUSB_j\}$ is not equal to zero:

(a) the System Buy Price will be determined as follows:

$SBP_j = \{\Sigma_i\Sigma^n\Sigma^k \{QAO^{kn}_{ij} * PO^n_{ij} * TLM_{ij}\} + \Sigma^m \{QBSAB^m_j * BSAP^m_j\} + \Sigma^t \{QSIV^t_j * STAP^t_j\} + \{\{QSDC_j + QBDC_j\} * VoLL\} + \Sigma^J \{VGB^J * QHRRAP^J\} + \{RRAUSB_j * 0\}\}$

$/ \{\Sigma_i\Sigma^n\Sigma^k \{QAO^{kn}_{ij} * TLM_{ij}\} + \Sigma^m QBSAB^m_j + \Sigma^t QSIV^t_j + \Sigma_c QSDC_{cj} + \Sigma_c QBDC_{cj}\} + \{BPA_j\} + \Sigma^J \{VGB_j^J\} + (RRAUSB_j\}$

where Σ_i represents the sum over all BM Units, Σ^n represents the sum over all accepted Offers in the Final Ranked Set of System Buy Actions, Σ^k represents the sum over all Acceptances within the Settlement Period, Σ^m represents the sum over all Balancing Services Adjustment Buy Actions in the Final Ranked Set of System Buy Actions, Σ^t represents the sum over all STOR Actions in the Final

© ELEXON Limited 2019

Ranked Set of System Buy Actions, and Σ_c represents the sum over all Demand Control Instructions in the Final Ranked Set of System Buy Actions; and Σ^J represents the sum overall Quarter Hour Volume GB Need Met in the Final Ranked Set of System Buy Actions; and

(b) the System Sell Price shall be equal to the System Buy Price as determined in 4.4.2(a).

4.4.3 In respect of each Settlement Period if the Net Imbalance Volume is not equal to zero, and is a negative number, and $\{\Sigma_i\Sigma^n\Sigma^k \{QAB^{kn}_{ij} * TLM_{ij}\} + \Sigma^m QBSAS^m_j \} + \Sigma^J \{VGB_j^J\} + \{RRAUSS_j\}$ is not equal to zero:

(a) the System Sell Price will be determined as follows:

$$SSP_j = \{\Sigma_i\Sigma^n\Sigma^k \{QAB^{kn}_{ij} * PB^n_{ij} * TLM_{ij}\} + \Sigma^m \{QBSAS^m_j * BSAP^m_j\}\} + \Sigma^J \{VGB^J * QHRRAP^J\} + \{RRAUSS_j * 0\}\}$$

$$/ \{\Sigma_i\Sigma^n \Sigma^k \{QAB^{kn}_{ij} * TLM_{ij}\} + \Sigma^m \{QBSAS^m_j \} + \{SPA_j\} + \Sigma^J \{VGB_j^J\} + \{RRAUSS_j\}$$

where Σ_i represents the sum over all BM Units, Σ^n represents the sum over all accepted Bids in the Final Ranked Set of System Sell Actions, Σ^k represents the sum over all Acceptances within the Settlement Period, and Σ^m represents the sum over all Balancing Services Adjustment Sell Actions in the Final Ranked Set of System Sell Actions; and Σ^J represents the sum overall Quarter Hour Volume GB Need Met in the Final Ranked Set of System Buy Actions; and

(b) the System Buy Price shall be equal to the System Sell Price as determined in 4.4.3(a).

4.5 Determination of Credited Energy Volumes (QCE_{iaj}) for each Energy Account

Amend paragraph 4.5.1 to read as follows:

4.5.1 In respect of each Settlement Period and each Energy Account, the Credited Energy Volume for each Primary BM Unit to be allocated to the corresponding Energy Account of the Subsidiary Party and of the Lead Party will be determined as follows:

(a) in the case of the corresponding Energy Account of each Subsidiary Party:

$$QCE_{iaj} = \{(QM_{ij} - QBS_{ij}) * (QMPR_{iaj}/100) + QMFR_{iaj}\} * TLM_{ij}$$

where "i" in relation to QM_{ij} and QBS_{ij} represents Primary BM Units only and values of QCE_{iaj} are then rounded towards zero to the nearest kWh;

(b) in the case of the corresponding Energy Account of the Lead Party:

$$QCE_{iaj} = (QM_{ij} * TLM_{ij}) - \sum_a QCE_{iaj}$$

where "i" in relation to QM_{ij} and QBS_{ij} represents Primary BM Units only and

~~where~~ $\sum_a$ represents the sum over all Energy Accounts for Subsidiary Parties of the Lead Party (not including Energy Accounts for the Lead Party itself).

