Department for
Energy Security
& Net Zero

Nuclear RAB consultation on industry code and licence modifications

Closing date: 5 December 2023

October 2023

© Crown copyright 2023

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at:
rabrevenueconsultation@energysecurity.gov.uk

Contents

General information 4

Why we are consulting 4

How to respond 7

Introduction 9

The role of nuclear 9

Powers to make modifications 9

Nuclear RAB revenue mechanics 10

Engagement with relevant stakeholders 12

Modification considerations 13

Parties involved in administering the nuclear RAB revenue stream 13

Supplier Obligation 13

Operational costs levy 14

Reconciliation 14

Enforcement 15

Provision for information sharing 15

Proposed changes to industry codes and Transmission and Distribution Licences 17

Electricity industry codes 17

Balancing and Settlement Code (BSC) 17

Connection and Use of system Code (CUSC) 20

Grid Code 20

System Operator - Transmission Operator Code (STC) 20

Distribution Use of System Code (DCUSA) 21

Distribution Code (DCode) 21

Smart Energy Code (SEC) 21

Retail Energy Code (REC) 22

Electricity Licences 22

Transmission Licence 22

Distribution Licence 23

Next steps 25

General information

Why we are consulting

The Nuclear Energy (Financing) Act 2022 ("the Act") makes provision for the implementation of a Regulated Asset Base ("RAB") funding model to finance new nuclear energy generation projects. The Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 ("the Regulations") made under the powers in Part 2 of the Act, set out the detailed mechanics of how the revenue stream would operate under the model.

Section 29(1) of the Act gives the Secretary of State powers to make modifications to Transmission and Distribution Licences, and the industry codes maintained in accordance with these licences so that the revenue stream can function as intended. Section 29(4) places a requirement on the Secretary of State to consult with the persons set out in that subsection before making these modifications. The purpose of this consultation is to seek views on the proposed modifications to industry codes and licences.

The annexes to this consultation document set out the draft amendments that the Secretary of State proposes making.

Issued: 24 October 2023

Respond by: 5 December 2023

Enquiries to: rabrevenueconsultation@energysecurity.gov.uk

Nuclear Projects Delivery
Department for Energy Security and Net Zero
1st Floor
3-8 Whitehall Place
London
SW1A 2AW

Email: rabrevenueconsultation@energysecurity.gov.uk

Consultation reference: Nuclear RAB consultation on industry code and licence modifications

Audiences:

Before making modifications section 29(4) of the Nuclear Energy (Financing) Act 2022 requires the following persons to be consulted:

- the Scottish Ministers
- the Welsh Ministers
- the holder of any licence being modified

- every holder of a licence to supply electricity under section 6(1)(d) of the Electricity Act 1989
- the Authority (i.e. Ofgem)

Section 29(4)(f) of the Act makes provision for consultation with such other persons as the Secretary of State considers appropriate. The Secretary of State considers it appropriate to consult with industry code administrators, holders of Transmission and Distribution Licences[1], Balancing and Settlement Code ("BSC") parties, the BSC Panel, the Low Carbon Contracts Company Limited ("LCCC") and EMR Settlement Limited ("EMRS"), which is a subsidiary of Elexon Limited ("Elexon"). The Government expects certain types of contributions from the consultees in relation to nuclear RAB related licence and code modifications as follows:

- **Ofgem** would be able to provide input in respect of whether the proposed modifications allow it to carry out its functions as the Economic Regulator for nuclear RAB projects. Given that Ofgem also administers Transmission and Distribution Licences and plays a decision-making role in code changes in certain circumstances, Ofgem would be able to provide input on whether the proposed changes are fit for purpose and whether any other modifications are required.
- **Holders of Transmission and Distribution Licences** would be able to provide input in respect of whether the proposed modifications have any impact on their activities involving the transmission and or/distribution of electricity. Additionally, as licensees are required to maintain, become party to, or comply with the industry codes (in accordance with the conditions of their licence), they would also be well placed to provide views on code changes.
- **Industry code administrators (electricity)** are the point of contact for each code. They would be able to provide input on whether the proposed modifications are fit for purpose and achieve objectives. They would also be able to consider whether the modifications proposed as part of this consultation have any consequential impact on the code they administer.
- **Parties to the BSC** would be able to provide input on any impacts the proposed modifications have on their obligations under the BSC and whether the proposed modifications are fit for purpose.
- **BSC Panel** would be able to provide input on behalf of industry and consumer representatives on whether the proposed modifications to the BSC are fit for purpose and achieve objectives.
- **LCCC** would be able to input in respect of whether the proposed modifications allow them to carry out their functions (i.e. as the Revenue Collection Counterparty under nuclear RAB).

[1] Holders of Transmission and Distribution Licences (e.g. National Grid ESO and Elexon) are being consulted with under section 29(4)(f) of the Act where they do not fall in scope of section 29(4)(c)

- **EMRS** would be able to provide input in respect of whether the modifications would allow them to carry out their envisaged settlement functions (i.e. as the Nuclear RAB Settlement Services Provider).

Consultees are not limited to the areas mentioned above and are able to respond to the consultation questions as they consider appropriate. Consultees may find it useful to review the Regulations, alongside this document and accompanying annexes for additional context.

The Secretary of State has carefully considered whether it would be appropriate to consult any other persons on this matter (e.g. consumer groups, the general public and any other persons with an interest in this area). However, this is a technical consultation regarding proposed modifications to implement the provisions of the Regulations that have already come into force (as outlined below). Prior to the Regulations coming into force, the Secretary of State consulted and invited views in respect of the functioning of the revenue stream. These opportunities included:

- The full public consultation on the application of the RAB model for new nuclear build projects in summer 2019. This allowed for public input on the principles and approach behind the RAB funding model.
- The passage of the Nuclear Energy (Financing) Act 2022, where the proposed funding model (including matters related to the revenue stream) was scrutinised by MPs and Peers during its passage through Parliament.
- The full public consultation on the nuclear RAB revenue stream in summer 2022. This allowed the public to comment on proposals for the Regulations.
- The passage of the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023, where the provisions for the Regulations were scrutinised by MPs and Peers during its passage through Parliament.

Taking the above into account, the Secretary of State is satisfied by the scope of consultees. It is considered that the interests of consumers and the wider public interest will be reflected through this consultation, particularly given that Ofgem is a statutory consultee and has a duty to protect the interests of existing and future electricity consumers.

Publication

In the interests of transparency, although not required to do so, the Secretary of State is publishing this consultation.

Territorial extent

This consultation is only relevant to England, Scotland, and Wales.

How to respond

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Respond online at: beisgovuk.citizenspace.com/clean-electricity/nuclear-rab-industry-code-and-licence-modification

or

Email to: rabrevenueconsultation@energysecurity.gov.uk

Write to:

Nuclear Projects Delivery
Department for Energy Security and Net Zero

1st Floor
3-8 Whitehall place
London
SW1A 2AW

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our privacy policy.

We will summarise all responses and publish this summary on GOV.UK. The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the government's consultation principles.

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

Introduction

The role of nuclear

In 2019 the UK became the first major economy in the world to set legally binding targets to bring all greenhouse gas emissions to Net Zero by 2050. In the Net Zero Strategy, the Government also committed to have a fully low carbon power sector by 2035, subject to security of supply.[2] This means that renewable energy sources (i.e. wind and solar) will play an important role in achieving a Net Zero compliant system. However, to ensure the system remains reliable, intermittent renewables will need to be complemented by technologies which will provide continuous and stable electricity that is not dependent on weather conditions. Therefore, the Government is pursuing nuclear as a reliable source of low carbon electricity and has a long-term ambition to increase our deployment of civil nuclear power up to 24GW by 2050.[3]

On 31st March 2022, the Nuclear Energy (Financing) Act ("the Act") received Royal Assent. The Act provides the legislative framework to implement a Regulated Asset Base ("RAB") model to fund new nuclear energy generation projects. A key component of a nuclear RAB model is a robust revenue stream. On 23rd March 2023, The Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 ("the Regulations") came into force. These Regulations, which were made using the powers under Part 2 of the Act, set out the detailed mechanics of how the revenue stream would operate to ensure a consistent flow of revenues between electricity suppliers and nuclear companies benefiting from the model.

This presents a significant step forward in fully establishing a model for potential use on all new nuclear projects –to ensure a low-carbon, low-cost and resilient electricity system, allowing the UK to reach its emission reduction targets and provide energy security. To support this, the Government has also recently designated the Sizewell C project as the first that could use a RAB model.

Powers to make modifications

Section 29 of the Act gives the Secretary of State powers to make modifications to Transmission and Distribution Licences, the standard conditions incorporated into those licences, and industry codes that are maintained under those types of licences for the purpose of enabling the Regulations to function as intended through:

- allowing or requiring services to be provided to a Revenue Collection Counterparty; and
- enforcing obligations under a revenue collection contract.

[2] Net Zero Strategy (2021), available - https://www.gov.uk/government/publications/net-zero-strategy
[3] British Energy Security Strategy (2022), available - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1069969/british-energy-security-strategy-web-accessible.pdf

This provision (as with other provisions) in the Act was modelled on the Contracts for Difference ("CFD") legislative framework set out in the Energy Act 2013, in this case, section 26 of the 2013 Act. In 2014, the Government consulted on and made consequential modifications to industry codes and licences to implement the CFD legislative framework.[4] The CFD revenue mechanism was used as a starting point in the design of the nuclear RAB revenue stream, meaning that they would function in similar ways (see below for more details). Therefore, as a starting point, the Government has considered what modifications were made to implement the CFD revenue regime and whether similar modifications would be required for the nuclear RAB revenue stream.

Nuclear RAB revenue mechanics

The Act enables the Secretary of State to designate a nuclear company to potentially benefit from the RAB model. Following a designation, the Secretary of State may make modifications to the company's electricity generation licence, including by inserting new conditions, to facilitate the operation of the RAB model. It is the modified licence ("RAB licence"), amongst other things, that would enable the nuclear company to receive a regulated revenue stream (i.e. "Allowed Revenue") as determined by Ofgem during the design, construction, commissioning, and operation of the nuclear project in question (including its activities in complying with obligations under an approved funded decommissioning programme under the Energy Act 2008).

The Regulations establish a revenue mechanism that applies once the Revenue Collection Counterparty[5] and a designated nuclear company enter into a revenue collection contract, to allow the Revenue Collection Counterparty to collect the amounts (i.e. "RAB payments") [6] it must pay to/ or receive from relevant licensee nuclear companies[7] under revenue collection contracts. RAB payments to relevant licensee nuclear companies would be funded by all licenced electricity suppliers in Great Britain who could pass these costs on to their consumers (but there is no requirement for them to do so under the Regulations).

[4] EMR consultation on industry code and licence modifications (2014), available - https://www.gov.uk/government/consultations/emr-consultation-on-industry-code-and-licence-modifications

[5] The Secretary of State has designated LCCC to perform the role of Revenue Collection Counterparty – i.e. to be the counterparty for revenue collection contracts and to channel funds between electricity suppliers and relevant licensee nuclear companies. Designation notice (2022), available - https://www.gov.uk/government/publications/low-carbon-contracts-company-designated-as-revenue-collection-counterparty-for-nuclear-regulated-asset-base-rab-model

[6] During the construction phase the RAB payments a relevant licensee nuclear company would receive would be equal to its full Allowed Revenue (as it would not be generating electricity). During operations, the RAB payment paid to or received from a relevant licensee nuclear company would equal the Allowed Revenue minus any applicable Forecast Market Revenue ("FMR") from sales of electricity. To the extent that the licensees FMR from electricity sales would be insufficient to allow it to recover its Allowed Revenue, then it would receive from the Revenue Collection Counterparty RAB payments up to its Allowed Revenue (funded by electricity suppliers). If the relevant licensee nuclear company's FMR exceeds the Allowed Revenue, it would pay RAB payments reflecting the difference to the Revenue Collection Counterparty - who would pass this back to suppliers.

[7] Under the Act designated nuclear companies (with a RAB licence) become relevant licensee nuclear companies upon entry into revenue collection contracts with the Revenue Collection Counterparty.

Under these Regulations the Revenue Collection Counterparty will collect two levies, the supplier obligation and operational costs levy. Suppliers would receive notification of RAB interim levy rates, reserve amounts, and operational costs levy rates. They would then be invoiced for daily RAB interim rate payments, quarterly reserve payments and daily operational cost payments. These payments would be calculated according to factors including the amount of electricity supplied by each supplier (i.e. market share) and reconciliations would be carried out (see below for further details).

These mechanics are similar to the CFD revenue regime. However, the Regulations do have differences to account for the specific requirements of the nuclear RAB revenue mechanics. The key differences to the CFD revenue regime have been set out below:

- The Regulations enable payments to be made to relevant licensee nuclear companies during a project's construction phase.[8]
- The amounts to be paid to or from relevant licensee nuclear companies under revenue collection contracts would be according to amounts (e.g. Allowed Revenue) confirmed by Ofgem (as calculated in accordance with the conditions of their RAB licence).[9] The Revenue Collection Counterparty would then determine what to charge suppliers to meet those amounts.
- The Regulations require the Revenue Collection Counterparty to determine the RAB interim levy rate at least 30 days before the start of a quarterly obligation period and then to notify suppliers as soon as reasonably practicable. They also require the Revenue Collection Counterparty to determine and notify suppliers of the total reserve amount at least 30 days before the start of that period and to provide suppliers with around two and a half weeks' notice of their individual reserve payment.[10]
- The Regulations include provision allowing the Revenue Collection Counterparty, Ofgem, and the Secretary of State to receive information and/ or advice from specified persons so that the revenue stream can run effectively (see below).

[8] Under the CFD, payments are only made to CFD generators once the plant is operational.
[9] This is in contrast to CFDs where the CFD counterparty would be fully responsible for determining amounts to pay to or receive from CFD generators based on the terms of the CFD.
[10] This is in contrast to CFDs where suppliers receive at least 3 months' notice of the CFD interim levy rate and total reserve amount, and around 2 months and 2 & half weeks' notice of their individual reserve amount.

Engagement with relevant stakeholders

In preparing this consultation, the Government informally engaged with Ofgem and electricity code administrators[11] and other relevant stakeholders (e.g. LCCC and EMRS) to get their initial views on whether the Regulations might impact or be impacted by Transmission and/or Distribution Licences and the electricity industry codes. Given the technical nature of the licences and codes, the Government sought expert input from these stakeholders to identify which changes might need to be made to the documents they are responsible for administering.

To inform this assessment the Government engaged with the relevant stakeholders to learn more about the documents they administer, explain the Secretary of State's powers to make modifications to them, and provide them with an overview of the mechanics of the nuclear RAB revenue stream. Where it was determined that documents might require modifications, the Government ran the relevant stakeholders through the Regulations and key features to consider when identifying possible modifications (see below).

The drafting of proposed modifications has been led by the relevant document administrators, working alongside Government and other relevant stakeholders to seek to ensure that they would operate effectively to implement the Regulations as intended. Ofgem and all electricity code administrators have had the opportunity to review the draft modifications to allow them to identify any consequential modifications that might be required in the documents they administer.

[11] These include Elexon, National Grid ESO, Electralink, Energy Networks Association, Smart Energy Code Administrator and Secretariat, REC.

Modification considerations

Parties involved in administering the nuclear RAB revenue stream

- Government/ Secretary of State – sets the policy framework, leads nuclear RAB policy design and legislative actions.
- Ofgem – determines the amount (i.e. Allowed Revenue) relevant licensee nuclear companies benefitting from the RAB model receive (in accordance with the conditions of their RAB licence).
- Revenue Collection Counterparty (i.e. LCCC)– Government-owned company that is a party to revenue collection contracts and channels money between electricity suppliers and relevant licensee nuclear companies.
- Settlement Services Provider – calculates and settles amounts payable (based on supplier market share data) under revenue collection contracts on behalf of the Revenue Collection Counterparty.
- Relevant licensee nuclear companies – nuclear companies that benefit from the RAB model and are parties to revenue collection contracts.
- Electricity suppliers – required to pay certain levies under the Regulations.

Supplier Obligation

The 'supplier obligation' (as set out in Part 2 of the Regulations) places a requirement on all electricity suppliers to make payments to the Revenue Collection Counterparty in the form of a compulsory levy. This is to enable the Revenue Collection Counterparty to make RAB payments due to relevant licensee nuclear companies under their revenue collection contracts.

These payments made by suppliers under the supplier obligation would be calculated by the Revenue Collection Counterparty in proportion with their market share (i.e. the proportion of electricity that each supplier supplied for that period – excluding any 'excluded electricity' under the Energy Intensive Industries ("EII") exemption[12]). To facilitate this, the Revenue Collection Counterparty will determine and set a £/MWh interim levy rate to apply over each quarterly obligation period and give suppliers advance notice of the levy rate in accordance with the Regulations (see above). Over each quarterly period each supplier would receive daily invoices from the Revenue Collection Counterparty and will make daily 'interim rate payments' corresponding to their daily volume of electricity supply.

[12] In accordance with The Electricity Supplier Obligations (Amendment & Excluded Electricity) Regulations 2015 (as amended).

The Regulations also make provision for the Revenue Collection Counterparty to make payments to suppliers (e.g. where it has received monies from relevant licensee nuclear companies under revenue collection contracts in proportion with their market share. As with costs, suppliers may pass on benefits associated with their payment obligations to their consumers (same applies to the operational costs levy – see below).

To ensure the Revenue Collection Counterparty can make the required payments to relevant licensee nuclear companies under revenue collection contracts, the Regulations set out the following arrangements for the Revenue Collection Counterparty to hold sums in reserve and to provide for cases of default by an electricity supplier:

- **Collateral:** Suppliers are required to post collateral calculated to cover 21 days of interim rate payments.
- **Reserve amounts:** Suppliers will make a lump sum reserve payment to the Revenue Collection Counterparty at the start of each quarterly obligation period. The reserve fund held by the Revenue Collection Counterparty will be sized to ensure it has a 95% certainty in meeting its payment obligations to relevant licensee nuclear companies with whom it has revenue collection contracts. Like the interim levy rate, suppliers will receive advance notice of the total reserve amount as well as their individual reserve amount (i.e. their share of their total reserve amount), in accordance with the Regulations (see above).
- **Mutualisation:** Should an electricity supplier default on a payment that it was required to make, and the Revenue Collection Counterparty not hold enough collateral from the defaulting supplier, the Revenue Collection Counterparty could require other suppliers to pay further amounts to cover the amount of that default in proportion with their respective market shares.

Operational costs levy

Suppliers will also be liable for the operational costs of LCCC carrying out its functions as the Revenue Collection Counterparty. This levy will also be charged to suppliers based on how much electricity each supplier has supplied on each day within the operational cost levy period.

Reconciliation

The Revenue Collection Counterparty (via a Settlement Services Provider) will need to have access to market share data to determine the actual payments that suppliers are liable to pay under their supplier obligation and operational costs levy and carry out reconciliations accordingly. Where suppliers are overcharged under the supplier obligation, amounts would be returned to them and where they were undercharged, they would be invoiced for further payments. These reconciliations would take place at the end of each quarter and on a rolling basis (as more data becomes available from Elexon, in accordance with the Balancing and

Settlement Code)[13]. In respect of operational costs payments, should there be any excess paid by suppliers, this would be returned to them after the end of the operational cost period, which in most cases will be a year.

Enforcement

The use of market share data can also extend to features such as enforcement under the Regulations whereby this data can be used by the Revenue Collection Counterparty and/or Ofgem for the purpose of enforcing against a supplier for non-payment.

Provision for information sharing

Part 6 of the Regulations makes provision for information exchange between the various persons set out below so that the revenue stream can function as intended.

Revenue Collection Counterparty

To enable the Revenue Collection Counterparty to carry out its functions (e.g. determining each supplier's proportion of the RAB payments and channelling funds between them and relevant licensee nuclear companies) the Regulations make provision for the counterparty to request information from:

- Electricity suppliers - to assist the counterparty in making determinations about supplier payment obligations (according to their market share).
- The CFD counterparty - to provide information about the proportion of excluded electricity supply from a supplier's market share (under the EII exemption) for the purpose of calculating their payment obligations.

Provision is also made in the Regulations for Ofgem and the CFD counterparty to provide information to the Revenue Collection Counterparty.

Ofgem

In order for Ofgem to carry out its functions (e.g. determining the amounts the relevant licensee nuclear companies are allowed to receive) it may request information from:

- The Revenue Collection Counterparty– for example, to verify information such as reference price data (where applicable).
- National Grid ESO – for example, to confirm or verify any information from a nuclear company on balancing actions that it took part in.

[13] The data relating to each supplier's share of payments are updated on a regular basis as more up to date meter readings are obtained. It typically takes 14 months from the day of supply for metered data to be finalised. Until this data is finalised, suppliers will be billed and invoiced on the basis of interim data. This is the data that will be used by the Revenue Collection Counterparty to conduct quarterly reconciliations.

Secretary of State

Given the Secretary of State's role (e.g. in the designation and RAB licence modification processes including ongoing licence modification powers in the event of administration) the Regulations make provision for the Secretary of State to request information from certain persons in connection with revenue collection contracts, this includes:

- the Revenue Collection Counterparty
- Ofgem
- a nuclear administrator
- the national system operator (i.e National Grid ESO)
- relevant licensee nuclear companies

The Revenue Collection Counterparty, Ofgem and the nuclear administrator are able to provide information and advice to the Secretary of State should they consider it necessary for the Secretary of State's functions.

The Secretary of State also may request Ofgem to provide information to the Revenue Collection Counterparty, this includes information in relation to amounts due to relevant licensee nuclear companies (as set out above). Additionally, the Secretary of State may request a nuclear administrator to provide information to Ofgem, for example, where information is needed to calculate payments due during a period of special administration for a nuclear RAB project.

Proposed changes to industry codes and Transmission and Distribution Licences

Electricity industry codes

Industry codes underpin the electricity wholesale and retail markets. Holders of electricity licences (e.g. Transmission, Distribution, Supply etc.) are required to maintain, become a party to, and/or comply with such codes in accordance with the conditions of their licences. In developing the proposed modifications the Government, alongside the relevant code administrators, have considered electricity related codes maintained in accordance with Transmission and Distribution Licences, these are:

Balancing and Settlement Code (BSC)

The BSC is administered by Elexon and is a legal document that contains the rules and governance arrangements for the balancing mechanism and imbalance settlement processes for electricity in Great Britain. The Balancing Mechanism (BM) is the National Grid ESO's primary tool to balance supply and demand on GB's network.[14] In the Electricity National Control Centre ("ENCC"), the Balancing Mechanism is used to buy and procure the right amount of electricity required to balance electricity supply and demand in each half hour trading period of the day.[15] This is achieved by increasing or decreasing generation or consumption.

Imbalance settlement processes are carried out by Elexon and address the discrepancies for each settlement period between:

- the amount of electricity that a company has contracted to generate or consume; and
- the amount of electricity which the company actually generated or consumed.

As generators may generate more or less electricity than they have sold, and consumers may consume more or less than their supplier has purchased, these BSC parties may then be regarded as 'in imbalance' and be required to pay or be paid in respect of their imbalance.

The current consolidated version of the BSC is available on Elexon's website.[16]

Nuclear RAB Settlement Services Provider

It is proposed that modifications are made to Section C of the BSC to establish EMRS as the Nuclear RAB Settlement Services Provider. EMRS would be responsible for carrying out the processes that enable supplier payments to be calculated and settled corresponding to each

[14] https://www.nationalgrideso.com/electricity-explained/how-do-we-balance-grid
[15] https://www.nationalgrideso.com/what-we-do/electricity-national-control-centre
[16] BSC Consolidated, available - https://bscdocs.elexon.co.uk/bsc

supplier's market share (referred to as metered data), on each day of the levy period, on behalf of the Revenue Collection Counterparty.

EMRS currently undertake similar functions as the EMR Settlement Services Provider for the Electricity Market Reform ("EMR") schemes (i.e. CFD and Capacity Market ("CM")). Therefore, it is considered that they have the requisite skills and experience to do so for nuclear RAB. These proposed modifications have been drafted so that the restrictions, liabilities, rights and obligations that apply to EMRS under the BSC in respect of the CFD and CM schemes also apply to it in respect of its roles under nuclear RAB, where in accordance with a Nuclear RAB Legal Requirement.[17] These modifications have also been made to facilitate EMRS's functions in their role as Settlement Services Provider which would enable them to carry out the following:

- calculation, invoicing, reconciliation and, where applicable, settlement of amounts payable or arising pursuant to a Nuclear RAB Legal Requirement; and
- calculation, collection, administration, and enforcement of financial collateral pursuant to a Nuclear RAB Legal Requirement.

These proposed modifications have been set out in **Annex A** (see Annex C-1 of Section C, paragraph 5.1.1).

Question 1

Do you consider that these modifications are sufficient to enable EMRS to perform the role of the Nuclear RAB Settlement Services Provider?

Use of BSC data for nuclear RAB

It is proposed that modifications are made to Section H and V of the BSC for the purpose of enabling data sharing in accordance with nuclear RAB legal requirements.

The proposed modification to Section H paragraph 4.1.1 (see **Annex B**) seeks to ensure that Elexon (and BSC Parties) are not in breach of BSC confidentiality provisions where they provide BSC data where they are required to do so under a nuclear RAB legal obligation. This modification will primarily apply in respect of Elexon, who will be providing data to the Nuclear RAB Settlement Services Provider and the Revenue Collection Counterparty. This modification may also apply in respect of other BSC Parties, for example, suppliers, if they need to pass information to the Revenue Collection Counterparty that might otherwise be subject to confidentiality restrictions under the BSC. It is proposed that this amendment is made in Section H as it would not be captured by the general provision proposed in **Annex A** (see

[17] Nuclear RAB Legal Requirement means the Nuclear Energy (Financing) Act 2022 and any rules, regulation, licence, licence condition or Directive (as defined in the BSC) made pursuant to, or in connection with, that Act (see **Annex A** – proposed definition set out in Annex C-1 of Section C, paragraph 5.1.1 (a))

Annex C-1, paragraph 5.1.3) that otherwise aligns the nuclear RAB and EMR settlement arrangements.

The proposed modification to Section V (see **Annex C,** Section V, paragraph 5.5) is intended to place an obligation on Elexon to provide data to the Nuclear RAB Settlement Services Provider and the Revenue Collection Counterparty. This both enables Elexon to provide BSC data and creates a requirement for that data to be provided. Reference is made to Section H11 in relation to the BSC open data requirements and is a back stop in case the arrangement for nuclear RAB requires BSC data that is not classified as open data, or in case the open data arrangements are revised in the future.

Question 2

Do you consider that these modifications are sufficient to allow BSC data to be provided to the Revenue Collection Counterparty and Nuclear RAB Settlement Services provider for the purpose of nuclear RAB?

Definitions

To accompany the changes set out above, it is proposed that the following terms are defined in Section X of the BSC (see **Annex D**):

- **Nuclear RAB Legal Requirement** – the intention is to ensure that the roles carried out by EMRS, and data provided to EMRS and the Revenue Collection Counterparty, are in accordance with nuclear RAB legal requirements.
- **Nuclear RAB Settlement Services** – the intention behind the proposed defined term and its use in the BSC is to ensure that the settlement functions EMRS carries out are those required for nuclear RAB in accordance with nuclear RAB legal requirements.
- **Nuclear RAB Settlement Services Provider** – the intention behind the proposed defined term and its use in the BSC is to establish EMRS's role as the settlement provider for nuclear RAB on behalf of the Revenue Collection Counterparty.
- **Revenue Collection Counterparty** – the intention behind the proposed defined term and its use in the BSC is to establish LCCC as the body appointing EMRS to carry out Nuclear RAB Settlement Services on its behalf and provide it with the ability to appoint other bodies to carry out this role in the future.

Question 3

Do you have any comments on the defined terms?

Question 4

Do you have any comments on the proposed changes to the BSC to enable the functioning of the Regulations?

Question 5

Do you consider there to be any further changes needed to the BSC to enable the functioning of the Regulations?

Connection and Use of system Code (CUSC)

The CUSC is administered by National Grid ESO and is the contractual framework for connecting to and using the National Electricity Transmission System (NETS). Following engagement with National Grid ESO and review of the CUSC in respect of the Regulations, the Government considers that at this stage no changes would be required to the CUSC. This is on the basis that it is broad enough to enable the Regulations to function as intended.

The current consolidated version of the CUSC can be found on National Grid ESO's website.[18]

Grid Code

The Grid Code, administered by National Grid ESO, sets the technical requirements for connecting to and using the National Electricity Transmission System (NETS). Compliance with the Grid Code is one of the requirements of the CUSC. Following engagement with National Grid ESO and review of this code in respect of the Regulations, the Government considers that at this stage no changes would be required to the Grid Code. This is on the basis that it is broad enough to enable the Regulations to function as intended.

The current consolidated version of the Grid Code can be found on National Grid ESO's website.[19]

System Operator - Transmission Operator Code (STC)

The STC, also administered by National Grid ESO, defines the relationship between National Grid ESO, (being the system operator for Great Britain) and transmission system owners. Following engagement with National Grid ESO and review of this code in respect of the Regulations, the Government considers that at this stage no changes would be required to the

[18] CUSC, available - https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc
[19] Grid Code, available - https://www.nationalgrideso.com/industry-information/codes/grid-code-gc

STC. This is on the basis that it is broad enough to enable the Regulations to function as intended.

The current consolidated version of the STC can be found on National Grid ESO's website.[20]

Distribution Use of System Code (DCUSA)

The DCUSA, administered by ElectraLink, is a multi-party agreement between licensed electricity distributors, suppliers, and generators within Great Britain. It is concerned with the use of electricity distribution systems to transport electricity to or from connections to them. Following engagement with ElectraLink and review of this code in respect of the Regulations, the Government considers no changes would be required at this stage. This is because there is not a direct interplay between the Regulations and the development, maintenance, or operation of the distribution system.

The current consolidated version of the DCUSA can be found on the DCUSA website.[21]

Distribution Code (DCode)

The Dcode is administered by the Energy Networks Association (ENA) and contains the minimum technical specifications for the operation and development of distribution networks in Great Britain, and for the connection of equipment to them. It is designed to allow the development, maintenance, and operation of an efficient, economical and coordinated electricity system. Following Engagement with the ENA and review of this code in respect of the Regulations, the Government considers that no changes would be required to the DCode at this stage for the purpose of nuclear RAB. This is because it is a technical code for Distribution Network Operators and does not deal with revenues, pricing, generation or suppliers, and there is no direct interplay between the Regulations and how the network operates.

The current consolidated version of the DCode can be found on the Dcode website.[22]

Smart Energy Code (SEC)

The SEC, administered by Gemserv (who is the Smart Energy Code Administrator & Secretariat (SECAS)), is a multi-Party agreement which defines the rights and obligations of energy suppliers, network operators and other SEC parties involved in the end-to-end management of smart metering in Great Britain. It details the smart metering communication services provided by the Data Communications Company (DCC). The charges for those DCC services are paid for by SEC Parties.

Following engagement with Gemserv and review of the SEC in relation to the Regulations, the Government considers that no changes would be required to it at this stage. This is because the SEC deals with the services the DCC provides to industry and how those costs are levied by the DCC on to SEC parties. Given that the Regulations would not result in changes to how

[20] STC, available - https://www.nationalgrideso.com/industry-information/codes/system-operator-transmission-owner-code-stc
[21] DCUSA, available - https://www.dcusa.co.uk/
[22] DCode, available - https://dcode.org.uk/

the DCC provides services and subsequently how those costs are levied, no modifications are required.

Retail Energy Code (REC)

The REC, administered by the Retail Energy Code Company, sets out the rules suppliers in the retail energy sector must follow when selling to consumers. All licensed energy suppliers, gas transporters, electricity distribution network operators, metering operators and the Data Communication Company (DCC) must comply with the REC.

Following engagement with administrators of the REC, the Government considers that no changes would be required to it at this stage for the purposes of nuclear RAB given that the Regulations do not place any requirement on suppliers to pass on any cost or benefits to their consumers.

Question 6

Do you consider there to be any changes required to the CUSC, GRID Code, STC, DCUSA, DCode, SEC or REC for the effective functioning of the Regulations?

Electricity Licences

Transmission Licence

A Transmission Licence allows the licensee to participate in the transmission of high voltage electricity for the purpose of enabling a supply to be given. The Transmission Licence was reviewed with expert input from Ofgem, Elexon, National Grid ESO and other relevant expert stakeholders.

Given that changes are being proposed to the BSC, as part of the review of the Transmission Licence we considered whether the list of Applicable BSC Objectives set out in paragraph 3 of Condition C3 of the Transmission Licence should also include a ‘nuclear RAB objective’. This is on the basis that there is an existing objective relating to ‘EMR’ (being the legislative mechanism for implementing the CFD scheme) and, as above, the nuclear RAB and CFD revenue streams have similarities. The EMR introduced a number of substantive changes to the BSC that were necessary in order to facilitate payments to CFD/CM generators.

For nuclear RAB, the objective behind the modifications to the BSC are to enable the BSC to apply to nuclear RAB as it currently operates, and not as significant as they were under the EMR which introduced substantive changes which impacted balancing and settlement arrangements. Accordingly, there are a number of EMR related provisions in the BSC that would not be relevant to nuclear RAB.