© ELEXON Limited 2019

4.6 Determination of Energy Imbalance ($QAEI_{aj}$) for each Energy Account

Amend paragraph 4.6.1 to read as follows:

4.6.1 In respect of each Settlement Period, for each Energy Account, the Account Credited Energy Volume will be determined as follows:

$QACE_{aj} = \sum_i QCE_{iaj}$

where $\sum_i$ represents the sum over all Primary BM Units.

Amend paragraph 4.6.4 to read as follows:

4.6.4 In respect of each Settlement Period, the Total System Energy Imbalance Volume will be determined as follows:

$TQEI_j = \sum_a QAEI_{aj}$

where $\sum_a$ represents the sum over all Energy Accounts and Virtual Balancing Accounts other than the TC (Non-IEA) Energy Accounts held by the NETSO.

4.7 Determination of Energy Imbalance Cashflows ($CAEI_{aj}$ and $TCEI_j$)

Amend paragraph 4.7.1 to read as follows:

4.7.1 In respect of each Settlement Period, the Account Energy Imbalance Cashflow for each Energy Account and Virtual Balancing Account, other than the TC (Non-IEA) Energy Accounts held by the NETSO, will be determined as follows:

if $QAEI_{aj} > 0$ then $CAEI_{aj} = -QAEI_{aj} * SSP_j$

otherwise $CAEI_{aj} = -QAEI_{aj} * SBP_j$

In respect of each Settlement Period, the Account Energy Imbalance Cashflow for each Energy Account held by the NETSO will be determined as follows:

$CAEI_{aj} = 0$

4.7.2 The Total System Energy Imbalance Cashflow will be determined as follows:

$TCEI_j = \sum_a CAEI_{aj}$

where $\sum_a$ represents the sum over all Energy Accounts and Virtual Balancing Accounts.

4.7.3 In respect of each Settlement Day, for each Party p, the Daily Party Energy Imbalance Cashflow shall be determined as:

$CAEI_p = \Sigma_j \Sigma_{a \in p} CAEI_{aj}$

where Σ_j represents the sum over all Settlement Periods and $\Sigma_{a \in p}$ represents the sum over the Energy Accounts and Virtual Balancing Account of Party p.

4.8 Non-Delivery Rule and Calculations

Amend paragraphs 4.8.3 to 4.8.21 to read as follows:

© ELEXON Limited 2019

4.8.3 In respect of each Settlement Period, for each BM Unit, if the Period BM Non-Delivered Offer Volume is greater than zero then to determine values of Offer Non-Delivery Volume ($QNDO^{n}_{ij}$), the Period BM Unit Non-Delivered Offer Volume will be apportioned across all accepted oOffers (AO^{n}_{ij}) (being Accepted Offers Volumes (QAO^{n}_{ij}) and for upward Quarter Hour RR Activations within the Settlement Period the associated Deemed Standard Product Offer Volume ($DSPO^{J}_{ij}$) and the Replacement Reserve Instructed Offer Deviation Volume (IOD_{ij})), in the following way.

4.8.4 In respect of each Settlement Period, the set of all accepted oOffers will be ranked in order of decreasing price. The accepted oOffer with the highest price will be allocated Non-Delivery Order Number 1, the next highest priced accepted oOffer will be allocated Non-Delivery Order Number 2 and so on until all accepted oOffers for the Settlement Period have been allocated a Non-Delivery Order Number. The set of accepted oOffers

{QAO$^{n1}_{ij}$, QAO$^{n2}_{ij}$, …….. QAO$^{nu}_{ij}$} is then a ranked set of accepted oOffers.

4.8.5 The Offer Non-Delivery Volume will be allocated to the first accepted oOffer in the list first, then, once the first accepted oOffer has been wholly accepted, to the second accepted oOffer and so on until the Period BM Unit Non-Delivered Offer Volume is fully apportioned.