The modifications to the BSC proposed in this consultation are for the purpose of providing Elexon (and therefore EMRS) with the authority under the BSC to perform the Settlement Services Provider role for nuclear RAB. In performing this role, EMRS will be using existing open BSC data[23] to settle supplier payments on behalf of the Revenue Collection Counterparty.

In the past where changes have been made to the BSC that are for the purpose of enabling Elexon to undertake settlement services, it has not resulted in the need for a new Applicable BSC Objective to deliver this. This is because the Transmission Licence allows for these activities, and by their nature, such changes do not impact the rules relating to the balancing and settlement arrangements. Therefore, at this stage it is considered that no changes are needed to the Transmission Licence.

The consolidated version of the Transmission Licence is available on Ofgem's website. [24]

Question 7

It is proposed not to add nuclear RAB to the list of Applicable BSC Objectives. Do you have any comments on this proposal?

Question 8

Do you consider there to be any changes required to the Transmission Licence for the effective functioning of the Regulations?

Distribution Licence

The Distribution Licence allows the licensee to distribute electricity for the purpose of enabling supply to be given. Electricity is distributed from the national electricity transmission system through a low voltage network of wires to customers (e.g. domestic premises, businesses, and factories).

Having reviewed this licence alongside Ofgem, the Government considers that no changes are required at this stage. This is on the basis that the Regulations do not impact on and are not impacted by the mechanics and activities which govern the distribution of electricity.

The consolidated version of the Distribution Licence is available on Ofgem's website. [25]

[23] The proposed modifications to Section V (set out above) means that EMRS and the Revenue Collection Counterparty can access BSC data that they require for performing their Nuclear RAB functions even if that data is not open BSC data.
[24] Transmission Licence, available - https://www.ofgem.gov.uk/licences-and-licence-conditions
[25] Distribution Licence, available - https://www.ofgem.gov.uk/licences-and-licence-conditions

Question 9

Do you consider there to be any changes required to the Distribution Licence for the effective functioning of the Regulations?

Next steps

The consultation period will last for 6 weeks and close on 5 December 2023.

Consultees should respond to the consultation questions during the 6-week consultation period so that we can capture a range of views on our proposals in relation to modifications to industry codes and Transmission and Distribution Licences for the purposes of nuclear RAB.

Following analysis of responses (alongside relevant stakeholders), we intend to publish a government response on the outcome of the consultation setting out how the Government have considered responses in informing the modifications. The modifications made by the Secretary of State will be implemented following publication on GOV.UK and on the relevant document website.

Any subsequent modifications to industry licences and/ or codes, following the ones established from the outcome of this consultation may be implemented through the powers under section 29(1) of the Act or through standard change processes at a later date.

This consultation is available from: www.gov.uk/government/consultations/nuclear-regulated-asset-base-rab-industry-code-and-licence-modifications

If you need a version of this document in a more accessible format, please email alt.formats@energysecurity.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.

SECTION C: BSCCO AND ITS SUBSIDIARIES

1. GENERAL

1.1 Introduction

1.1.1 This Section C sets out:

(a) provisions as to the constitution of BSCCo and the obligations of the BSCCo Shareholder;

(b) the powers, functions and responsibilities of BSCCo;

(c) provisions as to the management of BSCCo;

(d) provisions as to the relationship between BSCCo and Parties;

(e) arrangements for establishing a Business Strategy and Annual Budget for BSCCo; and

(f) provisions relating to Subsidiaries of BSCCo.

1.1.2 In this Section C references to a Party do not include BSCCo or the BSC Clearer.

1.2 Role and powers, functions and responsibilities of BSCCo

1.2.1 The principal role of BSCCo (but subject as provided in this paragraph 1.2) is to provide and procure facilities, resources and services (including providing or procuring resources required by the Panel and Panel Committees, and procuring services under BSC Service Descriptions) required for the proper, effective and efficient implementation of the Code.

1.2.1A Without prejudice to paragraph 1.2.1, a BSC Company (directly or through any agent) may discharge the functions and responsibilities of the WHD Operator as set out in the Warm Home Discount (Reconciliation) Regulations 2011 subject to the following:

(a) the appointed BSC Company may discharge the functions and responsibilities of the WHD Operator in accordance with any of the provisions, powers and mechanisms set out in the Code and the Code shall be construed accordingly;

(b) each Party and the Panel shall not (whether by action, omission or withholding of consent) prevent or restrict such BSC Company from discharging the functions and responsibilities of the WHD Operator and shall (where applicable) co-operate with all requests for information and payment made by such BSC Company in discharging those functions and responsibilities;

(c) each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature (other than for death or personal injury as a result of negligence or for an equitable remedy) against any BSC Company and releases each BSC Company from any such liability in respect of any breach by such BSC Company in connection with its discharge of the functions and responsibilities of the WHD Operator;

(d) Parties shall have no liability or obligation to provide financial support to the appointed BSC Company in respect of its discharge of the functions and responsibilities of the WHD Operator;

DRAFT

(e) the appointed BSC Company shall account for all costs, expenses, liabilities and resources (incurred or used) and for payments (received and made) in the discharge of the WHD Operator's functions and responsibilities separately from BSC Costs and Trading Charges respectively;

(f) the appointed BSC Company shall provide all information requested by the Authority or Secretary of State in relation to its discharge of the WHD Operator's functions and responsibilities;

(g) the appointed BSC Company shall provide the Panel with reports from time to time in relation to its discharge of the WHD Operator's functions and responsibilities, provided that such BSC Company shall not be required to disclose to the Panel any information that the Secretary of State or the Authority expressly request such BSC Company to keep confidential;

(h) in discharging the WHD Operator's functions and responsibilities, the appointed BSC Company has the objective of the efficient and economic discharge of the functions and responsibilities under the Warm Home Discount (Reconciliation) Regulations 2011 and paragraph 1.3.1 shall accordingly not apply to this paragraph 1.2.1A;

(i) paragraphs 3.4.5(b), 5.1, 5.2 and 7 shall not apply to this paragraph 1.2.1A;

(j) notwithstanding Section F2, this paragraph 1.2.1A and paragraphs 3.1.2A and 3.1.2B of Section B may not be amended without the prior written consent of the Secretary of State or the Authority; and

(k) for the purposes of the Code, this paragraph 1.2.1A shall cease to have effect upon the termination of the appointment of a BSC Company as the WHD Operator, save for paragraphs (c), (d), (e), (f), (g) and (i) which shall continue to apply to the extent and for such period as is necessary.

1.2.1B Without prejudice to paragraphs 1.2.1 and 1.2.1A, and subject to the provisions of paragraphs 3.4, 3.5 and 10, the activities set out in Annex C-1 (the "**Permissible Activities**") may be undertaken by an Affiliate (or Affiliates) of BSCCo established to undertake those Permissible Activities ("**Permitted Affiliate**").

1.2.2 Subject to the further provisions of this Section C, BSCCo shall have the powers, functions and responsibilities set out in or assigned to it pursuant to the Code, and shall not undertake any business or activity other than as provided for in the Code.

1.2.3 Without prejudice to the generality of paragraph 1.2.2, BSCCo shall have the powers, functions and responsibilities set out in paragraph 3.

1.2.4 Subject to the further provisions of this Section C, BSCCo may do anything necessary for or reasonably incidental to the discharge of the functions and responsibilities assigned to it in the Code or by the Panel pursuant to the Code.

1.2.5 The powers of BSCCo shall be subject to the restrictions and limits set out in or imposed pursuant to the Code.

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

DRAFT

1.3 Objectives

1.3.1 BSCCo shall exercise its powers and discharge its functions and responsibilities with a view to achieving the objectives set out in Section B1.2.1 (construed as though references to the Panel were to BSCCo).

1.3.2 As provided in paragraph 5.1, BSCCo is not intended to make a profit or loss in any BSC Year.

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

2.1 Constitution of BSCCo

2.1.1 Subject to paragraph 2.1.2, the Memorandum and Articles of Association of BSCCo shall be in the form designated pursuant to the Implementation Scheme.

2.1.2 The form of the Memorandum and Articles of Association of BSCCo (as amended by paragraphs 2.1.4 and 2.1.5) shall be treated as incorporated in and forming part of the Code for the purposes of enabling such form to be modified, and such form shall accordingly be capable of being modified, by way of Code Modification made pursuant to a Modification Proposal and otherwise in accordance with Section F; and the Memorandum and Articles of Association of BSCCo shall be amended so as to be in any such modified form.

2.1.3 The authorised and issued share capital and accounting reference date of BSCCo shall be those prevailing at the Code Effective Date.

2.1.4 All references to "England and Wales" in the Memorandum and Articles of Association of BSCCo shall be deemed to be references to "Great Britain and Offshore".

2.1.5 For the purposes of the Articles of Association of BSCCo, the terms "NETSO" and "Transmission Licence" shall have the meaning given to those terms in Annex X-1 of the Code.

2.2 Share capital of BSCCo

2.2.1 Subject to paragraph 2.2.3, the NETSO shall be the registered holder of all of the issued share capital of BSCCo.

2.2.2 The NETSO shall not do or authorise or agree to or take any step with a view to any of the following:

(a) any increase in the authorised share capital of BSCCo, or the issue of any share capital or the issue or grant of any option, warrant or other instrument, security or right to subscribe for, or which is convertible into or exchangeable for, any shares of BSCCo;

(b) except pursuant to paragraph 2.2.3, the transfer of any of the issued shares of BSCCo;

(c) the creation of or allowing to subsist any pledge, mortgage, charge or other encumbrance over any of the shares of BSCCo.

DRAFT

2.2.3 If directed to do so by the Authority, the NETSO shall execute and deliver a transfer of the shares of BSCCo to such person as the Authority considers appropriate to succeed to the NETSO in the capacity of BSCCo Shareholder for the purposes of the Code, upon payment by or on behalf of such person of an amount equal to the par value of such share or shares; and upon such transfer taking effect the NETSO shall be released from all future obligations as BSCCo Shareholder.

2.2.4 Modification Proposal P369, including any modifications to Code Subsidiary Documents or any other document maintained under the Code made pursuant to Modification Proposal P369, shall take effect from 00:00 hours on 1 April 2019.

2.3 Further undertakings of NETSO

2.3.1 The NETSO shall at all times exercise its rights, and take all available steps, as BSCCo Shareholder, and shall only exercise any such right or take any such step, so as to give effect to the provisions of the Code, or any direction of the Panel consistent with the provisions of the Code, as to the matters set out in paragraph 2.3.2.

2.3.2 The matters referred to in paragraph 2.3.1 are:

(a) the amendment of the Memorandum or Articles of Association of BSCCo so that they are in any modified form from time to time pursuant to paragraph 2.1.2;

(b) the appointment, re-appointment or removal of any Director (in accordance with a nomination under or otherwise as required in accordance with paragraph 4) or the secretary or auditors of BSCCo, provided that (in the case of an appointment or reappointment) the consent of the person to be appointed or reappointed has been obtained;

(c) the approval of the annual accounts (as defined in the Companies Act 2006) of BSCCo; and

(d) any other act of or in relation to BSCCo which can, or under any Legal Requirement must, be done by a vote or resolution or other assent of the BSCCo Shareholder.

2.3.3 Without prejudice to the generality of paragraph 2.3.1, the steps which the NETSO may be required to take pursuant to paragraph 2.3.2 include:

(a) the convening of an annual or extraordinary general meeting of BSCCo;

(b) the waiving of notice or agreeing to short notice of such meeting;

(c) the passing of any shareholders resolution of BSCCo including as a written resolution.

2.3.4 The NETSO shall not consolidate the financial results of BSCCo or any Subsidiary of BSCCo with those of the NETSO or any Affiliate of the NETSO unless required to do so by a Legal Requirement.

2.4 No obligation to finance

2.4.1 The NETSO as BSCCo Shareholder shall have no liability or obligation to provide any finance or financial support to BSCCo or any Subsidiary of BSCCo and shall have no obligation to Parties as BSCCo Shareholder other than as expressly provided in the Code.

DRAFT

2.5 Winding-up of BSCCo

2.5.1 The principles which are to apply in the event of the winding-up of BSCCo are that, so far as is lawful:

(a) the assets and resources of BSCCo should be transferred (for value or otherwise as may be lawful) to any successor under the Code to BSCCo;

(b) subject to paragraph (c), and after payment or settlement of all liabilities of BSCCo, any amount which would otherwise be available for distribution to the shareholder(s) of BSCCo should be paid (or an equivalent amount shall be paid by the NETSO) to Trading Parties in their Annual Funding Shares or such other proportions as the Authority may decide;

(c) the NETSO shall be entitled to be paid out of any such amount as is referred to in paragraph (b) the amount of any taxation for which it is liable in connection with such winding up and/or the giving effect to such principles;

and BSCCo, the NETSO and the other Parties shall take such steps as are available and lawful to secure that these principles are given effect.

2.6 Legal Requirements relating to the NETSO

2.6.1 It is recognised that, by reason of the NETSO being BSCCo Shareholder, it is possible that certain steps which might be taken by BSCCo or a Subsidiary of BSCCo could result in the NETSO or an Affiliate of the NETSO being in breach of, or being required to take action under or make a payment under, or incurring a liability under, a Legal Requirement (or being or doing so in the absence of a notification to or approval of a Competent Authority) (any such step which would have such result being a "**relevant step**").

2.6.2 The NETSO may from time to time notify to BSCCo particular Legal Requirements, applying to the NETSO or its Affiliates, which the NETSO reasonably considers may fall within paragraph 2.6.1, provided that the NETSO shall at the same time provide such details of such Legal Requirement as are reasonably necessary to enable BSCCo to determine whether any step which it might take would be a relevant step in relation to such Legal Requirement.

2.6.3 Where the NETSO has for the time being notified BSCCo of a particular Legal Requirement pursuant to paragraph 2.6.2, BSCCo will take all reasonable measures to ensure that it and its Subsidiaries do not take any relevant step in relation to that Legal Requirement unless:

(a) BSCCo has first notified and consulted with the NETSO in relation to such step, and

(b) either the NETSO has approved the taking of such step or BSCCo is required to take such step for the purposes of discharging its functions and responsibilities under the Code (but subject always to any Code Modification made following a proposal by any person entitled to do so).

2.6.4 For the purposes of this paragraph 2.6:

(a) Legal Requirement shall be construed:

(i) as including a requirement of any stock exchange in any country or of the Panel on Takeovers and Mergers or any body in any country having equivalent functions to those of that panel where compliance with the requirements of such body is customary; and

DRAFT

(ii) in accordance with paragraph (b);

(b) Competent Authority shall be construed as though the reference to the United Kingdom in the definition thereof included any country or state to the jurisdiction of which the NETSO or any of its Affiliates is subject by reason of having a presence in such country or state.

2.6.5 BSCCo agrees not (unless required to do so by a Legal Requirement) to represent that it is a Subsidiary of the NETSO.

2.7 Taxation and other payments

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

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 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.

3. POWERS AND FUNCTIONS OF BSCCO

3.1 General

3.1.1 Without prejudice to paragraph 1.2.2, BSCCo shall have the following powers, functions and responsibilities:

(a) to enter into, manage and enforce contracts with service providers (as BSC Agents) for the supply of the services required by BSC Service Descriptions, and negotiate and agree amendments to such contracts, as further provided in Section E and, where relevant, paragraph 10.1.5;

(b) to advise the Panel and keep it advised as to and in respect of the matters which it is necessary or appropriate that the Panel should consider in order to discharge the Panel's functions and responsibilities in accordance with the Code;

(c) to provide or arrange the provision of such facilities, resources and other support as may be required by the Panel to enable the Panel or any Panel Committee or Workgroup to discharge its functions and responsibilities under the Code;

(d) to provide secretarial and administrative services in connection with meetings of the Panel and Panel Committees and Workgroups, including the convening and holding of such meetings, and taking and circulation of minutes;

(e) to provide and make available to Parties such facilities, services and information in connection with the implementation of the Code as the Code may provide or the Panel may require;

(f) to provide or arrange the provision of facilities, resources and other support in connection with the procedures for modification of the Code in accordance with Section F;

DRAFT

(g) to enter into contracts (in terms complying with any applicable provisions of Section B) of employment or other engagement with persons from time to time to be appointed as Panel Chairman or Panel Members under Section B2.5;

(h) to indemnify against liability and, if relevant, to reimburse the expenses of, Panel Members, members of Panel Committees, members of Workgroups and others as provided in the Code or as otherwise required in BSCCo's discretion in connection with any BSC Agent Contract;

(i) to enter on behalf of all Parties into Accession Agreements with new Parties in accordance with Section A2.2, and to enter on behalf of all Parties into Novation Agreements with Novation Applicants and Transferring Parties in accordance with Section A2.7;

(j) not used;

(k) to act as shareholder of the BSC Clearer in accordance with paragraph 7;

(l) to receive, collect and hold such data and information, and to prepare and maintain such books and records, as may be required under the Code or reasonably necessary to enable BSCCo to comply with its functions and responsibilities under the Code; and to provide data and information held by it to the Panel upon request and to other persons in accordance with any express provision of the Code;

(m) without prejudice to the generality of paragraph (l), where it is not the function of a BSC Agent to do so, to maintain records of the extent to which Parties have satisfied requirements of the kind referred to in Section A4.5.3, and to provide details thereof to BSC Agents and other persons as required for the purposes of the Code;

(n) to monitor whether any Party is, or with the lapse of time or giving of notice would be, in Default (in accordance with Section H3), and to give to any Party any notice the giving of which will result in that Party being in Default (but not for the avoidance of doubt to give any notice consequent upon a Party's being in Default unless expressly authorised to do so by the Panel or by a provision of the Code);

(o) to act as the Performance Assurance Administrator;

(p) to prepare and/or (as the Panel may require) assist the Panel to prepare the Annual BSC Report for each BSC Year in accordance with Section B6.1;

(q) to make recommendations to the Panel as to possible Modification Proposals in the circumstances mentioned in paragraph 3.8.8 and Section F2.1.1(d)(ii) and (iii);

(r) to the extent provided in and in accordance with the policy from time to time established by the Panel, to act as a point of contact for persons from other countries interested in, and to explain to such persons, the arrangements for and developments in wholesale trading of electricity in Great Britain and/or Offshore, and to participate in institutional comparative discussions of such arrangements and developments in other countries;

DRAFT

(s) to provide Profile Administration Services (with the consent of the Panel) and to enter into, manage and (subject to the Code) enforce contracts with service providers for the supply of Profile Administration Services in accordance with Section C9;

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

(u) to delegate responsibility for performance of the powers, functions and responsibilities specified in this paragraph 3.1.1 and otherwise provided for in the Code, to the BSC Services Manager (save in respect of paragraph (k) and its obligations and responsibilities under Section E, paragraph 4); and

(v) to provide the MHHS Implementation Manager services in accordance with Section C12.

3.1.1A BSCCo shall obtain the Panel's consent prior to raising any potential amendments to the Code Administration Code of Practice.

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

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

(a) facilities for holding meetings;

(b) the provision of advice and expertise in connection with any matter which (pursuant to the Code) is to be considered by the Panel or Panel Committee or Workgroup;

(c) the preparation of draft and final working papers, reports and other documents; and

(d) where BSCCo so decides or the Panel specifically so requests, the services of external firms of advisers and consultants or the attendance at meetings of experts (and paying the fees and expenses of such advisers, consultants and experts).

3.1.4 BSCCo shall have the powers, functions and responsibilities assigned to it in the Implementation Scheme (including without limitation those provided in connection with the Pooling and Settlement Agreement).

3.2 Panel Secretary

3.2.1 BSCCo shall at all times provide a person approved by the Panel to be the Panel Secretary (and shall whenever required to fill a vacancy nominate a person to that position).

DRAFT

3.3 Enforcement of Code

3.3.1 If:

(a) a Party is or may be in breach of any provision of the Code, and

(b) the Panel is of the opinion that the breach or continuance of the breach has or will have a material adverse effect on the operation of the Code consistent with the objectives in Section B1.2.1, as a result of which it is appropriate that proceedings should be commenced for the enforcement of such provision against such Party

then the Panel may instruct BSCCo to take proceedings against such Party.

3.3.2 Where the Panel has instructed BSCCo to take proceedings against a Party in breach pursuant to paragraph 3.3.1:

(a) BSCCo shall commence and with reasonable diligence continue such proceedings, for such remedy or remedies as the Panel shall have decided, subject to paragraph (b);

(b) BSCCo shall act in such proceedings (including without limitation any discontinuance or settlement thereof) in accordance with such terms of reference and reporting requirements, and subject to such supervision or instruction, as may be stipulated or provided by the Panel (or where the Panel has established any Panel Committee for that purpose, by that committee in accordance with its terms of reference);

(c) each Party (other than the Party in breach) hereby appoints BSCCo as agent in its name and on its behalf to commence and take such proceedings, and agrees that BSCCo and/or the Panel and/or any Panel Committee (in accordance with arrangements made for the purposes of paragraph (b)) shall exclusively have the conduct of the proceedings;

(d) all costs and expenses incurred by BSCCo in the proceedings (including any amounts awarded to the Party in breach) shall be BSC Costs;

(e) where any amount is recovered from the Party in breach pursuant to such proceedings, such amount shall be paid to Parties in their Annual Funding Shares (as at the time of the breach) or such other proportions and otherwise on such basis as the Panel shall consider fair and reasonable in all the circumstances;

(f) subject to paragraph 3.3.4, a Party shall not commence proceedings directly against the Party in breach without the prior approval of the Panel.

3.3.3 Except pursuant to paragraph 3.3.2, and subject as set out below, BSCCo shall not commence any proceedings against a Party in respect of breach of any provision of the Code.

3.3.4 Paragraph 3.3.2(f) shall not prevent a Party from taking any proceedings for interim relief or other steps against a Party which is or may be in breach of the Code where the first Party reasonably believes that such proceedings or steps need to be taken as a matter of urgency in order to protect its interests.

3.3.5 Except as provided in paragraph 3.3.2, nothing in this paragraph 3.3 shall prevent a Party from itself taking any steps to enforce against any other Party any provision of the Code.

3.3.6 Where:

DRAFT

(a) a Party is or may be in breach of the Code, and

(b) it appears to BSCCo that any proceedings for interim relief or other step should be taken, as a matter of urgency, in relation to that Party, in order to protect the interests of BSCCo and/or other Parties (or classes of Parties) pending such instructions from the Panel

BSCCo may take or arrange for the taking of such interim proceedings or step, after consulting where time permits with the Panel Chairman.

3.3.7 In any case where paragraph 3.3.2 does not apply, BSCCo may with the approval of the Panel agree with any Parties to take proceedings on behalf of and at the cost of those Parties against a Party in breach of the Code.

3.3.8 This paragraph 3.3 does not apply in relation to any breach by a Party of any payment obligation under Section D or N.

3.4 Restrictions on powers of BSCCo

3.4.1 Subject to any contrary provision of the Code, any instructions (pursuant to any provision of the Code expressly providing for such instructions to be given to BSCCo) of the Panel, and the objectives referred to in paragraph 1.3.1, BSCCo shall have discretion as to the means by which it discharges, and the manner in which it is managerially organised so as to discharge, its functions and responsibilities under the Code.

3.4.2 In the discharge of its functions and responsibilities and the exercise of its powers, BSCCo will comply with applicable law.

3.4.3 BSCCo shall not, without the prior approval of the Panel:

(a) enter into any borrowings in a cumulative aggregate principal amount exceeding £10,000,000;

(b) make loans or grant any credit to any person, other than to a Subsidiary of BSCCo or in the ordinary course of business or as required or expressly permitted by the Code;

(c) mortgage, charge, assign by way of security, pledge or otherwise encumber any property of BSCCo or enter into any transaction which has a financial effect similar to a secured borrowing, other than:

(i) by way of lien or set-off arising by operation of law and in the ordinary course of trading; or

(ii) by way of reservation of title by the supplier of any property (other than real property) to BSCCo in the normal course of such supplier's business;

(d) except pursuant to any provision of the Code:

(i) dispose (by way of licence, charge, sale or otherwise, other than by way of licence to a BSC Agent in connection with a BSC Agent Contract) of any Intellectual Property Rights or other rights held by BSCCo in or in respect of any BSC Systems, or

DRAFT

(ii) (where any BSC Agent Contract prohibits such disposal without BSCCo's authority or consent) authorise or consent to any such disposal by a BSC Agent of any such rights held by that BSC Agent;

(e) commence any proceedings against any person, or grant a waiver of any claim against any person, or settle any dispute, proceedings or claim brought by or against BSCCo or any other BSC Company, where the amount of such dispute or claim or subject to such proceedings exceeds (or in BSCCo's reasonable opinion is likely to exceed) such threshold amount as the Panel may from time to time specify for the purposes of this paragraph (e); provided that (without prejudice to the further provisions of the Code) this paragraph (e) does not apply in relation to claims, disputes and proceedings against or with Parties or BSC Agents or Market Index Data Providers.

3.4.4 For the purposes of paragraph 3.4.3, "**borrowing**" means any obligation (whether present or future, actual or contingent, as principal or surety) for the payment or repayment of money (whether in respect of interest, principal or otherwise) of BSCCo and any Subsidiary of BSCCo (other than the BSC Clearer) incurred in respect of:

(a) moneys borrowed or raised;

(b) any bond, note, loan stock, debenture or similar instrument;

(c) any acceptance credit, bill discounting, note purchase, factoring or documentary credit facility;

(d) any hire purchase agreement, conditional sale agreement or lease, where that agreement has been entered into primarily as a method of raising finance or financing the acquisition of an asset;

(e) any guarantee, bond, stand-by letter of credit or other similar instrument issued in connection with the performance of contracts;

(f) any interest rate or currency swap agreement or any other hedging or derivatives instrument or agreement; or

(g) any guarantee, indemnity or similar insurance against financial loss given in respect of the obligation of any person.

3.4.5 BSCCo shall not and shall not offer or agree to:

(a) issue, or grant any option, warrant or other instrument, security or right to subscribe for, or which is convertible into or exchangeable for, any shares of BSCCo;

(b) subscribe for, acquire or hold any share or other security in any company other than:

(i) shares in the BSC Clearer; or

(ii) any shares acquired pursuant to the Implementation Scheme;

(c) dispose of any legal or beneficial interest in any shares in the BSC Clearer or any other Subsidiary of BSCCo.

3.4.6 Except where expressly provided for in the Code, BSCCo shall not give any cross-subsidy to, or receive any cross-subsidy from, a Permitted Affiliate.

DRAFT

3.5 BSCCo resources

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

3.6 Provision of information to the Authority, etc

3.6.1 If at any time or from time to time requested by the Authority, BSCCo shall:

(a) collect and provide to the Authority all such relevant information as the Authority may specify;

(b) where necessary in order to comply with such a request, subject to paragraph 3.6.3, procure the relevant information from the BSC Agent or Market Index Data Provider which holds such information;

(c) undertake and provide to the Authority such analysis of relevant information (but not in whole or in part of information other than relevant information) as the Authority may so request.

3.6.2 A request by the Authority for the purposes of paragraph 3.6.1 may be made on a particular occasion or on a standing basis.

3.6.3 BSCCo shall not be in breach of this paragraph 3.6 by reason of any failure of any BSC Agent or Market Index Data Provider to provide any information which BSCCo has requested from it, provided that BSCCo is reasonably diligent in pursuing such request.

3.6.4 For the purposes of this paragraph 3.6, "**relevant information**" is information which is or is to be provided to BSCCo or the Panel or to any BSC Agent by or on behalf of any Party pursuant to the Code, or is derived from any such information pursuant to the Code or is otherwise produced or created pursuant to the Code.

3.6.5 Where BSCCo receives a request from the Authority for the purposes of paragraph 3.6.1, BSCCo will so notify all Parties, unless the Authority has requested BSCCo to notify only the Party to whom such information relates, in which case BSCCo will so notify that Party.

3.7 Matters relating to the Transmission Licence

3.7.1 If the Authority issues a direction pursuant to the Transmission Licence to the NETSO to secure compliance with any relevant provision of the Code:

(a) BSCCo shall provide all such assistance and take all such steps as the NETSO may reasonably require to comply or secure compliance with the relevant provision;

(b) without limitation of paragraph (a), BSCCo hereby appoints and authorises the NETSO to make any request of or issue any instruction to any BSC Agent or Market Index Data Provider on behalf of and in the name of BSCCo;

(c) the NETSO is hereby authorised by all Parties to provide to the Authority or (where the relevant provision of the Code so requires) place on the BSC Website or otherwise publish the information in question;

DRAFT

(d) the reasonable costs of the NETSO properly incurred in complying with such direction shall be paid by BSCCo to the NETSO.

3.7.2 For the purposes of paragraph 3.7.1 the relevant provisions of the Code are the provisions of paragraph 3.6.1 (subject to paragraph 3.6.3) and any provision of the Code which provides for any information to be placed on the BSC Website or otherwise published.

3.8 Reviews of the Code

3.8.1 BSCCo shall carry out:

(a) periodic reviews of the Code and its implementation and of operations under the Code, and

(b) upon the request of the Authority, a review of any particular aspect (as specified by the Authority) of the Code or its implementation or of operations under the Code

in order to evaluate whether the Code (or such aspect of the Code) continues to facilitate achievement of the Applicable BSC Objectives and to do so in the most effective way.

3.8.2 Reviews under paragraph 3.8.1(a) shall take place at least once every 2 years and not more often than once every year.

3.8.3 BSCCo shall notify all Parties and the Authority of the start of each review under paragraph 3.8.1, and shall endeavour to complete each review within a period of 3 months, or such other period as the Authority may specify in a case under paragraph 3.8.1(b).

3.8.4 In order to assist BSCCo to carry out any review under paragraph 3.8.1, the NETSO shall, at BSCCo's request, provide to BSCCo an assessment of the effect of the Code (or any aspect of the Code specified by BSCCo) on the matters referred to in Condition C3(3)(a) and (b) of the Transmission Licence.

3.8.5 For the purposes of paragraph 3.8.4:

(a) the analysis provided by the NETSO shall be prepared with the exercise of reasonable skill and care, and shall include sufficient detail and reasoning to enable a proper understanding of the relevant issues, and the NETSO shall provide any further explanation thereof reasonably requested by BSCCo;

(b) such analysis shall be provided within such period as BSCCo may reasonably request;

(c) the NETSO shall not be required to provide any information of a confidential nature which it is not otherwise obliged to make available to Parties.

3.8.6 Upon completion of each review under paragraph 3.8.1, BSCCo shall:

(a) prepare a report in respect of the review and its conclusions (including any analysis by the NETSO under paragraph 3.8.4);

(b) provide a copy of such report to the Authority; and

(c) subject to paragraph 3.8.7, provide a copy of such report to each Party and place a copy of the report on the BSC Website.

DRAFT

3.8.7 In a case under paragraph 3.8.1(b), if the Authority so requests or approves, the version of the report which is provided to Parties and placed on the BSC Website shall be amended so as to exclude such material, relating to particular Parties or persons, as the Authority shall so request or approve.

3.8.8 In addition to the foregoing, BSCCo shall keep under review whether any possible modification of the Code from time to time would better facilitate the objective in Condition C3(3)(d) of the Transmission Licence, and shall recommend to the Panel any particular such modification which in BSCCo's opinion would do so.

3.9 Not used

3.10 Summary of Code

3.10.1 BSCCo shall prepare and from time to time update a useful summary of the Code, and separately of the Code Subsidiary Documents, and shall provide a copy of each summary to the Panel and the Authority and (upon payment of an amount not exceeding the reasonable costs of making such a copy) to any person who requests such a copy.

3.10.2 The summary of the Code shall include (as a separate document) a summary and explanation of the basis of calculation of System Buy Price and System Sell Price pursuant to Section T.

3.10.3 No person shall be entitled to rely on such summaries for any purpose.

4. GOVERNANCE OF BSCCO

4.1 Appointment of Board of Directors and Chairman

4.1.1 The size and composition of the Board shall be determined by the Board's Nomination Committee but shall reflect the requirements set out in paragraph 4.1.3.

4.1.2 The Board shall establish a Nomination Committee which shall be responsible for:

(a) evaluating the balance of skills, experience, independence and knowledge on the Board; and

(b) leading the process for Board appointments including:

(i) preparing a description of the role and capabilities required for a particular appointment; and

(ii) making appointment recommendations to the Board.

4.1.3 The Board shall provide written terms of reference for the Nomination Committee which shall, inter alia, specify that:

(a) the Nomination Committee shall, in recommending appointments to the Board, have appropriate regard to reflecting different classes of, or categories of, industry participants on the Board;

(b) a majority of the Directors (excluding the BSCCo Chairman) and Directors appointed under Section C4.1.3(d) but including the Panel Chairman shall have relevant electricity industry experience;

DRAFT

(c) at least two Directors shall be, in the Nomination Committee's reasonable opinion (having regard, among other things, to any present or future business interests disclosed by those individuals), suitably independent from the electricity industry;

(d) not more than two Directors may be employees of BSCCo, and if any employees are appointed as Directors one of those must be the Chief Executive, provided that in the event that a person ceases to be an employee of BSCCo that person shall immediately cease to be a Director; and

(e) the Panel Chairman from time to time shall be appointed as a Director provided that, if that Panel Chairman is subsequently removed as a Director pursuant to Section C4.1.9 or Section C4.10.1, another Panel Member recommended by the Panel shall be appointed as a Director during the remainder of the term of that Panel Chairman.

4.1.3A Paragraph 4.1.3(d) shall not apply in respect of the BSCCo Chairman to the extent and for such period as the person appointed to that role is an employee of BSCCo.

4.1.4 The Board shall publish the terms of reference on the BSC Website.

4.1.5 Not used.

4.1.6 Not used.

4.1.7 Not used.

4.1.8 The Board may, based on the recommendation of the Nomination Committee:

(a) appoint a Director as chairman of its meetings (the "BSCCo Chairman"); and

(b) subject to paragraph 4.2.l(a), determine the period for which the BSCCo Chairman is to hold office.

4.1.9 BSCCo shall, when Directors have been appointed or re-appointed (in that capacity) since the last Annual BSC Meeting following the Relevant Implementation Date of Modification Proposal P324, prepare and circulate to all Parties not later than 28 days prior to an Annual BSC Meeting the text of a resolution for Voting Parties to approve that appointment or re-appointment ("**Appointment Resolution**") at the next Annual BSC Meeting in accordance with the relevant provisions of Annex C-2. If an Appointment Resolution is rejected by Voting Parties at a vote then the relevant person shall cease to be a Director either:

(a) five (5) Working Days after results are published under paragraph 4.2.2(b) of Annex C-2; or

(b) if an audit has been commissioned under paragraph 4.3 of Annex C-2, promptly after that audit's confirmation, if it occurs, of the published results.

4.2 Directors

4.2.1 A person appointed as Director under paragraph 4.1:

(a) shall hold office for a term not exceeding three years, but shall be eligible for re-appointment on expiry of such term;

(b) may resign or be removed from office in accordance with the provisions of the Articles of Association of BSCCo;

DRAFT

(c) not used;

(d) shall, if also a Panel Member, cease to hold office if he also ceases to hold office as a Panel Member pursuant to Section B2.7.4(d); and

(e) shall cease to hold office if removed in accordance with the provisions of paragraphs 4.1.9 or 4.10.1.

4.3 Not used.

4.4 Expenses and remuneration

4.4.1 Each Director shall be entitled to be reimbursed by BSCCo for the reasonable costs and expenses (including travel and accommodation costs) properly incurred by such Director in attending meetings of or otherwise in the conduct of the business of the Board.

4.4.2 In addition to reimbursement under paragraph 4.4.1, any Director, other than a Director appointed under paragraph 4.1.3(d) (without prejudice to the remuneration and benefits payable to such Director under a contract of employment with BSCCo), shall be entitled to be paid by BSCCo such remuneration and benefits for the role of Director as may, subject to Section B2.11.8, be determined by Board.

4.4.3 Not used.

4.4.4 The secretary of BSCCo shall not be entitled to remuneration in that capacity, but without prejudice to the terms on which he is employed by BSCCo.

4.4.5 The remuneration and benefits payable to a Director for the role of Director pursuant to paragraph 4.4.2 shall be disclosed in the Annual BSC Report.

4.5 Indemnity

4.5.1 The Directors of BSCCo shall be indemnified by BSCCo as and to the extent provided in the Articles of Association of BSCCo.

4.6 Chief Executive

4.6.1 After consultation with the Panel, the Board may appoint, and may from time to time remove, reappoint or replace, a person to be the Chief Executive of BSCCo.

4.6.2 Subject to paragraph 4.6.1, the person appointed as Chief Executive shall be employed or otherwise engaged by BSCCo on such terms as the Board shall decide.

4.6.3 The Chief Executive may be a Director, but if they are not a Director they shall be entitled to receive notices of and to attend and speak (but not to vote) at all meetings of the Board, and (if requested by the Chairman of the Board) shall be required to attend such meetings, provided that the Board may require him to be absent from any part of a meeting at which any matter concerned with his employment or engagement by BSCCo is to be considered.

4.6.4 The Board shall delegate to the Chief Executive authority to conduct the day to day business of BSCCo.

4.7 Proceedings of the Board

4.7.1 Subject to the provisions of the Code, proceedings of the Board shall be conducted and governed in accordance with the requirements contained in the Articles of Association of BSCCo.

DRAFT

4.8 General Meetings

4.8.1 The Directors of BSCCo may call a General Meeting.

4.8.2 Voting Parties may require the Directors of BSCCo to call a General Meeting.

4.8.3 The Directors of BSCCo shall be required to call a General Meeting in accordance with Annex C-2 once BSCCo has received a request for a Resolution to be voted on from Voting Parties with a combined Actual Voting Share (as published on the BSC Website on the day such request is received) of at least five (5) per cent (%).

4.8.4 A request from a Voting Party:

(a) must state the nature of the business to be dealt with at the General Meeting;

(b) must include the Voting Party's rationale and any supporting documentation; and

(b) may include the text of a Resolution that is intended to be moved at the General Meeting.

4.8.5 A request:

(a) may be in hard copy form or in electronic form; and

(b) must be authenticated by the Authorised Signatory of the Voting Party or Voting Parties making it.

4.8.6 A vote on a Resolution at any General Meeting or the Annual BSC Meeting shall be conducted in accordance with the provisions of Annex C-2.

4.9 Non-Binding Resolutions

4.9.1 In respect of any General Meeting or the Annual BSC Meeting, one or more Voting Parties may, subject to paragraph 4.8, propose a vote on a non-binding resolution in relation to any matter related to the activities of the Board ("**Non-Binding Resolution**").

4.10 Binding Resolutions

4.10.1 In respect of any General Meeting or the Annual BSC Meeting, one or more Voting Parties may, subject to paragraph 4.8, propose a vote on a binding resolution to remove one or more Directors from the Board ("**Binding Resolution**"). If the Binding Resolution is approved by Voting Parties at a vote then the relevant person shall immediately cease to be a Director. either:

(a) five (5) Working Days after results are published under paragraph 4.2.2(b) of Annex C-2; or

(b) if an audit has been commissioned under paragraph 4.3 of Annex C-2, promptly after that audit's confirmation, if it occurs, of the published results.

DRAFT

5. RELATIONSHIP BETWEEN PARTIES AND BSCCO

5.1 Liability of BSCCo

5.1.1 It is acknowledged that, by virtue of the arrangements for funding BSCCo set out in Section D:

(a) BSCCo is not intended to make profits or losses in any BSC Year; and

(b) if any Party or Parties were to make any claim against any BSC Company the financial consequences of such claim would be borne by the Trading Parties themselves.

5.1.2 Accordingly, subject to the further provisions of this paragraph 5.1 and paragraph 5.2, the Parties agree that they do not intend that any Party or Parties should be able to make any claim in damages or any other claim of a financial nature against any BSC Company; and each Party (to the fullest extent permitted by law) waives any such claims against any BSC Company and releases each BSC Company from any such liability in respect of any breach by such BSC Company of any provision of the Code or in tort (including negligence) or otherwise.

5.1.3 The obligations of each Trading Party in respect of the funding of BSCCo pursuant to Section D shall not be prejudiced, qualified or affected in any way by any breach by any BSC Company of any provision of the Code, or any other act or omission of any BSC Company.

5.1.4 Nothing in paragraph 5.1.2 shall exclude or limit the liability of a BSC Company for death or personal injury resulting from the negligence of such BSC Company or the ability of any Party to seek any equitable remedy against a BSC Company.

5.1.5 Paragraph 5.1.2 is without prejudice to:

(a) the obligations of BSC Clearer to Trading Parties pursuant to Section N;

(b) any provision of the Code which may provide for an indemnity by BSCCo in favour of any Party or other person, or which provides for BSCCo to make a payment to any Party;

and nothing in paragraph 5.1.2 shall prevent any Party from or restrict it in enforcing any obligation by way of debt owed by BSCCo or the BSC Clearer pursuant to any provision of the Code.

5.1.6 No Party shall take any step in relation to a BSC Company which (if Section H3 were expressed to apply in respect of such BSC Company) would or might result in such BSC Company being in Default pursuant to Section H3.1.1(g); provided that this shall not prevent a Party from notifying any BSC Company that such Party requires payment of any amount which is due for payment by such BSC Company to such Party.

5.1.7 Each Party acknowledges and agrees that the provisions of this paragraph 5.1 have been the subject of discussion and are fair and reasonable having regard to the circumstances at the Code Effective Date.

5.2 Party particularly prejudiced by BSCCo breach

5.2.1 Subject to the further provisions of this paragraph 5.2, where:

(a) BSCCo is in breach of a provision of the Code, other than any provision specified in paragraph 5.2.2; and

DRAFT

(b) a Party (the "**claimant Party**") was unfairly and particularly prejudiced by the breach, and in particular the circumstances in which such breach occurred, and in which loss was suffered by the claimant Party as a result of such breach, were not such as to result in some loss being suffered by all Parties or by all Trading Parties

then paragraph 5.1 and Section H6.2.2(a) shall not exclude or limit the liability of BSCCo in damages to the claimant Party in respect of such breach (an "**actionable breach**"), but without prejudice to Section H6.2.2(b).

5.2.2 Paragraph 5.2.1 shall not apply in respect of a breach by BSCCo:

(a) of any of its obligations as, or provision of the Code relating to, the Performance Assurance Administrator; or

(b) of any provision of Section M; or

(c) of paragraph 2.6; or

(d) of any provision of Section F.

5.2.3 A Party may not bring a claim or commence any proceedings against BSCCo in respect of an actionable breach more than 6 months after the date on which the breach occurred or commenced or (if later) more than 3 months after the Party became or could reasonably be expected to have become aware of the breach.

5.2.4 A Party may not make a claim against BSCCo in respect of an actionable breach if the amount of the Party's loss resulting from such breach is less than £50,000.

5.2.5 The aggregate cumulative amount payable by BSCCo to all Parties in respect of actionable breaches under this paragraph 5.2 for which payments (of damages or otherwise) fall to be made by BSCCo in any BSC Year shall not exceed £3,000,000.

5.2.6 If the aggregate amount so payable by BSCCo in a BSC Year would otherwise exceed the amount specified in paragraph 5.2.5:

(a) the amounts for which BSCCo is liable to each relevant Party shall be reduced pro rata (and if unpaid, BSCCo shall pay such reduced amounts);

(b) where BSCCo has already paid any such amount to a Party, BSCCo shall require and each relevant Party shall make and pay such adjustment amounts as the Panel shall approve for the purposes of giving effect to paragraph (a).

5.3 Capacity of BSCCo

5.3.1 Subject to paragraph 5.3.2, BSCCo shall act as principal and not as agent of Parties in the exercise and discharge of its powers, functions and responsibilities.

5.3.2 Where the Code so provides, BSCCo shall, or (if the Code so provides) may, act as agent for and on behalf of, or as trustee for, Parties or particular Parties.

5.3.3 Except as provided by the Code, BSCCo shall not, and is not authorised to, enter into any commitment or incur any liability as agent for or in the name of any Party (but without prejudice to Parties' funding obligations under Section D).

DRAFT

6. BUSINESS STRATEGY AND ANNUAL BUDGET

6.1 Introduction

6.1.1 For each BSC Year (the "**Plan Year**") BSCCo shall have:

(a) a Business Strategy, setting out the principal activities which BSCCo expects to be carrying out in the Plan Year and each of the two following BSC Years, on the basis of the functions and responsibilities which are or have been assigned to BSCCo under or pursuant to the Code but excluding the activities of Permitted Affiliates, except as contemplated in paragraph 1.3.1 of Annex C-1;

(b) an Annual Budget, setting out the expenditure which BSCCo considers reasonably necessary in order to carry out such activities in the Plan Year,

each established and from time to time amended in accordance with this paragraph 6.

6.1.2 The Panel and all Parties shall be invited to comment prior to finalisation of the Business Strategy for each BSC Year in accordance with paragraph 6.3.

6.1.3 BSCCo shall provide a copy of each Business Strategy and Annual Budget, and each revision thereof, to the Authority, the Panel and each Party, promptly after adopting or making any revision to such Business Strategy or Annual Budget.

6.2 Scope of Business Strategy and Annual Budget

6.2.1 BSCCo will discuss with the Panel the scope and format from time to time of the Business Strategy and Annual Budget.

6.3 Business Strategy

6.3.1 For each BSC Year, BSCCo shall:

(a) not used;

(b) not later than 1 January in the preceding BSC Year, prepare an initial draft Business Strategy, provide a copy to the Panel and to all Parties, and invite comments from persons eligible to propose Code Modifications thereon;

(c) not later than 20 February in the preceding BSC Year publish a summary of the comments received on the initial draft; and

(d) not later than 15 March in the preceding BSC Year, after considering all comments received by BSCCo, make such further revisions to the draft Business Strategy as BSCCo may consider appropriate having regard to the functions and responsibilities of BSCCo and the objectives in Section B1.2.1, and finalise and adopt the Business Strategy.

6.3.2 Where BSCCo considers that there are options or alternatives as to any activity which BSCCo may carry out in the Plan Year, which or the costs of which are materially different from each other, the initial draft Business Strategy provided under paragraph 6.3.1(b) shall set out such options or alternatives.

6.3.3 With the consent of the Panel, BSCCo may vary the times by which the steps in paragraph 6.3.1 are to be taken.

DRAFT

6.3.4 After adopting the Business Strategy, BSCCo shall keep the Business Strategy (so far as it relates to the Plan Year) under review and shall make any revision to the Business Strategy which appears requisite after seeking such further comments from the Panel and all Parties as the Board considers necessary.

6.4 Annual Budget

6.4.1 At the same time as preparing each draft of the Business Strategy under paragraph 6.3, BSCCo shall prepare or revise, and submit to the persons to whom each draft Business Strategy is submitted, a draft Annual Budget for the Plan Year.

6.4.2 Following finalisation of the Business Strategy, BSCCo shall finalise and adopt the Annual Budget.

6.4.3 Following any revision of the Business Strategy, BSCCo shall review and if appropriate revise the Annual Budget.

6.4.4 The Annual Budget for each BSC Year and any revision (including under paragraph 6.5) of such Annual Budget shall be approved by the Board.

6.5 Budget overspend

6.5.1 If the aggregate amount of BSCCo's expenditure in any BSC Year exceeds, or BSCCo anticipates that it may exceed, the amount contained in the Annual Budget, BSCCo shall promptly:

(a) notify the Panel and all Parties, giving details of the excess expenditure and an explanation of the reasons therefor; and

(b) submit to the Panel and all Parties a draft revision of the Annual Budget, together with its proposal for modifying the Business Strategy if BSCCo considers it appropriate to modify the Business Strategy so as to reduce or limit its expenditure in the relevant BSC Year.

6.5.2 After seeking such further comments from the Panel and Parties as the Board considers necessary, but taking account of any consequent revision of the Business Strategy BSCCo shall revise the Annual Budget.

6.6 MHHS Implementation Management First Year Budget

6.6.1 Each Party acknowledges that the commencement of the MHHS Implementation is unlikely to coincide with the adoption of the Annual Budget pursuant to paragraph 6.4 and consequently, in order to recover the costs incurred as MHHS Implementation Manager, it may be necessary for BSCCo to develop and adopt an amendment to the Annual Budget for the BSC Year in which the MHHS Implementation commences, in which case BSCCo shall:

(a) notify the Panel and all Parties, giving details of the MHHS Implementation additional expenditure; and

(b) submit to the Panel and all Parties a draft revision of the Annual Budget.

6.6.2 After seeking such further comments from the Panel and Parties as the Board considers necessary, BSCCo shall revise the Annual Budget.

DRAFT

7. BSC COMPANIES

7.1 General

7.1.1 BSCCo may discharge any of its powers, functions and responsibilities under the Code through (and by delegation to) a Subsidiary in which BSCCo is permitted to hold shares in accordance with paragraph 3.4.5(b)(ii) (and in particular may hold any BSC Agent Contract through such a Subsidiary); but only to the extent to which the powers, functions or responsibilities relate to activities which were carried out, or which are equivalent to or developed from activities which were carried out, by the relevant company before it became a Subsidiary pursuant to the Implementation Scheme on the Code Effective Date.

7.1.2 No Subsidiary of BSCCo shall, and BSCCo shall procure that any Subsidiary shall not:

(a) have or exercise any powers or functions beyond the powers and functions of BSCCo; or

(b) otherwise do anything which pursuant to the Code may not be done by BSCCo, or may not be done without the consent or approval of the Panel.

7.1.3 For the purposes of paragraph 3.4.3(a) the reference to borrowings in that paragraph shall be to the borrowings of BSCCo and all of its Subsidiaries in aggregate.

7.1.4 Reference in this paragraph 7.1 to Subsidiaries of BSCCo do not include the BSC Clearer.

7.1.5 Without prejudice to the generality of paragraph 7.1.1, a Subsidiary in which BSCCo is permitted to hold shares in accordance with paragraph 3.4.5(b)(ii) may discharge any of its powers, functions and responsibilities under the Code through (and by delegation to) the BSC Services Manager.

7.2 BSC Clearer

7.2.1 The BSC Clearer shall fulfil the role provided in Section N, and shall have the duties, powers and functions set out in that Section.

7.2.2 The BSC Clearer shall not undertake any business or activity, and shall not take any step or incur any commitment or liability, other than pursuant to and in accordance with Section N and this paragraph 7.

7.3 Duties of BSCCo

7.3.1 BSCCo shall at all times be the registered holder of all of the issued share capital of each of its Subsidiaries.

7.3.2 Neither BSCCo nor any of its Subsidiaries shall authorise or agree to, or permit or take any step for or with a view to, any of the following:

(a) any change in the authorised share capital of any Subsidiary;

(b) the issue of any share capital, or issue or grant of any option, warrant or other instrument, security or right to subscribe for or which is convertible into shares of any Subsidiary;

(c) any transfer of any shares of any Subsidiary;

(d) the creation of any pledge, mortgage, charge or other encumbrance over any shares of any Subsidiary.

DRAFT

7.3.3 BSCCo shall act, and exercise its rights, as shareholder of each Subsidiary so as and only so as to secure that the provisions of the Code are given effect in relation to such Subsidiary.

7.4 Constitution, etc

7.4.1 Subject to paragraph 7.4.2, the Memorandum and Articles of Association of the BSC Clearer shall be in the form designated pursuant to the Implementation Scheme.

7.4.2 The form of the Memorandum and Articles of Association of the BSC Clearer shall be treated as incorporated in and forming part of the Code for the purposes of enabling such form to be modified, and such form shall accordingly be capable of being modified, by way of Code Modification made pursuant to a Modification Proposal and otherwise in accordance with Section F; and the Memorandum and Articles of Association of the BSC Clearer shall be amended so as to be in any such modified form.

7.4.3 The Memorandum and Articles of Association of each other Subsidiary of BSCCo shall be in the same form as nearly as practicable as those of BSCCo (but with any differences consequent on its being such a Subsidiary).

7.4.4 The registered office, accounting reference date and statutory auditors of each Subsidiary of BSCCo shall be the same as those of BSCCo.

7.5 Directors and secretary

7.5.1 Subject to paragraph 7.5.1A, the board of directors of each Subsidiary of BSCCo shall at all times comprise the persons who are for the time being Directors of BSCCo, and the company secretary of such Subsidiary shall be the person who is for the time being company secretary of BSCCo.

7.5.1A Where any Subsidiary of BSCCo is a Dormant Subsidiary then it shall not be necessary for all of the persons who are for the time being Directors of BSCCo to also be Directors of each Dormant Subsidiary, provided that the chairman of BSCCo shall at all times be a Director of each Subsidiary.

7.5.2 Subject to paragraph 7.5.1A, any person who is appointed or re-appointed as, or who resigns or is removed as, Director or company secretary of BSCCo shall be appointed or re-appointed, or shall resign or be removed, as a director or (as the case may be) the company secretary of each Subsidiary of BSCCo; and a director or the company secretary of such a Subsidiary shall not resign as such unless he resigns at the same time as a Director or (as the case may be) the company secretary of BSCCo.

7.5.3 Subject to paragraph 4.6.1, the person who is for the time being Chief Executive of BSCCo shall act as chief executive of each Subsidiary of BSCCo, under such terms of reference as the board of directors of such Subsidiary may determine.

7.5.4 Each director of a Subsidiary shall be entitled to be reimbursed by BSCCo for the reasonable costs and expenses (including travel and accommodation costs) properly incurred by such director in attending meetings or otherwise in the conduct of the business of the board of directors of the Subsidiary and not otherwise reimbursed under paragraph 4.4.1.

7.5.5 No director of a Subsidiary shall be entitled (in that capacity) to be paid any remuneration or benefits other than his costs and expenses in accordance with paragraph 7.5.4.

DRAFT

7.6 BSCCo services

7.6.1 BSCCo shall provide to each of its Subsidiaries such administrative, support and other services, and may make such other arrangements with such Subsidiaries, as may be required to enable the Subsidiary to perform its functions.

7.6.2 The arrangements made by BSCCo under paragraph 7.6.1 shall include arrangements which ensure that each Subsidiary has funds sufficient to meet its costs, expenses and other outgoings.

7.6.3 In the case of the BSC Clearer, the services to be provided by BSCCo under paragraph 7.6.1 include, without limitation, to the extent to which (under the Code and the relevant BSC Service Description) the FAA is to provide services to or for the benefit of the BSC Clearer, entering into and managing the relevant BSC Agent Contract with the FAA.

7.6.4 The BSC Clearer and BSCCo will make such further arrangements (including the conferring of appropriate authorities on BSCCo) as are requisite in connection with the provision of services by BSCCo under paragraph 7.6.1.

8. BSCCO INVOLVEMENT IN BETTA

8.1 BETTA Support Work

8.1.1 Subject to the further provisions of this paragraph 8, and without prejudice to the discharge of its other functions and responsibilities in accordance with paragraph 1.3.1 and any other provisions of the Code, BSCCo may undertake work (**BETTA Support Work**) by way of the provision to the Authority of facilities, resources and other services and support in connection with the development and implementation of BETTA, including in particular:

(a) the identification and development of the changes which would be required to the Code and Code Subsidiary Documents to enable them to serve as a balancing and settlement code for Great Britain (**GB BSC**) and its subsidiary documents for BETTA;

(b) the identification, impact assessment, design, development, testing and trialling of the changes which would be required to BSC Agent Systems, BSC Service Descriptions and BSC Agent Contracts and the systems, service descriptions and contracts of other service providers to enable them to serve as systems, service descriptions and contracts for BETTA;

(c) planning and preparation for the introduction of, and the transition from the arrangements subsisting pursuant to the Code and the Settlement Agreement for Scotland to those subsisting under, a GB BSC; and

(d) the implementation of BETTA during the Transition Period.

8.1.2 BSCCo shall not undertake any BETTA Support Work unless BSCCo has proposed to the Authority a work specification (in such form and detail as the Authority may require) for such BETTA Support Work and the Authority has approved such work specification.

8.1.3 If the Transmission Licence is modified so as to exclude Standard Condition C3.3(e), with effect from the effective date of such modification, BSCCo's authority to conduct BETTA Support Work shall lapse, without prejudice to the BETTA Support Work undertaken by BSCCo before such date, and to BSCCo's authority to satisfy any commitment entered into

DRAFT

in the course of undertaking BETTA Support Work (pursuant to a work specification approved pursuant to paragraph 8.1.2) before such date.

8.2 Further provisions

8.2.1 In the course of undertaking BETTA Support Work pursuant to a work specification approved pursuant to paragraph 8.1.2 BSCCo may (without limitation):

(a) procure advice, impact assessments and other services (as required for the purposes of paragraph 8.1.1(b), (c) or (d)) from BSC Agents and other service providers;

(b) prior to BETTA Go Active negotiate amendments with BSC Agents and other service providers (as to such additions and changes as are described in paragraph 8.1.1(b)) to BSC Agent Contracts, BSC Service Descriptions and other service provider contracts and service descriptions, or with the approval of the Authority procure and/or negotiate an offer from a person not being the existing BSC Agent to enter into such an additional or amended BSC Agent Contract, provided that any such amendment (or acceptance of any such offer) shall be expressed to be conditional and contingent upon the decision (which BSCCo will not, until BETTA Go Active and in accordance with paragraph 8.2.6, be authorised to take) that the relevant BSC Agent or other person is to be appointed in an equivalent capacity under the GB BSC;

(c) subsequent to BETTA Go Active, negotiate and agree additions or changes to existing BSC Agent Contracts, BSC Service Descriptions and other service provider contracts and service descriptions and negotiate, agree and enter into new BSC Agent Contracts, BSC Service Descriptions and other contracts, or in each case negotiate offers for the same;

(d) liaise, cooperate and exchange information with Core Industry Document Owners;

(e) consult with Parties and others in relation to the matters in paragraphs 8.1.1(a), (b), (c) and (d);

(f) for the purposes of any such consultation required by paragraph 8.2.1(e), disclose or publish any relevant information (as defined in paragraph 3.6.4), excluding any information which relates to the affairs of an individual Party and is in BSCCo's opinion commercially sensitive, or the disclosure or publication of which would in BSCCo's opinion substantially prejudice the interests of all or a class of Parties collectively, unless the Authority notifies BSCCo that the Authority has determined that such disclosure or publication is requisite for the purposes of the undertaking of the BETTA Support Work;

(g) procure such further resources and services as it may reasonably require to enable it to undertake such BETTA Support Work.

8.2.2 The costs, expenses and liabilities incurred by BSCCo in the undertaking of BETTA Support Work shall be BSC Costs, but BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs.

8.2.3 BSCCo shall prepare and make available to the Panel and to Parties regular reports in respect of BETTA Support Work, and the costs, expenses and liabilities incurred in undertaking such work, but BSCCo shall not be required to disclose to Parties or the Panel any information relating to BETTA which the Authority expressly requests BSCCo to keep confidential.

DRAFT

8.2.4 The functions of, and the things done by, BSCCo under and pursuant to this paragraph 8 shall be considered to be functions under and things done pursuant to the Code for the purposes of paragraphs 3.4.1, 3.4.2, 4.4, 4.5, 4.6, 5.1 and 5.3 and Sections D2, H4.2 and H4.3 (but subject to paragraph 8.2.1(f) above), H4.5, H4.6, H4.7 (for the purposes of which BSCCo Materials and BSC Systems shall be construed taking account of BETTA Support Work), H4.9, H4.10.2, H6, H7 and H9 but not for the purposes of any other provision of the Code (including paragraph 1.3) which applies or refers directly or indirectly to the functions of BSCCo; and the Panel shall have no duties or responsibilities in relation to BETTA Support Work and (except as provided in paragraph 8.2.3) BSCCo shall owe no duties to the Panel or to any Party or Parties generally in the carrying out of such functions.

8.2.5 Without prejudice to what may be provided in the relevant work specification pursuant to paragraph 8.1.2, Section E2.7 shall not apply in relation to anything done by BSCCo pursuant to paragraph 8.2.1(b) and (c).

8.2.6 BSCCo shall on and from BETTA Go Active be authorised and entitled to:

(a) waive or treat as satisfied any condition or contingency to which any change, addition or amendment to an existing BSC Agent Contract, BSC Service Description or other service provider contractor or service description, or to which any new BSC Agent Contract, BSC Service Description, service provider contract or service description, is expressed as being subject to or contingent on; and

(b) make the decision referred to in paragraph 8.2.1(b) that the relevant BSC Agent or other person is to be appointed in an equivalent capacity under the GB BSC.

9. PROVISION OF PROFILE ADMINISTRATION SERVICES BY BSCCO

9.1 Provision of Profile Administration Services in certain circumstances

9.1.1 Subject to the further provisions of this paragraph 9, BSCCo shall where the Panel's prior consent has been obtained, provide (directly and/or via a service provider) the services set out in Section S4.2 (the "**Profile Administration Services**").

9.1.2 Where the Panel's prior consent to BSCCo providing the Profile Administration Services has not been obtained, a Profile Administrator shall be appointed in accordance with Section E.

9.1.3 BSCCo shall obtain further Panel consent to continue to provide the Profile Administration Services if a material change occurs in BSCCo's provision of the Profile Administration Services and in any event not less than once every five years.

9.1.4 A "**material change**" for the purposes of this paragraph 9 means a change to BSCCo's systems, processes or resources which is of such a type or magnitude as to raise the reasonable expectation of an impact on BSCCo's ability to efficiently meet its obligations to deliver the Profile Administration Services.

9.2 BSCCo's capacity and obligations

9.2.1 Where the Profile Administration Services are provided by BSCCo, they are provided in its capacity as BSCCo and not as a BSC Agent.

9.2.2 For the duration of any period where BSCCo provides the Profile Administration Services, Section E shall not apply in respect of the provision of those services.

DRAFT

9.2.3 Subject to paragraphs 9.2.1 and 9.2.2, BSCCo shall provide the Profile Administration Services in accordance with the Code.

9.2.4 Where the Profile Administration Services are provided by BSCCo, all obligations and requirements on Parties and other persons in the Code with respect to Profile Administration Services and/or the Profile Administrator shall continue unaltered (mutatis mutandis) notwithstanding that the Profile Administration Services shall be provided by BSCCo.

9.2.5 For the duration of any period where BSCCo provides the Profile Administration Services, the following provisions of Section S4 shall be deemed to have been amended as follows:

(a) Section S4.2.1(f) shall not apply;

(b) Section S4.2.2 shall read:

BSCCo shall prepare a set of Regression Coefficients, Group Average Annual Consumption values and Profile Coefficients for each BSC Year on or before 30th November before the beginning of the relevant BSC Year, using data collected from the load research programme carried out by it or its appointee, augmented with data provided by Suppliers which is consistent with the overall sample design;

(c) Section S4.2.3 shall read:

BSCCo shall prepare:

(a) on a quarterly basis, a breakdown by GSP Group of each Profile Class sample, together with a statement of the daily average number of customers for which monitoring equipment has been successfully installed and commissioned for each Profile Class in respect of the previous quarter (a quarter being a period of 3 months commencing on 1st January, 1st April, 1st July and 1st October in any year); and

(b) an annual report and data analysis plan (in such form as may be specified by the Panel) setting out what load research data it proposes to use, together with a load research plan (in such form as the Panel shall specify) setting out the proposed sample design and sample sizes in respect of the following BSC Year.

(d) for the purposes of Sections S4.2.4, S4.2.5, S4.2.6, S4.2.7 and S4.2.8 "*Profile Administrator*" shall be read as "*BSCCo*".

9.3 Contracts for Profile Administration Services

9.3.1 Where BSCCo provides the Profile Administration Services, in whole or in part, via a service provider(s), BSCCo shall enter into each contract for the provision of Profile Administration Services in accordance with this paragraph 9.3 (a "**Profile Administration Services Contract**") and for these purposes:

(a) a service provider providing Profile Administration Services shall not be considered to be a 'BSC Agent' under the Code; and

(b) notwithstanding paragraphs 9.2.2 and 9.3.1(a), the provisions of Section E2.4 and Section E3 shall apply to each Profile Administration Services Contract as if references to a BSC Agent included the service provider and references to a BSC Agent Contract included all Profile Administration Services Contracts subject to the provisions of Section E3.2 applying to a service provider of Profile

DRAFT

Administration Services in its capacity as such and not in any other capacity which it may have under the Code.

9.3.2 Each Profile Administration Services Contract shall contain terms which provide that the service provider shall make provision for the BSC Auditor to access those things required by Section H5.5.2.

9.3.3 It is recognised that where paragraph 9.3.1 applies, a service provider of Profile Administration Services may be a Party. Where a service provider of Profile Administration Services is a Party:

(a) such Party shall have no rights, benefits, obligations or liability in its capacity as a service provider to or against any other Party under the Code, but without prejudice to its rights and obligations:

(i) as service provider under its Profile Administration Services Contract; and

(ii) in any other capacity under the Code;

(b) references to a Party or Parties in the Code shall be construed as excluding any service provider of Profile Administration Services (which is a Party) in its capacity as a service provider (but as including such person in any other capacity it may have under the Code); and

(c) the provision, disclosure and use of any data relating to a Party which is used in or in connection with the Profile Administration Services by a service provider shall not be considered or construed as being made pursuant to any provision of the Code.

9.3.4 Notwithstanding paragraph 9.3.1(a):

(a) Section H4.6 shall apply to service providers of Profile Administration Services as if references to BSC Agents included service providers and references to BSC Agent Contracts included Profile Administration Services Contracts;

(b) references to BSC Agents and BSC Agent Contracts in Section W shall be deemed to include, respectively, service providers referred to in paragraph C9.3.1 and Profile Administration Services Contracts; and

(c) references to BSC Agents in Section W1.4.1 shall be deemed to include BSCCo.

10. PERMISSIBLE ACTIVITIES UNDERTAKEN BY PERMITTED AFFILIATES

10.1 General

10.1.1 In respect of each Permitted Affiliate:

(a) BSCCo shall be entitled to subscribe for, acquire or hold any share or other security in a Permitted Affiliate and paragraph 3.4.5(b) shall not apply;

(b) BSCCo shall not dispose of any legal or beneficial interest in any shares or other security in a Permitted Affiliate undertaking activities and functions specified in paragraph 1 of Annex C-1 except:

DRAFT

(i) to the CfD Counterparty and/or the CM Settlement Body and/or to any nominees of the CfD Counterparty and/or the CM Settlement Body; or

(ii) where otherwise directed to do so by the Secretary of State,

in which case paragraph 3.4.5(c) shall not apply;

(c) the Panel shall have no rights of approval or disapproval in respect of claims or proceedings by or against a Permitted Affiliate, or waivers or settlements of such claims, and paragraph 3.4.3(e) shall not apply; and

(d) paragraph 7 shall not apply.