4.8.6 Then the Offer Non-Delivery Volume for accepted oOffer n, is:

$QNDO^{n}_{ij} = Min(QAO^{nu}_{ij}, RQNDO^{u-1}_{ij})$

where $RQNDO^{u-1}_{ij}$ is the Remaining Period BM Unit Non-Delivered Offer Volume determined as:

$RQNDO^{u}_{ij} = RQNDO^{u-1}_{ij} – QNDO^{nu-1}_{ij}$

and $RQNDO^{0}_{ij} = QNDO_{ij}$

and $QNDO^{n0}_{ij} = 0$

4.8.7 In respect of each Settlement Period, for each BM Unit, if the Period BM Non-Delivered Bid Volume is less than zero then to determine values of Bid Non-Delivery Volume ($QNDB^{n}_{ij}$), the Period BM Unit Non-Delivered Bid Volume will be apportioned across all accepted bBids (AB^{n}_{ij}) (being Accepted Bids Volumes (QAB^{n}_{ij}) and for downward Quarter Hour RR Activations within the Settlement Period the associated Deemed Standard Product Bid Volume ($DSPB^{J}_{ij}$) and the Replacement Reserve Instructed Bid Deviation Volume (IBD_{ij})), in the following way.

4.8.8 In respect of each Settlement Period, the set of all accepted bBids will be ranked in order of increasing price. The accepted bBid with the lowest price is allocated Non-Delivery Order Number 1, the next lowest priced accepted bBid is allocated Non-Delivery Order Number 2 and so on until all accepted bBids for the Settlement Period have been allocated a Non-Delivery Order Number. The set of accepted bBids {QAB$^{n1}_{ij}$, *QAB$^{n2}_{ij}$*, …….. QAB$^{nu}_{ij}$} is then a ranked set of accepted bBids.

4.8.9 The Bid Non-Delivery Volume will be allocated to the first accepted bBid in the list first, then, once the first accepted bBid has been wholly accepted, to the second accepted bBid and so on until the Period BM Unit Non-Delivered Bid Volume is fully apportioned.

4.8.10 Then the Bid Non-Delivery Volume for accepted Bid n, is:

$QNDB^{n}_{ij} = Max(QAB^{nu}_{ij}, RQNDB^{u-1}_{ij})$

© ELEXON Limited 2019

where $RQNDB^{u-1}_{ij}$ is the Remaining Period BM Unit Non-Delivered Bid Volume determined as:

$RQNDB^{u}_{ij} = RQNDB^{u-1}_{ij} – QNDB^{nu-1}_{ij}$

and $RQNDB^{0}_{ij} = QNDB_{ij}$

and $QNDB^{n0}_{ij} = 0$

4.8.11 In respect of each Settlement Period, for each BM Unit, for each accepted oOffer, the Non-Delivered Offer Charge will be determined as follows:

$CNDO^{n}_{ij} = QNDO^{n}_{ij} * Max\{(NDPO^{n}_{ij} – SBP_{j}), 0\} * TLM_{ij}$

4.8.12 In respect of each Settlement Period, for each BM Unit, for each accepted bBid, the Non-Delivered Bid Charge will be determined as follows:

$CNDB^{n}_{ij} = QNDB^{n}_{ij} * Min\{ND(PB^{n}_{ij} – SSP_{j}), 0\} * TLM_{ij}$

4.8.13 In respect of each Settlement Period, for each BM Unit, the BM Unit Period Non-Delivery Charge will be determined as follows:

$CND_{ij} = \sum^{n} (CNDO^{n}_{ij} + CNDB^{n}_{ij})$

where $\sum^{n}$ represents the sum over all Bid-Offer Pair Numbers for the BM Unit.

4.8.14 In respect of each Settlement Period, the Total System Non-Delivery Charge will be determined as the sum of all BM Unit Period Non-Delivery Charges for BM Units as follows:

$TCND_{j} = \sum_{i} CND_{ij}$

where $\sum_{i}$ represents the sum over all BM Units.

4.8.15 In respect of each Settlement Day, for each Party p, the Daily Party Non-Delivery Charge shall be determined as:

$CND_{p} = \Sigma_{j} \Sigma_{i \in p} CND_{ij}$

where Σ_{j} represents the sum over all Settlement Periods and $\Sigma_{i \in p}$ represents the sum over all BM Units for which Party p is the Lead Party.