10.1.2 Each Party and the Panel shall not (whether by action, omission or withholding of consent) prevent or restrict a Permitted Affiliate from performing all activities and functions and assuming all responsibilities and duties set out in Annex C-1.

10.1.3 Paragraphs 5.1. and 5.2 shall not apply to a Permitted Affiliate and, subject to paragraph 10.1.4, each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature against a Permitted Affiliate and releases each Permitted Affiliate from any liability in respect of any breach by such Permitted Affiliate of any provision of the Code or in tort (including negligence) or otherwise.

10.1.4 Nothing in paragraph 10.1.3 shall exclude or limit the liability of a Permitted Affiliate for:

(a) death or personal injury resulting from the negligence of such Permitted Affiliate; or

(b) fraud or fraudulent misrepresentation; or

(c) any claim against that Permitted Affiliate brought by a Party (acting in a capacity other than as a Party) solely to the extent that such Party has a right to bring a claim under an EMR Legal Requirement.

10.1.5 BSCCo may amend any BSC Agent Contract to include the supply of services to support Permissible Activities.

10.1.6 Nothing in this paragraph 10 shall affect or limit BSCCo's obligation to discharge its functions and responsibilities pursuant to the Code.

10.2 Ring-Fencing of Permitted Affiliates

10.2.1 Without prejudice to paragraphs 3.4 and 3.5, but subject to paragraph 10.1, the following provisions shall apply (as relevant) to BSCCo and to each Permitted Affiliate:

(a) without prejudice to paragraph 3, BSCCo shall not transfer, lease, licence, or lend any sum or sums, asset (including non-financial resources), right, or benefit to a Permitted Affiliate except by way of:

(i) a payment properly due for any goods, services, data, information, or assets provided on an arm's length basis and on normal commercial terms; or

(ii) a transfer, lease, licence, or loan of any sum or sums, data, information, asset, right, or benefit that is on an arm's length basis and on normal commercial terms;

DRAFT

(b) except as permitted in paragraph 10.2.1(a), BSCCo shall not enter into any borrowing for or on behalf of a Permitted Affiliate where the term "borrowing" has the same meaning as that term in accordance with paragraph 3.4.4;

(c) BSCCo and each Permitted Affiliate shall implement agreed contractual arrangements to ensure that:

(i) where any common or shared costs between BSCCo and a Permitted Affiliate are incurred these costs are allocated reasonably and equitably, provided that in determining such allocation a Permitted Affiliate shall not be obliged to pay in excess of the established market rate, if applicable; and

(ii) where BSCCo incurs any costs (including costs in respect of any liabilities incurred by BSCCo) that arise as a consequence of services provided by BSCCo, or on BSCCo's behalf by a BSC Agent, to a Permitted Affiliate, such costs shall be recoverable from the Permitted Affiliate on a cost recovery basis; and

(d) Parties shall have no liability or obligation to provide financial support to a Permitted Affiliate in respect of its performance of Permissible Activities.

11. PROVISION OF SUPPORT TO EMR SETTLEMENT SERVICES PROVIDERS

11.1 Provision of Support to EMR Settlement Services Providers

11.1.1 Without prejudice to paragraph 10, BSCCo may, in its discretion, provide (directly and/or via a BSC Agent) to an EMR Settlement Services Provider such support services (including the provision of assurance services) as may be reasonably incidental to supporting that EMR Settlement Services Provider in discharging its EMR Settlement Functions.

11.2 Agreement between BSCCo and EMR Settlement Services Providers

11.2.1 Subject to the disclosure obligations in Section V5, BSCCo shall enter into an agreement or agreements with any CFD Settlement Services Provider and any CM Settlement Services Provider including, inter alia, terms relating to the provision of Relevant EMR Settlement Data in accordance with Section V5, and terms that:

(a) restrict the use of the Relevant EMR Settlement Data to the extent necessary to enable any CFD Settlement Services Provider and/or any CM Settlement Services Provider (and their service providers) to discharge their EMR Settlement Functions;

(b) are consistent with the terms (as to availability and reliability of data) contained in agreements entered into by BSCCo pursuant to Section V3.2.7;

(c) in respect of the CFD Settlement Data, impose restrictions on the use of CFD Settlement Data equivalent to the restrictions on the use of Confidential Information in Section H4 provided that a CFD Settlement Services Provider shall be entitled to share CFD Settlement Data with any CfD Counterparty, and otherwise in accordance with the EMR Legal Requirements;

(d) in respect of the CM Settlement Data, reflect the provisions on the use of protected information contained in the EMR Legal Requirements;

DRAFT

(e) where EMR Settlement Data is to be disclosed to a service provider of an EMR Settlement Services Provider, provide that such EMR Settlement Data shall only be disclosed on a "need-to-know" basis and requiring such service providers to enter into a confidentiality agreement with the relevant EMR Settlement Services Provider on terms equivalent to those contained in an EMR Legal Requirement or, if there is no applicable EMR Legal Requirement, Section H4;

(f) allow for the provision of support services in accordance with paragraph 11.1.1 and which, to the fullest extent permitted by law, restrict BSCCo's liability to the EMR Settlement Services Provider for any claim in damages or any other claim of a financial nature relating to the supply of services to the EMR Settlement Services Provider to the amounts payable under the agreement for those services; and

(g) provide for the payment by any CFD Settlement Services Provider of CFD Settlement Services Provider Costs and by any CM Settlement Services Provider of CM Settlement Services Provider Costs, as appropriate to the relevant agreement, in each case in accordance with Section D7.

12. MARKET-WIDE HALF HOURLY SETTLEMENT IMPLEMENTATION

12.1 Introduction

12.1.1 This paragraph 12 sets out the roles, obligations, governance and assurance for the implementation of market-wide, half-hourly Settlement (referred to as MHHS Implementation).

12.1.2 This paragraph 12 contains obligations on BSCCo as MHHS Implementation Manager, and on Parties (including BSCCo) as MHHS Participants. It also places obligations on certain entities which are not Parties. Compliance by these entities is required by other Industry Codes to which they are party or by their licences.

12.1.3 Assurance of MHHS Implementation is provided by the MHHS Independent Assurance Provider.

12.2 Interpretation

12.2.1 "**DCC Licence**" means a smart meter communication licence granted under the Act.

12.2.2 "**IT System**" means a system for generating, sending, receiving, storing (including for the purposes of back-up), manipulating or otherwise processing electronic communications, including all hardware, software, firmware and data associated with such activities.

12.2.3 "**MHHS Affected Code Body**" means each of the following entities in respect of the following Industry Codes: (a) for the Connection and Use of System Code (as defined in the Transmission Licence), the NETSO; (b) for the Smart Energy Code (as defined in the DCC Licence), SECCo (as defined in that code); (c) for the Retail Energy Code (as defined in the Supplier Licences), RECCo (as defined in that code); and (d) for the Distribution Connection and Use of System Agreement (as defined in the Supplier Licences), DCUSA Ltd (as defined in that agreement).

12.2.4 "**MHHS DA**" means BSCCo as the 'Design Authority' for MHHS Implementation, as described in paragraph 12.7.

12.2.5 "**MHHS Data Cleansing Plan**" means the data cleansing plan for MHHS Implementation.

DRAFT

12.2.6 "**MHHS Data Migration Plan**" means the data migration plan for MHHS Implementation.

12.2.7 "**MHHS Defect Management Plan**" means the defect management plan for MHHS Implementation.

12.2.8 "**MHHS Governance Framework**" means the document or documents setting out the detailed governance and assurance requirements for MHHS Implementation, as described in paragraph 12.3.

12.2.9 "**MHHS Implementation**" means the implementation of market-wide, half-hourly Settlement (including data migration and storage and other ancillary and incidental matters), including the following:

(a) the energy licence modifications required to enable and facilitate such implementation;

(b) the modifications to this Code and to other Industry Codes required to enable and facilitate such implementation;

(c) the mobilisation, designing, building, testing, integration and go-live of the IT Systems and business processes required to enable and facilitate such implementation; and

(d) establishing readiness for, and the determination of, relevant stages of MHHS Implementation, including the MHHS System Go-Live Date and the beginning and end of periods for MHHS Qualification, migration, completion of transition to new and completion of existing Settlement Runs and post-implementation steps.

12.2.10 "**MHHS Implementation Manager**" means BSCCo in its roles as MHHS SRO, MHHS PMO, MHHS DA, MHHS SI and MHHS PPC.

12.2.11 "**MHHS Implementation Timetable**" means the timetable for MHHS Implementation, as established under (and subject to change in accordance with) the MHHS Governance Framework.

12.2.12 "**MHHS Independent Assurance Provider**" means the independent assurance provider for MHHS Implementation, as described in paragraph 12.10.

12.2.13 "**MHHS ISMS**" means the information security management system arrangements put in place to ensure MHHS Implementation compliance with ISO 27001, or equivalent.

12.2.14 "**MHHS Migration Plan**" means the plan for the migration of Metering Systems as required for MHHS Implementation, as described in paragraph 12.11.3.

12.2.15 "**MHHS Participant**" means each of: (a) BSCCo (but excluding its role as MHHS Implementation Manager); (b) each Supplier; (c) each Licensed Distribution System Operator; (d) the DCC; (e) each MHHS Affected Code Body; (f) each Data Collector; (g) each Data Aggregator; (h) each Meter Operator Agent; and (i) any other person or category of person which the Authority directs.

12.2.16 "**MHHS PMO**" means BSCCo as the 'Programme Management Office' for MHHS Implementation, as described in paragraph 12.6.

12.2.17 "**MHHS PPC**" means BSCCo as the 'Programme Party Coordinator' for MHHS Implementation, as described in paragraph 12.9.

DRAFT

12.2.18 "**MHHS Programme Steering Group**" means the group of MHHS Participant representatives established from time to time under the MHHS Governance Framework.

12.2.19 "**MHHS Qualification**" means written confirmation from the Panel (or the Performance Assurance Board if delegated by the Panel) that, in the opinion of the Panel (or Performance Assurance Board as the case may be), the Party or Party Agent has, (a) met the requirements set out in the MHHS Qualification Plan as those which have to be met by that, or that class of, Party or Party Agent and (b) done so by the date specified in the MHHS Qualification Plan; and shall, if required, include re-Qualification.

12.2.20 "**MHHS Qualification Plan**" means the plan for the MHHS Qualification of those requiring MHHS Qualification for the purposes of MHHS Implementation, as described in paragraph 12.11.2.)

12.2.21 "**MHHS SI**" means BSCCo as the 'Systems Integrator' for MHHS Implementation, as described in paragraph 12.8.

12.2.22 "**MHHS SRO**" means BSCCo as the 'Senior Responsible Owner' for MHHS Implementation, as described in paragraph 12.5.

12.2.23 "**MHHS System Go-Live Date**" means the time and date designated as such by the MHHS SRO.

12.2.24 "**MHHS Target Operating Model**" means the target operating model for market-wide, half-hourly Settlement, as set out or referred to in the MHHS Governance Framework, and subject to change in accordance with the MHHS Governance Framework.

12.2.25 "**MHHS Test Plan**" means the test plan for each test phase of MHHS Implementation.

12.3 MHHS Governance Framework

12.3.1 The Authority may designate (and may, if it wishes from time to time, re-designate) one or more documents as the MHHS Governance Framework.

12.3.2 The MHHS Governance Framework shall set out supplementary rights, obligations and processes to apply in respect of MHHS Implementation, which may include some or all of the following:

(a) a governance framework for MHHS Implementation, including the creation of the MHHS Programme Steering Group and other representative and/or specialist groups as are required for MHHS Implementation;

(b) a change control process for MHHS Implementation;

(c) further details in relation to performance assurance for MHHS Implementation;

(d) the initial MHHS Target Operating Model;

(e) the initial MHHS Implementation Timetable;

(f) provision for the Authority to re-assign some or all of the roles of the MHHS Implementation Manager (or parts of those roles) to an entity other than BSCCo; and

(g) the decision-making thresholds for matters which must and/or may be referred to the Authority.

DRAFT

12.4 BSCCo as MHHS Implementation Manager: General

12.4.1 BSCCo shall (either itself or through external service provider(s)) perform its MHHS Implementation Manager roles:

(a) in accordance with Good Industry Practice;

(b) without undue discrimination between MHHS Participants (or classes of MHHS Participants), which includes ensuring no undue discrimination between BSCCo (as an MHHS Participant) and other MHHS Participants;

(c) economically and efficiently and with due consideration of the total cost to and impact on MHHS Participants, and taking into account (in so far as is relevant and possible) the likely impact on consumers;

(d) in accordance with the MHHS Implementation Timetable;

(e) in accordance with the MHHS Governance Framework;

(f) in accordance with the MHHS ISMS;

(g) taking into account the recommendations from time to time of the MHHS Independent Assurance Provider (and, if BSCCo opts not to follow such a recommendation, BSCCo shall notify the Authority of BSCCo's reasons for not following the recommendation); and

(h) in accordance with the Authority's directions from time to time.

12.4.2 BSCCo shall ensure that it maintains the service providers and personnel (with the necessary qualifications and experience), IT Systems and facilities necessary to enable it to perform its role as MHHS Implementation Manager.

12.4.3 BSCCo shall ensure that the service providers, personnel, IT Systems and facilities it uses to perform its role as MHHS Implementation Manager are sufficiently separated from those it uses as an MHHS Participant, as further described and set out in the MHHS Governance Framework and a business separation plan to be approved by the Authority. The Board shall ensure that BSCCo complies with this paragraph 12.4.3. Without limitation, the Board shall maintain appropriate delegations to specified executive members and the MHHS SRO (and, by extension, the rest of the MHHS Implementation Manager function). BSCCo shall ensure that, where it does need to share any MHHS Implementation Manager information with its executive or board members to facilitate the performance of their oversight responsibilities, such information is anonymised between MHHS Participants. BSCCo shall also ensure that the Authority and the MHHS Independent Assurance Provider are informed that the information has been shared and provided with a record of any decisions in relation to it. Subject to such oversight, and notwithstanding programme information available to MHHS Participants, information available to the MHHS Implementation Manager roles must not be shared with the rest of BSCCo (including the Board). Subject to compliance with the MHHS Governance Framework the Board shall be entitled to meet with the MHHS Independent Assurance Provider and to ask the MHHS Independent Assurance Provider to consider and report on any matter in relation to performance of the MHHS Implementation Manager roles (in which case such reports shall be made available to all MHHS Participants, unless the Authority directs otherwise).

12.4.4 As set out in paragraph 12.4.1, BSCCo has the option to appoint an external service provider to perform some or all of its MHHS Implementation Manager roles. BSCCo can also delegate aspects of each role (including to industry groups). However, BSCCo shall always remain

DRAFT

responsible under this Code for the performance of the MHHS Implementation Manager roles (subject to paragraph 12.4.8). As regards each of the MHHS Implementation Manager roles, BSCCo shall publish a statement on the BSC Website providing an explanation of its decision as to whether or not to appoint an external service provider to perform such role. Where directed by the Authority, BSCCo shall appoint an external service provider to provide one or more of the MHHS Implementation Manager roles. Where directed by the Authority, BSCCo shall terminate all or part of a contract between BSCCo and an external service provider of an MHHS Implementation Manager role, and appoint a replacement service provider to that role.

12.4.5 BSCCo shall provide (without prejudice to paragraph 3.6) such reporting and information to the Authority, and shall attend such boards, steering groups and meetings, in each case in connection with the MHHS Implementation as the Authority may specify.

12.4.6 The costs, expenses and liabilities incurred by BSCCo in undertaking the role of MHHS Implementation Manager (including such additional expenses and liabilities as BSCCo may incur, including with respect to service providers, in the event that BSCCo's appointment or responsibilities pursuant to this paragraph 12 cease prior to the completion of the MHHS Implementation) shall be BSC Costs, but BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs (including separately from the costs incurred by BSCCo as an MHHS Participant).

12.4.7 BSCCo shall prepare and make available to the Panel and to the MHHS Programme Steering Group regular reports in respect of BSCCo's activities as MHHS Implementation Manager, and the costs incurred as the MHHS Implementation Manager. However, BSCCo shall not be required to disclose any information relating to MHHS Implementation which the Authority expressly requests BSCCo to keep confidential.

12.4.8 The Authority may, in accordance with the MHHS Governance Framework, determine that an entity other than BSCCo is to perform some or all of the roles of the MHHS Implementation Manager (or parts of those roles). In such circumstances:

(a) BSCCo shall cease to perform the relevant role(s), BSCCo shall have no further obligations or responsibilities in the relevant role(s) (other than under this paragraph 12.4.8), and the remainder of this paragraph 12 shall be interpreted accordingly;

(b) the MHHS Implementation Manager (insofar as it has continuing roles) and each MHHS Participant shall co-operate and provide reasonable assistance in relation to the transfer of functions;

(c) BSCCo shall, if so directed by the Authority from time to time (including in the case of successive replacements), enter into a contract with the replacement provider of the relevant role(s) for the payment of the replacement provider's charges on the contract terms directed by the Authority (and comply with such contract); and

(d) the MHHS Implementation Manager (insofar as it has continuing roles) and each MHHS Participant shall continue to comply with its obligations in respect of MHHS Implementation vis-à-vis the replacement provider of the relevant role(s).

12.4.9 If BSCCo identifies a conflict between two or more of its obligations under this paragraph 12 or between its obligations under this paragraph 12 and its obligations under another part of this Code, then BSCCo shall immediately notify the Authority of such conflict, and shall comply with the Authority's directions concerning such conflict.

DRAFT

12.5 BSCCo as MHHS Implementation Manager: MHHS SRO

12.5.1 BSCCo shall act as and perform the role of the 'Senior Responsible Owner' for MHHS Implementation (the "**MHHS SRO**"). The MHHS SRO shall be responsible for delivery of MHHS Implementation in accordance with the MHHS Implementation Timetable, and accountable for ensuring that MHHS Implementation delivers the MHHS Target Operating Model and achieves the other outcomes specified by the Authority as part of the market wide half-hourly settlement Significant Code Review. The MHHS SRO shall perform its role in accordance with the design and implementation baselines determined by the Authority, as they are amended from time to time in accordance with the MHHS Governance Framework.

12.5.2 The responsibilities of the MHHS SRO shall include (without limitation):

(a) identifying, and informing the Authority of, any and all further modifications to energy licences which are required for MHHS Implementation;

(b) ensuring that the modifications to this Code which are required for MHHS Implementation are developed in consultation with MHHS Participants and provided to the Authority for implementation;

(c) monitoring and co-ordinating the development of the modifications to other Industry Codes which are required for MHHS Implementation (in conjunction with the MHHS Affected Code Bodies and in consultation with MHHS Participants), and ensuring that those modifications are presented to the Authority for implementation;

(d) ensuring the efficient, economical and co-ordinated design, build, testing and delivery of efficient, economical, co-ordinated and secure IT Systems and business processes for MHHS Implementation both centrally and (insofar as within its reasonable control) across all MHHS Participants;

(e) developing and documenting the MHHS ISMS for review by the Authority;

(f) overall responsibility for the governance and change process set out in the MHHS Governance Framework; and

(g) subject to paragraph 12.5.3, being responsible and accountable for all programme decisions made as part of MHHS Implementation.

12.5.3 Where the MHHS Governance Framework identifies a decision which should be escalated to the Authority, or the MHHS Independent Assurance Provider determines that a decision should be escalated to the Authority, then the MHHS SRO shall escalate the decision to the Authority, together with the MHHS SRO's recommendation in respect of the decision.

12.6 BSCCo as MHHS Implementation Manager: MHHS PMO

12.6.1 BSCCo shall act as and perform the role of the 'Programme Management Office' for MHHS Implementation (the "**MHHS PMO**"). The MHHS PMO shall be responsible for providing full and effective programme management to support MHHS Implementation.

12.6.2 The responsibilities of the MHHS PMO shall include (without limitation):

(a) establishing and administering the governance groups required by the MHHS Governance Framework, including the organisation of meetings, chairing of meetings, setting of agendas, preparation and circulation of papers, and the production of accurate minutes of meetings;

DRAFT

(b) managing programme documentation, including dissemination of information to and consultation with MHHS Participants, timely provision of documentation, clear and accessible presentation of documentation, strict version control of documents, and baselining of approved documents;

(c) establishing and administering the document change control process as required by the MHHS Governance Framework (where relevant, in conjunction with the MHHS DA), including impact assessment and consultation (which must include consideration against any factors specified in the MHHS Governance Framework, and cover impact on consumers, total and component costs to industry as a whole and to different classes of MHHS Participants, and the likely impact on the ability of MHHS Participants to meet the MHHS Implementation Timetable);

(d) ensuring that any decisions that will ultimately require modifications to this Code or any other Industry Code are developed and consulted upon in accordance with good regulatory practice;

(e) maintaining the MHHS Implementation Timetable, and updating it to reflect changes made in accordance with the MHHS Governance Framework;

(f) proposing, consulting on and confirming the timelines and milestones for MHHS Qualification under the MHHS Qualification Plan and the timetable for migration under the MHHS Migration Plan, all of which must be performed in accordance with the MHHS Governance Framework, including being consistent with the MHHS Implementation Timetable;

(g) tracking and reporting on progress against the MHHS Implementation Timetable to the Authority, the MHHS SRO and the MHHS Programme Steering Group; and

(h) identifying risks to successful completion of MHHS Implementation Timetable milestones (including via a risk, assumptions, issues and dependencies (RAID) log), reporting on those risks to the Authority, the MHHS SRO and the MHHS Programme Steering Group, and proposing to the MHHS SRO measures to address those risks.

12.7 BSCCo as MHHS Implementation Manager: MHHS DA

12.7.1 BSCCo shall act as and perform the role of the 'Design Authority' for MHHS Implementation (the "**MHHS DA**"). The MHHS DA shall be responsible for securing the robust and stable design of the business processes and IT Systems via which market-wide, half-hourly Settlement is to be provided, including the existing and new IT Systems of BSCCo and any other new central IT System and the interface of those IT Systems with those of other MHHS Participants (but excluding the IT Systems of such other MHHS Participants).

12.7.2 The responsibilities of the MHHS DA shall include (without limitation):

(a) identifying the design documents and artefacts that will be required to secure effective MHHS Implementation, and allocating responsibility for producing and maintaining each such design document or artefact;

(b) baselining all design documents and artefacts in accordance with the MHHS Governance Framework, and managing changes to those design documents and artefacts in accordance with the MHHS Governance Framework;

DRAFT

(c) ensuring that the design documentation and artefacts are complete and adequate and set out the design with a precision and at a level of detail that allows all MHHS Participants to fulfil their obligations in relation to MHHS Implementation;

(d) documenting the policies, processes and procedures required by the MHHS ISMS; and

(e) identifying omissions and other deficiencies in the design documentation and artefacts, reporting on those to the MHHS SRO and MHHS Programme Steering Group, and proposing to the MHHS SRO measures to address those deficiencies.

12.8 BSCCo MHHS Implementation Manager: MHHS SI

12.8.1 BSCCo shall act as and perform the role of the 'Systems Integrator' for MHHS Implementation (the "**MHHS SI**"). The MHHS SI shall be responsible for securing the robust and stable integration of the business processes and IT Systems to be used by MHHS Participants for the purposes of market-wide, half-hourly Settlement (including integration with the business processes and IT Systems which are the subject of paragraph 12.7).

12.8.2 The responsibilities of the MHHS SI shall include (without limitation):

(a) procuring the production of an end-to-end test plan (consistent with the MHHS Implementation Timetable), which sets out the test phases for MHHS Implementation and the MHHS Participants required to participate in each such test phase (which end-to-end plan shall be subject to change control in accordance with the MHHS Governance Framework);

(b) proposing, consulting on, and confirming (in accordance with the MHHS Governance Framework) an MHHS Test Plan for each test phase of MHHS Implementation (which shall be subject to change control in accordance with the MHHS Governance Framework), which must cover for the relevant test phase:

(i) the MHHS Participants that are required to, or eligible to, participate in the test phase;

(ii) the objectives for the test phase (which may include intermediate stages) and the pass/fail criteria;

(iii) the test tools, test data and test environments to be made available;

(iv) the timetable for the test phase (which may include intermediate stages within the test phase);

(v) the entry criteria for the start of the test phase (and for any intermediate stage);

(vi) the reports required to be produced by the MHHS SI and MHHS Participants;

(vii) the exit criteria for completion of the test phase (and any intermediate stage); and

(viii) the process by which the test phase (and any intermediate stage) will be determined to have been successfully completed;

DRAFT

(c) providing timely and expert assistance to the MHHS Participants in complying with their obligations under each MHHS Test Plan;

(d) proposing , consulting on, and obtaining approval for (in accordance with the MHHS Governance Framework) an MHHS Data Cleansing Plan, an MHHS Data Migration Plan and an MHHS Defect Management Plan (which shall each be consistent with the MHHS Implementation Timetable and subject to change control in accordance with the MHHS Governance Framework); and

(e) tracking the progress of MHHS Participants against the MHHS Test Plans, and reporting on such progress to the MHHS SRO and the MHHS Programme Steering Group.

12.9 BSCCo as MHHS Implementation Manager: MHHS PPC

12.9.1 BSCCo shall act as and perform the role of the 'Programme Party Co-ordinator' for MHHS Implementation (the "**MHHS PPC**"). The MHHS PPC shall be responsible for full and effective co-ordination of MHHS Participants in relation to MHHS Implementation.

12.9.2 The responsibilities of the MHHS PPC shall include (without limitation):

(a) obtaining individual programme plans from MHHS Participants and verifying that each MHHS Participant has a plan which is consistent with the MHHS Implementation Timetable;

(b) monitoring each MHHS Participant's progress against its programme plan, and reporting to the MHHS SRO and the MHHS Programme Steering Group on such progress;

(c) monitoring each MHHS Participant's progress against key milestones in the MHHS Implementation Timetable, and reporting to the MHHS SRO and the MHHS Programme Steering Group on such progress;

(d) providing support and advice to MHHS Participants on their obligations in respect of MHHS Implementation;

(e) facilitating effective communication with MHHS Participants in respect of MHHS Implementation;

(f) ensuring that MHHS Participants are able to raise issues with the MHHS PMO and the MHHS Programme Steering Group; and

(g) ensuring that MHHS Participants understand and can comply with their obligations under the MHHS ISMS.

12.10 MHHS Independent Assurance Provider

12.10.1 The MHHS SRO shall pay for the services of the entity from time to time contracted by the Authority to perform the role of MHHS Independent Assurance Provider and shall, if required by the Authority, enter into an agreement with the MHHS Independent Assurance Provider in relation to such payment.

12.10.2 Although the MHHS Independent Assurance Provider will be contracted by the Authority, the MHHS SRO shall manage such aspects of the MHHS Independent Assurance Provider’s service provision as are described in the MHHS Governance Framework or as the Authority may from time to time direct.

DRAFT

12.10.3 The MHHS Independent Assurance Provider must not be:

(a) BSCCo, any Party, or any other MHHS Participant;

(b) an Affiliate of BSCCo, of any Party, or of any other MHHS Participant; or

(c) a service provider to the BSCCo in respect of the MHHS Implementation Manager roles.

12.10.4 Insofar as reasonably practicable (given the extent of the MHHS SRO's management function under paragraph 12.10.2), the MHHS SRO shall ensure that the MHHS Independent Assurance Provider performs its role:

(a) in accordance with Good Industry Practice;

(b) without undue discrimination between MHHS Participants (or classes of MHHS Participants);

(c) in accordance with the MHHS Implementation Timetable;

(d) in accordance with the MHHS Governance Framework; and

(e) in accordance with this paragraph 12 and the Authority's contract with the MHHS Independent Assurance Provider.

12.10.5 The duties of the MHHS Independent Assurance Provider shall include (without limitation):

(a) providing confidence to the MHHS Participants that MHHS Implementation will be successfully delivered against the MHHS Implementation Timetable, deliver the MHHS Target Operating Model and achieve the other outcomes specified by the Authority as part of the market wide half-hourly settlement Significant Code Review;

(b) managing and giving effect to the assurance principles and mechanisms set out in the MHHS Governance Framework;

(c) monitoring and providing assurance that the MHHS Implementation Manager is complying with its obligations under this paragraph 12;

(d) where there are disagreements between the MHHS Implementation Manager and MHHS Participants in relation to MHHS Implementation, providing an independent assessment of the issue and making recommendations to the MHHS SRO and the Authority for resolution;

(e) delivering independent assurance reporting to the MHHS SRO, to the MHHS Programme Steering Group and to the Authority in relation to MHHS Implementation;

(f) providing advice to the MHHS SRO, to the MHHS Programme Steering Group and to the Authority on any required improvement to MHHS Implementation in order to ensure its successful delivery in accordance with the MHHS Implementation Timetable, and delivery of the MHHS Target Operating Model and achievement of the other outcomes specified by the Authority as part of the market wide half-hourly settlement Significant Code Review; and

DRAFT

(g) ensuring that there is independent assurance of compliance with the MHHS ISMS.

12.11 MHHS Participants BSCCo

12.11.1 Separate from its role as MHHS Implementation Manager, BSCCo is an MHHS Participant. In addition to its general obligations as an MHHS Participant (as to which see paragraph 12.12), BSCCo also has particular responsibilities as an MHHS Participant in respect of the MHHS Qualification Plan and the MHHS Migration Plan.

12.11.2 BSCCo shall undertake the following in relation to the MHHS Qualification of Parties and Party Agents in order to participate in market-wide, half-hourly Settlement:

(a) BSCCo shall propose, consult on, and obtain approval for (in accordance with the MHHS Governance Framework) a plan (the "MHHS Qualification Plan") which identifies: (i) which classes of Party or Party Agent will require MHHS Qualification in order to participate in market-wide, half-hourly Settlement; and (ii) the requirements to be satisfied by each such Party or Party Agent (in sufficient detail to enable them to prepare for and complete such MHHS Qualification). The BSCCo shall also ensure that the MHHS Qualification Plan includes the timelines and milestones for MHHS Qualification set by the MHHS PMO;

(b) BSCCo shall provide access to any of its IT Systems and business processes necessary to enable the relevant Parties and Party Agents to complete any MHHS Qualification required by them to participate in market-wide, half-hourly Settlement;

(c) BSCCo shall provide such access on the basis that all such Parties and Party Agents can access such systems and processes simultaneously, or (if this is not reasonably practicable) on the basis of a non-discriminatory order of access; and

(d) BSCCo shall provide reasonable information, advice and support to all the relevant Parties and Party Agents to support them in completing MHHS Qualification.

12.11.3 BSCCo shall undertake the following in relation to the migration of Metering Systems required for MHHS Implementation:

(a) BSCCo shall propose, consult on, and obtain approval for (in accordance with the MHHS Governance Framework) a plan (the "**MHHS Migration Plan**") which identifies: (i) which classes of MHHS Participant are to participate in the required migration of Metering Systems; and (ii) the requirements with which each such MHHS Participant must comply (in sufficient detail to enable them to prepare for and complete such migration). The BSCCo shall also ensure that the MHHS Migration Plan includes the timetable for migration set by the MHHS PMO;

(b) BSCCo shall provide access to any of its IT Systems and business processes necessary to enable the relevant MHHS Participants to complete the required migration of Metering Systems; and

(c) BSCCo shall provide such access on the basis that all such MHHS Participants can access such systems and processes simultaneously, or (if this is not reasonably practicable) on the basis of a non-discriminatory order of access.

DRAFT

12.11.4 BSCCo shall provide reasonable information, advice and support to all the relevant MHHS Participants to support them in completing the required migration of Metering Systems.

12.12 MHHS Participants: General

12.12.1 Each MHHS Participant shall:

(a) deliver the new and modified IT Systems and business processes required of it as part of MHHS Implementation, including the mobilisation, design, building and testing of such IT Systems and business processes and their integration with those of other MHHS Participants (and shall do so in accordance with the MHHS Implementation Timetable);

(b) take all reasonable steps within its control to facilitate completion of MHHS Implementation in accordance with the MHHS Implementation Timetable, including taking any action reasonably recommended by the MHHS Independent Assurance Provider;

(c) (in accordance with Good Industry Practice) develop, keep up-to-date and comply with its own programme plan (consistent with the MHHS Implementation Timetable) for MHHS Implementation;

(d) refrain from any action which would unduly compromise or delay MHHS Implementation;

(e) comply with the MHHS Governance Framework;

(f) provide the Authority, the MHHS Independent Assurance Provider or MHHS Implementation Manager with such information as they may reasonably request in relation to MHHS Implementation, including regarding the MHHS Participant's planning for and progress in relation to MHHS Implementation (including progress against its own programme plan);

(g) promptly identify, escalate and report to the MHHS Implementation Manager and MHHS Programme Steering Group any and all risks or disputes that may adversely affect MHHS Implementation;

(h) comply with the Authority's directions from time to time relating to MHHS Implementation;

(i) ensure it is able to meet the various milestones on the dates specified in the MHHS Implementation Timetable; and

(j) comply with its obligations under the MHHS ISMS.

12.12.2 For clarity, an MHHS Participant cannot seek to avoid or delay undertaking its obligations as an MHHS Participant by reason of cost. The MHHS Implementation Timetable has been set on the basis of engagement with parties and evidence as to an appropriate and overall cost effective implementation timetable, and will be subject to evidence-based review and change as appropriate. If an MHHS Participant considers that the costs of compliance become (or are likely to become) disproportionate, then it may raise the issue or seek a change under the MHHS Governance Framework, but shall nevertheless continue to comply with its obligations from time to time as an MHHS Participant.

DRAFT

12.12.3 The following obligations apply to those MHHS Participants required by an MHHS Test Plan to participate in the testing required by that MHHS Test Plan (or who are eligible to participate and choose to do so):

(a) they shall comply with the MHHS Test Plan;

(b) they shall participate in testing under the MHHS Test Plan, and shall in doing so act reasonably, fairly, co-operatively and in accordance with Good Industry Practice;

(c) if they are required by the MHHS Test Plan to make their IT Systems available for other MHHS Participants to use for testing, then they must allow such access on the terms proscribed by the MHHS Test Plan;

(d) if they are required by the MHHS Test Plan to produce test reports demonstrating their successful completion of the test phase (or an intermediate stage), then they must do so; and

(e) they must provide all information, access and co-operation reasonably required by the MHHS SI and act in accordance with the reasonable instructions of the MHHS SI.

12.12.4 The following obligations apply to those MHHS Participants required by the MHHS Data Cleansing Plan and/or MHHS Data Migration Plan to participate in the cleansing and/or migration of data required for MHHS Implementation:

(a) they must comply with their obligations under that plan;

(b) they must report their progress as required by the MHHS SI or MHHS PMO;

(c) they must undertake the cleansing, migration and synchronisation of data in accordance with the specified timetables; and

(d) they must provide all information and co-operation reasonably required by the MHHS SI or MHHS PMO.

12.12.5 The following obligations apply to all MHHS Participants in respect of the MHHS Defect Management Plan:

(a) they must comply with the MHHS Defect Management Plan;

(b) they must report and manage defects arising during MHHS Implementation in accordance with the MHHS Defect Management Plan; and

(c) they must ensure that any defects it identifies are resolved in accordance with the MHHS Defect Management Plan.

12.12.6 Those Parties and Party Agents required by the MHHS Qualification Plan to undertake MHHS Qualification must comply with the MHHS Qualification Plan. No Party or Party Agent will be able to participate in market-wide, half-hourly Settlement until it has successfully completed such MHHS Qualification. Failure to complete such MHHS Qualification by the date set out in the MHHS Qualification Plan shall result in the Party not being able to become a Registrant for Metering Systems for which it is not already a Registrant until such time as it has completed MHHS Qualification.

12.12.7 Each MHHS Participant is responsible for ensuring that its agents, employees, service providers and other contractors (including its Party Agents) undertake the activities

DRAFT

necessary to enable such MHHS Participant to comply with its obligations as an MHHS Participant. Lack of co-operation from such third parties shall not excuse delays or failures on the part of an MHHS Participant.

12.13 MHHS Participants: DCC

12.13.1 Although the DCC is not a Party to this Code, the DCC is required under the DCC Licence to comply with the obligations expressed in this Code to apply to the DCC as an MHHS Participant, including those that apply to MHHS Participants generally.

12.14 MHHS Participants: MHHS Affected Code Bodies

12.14.1 Although not all of the MHHS Affected Code Bodies are a Party to this Code, each of those that is not a Party has an obligation in the relevant Industry Code to comply with the obligations expressed in this Code to apply to the MHHS Affected Code Bodies as an MHHS Participant, including those that apply to MHHS Participants generally.

12.14.2 Without limiting the application of paragraph 12.4.1, each MHHS Affected Code Body shall provide such co-operation and information as the MHHS Implementation Manager reasonably requires for the purpose of performing its obligations under this paragraph 12 in respect of the MHHS Affected Code Body's Industry Code.

12.15 MHHS Participants: Party Agent

12.15.1 Although Data Collectors, Data Aggregators and Meter Operator Agents are not Parties, they will have to undergo MHHS Qualification before they are MHHS Qualified to participate in market-wide, half-hourly Settlement.

12.15.2 Without limiting the application of paragraph 12.15.1, each Supplier shall ensure that the Data Collectors, Data Aggregators and Meter Operator Agents appointed by it comply with the obligations expressed in this Code to apply to Data Collectors, Data Aggregators and Meter Operator Agents as MHHS Participants, including those that apply to MHHS Participants generally.

12.16 MHHS Participants: Suppliers

12.16.1 Each Supplier which participates in testing under an MHHS Test Plan shall ensure that such testing includes testing in respect of the IT Systems of its Party Agents.

12.16.2 Each Supplier must comply with the MHHS Migration Plan.

12.17 MHHS Performance Assurance

12.17.1 The MHHS Independent Assurance Provider shall provide performance assurance in respect of MHHS Implementation, as described in the MHHS Governance Framework.

12.17.2 Without prejudice to the Panel's rights and duties in respect of BSCCo, unless and until the Authority otherwise directs, the Panel and Performance Assurance Board's roles in respect of compliance or performance assurance of the obligations of MHHS Participants in respect of MHHS Implementation, shall be limited to:

(a) those decisions and actions specified in relation to MHHS Qualification; and

(b) such decisions or actions as are specified in the MHHS Migration Plan.

DRAFT

12.17.3 Further, non-exhaustive, details in respect of the assurance which may be conducted by the MHHS Independent Assurance Provider shall be set out in the MHHS Governance Framework, and may include some or all of the following:

(a) requiring an MHHS Participant to procure its own independent assurance of its readiness to meet specified programme milestones;

(b) requiring a statement by an MHHS Participant signed by one or more board directors (or, if the MHHS Participant is not a company, an equivalent representative) regarding the MHHS Participant's readiness to meet specified programme milestones, accompanied by the evidence they have relied upon to make that statement;

(c) when the MHHS Independent Assurance Provider sees fit, notifying each MHHS Participant of any failure, or expected failure, by a MHHS Participant to meet such MHHS Implementation milestone(s) as the provider considers appropriate; provided that:

(i) the MHHS Independent Assurance Provider shall have regard to all the circumstances when deciding which milestone(s) to issue notifications in respect of and when to issue such notifications; and

(ii) the MHHS Independent Assurance Provider shall also notify each MHHS Participant when the MHHS Participant has met, or is expected to meet, such milestone.

12.17.4 Each MHHS Participant is required to comply with the assurance processes applied by the MHHS Independent Assurance Provider in accordance with the MHHS Governance Framework, and BSCCo shall (insofar as within its control) give effect to any decisions of the MHHS Independent Assurance Provider.

12.18 Tendering for the MHHS Implementation Manager Role

12.18.1 In the event that the appointment of the MHHS Implementation Manager is undertaken through a competitive tender process then BSCCo may participate in that process provided that:

(a) the maximum amount that BSCCo may incur in participating in such process shall not in any event exceed the sum of one hundred thousand pounds sterling (£100,000.00) in connection with:

(i) its third party costs (including in respect of professional advisors), expenses, other outgoings and liabilities incurred in connection with the planning, preparation, negotiation and award (or any other process leading to an award), of the proposed MHHS Implementation Manager role; and

(ii) its overhead costs (including, without limitation, personnel costs),

and any such costs, expenses and liabilities shall be BSC Costs;

(b) BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs; and

(c) BSCCo shall ensure that such costs are subject to a statutory audit and the findings of such audit are reported to the Panel and Parties.

DRAFT

12.19 MHHS Implementation: Additional Budget Requirements

12.19.1 When BSCCo produces draft Annual Budgets and Annual Budgets under paragraph 6.4, and when BSCCo produces draft revisions and revisions to Annual Budgets under paragraph 6.5 or 6.6, BSCCo shall (in addition to its obligations under paragraph 6):

(a) identify the costs which relate to BSCCo's role as MHHS Implementation separately from BSCCo's other costs;

(b) present those aspects which relate to these costs to the MHHS Programme Steering Group; and

(c) take into account representations received from the MHHS Programme Steering Group, and provide a written explanation to the MHHS Programme Steering Group of the changes which are made as a result of such representations or (if changes are not made) of why BSCCo has not made such changes.

12.20 MHHS Implementation: Sunset Provision

12.20.1 Once the Authority has confirmed for the purposes of this paragraph 12.20 that MHHS Implementation is complete (or sufficiently complete), then this Code shall automatically be modified by the deletion of this paragraph 12 and by any consequential amendments to the remainder of this Code as the Authority may direct.

12.20.2 Such deletion of this paragraph 12 shall be without prejudice to the rights and obligations arising under this paragraph 12 prior to its deletion.

DRAFT

ANNEX C-1: PERMISSIBLE ACTIVITIES

1 Activities performed pursuant to the Energy Act 2013

1.1 Settlement Services Provider for Feed in Tariff Contracts for Difference

1.1.1 A Permitted Affiliate may, for the duration of its appointment as a CFD Settlement Services Provider, perform (either itself or through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise (whether specified in any EMR Legal Requirement or in a contract between a Permitted Affiliate and a CfD Counterparty) in connection with:

(a) the calculation, invoicing, reconciliation and, where applicable, settlement of amounts payable or arising under:

(i) Contracts for Difference; and

(ii) the Contracts for Difference Supplier Obligation;

(b) the calculation, collection, administration and enforcement of financial collateral pursuant to Chapter 2 of Part 2 of the Energy Act 2013 and as set out in:

(i) contracts for difference entered into by a CfD Counterparty pursuant to Chapter 2 of Part 2 of the Energy Act 2013; and

(ii) the Contracts for Difference Supplier Obligation; and

(c) any other matters pursuant to Chapter 2 of Part 2 of the Energy Act 2013.

1.2 Settlement Services Provider for Capacity Agreements

1.2.1 A Permitted Affiliate may, for the duration of its appointment as a CM Settlement Services Provider, perform (either itself or through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise (whether specified in any EMR Legal Requirement or in a contract between a Permitted Affiliate and the CM Settlement Body) in connection with:

(a) the calculation, administration and, where applicable, settlement of amounts payable or arising under Chapter 3 of Part 2 of the Energy Act 2013 and set out in:

(i) the Electricity Capacity Regulations 2014;

(ii) any other regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time;

(iii) the Capacity Market Rules; and

(b) the calculation, collection, administration and enforcement of financial collateral pursuant to Chapter 3 of Part 2 of the Energy Act 2013 and set out in:

(i) the Electricity Capacity Regulations 2014;

(ii) any other regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time;

(iii) the Capacity Market Rules; and

DRAFT

(c) any other matters pursuant to Chapter 3 of Part 2 of the Energy Act 2013.

1.3 EMR Tender Activities

1.3.1 A Permitted Affiliate may prepare for and participate in the process for the award of the activities referred to in paragraphs 1.1 and 1.2 and if such preparation and participation has been included in a Business Strategy and an Annual Budget which have been approved and adopted under paragraph 6, the costs thereof shall be BSC Costs and Sections C10.2.1(d) and D7.3.1 shall not apply in respect of such BSC Costs.

2. Uniform Network Code Gas Performance Assurance Framework Administrator (PAFA) role

2.1 General

2.1.1 BSCCo shall be entitled to establish or acquire PAFACo for the purpose of investigating and, if the Board of PAFACo decides to do so, participating in a PAFA Tender, and if successful in such PAFA Tender, performing the functions and responsibilities of the PAFA Role, provided that the total consideration for the payment in respect of all of the allotted shares of PAFACo shall not exceed £1.00.

2.2 PAFA tender

2.2.1 Subject to paragraphs 2.2.3 and 2.3, BSCCo may provide a loan or grant credit to PAFACo on such terms as the Board may approve, from time to time, provided always that the maximum amount of the loan or credit granted shall not in any event exceed the total aggregate sum of one hundred thousand pounds sterling (£100,000.00) to enable PAFACo to pay, in aggregate in connection with a PAFA Tender:

(a) its third party costs (including in respect of professional advisors), expenses, other outgoings and liabilities incurred in connection with the planning, preparation, negotiation and award (or any other process leading to an award), of the PAFA Role; and

(b) its overhead costs (including, without limitation, personnel costs), provided that such costs shall in the first instance be incurred by BSCCo on behalf of PAFACo,

(together, "**PAFA Tender Costs**").

2.2.2 Subject to paragraph 2.2.1, PAFA Tender Costs may be incurred over successive BSC Years.

2.2.3 PAFA Tender Costs shall be BSC Costs and BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs.

2.2.4 BSCCo shall submit any report it receives from PAFACo pursuant to paragraph 2.4.6(c) to the Panel at its next available meeting and every quarter thereafter until repayment of the Aggregate PAFA Tender Costs or the loan is written off in accordance with paragraph 2.3.6 (as the case may be).

2.2.5 BSCCo shall ensure that PAFA Tender Costs are subject to a statutory audit and such findings are reported to the Panel and Parties.

2.3 Reimbursement of PAFA Tender Costs to Trading Parties

2.3.1 The amounts recoverable by BSCCo as PAFA Tender Costs are amounts expended or funded by or on behalf of Trading Parties pursuant to paragraph 2.2 and any amounts which are otherwise described in the Code as PAFA Tender Costs.

DRAFT

2.3.2 BSCCo shall procure the agreement of PAFACo that in the event PAFACo is successful in a PAFA Tender exercise PAFACo shall repay Aggregate PAFA Tender Costs to BSCCo within the PAFA Tender Recovery Period.

2.3.3 Subject to paragraphs 2.3.2, 2.3.5 and 2.3.6, Trading Parties shall be entitled to recover Aggregate PAFA Tender Costs in accordance with their respective Main Funding Shares at that time.

2.3.4 As soon as reasonably practicable after receipt of the statement referred to in paragraph 2.4.5(c), BSCCo shall determine the Aggregate PAFA Tender Costs and the recovery share for each Trading Party and provide its own statement of account to the Panel, the Authority and all Parties (excluding commercially sensitive information). Subject to the Panel's approval, such statement of account shall be final and binding in the absence of manifest error (provided that such error must be notified no later than six months following receipt of the statement of account, failing which the statement of account shall be a final determination for the purposes of the Code).

2.3.5 Subject to paragraph 2.3.6 it is acknowledged that:

(a) in the event PAFACo is unsuccessful in a PAFA Tender exercise, it is unlikely that BSCCo will be able to recover Aggregate PAFA Tender Costs (in whole or in part) from PAFACo; and

(b) if BSCCo were obliged to reimburse Aggregate PAFA Tender Costs to Trading Parties the financial consequences of such reimbursement would be borne by Trading Parties themselves.

2.3.6 Notwithstanding Section C3.4.6, in accordance with paragraph 2.3.5, the Parties agree that:

(a) subject to paragraph 2.3.6(b), any loan arrangements agreed pursuant to this paragraph 2 may provide that the Board may, in its absolute discretion, resolve to write off any loan or credit provided to PAFACo for PAFA Tender Costs which relates to an unsuccessful PAFA Tender exercise, provided the amount written off shall not exceed the total cumulative amount of £100,000.00 plus any interest agreed to have been paid in the agreement documenting that loan or credit which would otherwise have been receivable; and

(b) for the purposes of the Code, such loan arrangements as referred to in paragraph 2.3.6(a) which permit the Board to write off a loan or credit to PAFACo shall be treated as arrangements concluded at arm's length and on normal commercial terms.

2.3.7 For the avoidance of doubt, BSCCo shall procure that any PAFA Tender Costs provided pursuant to paragraph 2.2.1(a) which are underspent shall be refunded to BSCCo.

2.4 Shareholder arrangements with PAFACo

2.4.1 At all times BSCCo shall be the registered holder of all of the issued share capital in PAFACo.

2.4.2 For the avoidance of doubt, the form of the Memorandum and Articles of Association of PAFACo shall not form part of the Code, but shall be subject to Board approval.

2.4.3 Subject to the provision of PAFA Tender Costs, but without limitation to paragraph 2.4.4, BSCCo shall not provide any finance or financial support to PAFACo.

DRAFT

2.4.4 BSCCo agrees and undertakes that it shall not cause PAFACo to be in default of the Legal Requirements of the PAFA Role by reason of any act or omission in connection with its capacity as the PAFACo Shareholder, and each Party agrees that BSCCo may contract or otherwise put in place arrangements with PAFACo on such basis, unless:

(a) BSCCo is required to take such step by reason of a Legal Requirement and/or the Code; and

(b) BSCCo has first notified and, where practicable, consulted with PAFACo in relation to such step.

2.4.5 In its capacity as the PAFACo Shareholder, BSCCo shall ensure PAFACo's contractual agreement, that:

(a) subject always to paragraph 2.4.4:

(i) the Board shall appoint the chairman of the PAFACo Board from time to time;

(ii) the initial chairman of the PAFACo Board shall, in consultation with the Panel, appoint the other initial directors of PAFACo;

(iii) BSCCo, in its capacity as PAFACo Shareholder, shall have the power to appoint or remove directors of PAFACo; and

(iv) BSCCo, in its capacity as PAFACo Shareholder, shall approve or reject the appointment of directors of PAFACo;

(b) PAFACo shall provide a quarterly summary of PAFA Tender Costs to BSCCo, provided that PAFACo shall:

(i) ensure that it reports on total costs and, subject to paragraph 2.4.5(b)(ii), provides in sufficient detail a breakdown of the costs such as to provide BSC Parties with a reasonable level transparency in respect of the scope and level of expenditure; and

(ii) be entitled to exclude any information from the breakdown of costs provided to Parties which relates to the affairs of PAFACo, a BSC Company or any other third party and is in PAFACo's reasonable opinion confidential and/or commercially sensitive in connection with a PAFA Tender; and

(c) without prejudice to paragraph 2.4.5(b), PAFACo shall, as soon as reasonable practicable after it is notified of its success or not (as the case may be) in a PAFA Tender exercise, submit a statement of its costs incurred in accordance with paragraph 2.2.1(b) to BSCCo.

DRAFT

3. Retail Energy Code (REC) Administrative Services (RECAS) Role

3.1 General

3.1.1 BSCCo shall be entitled to establish or acquire RECASCo for the purpose of:

(a) investigating and, if the Board of RECASCo decides to do so, participating in a RECAS Tender; and

(b) performing the functions and responsibilities of the RECAS Role,

provided that the total consideration for the payment in respect of all of the allotted shares of RECASCo shall not exceed £1.00.

3.2 RECAS Tender

3.2.1 Subject to paragraphs 3.2.3 and 3.3, BSCCo may provide a loan or grant credit to RECASCo on such terms as the Board may approve, from time to time, provided always that the maximum amount of the loan or credit granted shall not in any event exceed the total aggregate sum of one hundred thousand pounds sterling (£100,000.00) to enable RECASCo to pay, in aggregate in connection with a RECAS Tender:

(a) its third party costs (including in respect of professional advisors), expenses, other outgoings and liabilities incurred in connection with the planning, preparation, negotiation and award (or any other process leading to an award), of the RECAS Role; and

(b) its overhead costs (including, without limitation, personnel costs), provided that such costs shall in the first instance be incurred by BSCCo on behalf of RECASCo,

(together, "**RECAS Tender Costs**").

3.2.2 Subject to paragraph 3.2.1, RECAS Tender Costs may be incurred over successive BSC Years.

3.2.3 RECAS Tender Costs shall be BSC Costs and BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs.

3.2.4 BSCCo shall submit any report it receives from RECASCo pursuant to paragraph 3.4.6(c) to the Panel at its next available meeting and every quarter thereafter until repayment of the Aggregate RECAS Tender Costs or the loan is written off in accordance with paragraph 3.3.6 (as the case may be).

3.2.5 BSCCo shall ensure that RECAS Tender Costs are subject to a statutory audit and such findings are reported to the Panel and Parties.

3.3 Reimbursement of RECAS Tender Costs to Trading Parties

3.3.1 The amounts recoverable by BSCCo as RECAS Tender Costs are amounts expended or funded by or on behalf of Trading Parties pursuant to paragraph 3.2 and any amounts which are otherwise described in the Code as RECAS Tender Costs.

3.3.2 BSCCo shall procure the agreement of RECASCo that in the event RECASCo is successful in a RECAS Tender exercise RECASCo shall repay Aggregate RECAS Tender Costs to BSCCo within the RECAS Tender Recovery Period.

DRAFT

3.3.3 Subject to paragraphs 3.3.2, 3.3.5 and 3.3.6, Trading Parties shall be entitled to recover Aggregate RECAS Tender Costs in accordance with their respective Main Funding Shares at that time.

3.3.4 As soon as reasonably practicable after receipt of the statement referred to in paragraph 3.4.5(c), BSCCo shall determine the Aggregate RECAS Tender Costs and the recovery share for each Trading Party and provide its own statement of account to the Panel, the Authority and all Parties (excluding commercially sensitive information). Subject to the Panel's approval, such statement of account shall be final and binding in the absence of manifest error (provided that such error must be notified no later than six months following receipt of the statement of account, failing which the statement of account shall be a final determination for the purposes of the Code).

3.3.5 Subject to paragraph 3.3.6 it is acknowledged that:

(a) in the event RECASCo is unsuccessful in a RECAS Tender exercise, it is unlikely that BSCCo will be able to recover Aggregate RECAS Tender Costs (in whole or in part) from RECASCo; and

(b) if BSCCo were obliged to reimburse Aggregate RECAS Tender Costs to Trading Parties the financial consequences of such reimbursement would be borne by Trading Parties themselves.

3.3.6 Notwithstanding Section C3.4.6, in accordance with paragraph 3.3.5, the Parties agree that:

(a) subject to paragraph 3.3.6(b), any loan arrangements agreed pursuant to this paragraph 3 may provide that the Board may, in its absolute discretion, resolve to write off any loan or credit provided to RECASCo for RECAS Tender Costs which relates to an unsuccessful RECAS Tender exercise, provided the amount written off shall not exceed the total cumulative amount of £100,000.00 plus any interest agreed to have been paid in the agreement documenting that loan or credit which would otherwise have been receivable; and

(b) for the purposes of the Code, such loan arrangements as referred to in paragraph 3.3.6(a) which permit the Board to write off a loan or credit to RECASCo shall be treated as arrangements concluded at arm's length and on normal commercial terms.

3.3.7 For the avoidance of doubt, BSCCo shall procure that any RECAS Tender Costs provided pursuant to paragraph 3.2.1(a) which are not spent shall be refunded to BSCCo.

3.4 Shareholder arrangements with RECASCo

3.4.1 At all times BSCCo shall be the registered holder of all of the issued share capital in RECASCo.

3.4.2 For the avoidance of doubt, the form of the Memorandum and Articles of Association of RECASCo shall not form part of the Code, but shall be subject to Board approval.

3.4.3 Subject to the provision of RECAS Tender Costs, but without limitation to paragraph 3.4.4, BSCCo shall not provide any finance or financial support to RECASCo.

3.4.4 BSCCo agrees and undertakes that it shall not cause RECASCo to be in default of the Legal Requirements of the RECAS Role by reason of any act or omission in connection with its capacity as the RECASCo Shareholder, and each Party agrees that BSCCo may contract or otherwise put in place arrangements with RECASCo on such basis, unless:

DRAFT

(a) such act or omission is required by reason of a Legal Requirement and/or the Code; and

(b) BSCCo has first notified and, where practicable, consulted with RECASCo in relation to such act or omission.

3.4.5 In its capacity as the RECASCo Shareholder, BSCCo shall:

(a) subject always to paragraph 3.4.4:

(i) appoint the chairman of the RECASCo Board from time to time

(ii) ensure that the initial chairman of the RECASCo Board, in consultation with the Panel, appoints the other initial directors of RECASCo;

(iii) have the power to appoint or remove directors of RECASCo; and

(iv) approve or reject the appointment of directors of RECASCo;

(b) ensure that RECASCo provides a quarterly summary of RECAS Tender Costs to BSCCo, provided that RECASCo shall:

(i) ensure that it reports on total costs and, subject to paragraph 3.4.5(b)(ii), provides in sufficient detail a breakdown of the costs such as to provide BSC Parties with a reasonable level transparency in respect of the scope and level of expenditure; and

(ii) be entitled to exclude any information from the breakdown of costs provided to Parties which relates to the affairs of RECASCo, a BSC Company or any other third party and is in RECASCo's reasonable opinion confidential and/or commercially sensitive in connection with a RECAS Tender; and

(c) without prejudice to paragraph 3.4.5(b), ensure that RECASCo submits, as soon as reasonable practicable after it is notified of its success or not (as the case may be) in a RECAS Tender exercise, a statement of its costs incurred in accordance with paragraph 3.2.1(b) to BSCCo.

4. Other Permitted Activities

4.1 General

4.1.1 Subject to paragraph 4.1.2, 4.1.3 and 4.1.4, BSCCo shall be entitled to establish or acquire a company or companies, either solely or together with a third party, to become a Permitted Affiliate carrying out Permissible Activities (**"PACo"**) for the purpose of:

(a) investigating and, if the Board of PACo decides to do so, participating in a Permissible Activity Tender; and

(b) performing the functions and responsibilities of the proposed PACo Role,

provided that the total consideration for the payment in respect of all of the allotted shares of PACo shall not exceed £1.00.

DRAFT

4.1.2 Prior to commencing a tender for a Permissible Activity, BSCCo shall satisfy itself that the proposed PACo Role meets the following conditions:

(a) that the proposed PACo Role relates to the UK and/or the Republic of Ireland;

(b) that the proposed PACo Role relates to the gas, electricity, heat and/or transport sector;

(c) that the proposed PACo Role is linked to BSCCo core competencies;

(d) BSC Parties shall benefit BSCCo undertaking the proposed PACo Role;

(e) that BSCCo undertaking the proposed PACo Role shall not place disproportionate risk on BSC Parties;

(f) that BSCCo undertaking the proposed PACo Role shall not prevent standards of service under the Code from being maintained by BSCCo; and

(g) that BSCCo's role given to it under the Code shall not give it any undue competitive advantage in a tendering for the proposed PACo Role.

4.1.3 For the avoidance of doubt, if BSCCo is not satisfied that the conditions in paragraph 4.1.2 have been met it shall not pursue the proposed PACo Role.

4.1.4 At any point prior to undertaking substantive work on a formal offer by the Permitted Affiliate for the provision of the proposed PACo Role, BSCCo shall seek the views of Parties, the Panel and interested third parties in accordance with paragraphs 4.1.5, 4.1.6 and 4.1.7.4.1.5 Where it is reasonably practicable to do so, BSCCo shall notify the persons referred to in paragraph 4.1.4 that it intends to, or may intend to, seek comments under paragraph 4.1.4.

4.1.6 BSCCo shall send out a notice to the persons referred to in paragraph 4.1.4 inviting them to provide comments on BSCCo's potential participation in one or more Permissible Activity Tenders within such period as the Board may determine (and in any event, no less than 10 Business Days from the date of the notice) ("**Tender Notice**"). The Tender Notice shall contain information on the nature and scope of the proposed PACo Role which BSCCo is interested in but shall not include any information that is confidential to third parties or which BSCCo reasonably regards as being commercially sensitive.

4.1.7 As soon as reasonably practicable after receipt of the comments referred to in paragraph 4.1.6, BSCCo shall:

(a) publish a summary of the comments received by the persons referred to in paragraph 4.1.4;

(b) send to the Authority:

(i) a copy of the comments received by the persons referred to in paragraph 4.1.4; and

(ii) a summary of BSCCo's assessment against the conditions referred to in paragraph 4.1.2

together with an invitation to consider PACo's proposed Permissible Activity Tender for the proposed PACo role (**"Request for Permissible Activity Consent**").

DRAFT

4.1.8 The Authority may no later than 15 Business Days after receipt of the Request for Permissible Activity Consent:

(a) reject BSCCo's Request for Permissible Activity Consent; or

(b) inform BSCCo that it will communicate its decision and, having regard for the timelines applicable to the Permissible Activity Tender, provide a date by when such decision will be made;

(c) if no response is received by BSCCo pursuant to paragraph 4.1.8(a) or (b) the Authority shall be deemed for the purposes of the Code to have provided its consent to PACo's proposed Permissible Activity Tender.

4.2 PACo Tender

4.2.1 Subject to paragraphs 4.2.2, 4.2.4, 4.3 and notwithstanding Section C10.2, BSCCo may provide a loan or grant credit to PACo (interest or non-interest bearing) on such terms as the Board may approve, from time to time, provided always that the maximum amount of the loan or credit granted shall not in any event exceed the sum of one hundred thousand pounds sterling (£100,000.00) per each Permissible Activity Tender with this amount linked to the Retail Price Index to account for inflation ("**Total Amount Lent**") to enable PACo to pay, in aggregate in connection with a Permissible Activity Tender:

(a) its third party costs (including in respect of professional advisors), expenses, other outgoings and liabilities incurred in connection with the planning, preparation, negotiation and award (or any other process leading to an award), of the proposed Permissible Activity Role; and

(b) its overhead costs (including, without limitation, personnel costs), provided that such costs shall in the first instance be incurred by BSCCo on behalf of PACo,

(together, "**PACo Tender Costs**").

4.2.2 The total aggregate PACo Tender Costs in any given BSC Year shall in no event exceed 1% of that year's Annual Budget.

4.2.3 Subject to paragraphs 4.2.1 and 4.2.2 and in relation to each Permissible Activity Tender, PACo Tender Costs may be incurred over successive BSC Years.

4.2.4 PACo Tender Costs shall be BSC Costs and BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs.

4.2.5 BSCCo shall notify the Panel, the Authority and Parties whether or not it has been successful in a tender exercise as soon as reasonably practicable after the PACo is entitled to publish that information.

4.3 Reimbursement of PACo Tender Costs to Trading Parties

4.3.1 The amounts recoverable by BSCCo as PACo Tender Costs are amounts expended or funded by or on behalf of Trading Parties pursuant to paragraph 4.2 and any amounts which are otherwise described in the Code as PACo Tender Costs.

4.3.2 BSCCo shall procure the agreement of PACo that in the event PACo is successful in a PACo Tender exercise PACo shall repay Aggregate PACo Tender Costs to BSCCo within the PACo Tender Recovery Period.

DRAFT

4.3.3 Subject to paragraphs 4.3.2, 4.3.5 and 4.3.6, Trading Parties shall be entitled to recover Aggregate PACo Tender Costs in accordance with their respective Main Funding Shares at that time.

4.3.4 Subject to paragraph 4.3.5 it is acknowledged that:

(a) in the event PACo is unsuccessful in a PACo Tender exercise, it is unlikely that BSCCo will be able to recover Aggregate PACo Tender Costs (in whole or in part) from PACo; and

(b) if BSCCo were obliged to reimburse Aggregate PACo Tender Costs to Trading Parties the financial consequences of such reimbursement would be borne by Trading Parties themselves.

4.3.5 Notwithstanding Section C3.4.6, in accordance with paragraph 4.3.4, the Parties agree that:

(a) subject to paragraph 4.3.5(b), any loan arrangements agreed pursuant to this paragraph 4 may provide that the Board may, in its absolute discretion, resolve to write off any loan or credit provided to PACo for PACo Tender Costs in the event of:

(i) an unsuccessful PACo Tender exercise; or

(ii) a successful PACo Tender where PACo has subsequently ceased performing the PACo Role prior to the end of the PACo Tender Recovery Period,

provided the amount written off shall not exceed the Total Amount Lent which would otherwise have been receivable and shall in no event exceed 1% of the Annual Budget of the BSC Year in which the loan or credit was granted; and

(b) for the purposes of the Code, such loan arrangements as referred to in paragraph 4.3.6(a) which permit the Board to write off a loan or credit to PACo shall be treated as arrangements concluded at arm's length and on normal commercial terms.

4.3.6 For the avoidance of doubt, BSCCo shall procure that any PACo Tender Costs provided pursuant to paragraph 4.2.1(a) which are not spent shall be refunded to BSCCo.

4.4 Shareholder arrangements with PACo

4.4.1 For the avoidance of doubt, the form of the Memorandum and Articles of Association of PACo shall not form part of the Code, but shall be subject to Board approval.

4.4.2 BSCCo shall approve a dividend policy issued by PACo from time to time and, notwithstanding Section C3.4.6, any dividend payable to BSCCo shall be subject to that dividend policy.

4.4.3 In its capacity as the PACo Shareholder, BSCCo shall:

(a) appoint the chairman of the PACo Board from time to time;

(b) ensure that the initial chairman of the PACo Board appoints the other initial directors of PACo;

(c) have the power to appoint or remove directors of PACo; and

DRAFT

(d) approve or reject the appointment of directors of PACo.

4.5 Financial Reporting4.5.1 BSCCo shall:

(a) ensure that PACo submits, as soon as reasonably practicable after it is notified of its success or not (as the case may be) in a PACo Tender exercise and every year thereafter until repayment of the Aggregate PACo Tender Costs or the loan is written off in accordance with paragraph 4.3.5 (as the case may be), a statement of its costs incurred in accordance with paragraph 4.2.1 to BSCCo;

(b) submit any summary it receives from PACo pursuant to paragraph 4.5.1(a) to the Panel at its next available meeting and every year thereafter until repayment of the Aggregate PACo Tender Costs or the loan is written off in accordance with paragraph 4.3.5 (as the case may be);

(c) as soon as reasonably practicable after receipt of the statement referred to in paragraph 4.5.1(a), determine the Aggregate PACo Tender Costs and the recovery share for each Trading Party and provide its own statement of account to the Panel, the Authority and all Parties (excluding commercially sensitive information). Subject to the Panel's approval, such statement of account shall be final and binding in the absence of manifest error (provided that such error must be notified no later than six months following receipt of the statement of account, failing which the statement of account shall be a final determination for the purposes of the Code); and

(d) BSCCo shall ensure that PACo Tender Costs are subject to a statutory audit and such findings are reported to the Panel and Parties.