4.8.16 For each accepted Offer allocated an Offer Non-Delivery Volume that is an Accepted Offer Volume, the Non-Delivered Offer Price for that accepted Offer n will be determined as follows:

$NDPO^{n}_{ij} = PO^{n}_{ij}$

4.8.17 For each accepted Offer allocated an Offer Non-Delivery Volume that is a Deemed Standard Product Offer Volume ($DSPO^{J}_{ij}$) associated to an upward Quarter Hour RR Activation, the Non-Delivered Offer Price for that accepted Offer n will be determined as follows:

$NDPO^{n}_{ij} = RRAP_{J}$

where $RRAP_{J}$ represents the Quarter Hour Replacement Reserve Activation Price associated to the Quarter Hour RR Activation

© ELEXON Limited 2019

4.8.18 For each accepted Offer allocated an Offer Non-Delivery Volume that is a Replacement Reserve Instructed Offer Deviation Volume (IOD$_{ij}$) the Non-Delivered Offer Price for that accepted Offer n will be determined as follows:

$NDPO^{n}_{ij} = BEDP_{j}$

In respect of each Settlement Period, the Balancing Energy Deviation Price ($BEDP_j$) shall be an amount equal to zero.

4.8.19 For each accepted Bid allocated a Bid Non-Delivery Volume that is an Accepted Bid, the Non-Delivered Bid Price for that accepted Bid n will be determined as follows:

$NDPB^{n}_{ij} = PB^{n}_{ij}$

4.8.20 For each accepted Bid allocated a Bid Non-Delivery Volume that is a Deemed Standard Product Bid Volume (DSPB$^{J}_{ij}$) associated to a downward Quarter Hour RR Activation , the Non-Delivered Bid Price for that accepted Bid n will be determined as follows:

$NDPB^{n}_{ij} = RRAP_{J}$

where $RRAP_J$ represents the Quarter Hour Replacement Reserve Activation Price associated to the Quarter Hour RR Activation

4.8.21 For each accepted Bid allocated an ~~Offer~~ Bid Non-Delivery Volume that is a Replacement Reserve Instructed Bid Deviation Volume (IBD$_{ij}$) the Non-Delivered Bid Price for that accepted Bid n will be determined as follows:

$NDPB^{n}_{ij} = BEDP_{j}$

In respect of each Settlement Period, the Balancing Energy Deviation Price ($BEDP_j$) shall be an amount equal to zero.

7 SUBMISSION OF REPLACEMENT RESERVE DATA TO THE SVAA

Amend paragraph 7.1.1 to read as follows:

7.1.1 In respect of each Settlement Day, for each BM Unit for which such data is received or determined by the NETSO ~~Transmission Company~~ under Section Q, the SAA shall send the SVAA an aggregate report of all Quarter Hour RR Activation Data in respect of each Quarter Hour period within each Replacement Reserve Auction Period for such Settlement Day.

ANNEX X-1: GENERAL GLOSSARY (V87.0)

Amend the following definitions as follows:

"**BMRS Zone**":	means the zones set from time to time by the Panel in consultation with the NETSO~~Transmission Company~~ for the purposes of Section V;

© ELEXON Limited 2019

"**Gate Closure**":	means: (i) in relation to a Settlement Period, the spot time 1 hour before the spot time at the start of that Settlement Period; or (ii) in relation to a Replacement Reserve Auction Period, the Gate Closure time to be notified to BSCCo by the NETSO ~~Transmission Company~~ following the approval of the relevant proposal under Article 24 of Commission Regulation 2017/2195 provided that: (A) such spot time shall occur no earlier than 1 hour before, and no later than 55 minutes before, the spot time at the start of the Settlement Period that coincides with the start of that Replacement Reserve Auction Period; (B) such approved Gate Closure shall be published by BSCCo on the BSC Website; and (C) in the absence of an approved proposal under Article 24 of Commission Regulation 2017/2195, Gate Closure in relation to a Replacement Reserve Auction Period shall be 1 hour before the spot time at the start of the Settlement Period that coincides with the start of that Replacement Reserve Auction Period;
"**Guideline on Electricity Balancing**":	means Commission Regulation (EU) 2017/~~21922~~2195;
"**MSID Pair**":	means one Import MSID and, where applicable, one Export MSID whose Half Hourly Metering Systems are situated at a single Boundary Point for the purposes of offering Balancing Services~~measuring the provision of MSID Pair Delivered Volumes by the Virtual Lead Party pursuant to Section S11.4~~;
"**Quarter Hour RR Acceptance**":	means a communication which is classed as a "Quarter Hour RR Acceptance" for the purposes of a Replacement Reserve auction, and which is notified by the NETSO~~Transmission Company~~ to the BMRA pursuant to Section Q5A by the submission of Quarter Hour RR Acceptance Data;
"**RR Instruction**":	means Acceptance Data classified by the NETSO~~Transmission Company~~ as "RR Instruction Flagged";

ANNEX X-2: TECHNICAL GLOSSARY (V44.0)

Table X–2

Terms and Expressions Applying Except in Relation to Section S

© ELEXON Limited 2019

Amend the following definitions as follows:

Activated Quantity		MW	In respect of a Position, the quantity of energy to be activated. *Activated Quantity forms part of the Replacement Reserve Activation Data, GB Need Met Data and Interconnector Schedule Data for each Position and is submitted by the NETSO ~~Transmission Company~~ pursuant to Section Q.*
Flow Direction			Indicates the direction of the flow of energy associated with a Position. Flow Direction forms part of the Replacement Reserve Activation Data, GB Need Met Data and Interconnector Schedule Data for each Position and is submitted by the NETSO~~Transmission Company~~ pursuant to Section Q.
GB Need Met Data			Data (comprising the items set out in Section Q5.6.3) to be submitted by the NETSO~~Transmission Company~~ pursuant to Section Q6.2C.1(d).
Interconnector Schedule Data			Data (comprising the items set out in Section Q5.6.4) to be submitted by the NETSO~~Transmission Company~~ pursuant to Section Q6.2C.1(d).
Quarter Hour RR Activation Data			Data (comprising the items set out in Section Q5.6.2) to be submitted by the NETSO~~Transmission Company~~ pursuant to Section Q6.2C.1(d).
Replacement Reserve Activation Price	$RRAP_j$	£/MWh	The price associated with a Position. Replacement Reserve Activation Price forms part of the Replacement Reserve Activation Data, GB Need Met Data and Interconnector Schedule Data for each Position and is submitted by the NETSO~~Transmission Company~~ pursuant to Section Q.
Replacement Reserve Activation Data			Data (comprising the items set out in Section Q5.6.2) to be submitted by the NETSO~~Transmission Company~~ pursuant to Section Q6.2C.1(d).
Replacement Reserve Aggregated Unpriced System Buy Action	$RRAUSB_j$		In respect of each Quarter Hour within a Replacement Reserve Auction Period, an aggregated unpriced System Buy Action derived from Replacement Reserve Auction Result Data.

© ELEXON Limited 2019

Replacement Reserve Aggregated Unpriced System Sell Action	$RRAUSS_j$		In respect of each Quarter Hour within a Replacement Reserve Auction Period, an aggregated unpriced System Sell Action derived from Replacement Reserve Auction Result Data.
Replacement Reserve Auction Result Data			Data (comprising the items set out in Section Q5.6.1) to be submitted by the NETSO~~Transmission Company~~ pursuant to Section Q6.2C.1(d).
Replacement Reserve Bid Data			In relation to a Replacement Reserve Bid, the data comprising the items set out in the TERRE Data Validation and Consistency Rules (as defined under the Grid Code) to be submitted by the Lead Party of a BM Unit pursuant to Section Q4.3.3 and by the NETSO~~Transmission Company~~ pursuant to Section Q6.2C.1(d).

Table X-3

Glossary of Acronyms Applying Except In Relation To Section S

Insert the following new acronyms as follows:

$RRAP_J$	£/MWh	Replacement Reserve Activation Price
$RRAUSB_j$		Replacement Reserve Aggregated Unpriced System Buy Action
$RRAUSS_j$		Replacement Reserve Aggregated Unpriced System Sell Action

Table X–5

Use of Summations Applying to Section S

Insert the following new summation directly after the summation $\Sigma^{(vv)}_L$

$\Sigma^{(vv)}_{LK}$ = summed over all Line Loss Factor Classes (L) and Metering Systems K within a Consumption Component Class (for losses) associated with a particular Consumption Component Class (not for losses) ((vv));

© ELEXON Limited 2019