5 Other Settlement Services Provider Activities

5.1 Nuclear RAB Settlement

5.1.1 For the purposes of this paragraph 5:

(a) "**Nuclear RAB Legal Requirement**" means the Nuclear Energy (Financing) Act 2022 and any rules, regulation, licence, licence condition or Directive made pursuant to, or in connection with, that Act;

(b) "**Nuclear RAB Settlement Services Provider**" means:

(i) the Permitted Affiliate established by BSCCo for the purpose of performing the activities and functions described in paragraphs 1.1 and 1.2 of this Annex C-1; or

(ii) any other Permitted Affiliate established by BSCCo for the purpose of delivering Nuclear RAB Settlement Services and which has been appointed to perform such services by the Revenue Collection Counterparty;

(c) "**Nuclear RAB Settlement Services**" means:

(i) the calculation, invoicing, reconciliation and, where applicable, settlement of amounts payable or arising pursuant to a Nuclear RAB Legal Requirement;

DRAFT

(ii) the calculation, collection, administration and enforcement of financial collateral pursuant to a Nuclear RAB Legal Requirement; and

(iii) any other related matters pursuant to a Nuclear RAB Legal Requirement; and

(d) "**Revenue Collection Counterparty**" means the person designated to act in that capacity by the Secretary of State from time to time pursuant to the Nuclear Energy (Financing) Act 2022.

5.1.2 The Nuclear RAB Settlement Services Provider may perform (either itself of through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise in connection with the Nuclear RAB Settlement Services (whether specified in any Nuclear RAB Legal Requirement or in a contract between the Settlement Services Provider and the Revenue Collection Counterparty).

5.1.3 In respect of the Nuclear RAB Settlement Services Provider:

(a) the restrictions, liabilities, rights and obligations in the Code that are applicable to the Permitted Affiliate performing the activities and functions described in paragraphs 1.1 and 1.2 of this Annex C-1 shall apply (mutatis mutandis) to the Nuclear RAB Settlement Services Provider as if:

(i) the activities and functions performed pursuant to this paragraph 5 were activities and functions set out in paragraphs 1.1 and 1.2 of this Annex C-1; and

(ii) any related reference in the Code to an EMR Settlement Services Provider was therefore deemed to be a reference to the Nuclear RAB Settlement Service Provider and any reference to an EMR Legal Requirement was deemed to be a reference to a Nuclear RAB Legal Requirement; and

(b) the provisions of paragraph 4 of this Annex C-1 (including paragraph 4.2) shall not apply to the Nuclear RAB Settlement Services Provider or to the activities, functions, responsibilities and duties that may be performed by it under this paragraph 5.

DRAFT

ANNEX C-2: VOTING PROCEDURES FOR BINDING RESOLUTIONS, NON-BINDING RESOLUTIONS AND APPOINTMENT RESOLUTIONS

1 GENERAL

1.1 Introduction

1.1.1 This Annex C-2 sets out the basis and procedures which should be used for the raising of and voting on Resolutions by Voting Parties (as described in paragraph 2) at General Meetings or BSC Annual General Meetings in accordance with Section C4.1.9, Section C4.8, Section C4.9.1 or Section C4.10.1 (as appropriate).

1.1.2 For the purposes of this Annex C-2:

(a) "**Authorised Signatory**" means a person authorised by a BSC Party in writing to act for it in accordance with paragraph 1.2.1 of this Annex C-2;

(b) "**Provisional Voting Share**" has the meaning given to that term in paragraph 2.1.2 of this Annex C-2;

(c) "**Voting Party Resolution**" means a Binding Resolution or a Non-Binding Resolution;

(d) "**Voting Share Cap**" has the meaning given to that term in paragraph 2.1.2 of this Annex C-2; and

(e) "**Quorum Requirements**" means the quorum requirements set out in paragraph 3.1 of this Annex C-2.

1.1.3 Each Party shall procure that BSCCo is notified of the persons it authorises as Authorised Signatory from time to time to:

(a) notify a Trading Party Group or Distribution Business Group;

(b) require the Directors of BSCCo to call a General Meeting; or

(c) propose Resolutions and vote on Resolutions under this Annex C-2,

in accordance with the requirements of BSCP38. If for any reason it is unclear which person is the Authorised Signatory for a Voting Party Group for any of the above purposes, the Authorised Signatory shall be determined at random by BSCCo.

1.2 Resolutions raised by Parties (Binding Resolutions and Non-Binding Resolutions)

1.2.1 An Authorised Signatory may require BSCCo to raise a Non-Binding Resolution or Binding Resolution ("Voting Party Resolution") by following the process set out in Section C4.8.

1.2.2 BSCCo shall, (with reference to the process set out in paragraph 2):

(a) within two (2) Working Days of receipt of a proposed Voting Party Resolution, notify an affected Director (in the case of a Binding Resolution) and the Board (in the case of all Resolutions) that a Resolution has been raised; and

(b) within fifteen (15) Working Days of receipt of a proposed Voting Party Resolution, send a notice to all Parties, the Board and the Authority informing them of the details of a General Meeting to be held not earlier than twenty (20) Working Days and not later than thirty (30) Working Days following the date of

DRAFT

the notice, and including the information set out in paragraph 1.2.3 together with, in the case of Voting Parties, their Actual Voting Share.

1.2.3 Every notice calling a General Meeting shall specify the place, date and time of the meeting, and include a statement that a Voting Party entitled to attend and vote is entitled to appoint a proxy. The notice shall specify the general nature of the business to be transacted at the meeting, shall set out the text of all resolutions to be considered by the meeting, together with any rationale or supporting documentation provided by the proposer, and may include information provided by the Board or a Director in response to a Resolution.

1.2.4 Voting Parties (other than the NETSO) wishing to appoint a proxy shall notify BSCCo via their Authorised Signatory of the details of that proxy not less than two (2) Working Days prior to the relevant General Meeting. In order to accept the appointment of a proxy BSCCo may require:

(a) such details as it may determine concerning the identity of the proxy; and

(b) the Authorised Signatory's instructions as to how the proxy is to vote.

1.3 Resolutions raised by BSCCo (Appointment Resolutions)

1.3.1 Where BSCCo wishes to raise an Appointment Resolution in accordance with Section C4.1.9, not later than 28 days prior to an Annual BSC Meeting, it shall prepare and circulate to all Parties, the Board and the Authority a notice including the text of the Resolution and explanatory notes as to how a Voting Party may appoint a proxy or vote in person on the Appointment Resolution at the Annual BSC Meeting, together with a request to Parties to declare any Trading Party Group or Distribution Party Group.

1.3.2 Voting Parties (other than the NETSO) wishing to appoint a proxy shall notify BSCCo via their Authorised Signatory of the details of that proxy not less than two (2) Working Days prior to the relevant Annual BSC Meeting. In order to accept the appointment of a proxy BSCCo may require:

(a) such details as it may determine concerning the identity of the proxy; and

(b) the Authorised Signatory's instructions as to how the proxy is to vote.

1.4 Distribution Business Groups and Trading Party Groups

1.4.1 Each Party shall notify BSCCo via its Authorised Signatory of its Voting Party Group by 1 June in each year.

1.4.2 Each Party shall promptly notify BSCCo via its Authorised Signatory of any amendment to its Voting Party Group.

1.4.3 Voting Parties for the purposes of voting on a Resolution shall be published on the BSC Website from time to time. Voting Parties Groups shall initially be those most recently published on the BSC Website for the purposes of Panel elections. The register of Voting Parties shall be adjusted and re-published:

(a) annually, within five (5) Working Days of Parties' provisions of revised information under paragraph 1.4.1; and

(b) at any time, within five (5) Working Days of BSCCo's receipt of a notification under paragraph 1.4.2.

DRAFT

2. VOTE ALLOCATION MECHANISM

2.1.1 The base number of votes allocated to eligible voting parties (as described in this paragraph 2) shall be 10,000 votes which shall be allocated on the basis set out in this paragraph 2. Eligible voting parties for the purposes of this Annex C-2 means:

(a) the NETSO;

(b) each Trading Party and/or each Distribution System Operator; and

(c) for Authorised Signatory purposes only, where a Trading Party or a Distribution System Operator is Affiliated to any other Trading Party or Distribution System Operator, the largest aggregation of such Parties that are Affiliated to each other ("**Voting Party Group**"),

each being referred to in the Code as a "**Voting Party**".

2.1.2 For the purposes of this Annex C-2:

Defined Term	**Acronym**	**Definition**
"**Actual Voting Share**"	VSA_v	The voting share allocated to a Voting Party v for the purpose of voting on a Resolution following the application of the Voting Share Cap;
"**Provisional Voting Share**"	VSP_v	The voting share allocated to a Voting Party before the application of the Voting Share Cap.
"**Voting Party**"	v	Has the meaning given to that term in paragraph 2.1.1 and in respect of whom votes will be allocated in accordance with paragraph 2.1.5;
"**Voting Share Cap**"	VSC	The cap applied to a Voting Party's Provisional Voting Share in order to determine that Voting Party's Actual Voting Share. The Voting Share Cap is six (6) per cent;

2.1.3 The Actual Voting Share for each Voting Party shall be calculated by BSCCo and published on the BSC Website within 5 Working Days of:

(a) the monthly publication of the Annual Funding Share values for that month; or

(b) BSCCo's receipt at any time of updated Trading Party Group or Distribution Business Group information from an Authorised Signatory.

2.1.4 The **Actual Voting Share** for each Voting Party v will be determined as the lesser of the Provisional Voting Share and the Voting Share Cap, or:

$$VSA_v = \min(VSP_v, VSC)$$

DRAFT

2.1.5 The **Provisional Voting Share** for each Voting Party v will be determined as:

(a) For the NETSO:

$VSP_v = 600$

(b) For each Voting Party that is a Trading Party Group but is not a Distribution Business Group:

$VSP_v = \max(\lfloor (8600 * (\Sigma_{p(v)} FSA_{pm} / \Sigma_p FSA_{pm})) \rfloor, 1)$

(c) For each Voting Party that is a Trading Party Group and a Distribution Business Group:

$VSP_v = \max(\lfloor (8600 * (\Sigma_{p(v)} FSA_{pm} / \Sigma_p FSA_{pm})) \rfloor + \lfloor (800 / D) \rfloor, 1)$

(d) For each Voting Party that is a Distribution Business Group but is not a Trading Party Group:

$VSP_v = \max(\lfloor (800 / D) \rfloor, 1)$

where:

FSA_{pm} is the Annual Funding Share for Trading Party p determined for the month m that is the most recent month for which Annual Funding Shares can be calculated in accordance with Section D1.2.1(e);

$\Sigma_{p(v)}$ is the sum across all Trading Parties p that belong to the Trading Party Group that forms Voting Party v;

Σ_p is the sum across all Trading Parties p; and

D is the number of individual Distribution Business Groups.

2.1.6 The **Voting Share Cap** will be determined as:

$VSC = \lfloor (\Sigma_v VSP_v) * 0.06 \rfloor$

where Σ_v is the sum across all Voting Parties v.

3. QUORUM AND CONDUCT OF MEETING

3.1 Quorum

3.1.1 No business in relation to a Resolution shall be transacted at a meeting unless the Quorum Requirements have been met.

3.1.2 The Quorum Requirements in respect of votes under this Annex C-2 are as follows:

(a) A minimum of at least ten (10) Voting Parties should be present at the relevant meeting either in person or through a duly appointed proxy;

(b) The Voting Parties casting a vote at the meeting (in person or through a duly appointed proxy) should hold an aggregate Actual Voting Share of at least thirty (30) per cent (%) of the total Actual Voting Share; and

DRAFT

(c) an Authorised Signatory of the NETSO should be present at the meeting.

3.1.3 If within 30 minutes after the time for which a General Meeting has been convened the Quorum Requirements have not been met:

(a) the Board shall fix the time and date of the adjourned meeting; and

(b) BSCCo shall give notice of the adjourned meeting.

3.1.4 If within 30 minutes after the time for which a vote on a Resolution is scheduled at an Annual BSC Meeting has been convened the Quorum Requirements have not been met:

(a) the Board shall fix the time and date of the adjourned meeting; and

(b) BSCCo shall give notice of the adjourned meeting.

3.1.5 For the purposes of this Annex C-2 (including the provisions of this paragraph 3.1) any person (including a proxy) can attend any meeting virtually (including, without limitation, teleconference and videoconference) if that person is able to exercise a right to speak and be heard and to vote.

3.1.6 BSCCo shall review the Quorum Requirements:

(a) from time to time; and

(b) in accordance with a request from the Authority or the Panel.

3.1.7 If a review under paragraph 3.1.6 results in a recommendation that the Quorum Requirements should be modified, the Panel shall decide at the following Panel meeting whether to propose a modification to the Quorum Requirements in accordance with Section F.

3.2 Conduct of Meeting

3.2.1 Each General Meeting and any part of any Annual BSC Meeting dealing with Resolutions shall be chaired by the BSCCo Chairman, except:

(a) if the BSCCo Chairman is the subject of a Binding Resolution, a vice-chairman of the Board (if appointed) will chair the meeting; or

(b) if there is no vice-chairman of the Board, or if that person is also the subject of a Binding Resolution, another Director selected by the Board will chair the meeting; or

(c) if the entire Board is the subject of a Binding Resolution, the NETSO attendee will chair the meeting.

3.2.2 Resolutions at Annual BSC Meetings shall, subject to the provisions of this Annex C-2, be conducted in accordance with the provisions of Section B6.2.

3.2.3 The following shall be entitled to attend and speak at any General Meeting or, for the purposes only of a vote on a Resolution (but without prejudice to Section B6.2 in respect of other business to be conducted), any Annual BSC Meeting:

(a) the representative (which may include its Authorised Signatory) of any Voting Party;

(b) any proxy that has been duly appointed by a Voting Party;

DRAFT

(c) any Director of BSCCo;

(d) in respect of an Annual BSC Meeting, any person who is entitled to attend the Annual BSC Meeting shall be entitled to attend the business relating to a Resolution but shall not be permitted to speak except pursuant to paragraph 3.2.3(e); and

(e) any other person who the chairman has permitted to attend and speak at such meeting.

4. VOTING

4.1 Administration of Voting

4.1.1 BSCCo shall administer each vote pursuant to this Annex C-2.

4.1.2 In respect of each Voting Party only an Authorised Signatory may submit a vote or authorise a proxy to submit a vote on their behalf.

4.1.3 A Voting Party's Actual Voting Share for the purposes of a vote shall be the Actual Voting Share published on the BSC Website at 17:00 on the last Working Day before the day of the vote.

4.2 Voting

4.2.1 Provided the Quorum Requirements are met a vote on any Resolution shall be determined by a simple majority of votes cast.

4.2.2 BSCCo shall count the votes on any Resolution held and:

(a) within one Working Day of the meeting shall publish indicative results of such a vote; and

(b) within five Working Days of the meeting shall publish final confirmation of the result of the vote.

4.3 Audit

4.3.1 Provided a Voting Party requests an audit within five (5) Working Days of a confirmation under paragraph 4.2.2(b), BSCCo shall commission an audit of that vote, which shall be completed within thirty (30) Working Days.

DRAFT

SECTION H: GENERAL

SUMMARY PAGE

Modification Proposal	Decision Date	Implementation Date	Version
P450	12/01/23	23/02/23	39.0
P449	10/11/2022	11/11/22	38.0
P446	22/09/22	23/09/22	37.0
P436	14/04/22	18/07/22	36.0
P438	20/04/22	15/07/22	35.0
P420	23/07/21	01/09/21	34.0
P398	03/02/21	24/06/21	33.0
P414	03/02/21	25/02/21	32.0
P405	26/05/20	16/06//20	31.0
P388 Self Governance	08/08/19	01/04/20	30.0
P385 Self Governance	14/11/19	27/02/19	29.0
P394 Self Governance	12/12/19	27/02/20	29.0
P374	14/11/19	21/11/29	28.0
P387 Self-Governance	13/06/19	07/11/19	27.0
P386 Self Governance	13/06/19	07/11/19	27.0
P370	20/02/19	03/04/19	26.0
P369	24/09/18	29/03/19	25.0
P344	24/08/18	28/02/19	24.0
P362 Alt	20/08/18	28/08/18	23.0
P350	24/03/17	01/04/18	22.0
P342 Alternative	08/12/16	02/11/17	21.0
P318 Self Governance	08/10/15	25/02/16	20.0
ORD005[1]	Secretary of State	01/08/14	19.0
P293 Self Governance	13/06/13	01/10/13	18.0
P262	10/12/10	31/12/10	17.0
P255	15/07/10	22/07/10	16.0
P231	25/06/09	05/11/09	15.0
ORD003	23/06/09	24/06/09	14.0

[1] ORD005 was Directed by the Secretary of State on 1 August 2014

DRAFT

Modification Proposal	Decision Date	Implementation Date	Version
P207	10/07/07	10/09/07	13.0
P197	10/08/06	23/08/07	12.0
P208	16/01/07	22/02/07	11.0
P188	07/09/05	27/06/06	10.0
P159	17/08/04	23/02/05	9.0
P98	18/08/03	08/11/04	8.0
ORD001	BETTA	01/09/04	7.0
P62	12/08/02	01/08/03	6.0
P113	09/04/03	15/07/03	5.0
P78	09/09/02	11/03/03	4.0
P56	10/03/02	18/03/02	3.0
P58	04/12/01	04/12/01	2.0

DRAFT

CONTENTS

(This page does not form part of the BSC)

SECTION H: GENERAL 1
1. STRUCTURE 1
1.1 Introduction 1
1.2 Internal structure 1
1.3 Establishment of Code Subsidiary Documents 2
1.4 Access to Code 2
1.5 Precedence 3
1.6 Relationship with other documents 4
1.7 IPR Litigation Requirements Document 4
2. COMMENCEMENT AND TERM 5
2.1 Term 5
2.2 Implementation Scheme 5
2.3 Go-live Date 5
2.4 Not Used 5
2.5 Effective Dates of Modification Proposal P344 6
3. DEFAULT 7
3.1 Events of Default 7
3.1A Default Values or Parameters Established by the Panel 11
3.2 Consequences of Default 12
3.3 Application 14
4. CONFIDENTIALITY AND OTHER INTELLECTUAL PROPERTY RIGHTS 14
4.1 Interpretation 14
4.2 Party obligations 16
4.3 BSCCo and BSC Clearer obligations ..... 18~~17~~
4.4 Confidentiality for the NETSO 18
4.5 Additional provisions 21
4.6 Data ownership 21
4.7 Other Intellectual Property Rights 23
4.8 Data Protection 23
4.9 Not used 24
4.10 Privilege 24
5. AUDIT 24
5.1 BSC Audit 24
5.2 Terms of reference for BSC Auditor ..... 26~~25~~
5.3 Required contract terms 26
5.4 Reporting 27
5.5 Access/co-operation 27
5.6 Corrective Action 28
5.7 BM Auditor 28
6. LIABILITY AND RELATED ISSUES 29
6.1 Relationship between Parties 29
6.2 Limitation of liability 29
6.3 Exclusion of certain rights and remedies 30
6.4 General provisions 31
7. DISPUTE RESOLUTION 31
7.1 Arbitration 31
7.2 Third Party Claims 32
8. REFERENCES TO THE AUTHORITY 33
8.1 General provisions 33
9. GENERAL 34
9.1 Assignment 34

DRAFT

9.2 Notices 34
9.3 Waiver 35
9.4 Rights of Third Parties 35
9.5 Language 36
9.6 Severance of Terms 36
9.7 Entire Agreement 36
9.8 Euro 36
9.9 Jurisdiction 37
9.10 Governing law 37
10. BSC SANDBOX 37
10.1 BSC Derogations 37
10.2 Applications for a BSC Derogation 37
10.3 Sandbox Send Back Process 40
10.4 Impact of BSC Derogation 42
10.5 Trial Period Duration 43
10.6 BSC Derogation Transition and Exit 43
10.7 Derogation Reporting and Monitoring 44
10.8 BSCCo Derogation Reporting 45
11. OPEN DATA 46
11.1 The Balancing Mechanism Reporting Service Change Board 46
11.2 Data Disclosure Requests 46
11.3 Appeals 48

DRAFT

SECTION H: GENERAL

1. STRUCTURE

1.1 Introduction

1.1.1 This Section H sets out:

(a) arrangements for the establishment and designation of Code Subsidiary Documents;

(b) the relationship of the Code with other documents;

(c) arrangements for the commencement of trading under the Code;

(d) the events constituting and the consequences resulting from a Default under the Code;

(e) provisions relating to the ownership, use and disclosure of data;

(f) the limitation of liability of Parties under the Code;

(g) arrangements for the resolution of disputes; and

(h) other provisions defining the legal and contractual relationship between the Parties.

1.2 Internal structure

1.2.1 The Code comprises:

(a) each of the Sections; and

(b) any Annex attached to a Section.

1.2.2 Not used.

1.2.3 The Code also refers to and creates obligations in respect of Code Subsidiary Documents.

1.2.4 Code Subsidiary Documents comprise each of the following documents:

(a) BSC Procedures;

(b) Codes of Practice;

(c) BSC Service Descriptions;

(d) Party Service Line 100;

(e) Data Catalogues;

(f) Communication Requirements Documents

(g) the Reporting Catalogue; and

(h) the LFM Specification.

DRAFT

1.2.5 Subject to Section L3.2, a reference in the Code or in any Code Subsidiary Document to a Code Subsidiary Document shall be to the version of that Code Subsidiary Document then in force, unless the context otherwise requires.

1.2.6 Code Subsidiary Documents shall have binding effect for the purposes of the Code.

1.2.7 Subject to paragraph 1.2.8:

(a) each Party and each BSC Agent shall comply with (and each Party shall ensure that its Party Agents comply with) each of the Code Subsidiary Documents in force from time to time (whether or not such Code Subsidiary Document is expressly identified or referred to in, or in a particular Section of, the Code) to the extent such Code Subsidiary Document is applicable to such Party, BSC Agent or Party Agent;

(b) without prejudice to paragraph 1.5 and other than in Section A, Section F, Section H and Section X (including Annex X-1 and Annex X-2) references in the Code to the Code shall be interpreted to include all relevant Code Subsidiary Documents, unless the context otherwise requires; and

(c) a breach of any Code Subsidiary Document shall be treated as a breach of the Code for the purposes of paragraph 3.

1.2.8 The provisions of paragraph 1.2.7 shall not apply to the BSC Service Descriptions (but without prejudice to any obligations of BSC Agents under the BSC Agent Contracts).

1.3 Establishment of Code Subsidiary Documents

1.3.1 The Code Subsidiary Documents in force as at the Code Effective Date shall be those listed in the Implementation Scheme and they shall be deemed to be adopted by the Panel, for the purposes of the Code, as at the Code Effective Date (subject to the provisions of the Implementation Scheme).

1.3.2 BSCCo shall:

(a) maintain an up-to-date list of the Code Subsidiary Documents, indicating the version number of each Code Subsidiary Document then in force (and the version numbers of previous versions) together with the date with effect from which each such version applies or applied;

(b) make a copy of such list available to any person on request; and

(c) maintain a library of all past and current versions of each Code Subsidiary Document (including, in the case of Codes of Practice, the versions referred to in Section L3.2.3).

1.3.3 Existing Code Subsidiary Documents may be modified and new Code Subsidiary Documents may be created in accordance with Section F3.

1.4 Access to Code

1.4.1 BSCCo shall provide a copy of the Code and of any Code Subsidiary Document to any person on request, subject (other than in the case of the Authority) to payment by such person of an amount (as approved by the Panel from time to time) not exceeding the reasonable costs of BSCCo in making and providing such copy.

DRAFT

1.4.2 In complying with paragraph 1.4.1 (and without prejudice to the requirements of that paragraph), BSCCo shall, and shall be entitled to, take such steps as it considers appropriate to protect the IPRs which BSCCo holds in such documents pursuant to paragraph 4.7.

1.4.3 Notwithstanding paragraph 1.4.1, BSCCo may, with the prior approval of the Panel, refuse to provide a copy of any Code Subsidiary Document (or part of it) to a third party or to third parties generally (or may make the provision thereof subject to conditions) to the extent only and for the period that the provision of such Code Subsidiary Document (or part of it) to such third party or parties would, in the opinion of BSCCo, substantially prejudice the interests of all Parties collectively or classes of Parties collectively.

1.4.4 Where, with the approval of the Panel, BSCCo determines that a Code Subsidiary Document (or part of it) should not be made available to a third party or to third parties generally pursuant to paragraph 1.4.3, BSCCo shall notify Parties and the Authority accordingly.

1.4.5 Subject to any existing confidentiality obligation, each other Party shall be free to disclose the Code or any Code Subsidiary Document to any third party to the extent that BSCCo would be entitled to make such document(s) available to that third party pursuant to this paragraph 1.4 and subject to compliance with any steps BSCCo may prescribe under paragraph 1.4.2, provided always that, where BSCCo refuses to provide a copy of a Code Subsidiary Document to a third party or third parties pursuant to paragraph 1.4.3, such Party shall not disclose that Code Subsidiary Document to such third party or parties.

1.5 Precedence

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

(a) the provisions of any Code Subsidiary Document;

(b) the Code Administration Code of Practice Principles; and/or

(c) the provisions of any other document established or adopted under and pursuant to the Code or any Code Subsidiary Document,

the provisions of the Code shall prevail.

1.5.2 In the event of any conflict between the provisions of one type of Code Subsidiary Document and another, or between the provisions of one Code Subsidiary Document and another:

(a) the Codes of Practice shall take precedence over all other types of Code Subsidiary Document;

(b) subject to paragraph (a), the Panel shall determine which provision is to take precedence pending modification of the Code Subsidiary Document(s),

and the Panel shall take steps in accordance with Section F3 to remove such conflict.

1.5.3 In the event of any conflict between the provisions of a Code Subsidiary Document and the provisions of any other document established or adopted under and pursuant to the Code or any Code Subsidiary Document, the provisions of the Code Subsidiary Document shall prevail.

1.5.4 The provisions of this paragraph 1.5 shall be subject to any express provision to the contrary in the Code.

1.5.5 Not used.

DRAFT

1.6 Relationship with other documents

1.6.1 In the event of any conflict between the provisions of the Retail Energy Code and the provisions of the Code, no Party shall be liable hereunder or under the Retail Energy Code as a result of complying with its obligations under the Code or under the Retail Energy Code provided that each Party shall take such steps within its power as may be necessary, subject to and in accordance with the provisions of the Code and the Retail Energy Code relating to modifications, to resolve such conflict as soon as possible.

1.6.1A Notwithstanding paragraph 1.6.1, the Parties acknowledge that, depending on the nature of the conflict between the Retail Energy Code and the Code, it may not be practicable or desirable for individual Parties to comply with differing and conflicting obligations and, in that event, the Panel and the REC Code Manager, with the approval of the Authority, may determine which provisions are to prevail pending modification of the Retail Energy Code and/or the Code to remove such conflict.

1.6.2 In the event of any conflict between the provisions of the Grid Code and the provisions of the Code, no Party shall be liable hereunder or under the Grid Code as a result of complying with its obligations under the Code or under the Grid Code provided that each Party shall take such steps within its power as may be necessary, subject to and in accordance with the provisions of the Code and the Grid Code relating to modifications, to resolve such conflict as soon as possible.

1.6.3 Notwithstanding paragraph 1.6.2, the Parties acknowledge that, depending on the nature of the conflict between the Grid Code and the Code, it may not be practicable or desirable for individual Parties to comply with differing and conflicting obligations and, in that event, the Panel and the NETSO, with the approval of the Authority, may determine which provisions are to prevail pending modification of the Grid Code and/or the Code to remove such conflict.

1.6.4 For the avoidance of doubt, a conflict for the purposes of this paragraph 1.6 arises where compliance with the requirements of one document would necessarily (but for the provisions of this paragraph 1.6) result in a breach of the other document and, accordingly, the existence of an additional or supplementary requirement under one or other document in relation to matters forming the subject of both documents does not, of itself, constitute a conflict for the purposes of this paragraph 1.6.

1.6.5 In this paragraph 1.6, references to the Code include each of the Code Subsidiary Documents.

1.6.6 BSCCo shall inform the Panel and the NETSO as soon as reasonably practicable where it becomes aware of any conflict or material inconsistency between the Code and another applicable Industry Code.

1.7 IPR Litigation Requirements Document

1.7.1 With reference to the arrangements described or referred to in the IPR Litigation Requirements document referred to in Section A2.2.5, it is agreed that those arrangements shall take effect in accordance with their terms; and Parties shall be bound by the effect of those arrangements; and the Panel and BSCCo shall have and discharge their respective powers, functions and responsibilities set out in and in accordance with those arrangements; and all costs, expenses and liabilities incurred by BSCCo in connection with or pursuant to those arrangements shall (subject as provided therein) be BSC Costs.

DRAFT

2. COMMENCEMENT AND TERM

2.1 Term

2.1.1 Without prejudice to paragraph 2.3, the Code shall come into force and take effect on and from the Code Effective Date.

2.1.2 The Code shall have no fixed duration.

2.2 Implementation Scheme

2.2.1 Upon execution of or accession to the Framework Agreement, each Party shall execute or accede to (as the case may be) the Scheme Framework Agreement and shall comply with such parts of the Implementation Scheme as are expressed in the Implementation Scheme to be binding in contract to the extent those parts apply to such Party.

2.2.2 The provisions of the Code and the Code Subsidiary Documents are varied or suspended (and the requirements of the Code and Code Subsidiary Documents are deemed to be satisfied) by or in accordance with, and for the period and to the extent set out in, the Implementation Scheme and the Scheme Subsidiary Documents.

2.2.3 In the event of any conflict or inconsistency between the provisions of the Code (or any Code Subsidiary Document) and the provisions of the Implementation Scheme (or any Scheme Subsidiary Document), the provisions of the Implementation Scheme (or, as the case may be, the Scheme Subsidiary Document) shall prevail.

2.2.4 The obligations in paragraph 2.2.1 shall not apply to any person who becomes a Party after the date notified by the Secretary of State to the Panel for the purposes of this paragraph 2.2.4 provided that such person shall be bound by the effect of the provisions of the Implementation Scheme and the Scheme Subsidiary Documents (and any steps taken or arrangements made thereunder) as they apply to or affect the Code or any Code Subsidiary Documents (and the rights and obligations of the Parties thereunder) to the extent such provisions, steps or arrangements have an effect beyond that date.

2.2.5 In this Section H, "**Scheme Subsidiary Document**" has the meaning given to that term in the Implementation Scheme.

2.3 Go-live Date

2.3.1 The trading of electricity (and settlement of financial obligations in respect thereof) in accordance with arrangements established by the Code shall not begin until the Go-live Date and, accordingly, the rights, obligations and liabilities of each Party under the Code in respect of transactions giving rise to Trading Charges shall apply in respect of the First Settlement Period and each Settlement Period thereafter (and shall not apply in respect of any period prior to the First Settlement Period).

2.3.2 The provisions of paragraph 2.3.1 are without prejudice to any other rights, obligations and liabilities of each Party under the Code (including satisfaction of any requirements applicable to such Party in order to be able to effect transactions as referred to in paragraph 2.3.1).

2.3.3 In this paragraph 2.3, the "**First Settlement Period**" is the Settlement Period commencing at 00:00 hours on the Go-live Date.

2.4 Not Used

DRAFT

2.5 Effective Dates of Modification Proposal P344

2.5.1 Modification Proposal P344 shall take effect from the P344 Relevant Implementation Date provided that:

(a) the following modifications to the Code set out in the P344 Legal Text shall take effect from the time and date specified in the P344 Final Implementation Date Notice:

(i) each modification to Section N;

(ii) each modification to Section Q;

(iii) the modifications to Sections S10.5 and S11 to the extent such paragraphs apply to Virtual Lead Parties and/or Secondary BM Units;

(iv) each modification to Annex S-2 to the extent each such modification applies to Virtual Lead Parties, Secondary BM Units and/or Replacement Reserve;

(v) each modification to Section T;

(vi) each modification to Section V;

(vii) all terms and expressions that are defined in Section X and that are:

(1) used only in those Code provisions modified by the P344 Legal Text; and

(2) contained in those Sections referred to in paragraphs (a)(i) to (vi) (inclusive);

(b) BSCP602 shall take effect from the P344 Relevant Implementation Date except for those rights and obligations in BSCP602 that are authorised or envisaged by, or subsidiary to, the rights and obligations that will take effect pursuant to paragraph 2.5.1.(a):

(c) any provisions in BSCP602 that did not take effect on the P344 Relevant Implementation Date shall take effect from the time and date specified in the P344 Final Implementation Date Notice:

2.5.2 For the purposes of this paragraph 2.5:

(a) the "**P344 Final Implementation Date Notice**" means a notice from the NETSO 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).

DRAFT

3. DEFAULT

3.1 Events of Default

3.1.1 For the purposes of this paragraph 3, there shall have occurred a "**Default**" in relation to a Party (the "**Defaulting Party**") in any of the following events or circumstances:

(a) where, in respect of the Defaulting Party's liability for amounts in respect of Trading Charges and in relation to any amount which has become due for payment by the Defaulting Party under the Code in respect thereof:

(i) the Defaulting Party has not paid the amount in full on the due date for payment; and

(ii) on or after the due date for payment BSCCo has given notice to the Defaulting Party requiring payment of such amount; and

(iii) the Defaulting Party has not paid such amount in full by the third Business Day after the date of BSCCo's notice under paragraph (ii); or

(a)(A) where, in respect of the Defaulting Party's liability for amounts in respect of Trading Charges and in relation to any such amount which has become due for payment by the Defaulting Party under the Code in respect thereof:

(i) the Defaulting Party has not paid the amount in full by 0900 hours on the Second Business Day after the Affected Date in accordance with Section N regardless of whether such sums have otherwise been recovered from Credit Cover pursuant to Section N;

(ii) such amount exceeds the Advice Note Threshold Limit; and

(iii) the circumstances referred to in paragraphs (a)(A)(i) and (a)(A)(ii) have occurred on three or more occasions over a thirty calendar day period or on such other number of occassions and over such period as may be determined by the Panel in accordance with paragraph 3.1A; or

(b) where, in respect of the Defaulting Party's liability for any sums under the Code other than Trading Charges and in relation to any amount which has become due for payment by the Defaulting Party under the Code in respect thereof:

(i) the Defaulting Party has not paid the amount in full on the due date for payment; and

(ii) on or after the due date for payment BSCCo has given notice to the Defaulting Party requiring payment of such amount; and

(iii) the Defaulting Party:

(A) has not paid such amount in full by the fifth Business Day after the date of BSCCo's notice under paragraph (ii) or by such other period as may be determined by the Panel in accordance with paragraph 3.1A; or

(B) has paid any amounts to which this paragraph (b) relates after the due date for payment but before the expiry of the

DRAFT

notice period referred to in paragraph (b)(iii)(A) on three or more occasions during a period of twelve months or on such other number of occasions and over such period as may be determined by the Panel in accordance with paragraph 3.1A; or

(c) where:

(i) a Trading Party is in Level 1 Credit Default for a period that meets or exceeds the relevant Credit Default Thresholds; or;

(ii) a Trading Party is in Level 2 Credit Default for a period that meets or exceeds the relevant Credit Default Thresholds; or

(iii) a Trading Party's Credit Cover Percentage, as determined by the ECVAA, is not equal to or lower than ninty (90) percent (%) by the end of the same numbered Settlement Period on the second to next occurring Working Day after the Settlement Period during which the Trading Party was in Level 2 Credit Default and had a Credit Cover Percentage exceeding one hundred (100) percent (%); or

(iv) a Trading Party is in Level 1 Credit Default or Level 2 Credit Default (an instance of "**Relevant Credit Default**") and such Relevant Credit Default is followed by a series of further Relevant Credit Defaults that collectively meet the Relevant Credit Default Series threshold determined in accordance with paragraph c(A)(ii).

(c)(A) For the purposes of:

(i) paragraphs 3.1.1(c)(i) and (ii) a "**Credit Default Threshold**" shall be a period of time determined by the Panel in accordance with paragraph 3.1A which, if met or exceeded by a Party in Level 1 Credit Default or Level 2 Credit Default, shall constitute a Default. A Credit Default Threshold may be comprised of continuous and/or intermittent time periods;

(ii) paragraph 3.1.1(c)(iv) a "**Relevant Credit Default Series**" shall be a series of Relevant Credit Defaults that collectively meet or exceed the values determined by the Panel in accordance with paragraph 3.1A including with regard to the following:

(A) the minimum number of Relevant Credit Defaults that must have occured during the time period referred to in paragraph (B) in order to constitute a Relevant Credit Default Series;

(B) the time period during which the Relevant Credit Defaults referred to in paragraph A must have arisen in order to constitute a Relevant Credit Default Series; and

(C) any further parameters that the Panel considers appropriate and which it has determined in accordance with paragraph 3.1A; and

(d) where:

DRAFT

(i) the Defaulting Party is in breach of any material provision of the Code (other than a provision which is the subject of paragraphs (a), (b) or (c) above); and

(ii) the breach is capable of remedy by the Defaulting Party; and

(iii) BSCCo has given notice (making reference to this paragraph 3) of such breach to the Defaulting Party; and

(iv) within fourteen days (or such longer period as the Panel may approve) after BSCCo's notice under paragraph (iii), the Defaulting Party does not either:

(1) remedy the breach in all material respects, where the breach is capable of remedy within such period; or

(2) where the breach is not so capable of remedy, provide to BSCCo a programme (setting out the steps to be taken by the Defaulting Party and the timetable for taking such steps, in each case to be approved by BSCCo) for the remedy as soon as reasonably practicable of the breach; and

(v) in the case in paragraph 3.1.1(d)(iv)(2), the Defaulting Party does not remedy the breach in all material respects with all reasonable diligence and so far as reasonably practicable in accordance with the programme provided under that paragraph (or such revised programme as the Panel may approve); or

(e) where:

(i) the Defaulting Party is in breach of any material provision of the Code (other than a provision which is the subject of paragraphs (a), (b) or (c) above); and

(ii) the breach is not capable of remedy; and

(iii) BSCCo has given notice (making reference to this paragraph 3) of the breach to the Defaulting Party; and

(iv) at any time within the period of twelve months following BSCCo's notice under paragraph (iii), there occurs a further breach by the Defaulting Party of the same provision or any other material provision (excluding a provision which is the subject of paragraphs (a), (b) or (c) above) of the Code; or

(f) where:

(i) the Defaulting Party is in persistent breach of any provision of the Code (other than a provision which is the subject of paragraphs (a), (b) or (c) above) during a period of six months; and

(ii) after such six-month period has elapsed, BSCCo has given notice (making reference to this paragraph 3) of the persistent breach to the Defaulting Party; and

DRAFT

(iii) the Defaulting Party persists in breaching such provision of the Code for a further period in excess of three months;

(g) where:

(i) the Defaulting Party suspends payment of its debts or admits its inability to pay its debts as they fall due;

(ii) the Defaulting Party is unable to pay its debts (within the meaning of Section 123(l) or (2) of the Insolvency Act 1986, but subject to paragraph 3.1.2), or any voluntary arrangement is proposed in relation to it or it enters into any composition or scheme of arrangement (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or

(iii) the Defaulting Party has a receiver of the whole or any material part of its assets or undertaking appointed; or

(iv) the Defaulting Party has an administrator appointed or a winding-up order made in relation to it; or

(v) the Defaulting Party passes any resolution for winding-up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or

(vi) a petition is presented or legal proceedings are commenced for making an administration order in relation to, or for the winding up or dissolution of, the Defaulting Party (other than a petition which is vexatious or frivolous and is, in any event, discharged within twenty one days of presentation and before it is advertised); or

(vii) the Defaulting Party ceases carrying on all of its business and/or publically announces that it has ceased carrying on all of its business;

or any analogous events occur in respect of the Defaulting Party in any other jurisdiction; or

(h) where:

(i) the Defaulting Party is or becomes a designated person, or a person owned or controlled by a designated person, for the purposes of the Sanctions and Anti-Money Laundering Act 2018 or Regulations made under that Act (and where 'owned' and 'controlled' have the meanings given in such Regulations pursuant to s.62(5) of that Act and include direct or indirect ownership of control where so provided in such Regulations); and

(ii) as a consequence of the event or circumstance described in paragraph (i):

(A) the performance by the Defaulting Party, or by any other Party, of any obligation under the Code, or

(B) the carrying out of any activity (by a Party, Party Agent or BSC Agent) pursuant to the Code

is prohibited under that Act or under Regulations made pursuant to that Act,

DRAFT

in any such case for whatever reason and whether or not within the control of the Defaulting Party.

3.1.2 For the purposes of paragraph 3.1.1(g)(ii), section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for seven hundred and fifty pounds sterling ("£750") there was substituted ten thousand pounds sterling ("£10,000"); and the Defaulting Party shall not be deemed to be unable to pay its debts for the purposes of that paragraph if any such demand as is mentioned in that section of the Insolvency Act 1986 is being contested in good faith by the Defaulting Party with recourse to all appropriate measures and procedures.

3.1.3 Without prejudice to a Party's obligation to make any payments under the Code (including under Section D, Section N and Annex S-1) in accordance with the requirements of and at the times and in the manner specified in the Code, a Party shall not be in breach of any other provision of the Code to the extent that and for so long as it is not possible for that Party to comply with that provision as a result of Section G4 applying or by reason of a failure of a BSC Agent and/or BSCCo to perform any obligation under the Code provided that the Party shall:

(a) promptly notify BSCCo in writing of such impossibility and the reasons why it is not possible for such Party to comply with the relevant provision of the Code; and

(b) discuss with BSCCo whether there is a possible alternative means of complying with the relevant provision and, if so, take all reasonable steps to do so.

3.1A Default Values or Parameters Established by the Panel

3.1A.1 Where, for the purposes of paragraph 3.1.1, the Panel is required to determine any values or parameters, the Panel shall:

(a) subject to paragraph (c), establish the initial values or parameters to be applied to paragraph 3.1.1;

(b) review such values or parameters from time to time and in any event within one year after the Relevant Implementation Date of Modification P385, and, subject to paragraph (c), determine:

(i) any revisions to such values or parameters; and

(ii) the effective date(s) for implementing the revised values or parameters;

(c) in establishing the initial values or parameters under paragraph (a), or revising such values or parameters and determining an implementation approach in each case under paragraph (b), consult with Parties and take due regard of any representations made and not withdrawn during such consultation,

and for the purposes of paragraph (a), a consultation undertaken prior to the Relevant Implementation Date of Modification P385, including a consultation undertaken pursuant to Section F2 that seeks representations from Parties on the initial values or parameters to be applied to paragraph 3.1.1, shall constitute a consultation for the purposes of paragraph (a).

3.1A.2 BSCCo shall ensure that the values and parameters determined by the Panel pursuant to this paragraph 3.1A are at all times published on the BSC Website.

DRAFT

3.2 Consequences of Default

3.2.1 Upon the occurrence of a Default by a Defaulting Party, the Panel may take one or more of the following steps while such Default persists and for the duration of such Default (in each case at such time as it sees fit and having regard to all the circumstances of the Default):

(a) notify each other Party of such Default;

(b) suspend one or more of the rights or take one or more of the steps referred to in paragraph 3.2.2 (subject to any prior consultation or approval as specified in paragraph 3.2.2) in respect of the Defaulting Party, either generally or progressively and either wholly or partially and for such period as the Panel considers appropriate;

(c) in the case of a Default by an Interconnector Error Administrator of the type referred to in paragraph 3.1.1(a), remove the registration of the Interconnector Error Administrator and require the Interconnected System Operator (with the prior approval of the Authority or, in the case an Interconnector connected to an External System outside the National Electricity Transmission System Operator Area, the Secretary of State) to assume the future responsibilities of such Interconnector Error Administrator acting in that capacity;

(d) with the prior approval of the Authority, require the Defaulting Party and the NETSO or the Distribution System Operator (as the case may be) to de-energise the Plant or Apparatus comprising one or more of the BM Units (other than Interconnector BM Units) for which the Defaulting Party is the Lead Party (and each Party hereby irrevocably and unconditionally consents to such de-energisation);

(e) expel the Party from the Code subject to and in accordance with Section A5; and/or

(f) notify the FAA on behalf of the BSC Clearer to treat the Party as a Defaulting Party for the purposes of Section N.

3.2.2 The rights and steps referred to in paragraph 3.2.1(b) are:

(a) in relation to Energy Contract Volume Notifications (or, in the case of a Default of the type referred to in paragraph 3.1.1(a) or (b), relevant Energy Contract Volume Notifications, as defined in Section P2.5.3):

(i) the right to submit such Energy Contract Volume Notifications under Section P; and/or

(ii) the disapplication (for the purposes of Settlement) of any such Energy Contract Volume Notifications as have already been submitted at any time (except to the extent that they relate to Settlement Periods for which the Submission Deadline has occurred prior to the time when the Panel notifies the Parties of such disapplication);

(b) in relation to Metered Volume Reallocation Notifications (or, in the case of a Default of the type referred to in paragraph 3.1.1(a) or (b), relevant Metered Volume Reallocation Notifications, as defined in Section P3.5.3):

(i) the right to submit such Metered Volume Reallocation Notifications under Section P; and/or

DRAFT

(ii) the disapplication (for the purposes of Settlement) of any such Metered Volume Reallocation Notifications as have already been submitted at any time (except to the extent that they relate to Settlement Periods for the which the Submission Deadline has occurred prior to the time when the Panel notifies the Parties of such disapplication);

(c) where the Defaulting Party is an Interconnector User, the rights of such Party to be allocated BM Unit Metered Volumes (of such kinds as the Panel may specify) in respect of its Interconnector BM Units;

(d) following consultation with the NETSO;

(i) the right to submit Bid-Offer Pairs under Section Q and/or

(ii) the right to submit Replacement Reserve Bid Data under Section Q;

(e) with the prior approval of the Authority, the right to register further Metering Systems and BM Units;

(f) the rights to receive reports and data under Section V;

(g) the right to vote pursuant to Annex B-2;

(h) in the case of a Default under paragraph 3.1.1(h), the right to receive payment from the BSC Clearer or BSCCo of any amount becoming due and payable to the Defaulting Party under the Code.

3.2.3 The taking of any steps by the Panel under this paragraph 3.2 in relation to a Defaulting Party shall not affect or alter the liabilities of such Defaulting Party under the Code (accrued or accruing in respect of the period prior to, on or after the date when such step is taken) and, without prejudice to the generality of the foregoing, a Defaulting Party shall be liable for all sums (including VAT) which it is required under the Code to pay in respect of Trading Charges and other sums pending removal, de-energisation or expulsion pursuant to paragraph 3.2.1.

3.2.4 Each Licensed Distribution System Operator shall ensure that it has the necessary rights to effect or procure the de-energisation of Plant or Apparatus, following an instruction from the Panel pursuant to paragraph 3.2.1(d), which is connected to a Distribution System (not being a Transmission System or the Distribution System of any other Distribution System Operator) forming part of the Total System and having a connection with such Licensed Distribution System Operator's Distribution System.

3.2.5 In relation to any instruction to de-energise Plant or Apparatus issued pursuant to paragraph 3.2.1(d):

(a) the NETSO or the relevant Distribution System Operator (as the case may be) shall use all reasonable endeavours to comply (or procure compliance) as quickly as practicable with any such instruction;

(b) each Lead Party hereby irrevocably and unconditionally consents to such de-energisation; and

(c) the Defaulting Party, failing which each Trading Party (but, in the case of a Trading Party, only in respect of its Annual Funding Share at the time of receipt of the request for indemnification, calculated on a default basis in relation to the Defaulting Party) shall indemnify and keep indemnified the NETSO and/or the

DRAFT

Distribution System Operator (as the case may be) on demand against any and all liability, loss or damage which it may suffer by reason of effecting such de-energisation.

3.2.6 If, by virtue of any Legal Requirement, another Party is to assume responsibility for the supply of electricity to Customers through Metering Systems for which the Defaulting Party is the Registrant, BSCCo shall take such steps (and shall require relevant BSC Agents to take such steps) as may be necessary to ensure that such other Party assumes responsibility for such Metering Systems for the purposes of Settlement upon or as soon as reasonably practicable after such requirement arises.

3.2.7 The provisions of this paragraph 3.2 are without prejudice to any other rights or remedies or consequences which are expressly provided under the Code to arise in the event of any failure by a Party to comply with the requirements of the Code.

3.2.8 BSCCo shall, and shall be entitled to, take such steps as may be required by the Panel (including giving instructions to relevant BSC Agents) in order to give effect to the exercise by the Panel of any of its powers under this paragraph 3.2.

3.3 Application

3.3.1 This paragraph 3 does not apply to BSCCo or the BSC Clearer and references to a "Defaulting Party" are to a Party other than BSCCo or the BSC Clearer.

4. CONFIDENTIALITY AND OTHER INTELLECTUAL PROPERTY RIGHTS

4.1 Interpretation

[PXXX]4.1.1 In this paragraph 4:

(a) "**Authorised Recipient**" means any Business Person to whom Protected Information has been divulged in accordance with paragraph 4.4 provided that such person:

(i) requires access to such Protected Information for the proper performance of their duties as a Business Person in the course of Permitted Activities; and

(ii) has been informed of the duties of the NETSO in relation to inter alia Protected Information under paragraph 4.4;

(b) "**Business Person**" means any person who is a Main Business Person or a Corporate Functions Person, and "**Business Personnel**" shall be construed accordingly;

(c) "**Corporate Functions Person**" means any person who:

(i) is an officer of the NETSO; or

(ii) is an employee of the NETSO, carrying out any administrative, finance or other corporate services of any kind which in part relate to the Main Business; or

DRAFT

(iii) is engaged by or on behalf of the NETSO as an agent or adviser to or otherwise to perform work in relation to services for the Main Business;

(d) "**Disclose**" means disclose, reveal, report, publish or transfer by any means and "**Disclosure**" shall be construed accordingly;

(e) "**Main Business**" means, in relation to the NETSO, any business of the NETSO as at the Code Effective Date and any business which the NETSO must carry out under the Transmission Licence;

(f) "**Main Business Person**" means any employee of the NETSO who is engaged solely in the Main Business of the NETSO, and "**Main Business Personnel**" shall be construed accordingly;

(g) "**Nominated Agreements**" means:

(i) the Code;

(ii) the Code Subsidiary Documents;

(iii) the Implementation Scheme;

(iv) the Scheme Subsidiary Documents;

(v) the Settlement Agreement for Scotland;

(vi) the Retail Energy Code;

(vii) all Connection Agreements;

(viii) the Data Transfer Service Agreement;

(ix) all Contracts for Difference;

(x) the EPG Scheme Document;

(xi) the EBR Scheme Functions Agreement; and

(xii) any other electricity industry agreement or document as may be specified (or of a type specified) as a Nominated Agreement by the Panel from time to time (following such consultation with Parties as the Panel considers appropriate for this purpose);

(h) "**Permitted Activities**" means activities carried on for the purposes of the Main Business;

(i) "**Protected Information**" means any information relating to the affairs of a Party which is furnished to Business Personnel pursuant to the Code unless, prior to such information being furnished, such Party has informed the recipient thereof by notice in writing or by endorsement on such information that the said information is not to be regarded as Protected Information;

(j) "**Relevant Instrument**" means any or, as the context may require, a particular one of the following:

(i) the Act and all subordinate legislation made under the Act;

DRAFT

(ii) the Data Protection Legislation and all subordinate legislation made under it;

(iii) any Licence and any determination or notice made or issued by the Authority pursuant to the terms thereof;

(iv) the Capacity Market Rules;~~,~~

(v) any Nuclear RAB Legal Requirement,

and whether under any of the foregoing or otherwise, all authorisations, approvals, licences, exemptions, filings, registrations, notarisations, consents, guidelines and other matters which are required or which a Party acting in accordance with Good Industry Practice would obtain or comply with for the purposes of the Code, of or from any Competent Authority.

4.2 Party obligations

4.2.1 The obligations under this paragraph 4.2 apply to each Party (a "**Restricted Party**") other than the NETSO.

4.2.2 Each Restricted Party hereby undertakes with each other Party that it shall preserve the confidentiality of, and shall not directly or indirectly Disclose or use for its own purposes, Confidential Information, subject to the provisions of paragraph 4.2.3.

4.2.3 A Restricted Party shall be entitled to Disclose or use Confidential Information if and to the extent that one or more of the following apply:

(a) the Restricted Party is required or permitted to Disclose or use Confidential Information pursuant to the terms of a Nominated Agreement, to the extent of such requirement or permission; or

(b) the Restricted Party believes, on reasonable grounds, that market arrangements set out or contemplated by the Code require or permit it to Disclose Confidential Information to another person or to use Confidential Information, to the extent of such requirement or permission; or

(c) the person to whose affairs the Confidential Information relates gives its prior written consent to the Disclosure or use, to the extent of such consent; or

(d) the Confidential Information, before it is furnished to the Restricted Party, is in the public domain; or

(e) the Confidential Information, after it is furnished to the Restricted Party:

(i) is acquired by the Restricted Party in circumstances in which this paragraph 4.2 does not apply; or

(ii) is acquired by the Restricted Party in circumstances in which this paragraph 4.2 does apply and thereafter ceases to be subject to the restrictions imposed by this paragraph 4.2; or

(iii) enters the public domain,

and in any such case otherwise than as a result of either a breach by the Restricted Party of its obligations in this paragraph 4.2 or a breach by the person who

DRAFT

disclosed that Confidential Information of any confidentiality obligation of that person where the Restricted Party is aware of such breach by that person; or

(f) the Restricted Party is required or permitted to Disclose to any person Confidential Information or to use Confidential Information:

(i) in compliance with any provisions of any Relevant Instrument; or

(ii) in compliance with any other Legal Requirement; or

(iii) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or

(iv) pursuant to the arbitration rules for the Electricity Arbitration Association or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Restricted Party including any disputes committee established under the terms of the Code or, the Settlement Agreement for Scotland; or

(g) the Restricted Party Discloses Confidential Information to its Affiliates or Related Undertakings or to its employees, directors, agents, consultants and professional advisers or those of its Affiliates or Related Undertakings or, where the Restricted Party is a Supplier, to a relevant Exempt Supplier (being an Exempt Supplier as defined in, and with or to whom the Supplier agrees or offers to provide exempt supply services pursuant to Condition 8B of, a PES Supplier Licence or any equivalent condition of another Supply Licence); or

(h) the Restricted Party Discloses Confidential Information to the Authority.

4.2.4 Confidential Information which a Restricted Party is permitted or obliged to Disclose or use pursuant to this paragraph 4.2 shall not cease to be regarded as Confidential Information by virtue of such Disclosure or use.

4.2.5 Each Restricted Party shall adopt procedures within its organisation for ensuring the confidentiality of all Confidential Information, including the following:

(a) Confidential Information will be disseminated within its organisation on a "need-to-know" basis;

(b) the persons referred to in paragraph 4.2.3(g) will be made fully aware of the provisions of this paragraph 4.2; and

(c) any copies of Confidential Information, whether in hard copy, computerised or other (for example, microfiche) form, will clearly identify the information as confidential.

4.2.6 Each Restricted Party shall procure that its Affiliates, Related Undertakings and consultants observe the restrictions set out in this paragraph 4.2 (as if references to "Restricted Party" were references to such Affiliates, Related Undertakings and consultants) and shall be responsible under the Code for any failure by such persons to observe such restrictions.

4.2.7 The obligations of BSCCo and the BSC Clearer under this paragraph 4.2 are subject to the provisions of paragraph 4.3.

DRAFT

4.3 BSCCo and BSC Clearer obligations

4.3.1 BSCCo and the BSC Clearer (and any other BSC Companies) shall be entitled to use Confidential Information for the purposes of discharging their respective duties and functions under and pursuant to the Code and the Code Subsidiary Documents.

4.3.2 The provisions of paragraph 4.2.5(a) and (c) shall not apply to BSCCo or the BSC Clearer.

4.3.3 BSCCo and the BSC Clearer undertake to each of the other Parties that, having regard to the activities in which any employee of BSCCo or the BSC Clearer is engaged and the nature and effective life of the Confidential Information divulged to them by virtue of such activities, BSCCo and BSC Clearer shall not unreasonably continue (taking into account any industrial relations concerns reasonably held by it) to divulge Confidential Information or permit Confidential Information to be divulged to any employee of BSCCo or the BSC Clearer who has notified BSCCo or the BSC Clearer of their intention to become engaged as an employee or agent of any other person who is:

(a) authorised by Licence or Exemption to generate, participate in the transmission of, distribute or supply electricity; or

(b) an electricity broker or who is known to be engaged in the writing of electricity sale and purchase contracts; or

(c) known to be retained as a consultant to any such person who is referred to in paragraphs (a) or (b),

save where BSCCo and the BSC Clearer could not, in all the circumstances, reasonably be expected to refrain from divulging to such employee Confidential Information which is required for the proper performance of their duties.

4.3.4 For the purposes of paragraph 4.2.3(a), where:

(a) a provision of the Code provides that BSCCo shall or may provide or disclose any data to any person(s) or body(ies); and

(b) the data to be provided or disclosed is not specifically identified in or readily identifiable (without the need to exercise any particular judgment as to the content thereof) from such provision

then BSCCo shall be entitled to provide or disclose data in accordance with the provisions, mutatis mutandis, of Section B3.3.1 (as if references to the Panel were references to BSCCo) subject to the further provisions of Section B3.3 (as if references to the fulfilment of the functions and duties of the Panel were references to the fulfilment of the functions and duties of BSCCo).

4.3.5 For the avoidance of doubt, paragraph 4.2.4 shall not apply to information which is published by BSCCo under the Code (where the Code provides that information may be published) but without prejudice to paragraph 4.7.

4.4 Confidentiality for the NETSO

4.4.1 The NETSO (in each of its capacities under the Code) shall ensure that Protected Information is not:

(a) divulged by Business Personnel to any person unless that person is an Authorised Recipient;

DRAFT

(b) used by Business Personnel for the purposes of obtaining for the NETSO or any of its Affiliates or for any other person:

(i) any Licence; or

(ii) any right to purchase or otherwise acquire, or to distribute, electricity except as and to the extent permitted under the Transmission Licence; or

(iii) any contract or arrangement for the supply of electricity to Customers or Suppliers; or

(iv) any contract for the use of any electrical lines or electrical plant belonging to or under the control of a Supplier; or

(v) control of any body corporate which, whether directly or indirectly, has the benefit of any such Licence, contract or arrangement; and

(c) used by Business Personnel for the purpose of carrying on any activities other than Permitted Activities,

except with the prior consent in writing of the Party to whose affairs such Protected Information relates.

4.4.2 Nothing in this paragraph 4.4 shall apply to any Protected Information:

(a) which, before it is furnished to Business Personnel, is in the public domain; or

(b) which, after it is furnished to Business Personnel:

(i) is acquired by the NETSO in circumstances in which this paragraph 4.4 does not apply; or

(ii) is acquired by the NETSO in circumstances in which this paragraph 4.4 does apply and thereafter ceases to be subject to the restrictions imposed by this paragraph 4.4; or

(iii) enters the public domain,

and in any such case otherwise than as a result of either a breach by the NETSO of its obligations in this paragraph 4.4 or a breach by the person who disclosed that Protected Information of any confidentiality obligation of that person where the NETSO is aware of such breach by that person; and/or

(c) disclosed to any person where the NETSO or any Affiliate of the NETSO is required or expressly permitted to make such disclosure to such person:

(i) in compliance with the duties of the NETSO under the Act or any other Legal Requirement; or

(ii) in compliance with the conditions of the Transmission Licence or any document referred to in the Transmission Licence with which the NETSO or any Affiliate of the NETSO is required by virtue of the Act or the Transmission Licence to comply; or

(iii) in compliance with any other Legal Requirement; or

DRAFT

(iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or

(v) pursuant to the arbitration rules for the Electricity Arbitration Association or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the NETSO or its Affiliates; or

(vi) pursuant to an EMR Legal Requirement; or

(d) to the extent that the NETSO or any of its Affiliates is expressly permitted or required to disclose that information under the terms of any agreement or arrangement (including the Code, the Grid Code, the Distribution Codes and the Fuel Security Code) with the Party to whose affairs such Protected Information relates.

4.4.3 The NETSO may use all and any information or data supplied to or acquired by it under the Code from or in relation to the other Parties to the extent necessary in performing Permitted Activities including, for the following purposes:

(a) the operation and planning of the Transmission System;

(b) the calculation of charges and preparation of offers of terms for connection to or use of the Transmission System and for the Transmission Services Activity (as defined in the Transmission Licence);

(c) the provision of information under the British Grid Systems Agreement and the EdF Documents,

and may pass the same to Affiliates of the NETSO which carry out such activities and the Parties agree to provide all information to the NETSO and its Affiliates for such purposes provided that the NETSO shall procure that such Affiliates observe the restrictions set out in this paragraph 4.4 as if the references to NETSO were replaced by references to such Affiliates.

4.4.4 The NETSO undertakes to each of the other Parties that, having regard to the activities in which any Business Person is engaged and the nature and effective life of the Protected Information divulged to them by virtue of such activities, neither the NETSO nor any of its Affiliates shall unreasonably continue (taking into account any industrial relations concerns reasonably held by it) to divulge Protected Information or permit Protected Information to be divulged by any Affiliate of the NETSO to any Business Person who has notified the NETSO or the relevant Affiliate of their intention to become engaged as an employee or agent of any other person (other than of the NETSO or any Affiliate thereof) who is:

(a) authorised by Licence or Exemption to generate, participate in the transmission of, distribute or supply electricity; or

(b) an electricity broker or who is known to be engaged in the writing of electricity sale and purchase contracts; or

(c) known to be retained as a consultant to any such person who is referred to in paragraphs (a) and (b),

save where the NETSO or such Affiliate could not, in all the circumstances, reasonably be expected to refrain from divulging to such Business Person Protected Information which is required for the proper performance of their duties.

DRAFT

4.4.5 Without prejudice to the other provisions of this paragraph 4.4, the NETSO shall procure that any additional copies made of the Protected Information, whether in hard copy or computerised form, will clearly identify the Protected Information as protected.

4.4.6 The NETSO undertakes to use all reasonable endeavours to procure that no employee is a Corporate Functions Person unless the same is necessary for the proper performance of their duties.

4.4.7 Without prejudice to paragraph 4.4.3, the NETSO and each of its Affiliates may use and pass to each other any BM Unit Metered Volumes data supplied to or acquired by it under the Code for the purposes of its estimation and calculation of system maximum ACS (Average Cold Spell) demand as required from time to time for the purposes of the Transmission Licence.

4.5 Additional provisions

4.5.1 The NETSO and BSCCo shall and may pass any relevant information and data relating to the BM Unit Metered Volumes (including, for the avoidance of doubt, all relevant metered data) of any of the BM Units comprising Generating Units which are the subject of qualifying arrangements (as defined in section 33 of the Act) to such person as may be specified from time to time pursuant to such qualifying arrangements.

4.5.2 The provisions of paragraphs 4.1 to 4.4 shall continue, for a period of three years after a Party ceases to be a Party to the Code irrespective of the reason for such cessation.

4.5.3 Each Party acknowledges and agrees that no Party shall be in breach of any obligation of confidentiality owed to it pursuant to the Code in reporting under Section U1.3.1 any breach of the Code or its belief (in good faith) that any such breach has occurred.

4.5.4 BSCCo shall and may pass to the REC Code Manager:

(a) data and information required under the REC Switching Data Management Schedule; and

(b) any relevant information and data reasonably required under the REC performance assurance framework.

4.6 Data ownership

4.6.1 References in the Code:

(a) to data include any information;

(b) to rights of ownership of data mean all IPRs in data (including IPRs in any database or other compilation or collection of data) and references to a person owning data shall be construed accordingly.

4.6.2 For the purposes of this paragraph 4.6:

(a) "**relevant party data**" in relation to a Party (other than BSCCo, the BSC Clearer and any Licensed Distribution System Operator acting in its capacity as a SMRA) means data which is to be provided to any relevant person by or on behalf of that Party (including by any Party Agent appointed by that Party) pursuant to any provision of the Code, including metering data derived (but not estimated, where such estimation is carried out by a relevant person other than that Party or its Party Agent) from any Metering System of which such Party is Registrant;

DRAFT

(b) "**relevant BSC data**" means data, including data derived from any relevant party data (but excluding any relevant party data), which is created, produced or acquired:

(i) pursuant to or for the purposes of the Code, or

(ii) pursuant to any process, procedure, calculation or determination provided for by the Code

by or on behalf of any relevant person;

(c) a "**relevant person**" is any of:

(i) the Panel, any Panel Committee, any Workgroup, BSCCo, the BSC Clearer, any other Subsidiary of BSCCo, any BSC Agent and any SMRA;

(ii) any Party and any Party Agent appointed by any Party;

(d) references to the Code include any Code Subsidiary Document;

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

4.6.3 Each Party grants to each relevant person a non-exclusive licence to use the relevant party data provided by or on behalf of that Party to the extent necessary and solely for the purposes contemplated by the Code (including for the avoidance of doubt, pursuant to paragraph 11), together with the right to sub-license the use of such data as necessary solely for those purposes.

4.6.4 Each Party other than BSCCo and the BSC Clearer shall (without payment) use all reasonable endeavours to ensure that, and warrants to BSCCo (for itself and for the benefit of all other relevant persons), in each case in respect of its relevant party data used or to be used in Settlement, that:

(a) the provision to any relevant person pursuant to the Code of all such relevant party data;

(b) the use and disclosure of all such relevant party data by any relevant person pursuant to, or as and for the purposes contemplated, by the Code;

(c) the publication of any such relevant party data as provided for by or contemplated by the Code;

(d) the operation of paragraph 4.6.5 in relation to any such relevant BSC data derived from relevant party data

will not, as far as it is aware, infringe the IPRs of any person, or be contrary to any obligations of confidence or be in breach of any obligation or duty to any third party and each Party hereby indemnifies BSCCo (for itself and for the benefit of each other relevant person (other than itself)) in respect of any loss, liability, damages, costs (including legal costs), expenses, claims and proceedings which such relevant person may suffer or incur by reason of any breach by that Party of its obligations under this paragraph 4.6.4.

4.6.5 So far as there are any IPRs in any relevant BSC data created, produced or acquired by or on behalf of any relevant person:

DRAFT

(a) all IPRs in the relevant BSC data in Great Britain and in relation to Offshore shall (as between BSCCo and all other relevant persons but without prejudice to the provisions of any BSC Agent Contract as to such ownership) be the property of and vest in BSCCo;

(b) subject to the other provisions of this paragraph 4, to the extent to which such data is (pursuant to provisions of the Code) provided to or available to any relevant person, that relevant person is authorised to use and disclose such data for purposes contemplated by the Code and in connection with its operations under the Code; and

(c) the other relevant person shall do all such things and sign all documents or instruments reasonably necessary in the opinion of BSCCo to enable BSCCo to obtain, perfect and prove its rights in the relevant BSC data.

4.6.6 For the purposes of any warranties, undertakings or assurances given or to be given by a Party pursuant to any provision of the Code (including paragraph 4.6.4), such warranties, undertakings and assurances shall be treated as given subject to any matter which is contained or referred to in the "IPR Litigation Requirements" document referred to in Section A2.2.5and accordingly any such matter shall be deemed to be disclosed against any such warranty, undertaking or assurance.

4.7 Other Intellectual Property Rights

4.7.1 The Intellectual Property Rights in and title to the BSCCo Materials in Great Britain and in relation to Offshore shall, as between BSCCo and all other Parties, be owned by BSCCo (or by a Subsidiary of BSCCo on behalf of BSCCo).

4.7.2 Each Party hereby assigns to BSCCo by way of assignment of all present and future rights all IPRs it may have at any time in the BSCCo Materials in Great Britain and in relation to Offshore (except to the extent those rights are already owned by BSCCo).

4.7.3 By virtue of this paragraph 4.7, all IPRs in the BSCCo Materials in Great Britain and in relation to Offshore will vest in BSCCo on their creation or acquisition.

4.7.4 Each Party shall do all things and sign all documents or instruments reasonably necessary in the opinion of BSCCo to enable BSCCo to obtain, perfect and prove its rights in the BSCCo Materials.

4.7.5 Each Party hereby waives, or shall use all reasonable endeavours to procure that the owner of any moral rights in the BSCCo Materials waives, all such moral rights as may arise in them.

4.7.6 Insofar as BSCCo (or any Subsidiary of BSCCo which owns BSCCo Materials) is permitted subject to the rights of any third party in respect thereof, BSCCo hereby grants (and shall procure that any of its Subsidiaries which own BSCCo Materials shall grant) to each Party a non-exclusive licence to use the BSCCo Materials to the extent necessary and solely for its business in connection with the arrangements established under the Code, together with the right to sub-license the use of such materials as necessary solely for those purposes.

4.8 Data Protection

4.8.1 The words and expressions used in this paragraph and not defined elsewhere in the Code shall be interpreted in accordance with any meaning given to them in the Data Protection Legislation.

DRAFT

4.8.2 To the extent that the performance of obligations under Code requires the processing of personal data, each Party:

(a) warrants that it has effected, and undertakes that it will (while it remains a Party) effect and maintain all such notifications and registrations as it is required to effect and maintain under the Data Protection Legislation to enable it lawfully to perform the obligations imposed on it by the Code, and exercise the rights granted to it by the Code;

(b) undertakes to comply with the Data Protection Legislation in the performance of its obligations under the Code, including, where applicable, ensuring that it has a lawful basis for sharing personal data and that it complies with the Data Protection Legislation in relation to such sharing of personal data;

(c) undertakes to provide the information required by the Data Protection Legislation in respect of the processing of personal data under the Code;

(d) undertakes to comply with the Data Protection Legislation as regards the exercise of rights by data subjects for which the Party is the data controller

(e) without limiting any other basis for processing which may be available in accordance with the Data Protection Legislation, each Party undertakes that, in any case where information to be disclosed by it under the Code may lawfully be disclosed only with the prior consent of the person to whom the information relates, it will use its reasonable endeavours to obtain such prior valid consent so as to enable it, or the relevant BSC Agent, as the case may be, to promptly perform its obligations under or as envisaged by the Code.

4.9 Not used

4.10 Privilege

4.10.1 No Party shall be required to produce documents pursuant to any provision of the Code or Code Subsidiary Documents which such Party could not be compelled to produce in civil proceedings in any court in England or Wales or to supply information which such Party could not be compelled to give in evidence in any such proceedings.

4.10.2 For the avoidance of doubt, nothing in the Code or any Code Subsidiary Document shall require the Panel or BSCCo to disclose documents to any person which BSCCo or any other Party could not be compelled to produce in civil proceedings in any court in England or Wales or to supply information which BSCCo or any other Party could not be compelled to give in evidence in any such proceedings.

5. AUDIT

5.1 BSC Audit

5.1.1 The BSC Auditor shall be appointed in order to undertake, subject to paragraph 5.1.6, an operational audit in relation to each BSC Year (the "**Audit Year**"), or such other period of time as the Panel may determine, on behalf of Parties (the "**BSC Audit**") and such other ad hoc operational audits as the Panel may direct from time to time.

5.1.2 The objective of the BSC Audit is to provide assurance (to such level as the Panel considers appropriate) that the provisions of the Code and Code Subsidiary Documents in relation to

DRAFT

Settlement and in relation to the calculation of Funding Shares have been complied with in the Audit Year.

5.1.3 The scope of the BSC Audit (save to the extent covered by the scope of the audit to be carried out by the BM Auditor under paragraph 5.1.6) shall include:

(a) the submission and application of standing and periodic data, used in connection with Settlement, by Parties and Party Agents;

(b) the processes applied to such data pursuant to the Code and Code Subsidiary Documents;

(c) the determinations and calculations made by Market Index Data Providers in the provision of Market Index Data (but only to the extent provided in the relevant Market Index Data Provider Contract);

(d) the determinations and calculations made by BSC Agents and BSCCo where it provides the Profile Administration Services for the purposes of Settlement;

(e) the systems, processes and procedures used and applied (by BSC Agents and BSCCo) for the purposes of or in connection with the foregoing,

provided that from the Performance Assurance Effective Date the Panel may determine a different scope for the BSC Audit with respect to Supplier Volume Allocation.

5.1.4 The scope of the BSC Audit shall not include:

(a) the registration of Metering Systems in accordance with the Retail Energy Code;

(b) the application by BSCCo of the compensation provisions under Section M4.

5.1.5 The Panel may also, at any time, request the BSC Auditor to undertake an ad hoc operational audit, test, review or check, which may include a review of all or any of the Code Subsidiary Documents for the purposes of determining whether they are appropriate to give effect to the Code in accordance with the objectives set out in Section B1.2.

5.1.6 The following matters shall be audited by an independent auditor of internationally recognised standing appointed by the NETSO (the "**BM Auditor**"), rather than by the BSC Auditor, and the provisions of paragraph 5.7 shall apply to the audits to be carried out by the BM Auditor:

(a) the compiling and submission of Final Physical Notification Data by the NETSO pursuant to and in accordance with Section Q;

(b) the compiling and submission of Bid-Offer Data by the NETSO pursuant to and in accordance with Section Q;

(c) the compiling and submission of Acceptance Data by the NETSO pursuant to and in accordance with Section Q;

(d) the submission of other data by the NETSO pursuant and in accordance with Section Q6.

5.1.7 For the avoidance of doubt, the BSC Auditor and the BM Auditor may be the same person.

DRAFT

5.2 Terms of reference for BSC Auditor

5.2.1 The terms of reference for the BSC Audit to be carried out by the BSC Auditor shall be set by the Panel consistent with the BSC Service Description for Audit.

5.2.2 In establishing and amending the terms of the BSC Service Description for Audit from time to time and in setting the terms of reference from time to time of the BSC Audit to be carried out by the BSC Auditor, the Panel shall have regard to:

(a) the extent to which other aspects of the performance assurance regime provide assurance to Parties as to the matters to which the BSC Audit relates;

(b) the extent to which it is more cost-effective to verify such matters centrally; and

(c) the extent to which such matters are capable of being verified by Parties severally and independently.

5.2.3 The terms of reference shall include:

(a) thresholds of materiality for the purposes of paragraph 5.4.2;

(b) the form and frequency of audit reports and the qualifications permitted to each investigation; and

(c) any specific matters which the Panel wish the BSC Auditor to address.

5.2.4 The Panel may vary the terms of reference for the BSC Audit to be carried out by the BSC Auditor from year to year and within the Audit Year.

5.2.5 BSCCo shall provide a copy of the prevailing terms of reference for the BSC Audit to be carried out by the BSC Auditor to the Authority, each Party and each relevant BSC Agent.

5.3 Required contract terms

5.3.1 The terms of the relevant BSC Agent Contract shall require the BSC Auditor:

(a) to disclose to the Panel the existence and nature of all assignments of the BSC Auditor with any Party or BSC Agent or Market Index Data Provider or service provider of Profile Administration Services referred to in Section C9.3.1 for the carrying out of financial audits;

(b) to permit the external auditors of each Trading Party and the NETSO to liaise with the BSC Auditor in accordance with normal professional standards, including provision of access to working papers;

(c) to require the BSC Auditor to report forthwith any material concerns with respect to matters forming the subject of a BSC Audit;

(d) as a condition precedent to its appointment, to execute a confidentiality undertaking, in such form as may be reasonably required from time to time by the Panel, in favour of:

(i) each BSC Agent;

(ii) each Market Index Data Provider; and

(iii) BSCCo on behalf of each Party;

DRAFT

(e) with (and only with) the consent of the Panel, to execute a confidentiality undertaking, in such form as may be reasonably required from time to time by the Panel, in favour of such other person as may request the BSC Auditor to do so in connection with the BSC Audit.

5.3.2 BSCCo shall take such steps (pursuant to the terms contained in the relevant BSC Agent Contract pursuant to paragraph 5.3.1(b)) as any Trading Party or the NETSO may reasonably request to ensure that the BSC Auditor co-operates with such Trading Party's and the NETSO's external auditors.

5.3.3 The BSC Auditor may be appointed to act as BSCCo's agent (if applicable) in relation to the Qualification Process (or any part thereof) for the purposes of the Code but shall not otherwise be appointed to carry out any functions of any other BSC Agent or any Market Index Data Provider.

5.3.4 If the BSC Auditor is also appointed to act as BSCCo's agent in relation to the Qualification Process (or any part thereof), the BSC Auditor shall not be required to comply with the provisions of this paragraph 5.3 in the exercise of its functions and duties as that agent.

5.4 Reporting

5.4.1 Unless otherwise established by the Panel, the results of the BSC Audit to be carried out by the BSC Auditor will be reported with the delivery of an opinion (the "**BSC Audit Report**") at a time set out in the terms of reference for the BSC Auditor.

5.4.2 The BSC Auditor will not be required to report in respect of particular matters with a potential financial impact below such threshold as the Panel shall from time to time determine.

5.4.3 The BSC Audit Report shall be addressed to the Panel for and on behalf of Trading Parties and the NETSO in the Audit Year, and shall include all of the BSC Auditor's findings and conclusion.

5.4.4 The BSC Auditor shall deliver the BSC Audit Report to the Panel and shall, , upon request from the Panel, send copies of the report to the Performance Assurance Board, each Trading Party, the NETSO and the Authority.

5.4.5 BSCCo shall procure the production by the BSC Auditor of a version of the BSC Audit Report that is suitable for publication (having regard to the provisions of paragraph 4.3.4).

5.4.6 BSCCo shall post on the BSC Website the version of the BSC Audit Report referred to in paragraph 5.4.5 and shall provide a copy thereof to any person upon request, subject to payment of the reasonable costs of providing such copy.

5.5 Access/co-operation

5.5.1 Without prejudice to any specific rights of access provided for elsewhere, each of the Parties shall use its reasonable endeavours to procure for the BSC Auditor access to premises, personnel, data, information and records sufficient to enable the BSC Auditor properly to undertake the BSC Audit to be carried out by the BSC Auditor in accordance with the terms of reference and having regard to its purpose as set out in paragraph 5.1.2.

5.5.2 Without prejudice to any specific rights of access provided for elsewhere, each BSC Agent (other than the BSC Auditor) and any service provider of Profile Administration Services referred to in Section C9.3.1 shall be required to provide to the BSC Auditor access to:

DRAFT

(a) the systems, system specifications and other systems documents used by that BSC Agent or service provider in connection with performing its obligations and functions as BSC Agent or service provider of Profile Administration Services; and

(b) its premises, personnel, data, information and records,

sufficient to enable the BSC Auditor properly to undertake the BSC Audit in accordance with its terms of reference.

5.5.3 Upon written request of the BSC Auditor a Party shall promptly provide the BSC Auditor with a written statement of all disputes under or in connection with the Code which relate to the subject matter of the BSC Audit to be carried out by the BSC Auditor, which are then outstanding and which involve such Party or which the relevant Party believes may arise and are likely to involve such Party, and (subject to any supervening obligations of confidentiality binding on such Party) such statement shall include reasonable details of each such dispute.

5.6 Corrective Action

5.6.1 BSCCo shall instruct the relevant BSC Agent(s), Market Index Data Providers and/or service provider of Profile Administration Services referred to in Section C9.3.1 (as applicable) to carry out, or shall carry out, such corrective action as may be required by the Panel consequent on receipt of the BSC Audit Report.

5.6.2 Each relevant BSC Agent, Market Index Data Provider and service provider of Profile Administration Services referred to in Section C9.3.1 shall promptly take such corrective action as may be required by BSCCo in accordance with paragraph 5.6.1.

5.7 BM Auditor

5.7.1 The audits to be carried out by the BM Auditor pursuant to paragraph 5.1.6 in relation to the matters referred to in that paragraph shall:

(a) form part of the BSC Audit for the purposes of the Code;

(b) be carried out to meet the objective set out in paragraph 5.1.2.

5.7.2 The NETSO shall develop the terms of reference for the BM Auditor in consultation with the Panel such as to satisfy the requirements of this paragraph 5.7, and may revise such terms of reference from time to time in consultation with the Panel.

5.7.3 The NETSO shall provide a copy of the terms of reference of the BM Auditor (as revised from time to time) to BSCCo, and BSCCo shall make a copy thereof available to the Authority and each Party.

5.7.4 The provisions of paragraph 5.4 shall apply mutatis mutandis to the audits to be carried out by the BM Auditor (as if references to the BSC Auditor were references to the BM Auditor and references to the BSC Audit Report were references to the audit report prepared by the BM Auditor).

5.7.5 As soon as reasonably practicable after the provision of any audit report by the BM Auditor pursuant to this paragraph 5.7, the NETSO shall propose to the Panel any corrective action which is necessary as a consequence of the audit report and the NETSO shall take such corrective action as may be agreed with the Panel.

DRAFT

5.7.6 The costs of carrying out any such audit by the BM Auditor shall, subject to the prior approval of such costs by the Panel, be charged to BSCCo and shall be treated as BSC Costs for the purposes of Section D.

6. LIABILITY AND RELATED ISSUES

6.1 Relationship between Parties

6.1.1 Save as otherwise expressly provided in the Code:

(a) the obligations of each Party under the Code are several;

(b) a Party shall not be responsible for the obligations or liabilities of any other Party;

(c) subject to paragraph 3.1.3, the failure of any Party to carry out all or any of its obligations under the Code shall not relieve any other Party of all or any of its obligations under the Code.

6.1.2 In respect of those obligations of a Party under the Code which are several, such Party shall indemnify and keep indemnified each other Party from and against all losses, costs (including legal costs), claims and expenses which such other Party may suffer or incur as a result of being held liable by operation of law for the performance or non-performance of all or any of the obligations of that Party.

6.1.3 In any case where the Code provides for Trading Parties jointly and severally:

(a) to give any indemnity to any person, or

(b) to incur or assume or accept any other liability

then (unless the Code otherwise provides) the Trading Parties shall, as between themselves, be liable under such indemnity or for such other liability severally in their Annual Funding Shares applying in relation to the month in which the request for indemnification was made and shall be entitled to rights of contribution among themselves accordingly.

6.1.4 The rights and obligations of Parties under the Code (as between themselves) are subject to the further provisions of Section E and this Section H.

6.2 Limitation of liability

6.2.1 For the purposes of this paragraph 6.2, references to a Party includes any of its officers, employees or agents.

6.2.2 Subject to the succeeding provisions of this paragraph 6.2, each Party agrees and acknowledges that:

(a) no Party shall be liable to any other Party for loss arising from any breach of the Code other than for loss directly resulting from such breach and which at the Code Effective Date was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:

(i) physical damage to the property of any other Party, and/or

(ii) the liability (in law) of any other such Party to any other person for loss in respect of physical damage to the property of such person;

DRAFT

(b) no Party shall in any circumstances be liable in respect of any breach of the Code to any other Party for:

(i) any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working; or

(ii) any indirect or consequential loss; or

(iii) except as provided in paragraphs 6.2.2(a)(ii) and 6.2.4, loss resulting from the liability of any other Party to any other person howsoever and whensoever arising.

6.2.3 Paragraph 6.2.2 is without prejudice to any provision of the Code which provides for an indemnity, or which provides for any Party to make a payment to another.

6.2.4 Nothing in the Code shall exclude or limit the liability of any Party for death or personal injury resulting from the negligence of such Party.

6.3 Exclusion of certain rights and remedies

6.3.1 Subject to paragraph 6.3.7, the rights and remedies of the Parties provided under the Code are exclusive and not cumulative and exclude and are in place of all substantive rights or remedies express or implied and provided by common law or statute in respect of the subject matter of the Code, including any rights which any Party may possess in tort (which shall include actions brought in negligence and/or nuisance) or for breach of trust.

6.3.2 Subject to paragraph 6.3.7 and 6.3.5, each of the Parties hereby waives to the fullest extent possible all such rights and remedies provided by common law or statute, and releases a Party which is liable to another (or others), its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in the Code and undertakes not to enforce any of the same except as expressly provided herein.

6.3.3 The provisions of paragraphs 6.3.1 and 6.3.2 are without prejudice to a Party's right to any equitable remedies and/or interim relief which may be available to the Party.

6.3.4 For the avoidance of doubt, nothing in this paragraph 6.3 shall apply to:

(a) any rights and remedies which one Party may have against another pursuant to any bilateral agreement entered into in connection with or in consequence of the arrangements established by the Code; and

(b) the rights and remedies which a Party may have against another Party pursuant to the Implementation Scheme or any other agreement entered into pursuant to the Code, provided that a Party shall not be entitled to recover damages or an account more than once in respect of the same matter.

6.3.5 Without prejudice to paragraph 6.3.1, where any provision of the Code provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of the Code, each Party agrees and acknowledges that the remedy conferred by such provision is exclusive of and is in substitution for any remedy in damages or an account in respect of such breach or the event or circumstance giving rise thereto.

6.3.6 For the avoidance of doubt, nothing in this paragraph 6.3 shall prevent any Party from or restrict it in enforcing any obligation (including suing for a debt) owed to it under or pursuant to the Code but without prejudice to the provisions of Section C and Section N in relation to the enforcement of rights under the Code.

DRAFT

6.3.7 Nothing in this paragraph 6.3 shall constitute a waiver by any Party of any right or remedy it may have (other than pursuant to the Code) in respect of a breach by any other Party of any Legal Requirement.

6.4 General provisions

6.4.1 Each Party acknowledges and agrees that each of the other Parties holds the benefit of the provisions of this paragraph 6 for itself and as trustee and agent for its officers, employees and agents.

6.4.2 Each provision of this paragraph 6 shall be construed as a separate and severable contract term, and shall remain in full force and effect and shall continue to bind the Parties even if a Party ceases to be a Party to the Code or the Code is terminated.

6.4.3 Each Party acknowledges and agrees that the provisions of this paragraph 6 have been the subject of discussion and are fair and reasonable having regard to the circumstances as at the Code Effective Date.

6.4.4 Where any provision of the Code provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of the Code, each Party agrees and acknowledges that such provision has been the subject of discussion, and that the amount provided to be payable represents no more than a genuine pre-estimate of the loss of the Party to which such amount is payable.

6.4.5 References in this paragraph 6 to the Code include the Framework Agreement and Code Subsidiary Documents.

7. DISPUTE RESOLUTION

7.1 Arbitration

7.1.1 Save where expressly stated in the Code to the contrary and subject to any contrary provision of the Act, any Licence, any EMR Legal Requirement or the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, any Licence or otherwise howsoever, any dispute or difference of whatever nature howsoever arising under, out of or in connection with the Code between any one or more Parties shall be and is hereby referred to arbitration pursuant to the arbitration rules of the Electricity Arbitration Association in force from time to time.

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

7.1.3 Whatever the nationality, residence or domicile of any Party and wherever the dispute or difference or any part thereof arose the law of England shall be the proper law of any reference to arbitration hereunder and in particular (but not so as to derogate from the generality of the foregoing) the seat of any such arbitration shall be England and Wales and the provisions of the Arbitration Act 1996 shall apply to any such arbitration wherever the same or any part of it shall be conducted.

7.1.4 Where a dispute is referred to arbitration pursuant to paragraph 7.1.1, the Panel may, following consultation with Parties, instruct BSCCo to join in such arbitration proceedings for the purposes of representing, in accordance with terms of reference set by the Panel, the interests of any Party not party to the arbitration proceedings, or the interests of all or any class of Parties collectively.

DRAFT

7.1.5 Each Party shall give notice to BSCCo promptly upon referring any dispute or difference to arbitration pursuant to paragraph 7.1.1.

7.1.6 The decision of the arbitrator pursuant to a reference under paragraph 7.1.1 shall be final and binding on each of the Parties and the Parties shall comply with such decision provided that (for the avoidance of doubt) the arbitrator shall not have the power to modify the Code.

7.1.7 The annual overhead costs of the Electricity Arbitration Association shall be borne by BSCCo and shall be recovered from Parties in the manner and in the proportions set out in Section D.

7.1.8 The provisions of this paragraph 7.1 are subject to the provisions of Section W.

7.1.9 References in this paragraph 7.1 to the Code include the Framework Agreement and Code Subsidiary Documents.

7.2 Third Party Claims

7.2.1 Subject always to paragraph 7.2.4, if:

(a) any designated customer (as defined in the Supply Licence) brings any legal proceedings in any court (as referred to in the Civil Procedure Act 1997) against one or more persons, any of which is a Party (the "**Defendant Contracting Party**"); and

(b) the Defendant Contracting Party wishes to make a Third Party Claim against any other Party (a "**Contracting Party**") which would, but for this paragraph 7.2, have been a dispute or difference referred to arbitration by virtue of paragraph 7.1

then, notwithstanding the provisions of paragraph 7.1 which shall not apply and in lieu of arbitration, the court in which the legal proceedings have been commenced shall hear and completely determine and adjudicate upon the legal proceedings and the Third Party Claim not only between the designated customer and the Defendant Contracting Party but also between either or both of them and any other Contracting Party whether by way of third party proceedings (pursuant to the Civil Procedure Rules 1998) or otherwise as may be ordered by the court.

7.2.2 Where a Defendant Contracting Party makes a Third Party Claim against any Contracting Party and such Contracting Party wishes to make a Third Party Claim against a further Contracting Party, the provisions of paragraph 7.2.1 shall apply mutatis mutandis as if such Contracting Party had been the Defendant Contracting Party and similarly in relation to any such further Contracting Party.

7.2.3 For the purposes of this paragraph 7.2, "**Third Party Claim**" shall mean a counterclaim by a defendant or any claim for contribution, indemnity or some other remedy.

7.2.4 The provisions of this paragraph 7.2 shall apply only if at the time the legal proceedings are commenced no arbitration has been commenced between the Defendant Contracting Party and another Contracting Party raising or involving the same or substantially the same issues as would be raised by or involved in the Third Party Claim and the tribunal in any arbitration which has been commenced prior to the commencement of legal proceedings shall determine the question, in the event of dispute, whether the issues raised or involved are the same or substantially the same.

DRAFT

8. REFERENCES TO THE AUTHORITY

8.1 General provisions

8.1.1 Where the Code expressly provides that a matter or question may be referred to the Authority for determination (as provided in Condition C3 of the Transmission Licence), the provisions of this paragraph 8 shall apply in the event of any such reference (unless and to the extent otherwise expressly stated).

8.1.2 The NETSO hereby appoints each of the Panel and BSCCo to refer to the Authority on behalf of the NETSO any question or other matter arising under any provision of the Code which pursuant to any such provision may be or is to be so referred.

8.1.3 The Authority may decline to determine the matter for whatever reason, in which case (unless otherwise provided in the Code) the decision of the Panel, Panel Committee or BSCCo (as the case may be) shall take effect, but without prejudice to the rights of any Party to bring a claim in respect of the decision of the Panel, Panel Committee or BSCCo (as the case may be) to the extent permitted in law.

8.1.4 If the Authority agrees to determine the matter:

(a) the Authority may do so in such manner and using such procedures as it considers fit;

(b) the Authority may undertake such investigations and require such information and documentation from Parties, Party Applicants, Party Agents, BSC Agents and Qualified Persons as it considers fit for the purposes of determining the matter provided a Party shall not be compelled to produce any document or provide any information which it could not be compelled to produce or provide in evidence in any civil proceedings in any court in England or Wales;

(c) the decision of the Authority shall be final and binding on the Parties, Party Applicants, Party Agents, BSC Agents and Qualified Persons.

8.1.5 The Panel, each Party and each BSC Agent shall co-operate with the Authority and provide or procure the provision of such information and documentation as the Authority may require (subject to the proviso in paragraph 8.1.4(b)) for the purposes of determining the matter.

8.1.6 Pending:

(a) any decision of the Authority to accept or decline a reference to it pursuant to the Code; or

(b) any determination of the matter,

the decision forming the subject of such reference shall be implemented unless and to the extent that the Authority instructs otherwise and provided that, if the Authority's determination of such matter is different from such decision, the effect of the decision can be reversed without undue difficulty or additional material expense and/or without significant expense incurred in implementing the decision being wasted.

8.1.7 BSCCo shall notify each Party as soon as reasonably practicable of:

(a) the referral of any matter to the Authority under the Code;

(b) any decision of the Authority to decline jurisdiction as envisaged by paragraph 8.1.3;

DRAFT

(c) any instruction given by the Authority as envisaged by paragraph 8.1.6; and

(d) any determination of the Authority in relation to the matter or matters referred to it.

9. GENERAL

9.1 Assignment

9.1.1 Unless permitted to do so pursuant to Section A2.7 or Section A5.1.6, a Party shall not assign and/or transfer and shall not purport to assign or transfer any of its rights or obligations under the Code or the Framework Agreement, provided that a Party may assign, subject to Section N2.4 to 2.7 (inclusive), by way of security only all or any of its rights over receivables arising under the Code.

9.2 Notices

9.2.1 Save as otherwise expressly provided in the Code or relevant BSC Procedure(s), any notice or other communication to be given by one Party to another under or in connection with the matters contemplated by the Code or the Framework Agreement shall be addressed to the recipient and sent to the postal address, facsimile number or e-mail address(es) of such other Party:

(a) in the case of a Party other than BSCCo, previously notified in accordance with its Party Details; or

(b) in the case of BSCCo, provided on the BSC Website, unless otherwise expressly provided in the relevant BSC Procedure(s).

9.2.2 Such notice or other communication, shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or facsimile or by e-mail, and shall be deemed to have been received:

(a) in the case of delivery by hand, when delivered; or

(b) in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail overseas or from overseas) on the fifth day following the day of posting; or

(c) in the case of facsimile, on acknowledgement of the addressee's facsimile receiving equipment (where such acknowledgement occurs before 1700 hours on the day of acknowledgement) and in any other case on the day following the day of acknowledgement; or

(d) subject to paragraph 9.2.4, in the case of e-mail one hour after being sent, in the absence of any undeliverable return receipt received by the sender during that period.

9.2.3 The provisions of this paragraph 9.2:

(a) extend to any notice or other communication to be given by or to the Panel, any Panel Committee, any Workgroup or any secretary to the Panel, any Panel Committee or a Workgroup; and

DRAFT

(b) apply, mutatis mutandis, to any notice or communication to be given under any Code Subsidiary Document; and

(c) are subject to Section O.

9.2.4 Other than in relation to a notice or communication sent by e-mail in respect of an Urgent Modification Proposal, if the time at which a notice or communication sent by e-mail is deemed to have been received falls after 1700 hours on a day, the notice or communication shall be deemed to have been received at 0900 hours on the following day.

9.2.5 Other forms of communication for the election of Industry Panel Members in accordance with Section B Annex B-2 may be permissible as determined by the Panel from time to time.

9.2.6 Each Party acknowledges and agrees that the recipient of any notice or communication sent by e-mail in accordance with this paragraph 9.2 shall (on deemed receipt) be entitled to rely on the contents of such notice or communication, including for the avoidance of doubt, the identity of the sender.

9.3 Waiver

9.3.1 No delay by or omission of any Party, or the Panel or any Panel Committee in exercising any right, power, privilege or remedy under the Code, the Framework Agreement or any Code Subsidiary Document shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof.

9.3.2 Any single or partial exercise of any such right, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

9.3.3 For the avoidance of doubt, the Parties acknowledge and agree that nothing in the Code or any Code Subsidiary Document shall exclude or restrict or otherwise prejudice or affect any of the rights, powers, privileges, remedies, duties and obligations of the Secretary of State or the Authority under the Act or any Licence or otherwise under applicable law.

9.4 Rights of Third Parties

9.4.1 Subject to paragraphs 6.4.1 and 9.4.4, the Parties do not intend that any third party shall have any rights, benefits, entitlements or privileges under the Code, the Framework Agreement and the Code Subsidiary Documents, and nothing in the Code, the Framework Agreement or any Code Subsidiary Document shall be construed as conferring or purporting to confer any such right, benefit, entitlement or privilege on any such person.

9.4.2 The Parties do not intend that any term of the Code, the Framework Agreement or any Code Subsidiary Document shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a Party.

9.4.3 Save for the Authority and the Panel as provided in Section F and, in respect of the Secretary of State, to the extent provided in Section C, no third party consent shall be required to rescind, vary or modify the Code or any Code Subsidiary Document (but without prejudice to the rights of BSC Agents under their respective BSC Agent Contracts in respect of any change to such BSC Agent Contract).

9.4.4 Any person who is not a Party but who is permitted to propose a Modification Proposal pursuant to Section F shall have the rights, benefits, entitlements and privileges of a Proposer under Section F from the date when that Modification Proposal is accepted until the earlier of that Modification Proposal being nullified, withdrawn, rejected or approved and the provisions of paragraph 9.4.2 shall be interpreted accordingly.

DRAFT

9.5 Language

9.5.1 Every notice or other communication to be given by one Party to another under the Code or any Code Subsidiary Document shall be in the English language.

9.6 Severance of Terms

9.6.1 If any provision of the Code or any Code Subsidiary Document is or becomes invalid, unenforceable or illegal, or is declared to be invalid, unenforceable or illegal by any court of competent jurisdiction or by order of any other Competent Authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of the Code and the Code Subsidiary Documents which shall continue in full force and effect notwithstanding the same.

9.7 Entire Agreement

9.7.1 The Code, the Framework Agreement and the Code Subsidiary Documents (as respects the Parties thereto) contain or expressly refer to the entire agreement between the Parties with respect to the subject matter thereof, and supersede all previous agreements or understandings between the Parties with respect thereto; and any warranty, condition or other term implied at law or by custom is (to the fullest extent permitted by law) expressly excluded therefrom.

9.7.2 Each Party acknowledges that in entering into or acceding to the Framework Agreement it does not rely on any representation, warranty or other understanding not expressly contained in the Code.

9.7.3 Without prejudice to paragraph 2.2, nothing contained in a document (other than a Code Subsidiary Document) referred to in the Code, beyond what is expressly contemplated by the Code as being contained in such document or is necessary for the purposes of giving effect to a provision of the Code, shall modify or have any effect for the purposes of the Code or be construed as relevant to the interpretation of the Code.

9.8 Euro

9.8.1 Unless otherwise prohibited by law, if more than one currency unit are at the same time recognised by the Bank of England as the lawful currency of the United Kingdom, then:

(a) any reference in the Code or Code Subsidiary Documents to, and obligations arising thereunder in, the currency of the United Kingdom shall be translated into, or paid in, the currency or currency unit of the United Kingdom designated by the Panel following consultation with the Parties;

(b) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the Bank of England for the conversion of that currency or currency unit into the other, and rounded up or down in accordance with rounding rules recognised by the Bank of England;

(c) to the extent that, following any designation by the Panel pursuant to paragraph (a), the provisions of the Code or Code Subsidiary Documents are incompatible with any generally accepted conventions and market practices in the London interbank market, BSCCo may recommend to the Panel such modifications to the Code and/or Code Subsidiary Documents as it sees fit to accommodate the change in currency.

DRAFT

9.9 Jurisdiction

9.9.1 Subject and without prejudice to paragraph 7, under the Code, all the Parties irrevocably agree that only the courts of England and Wales and the courts of Scotland are to have jurisdiction to settle any disputes which may arise out of or in connection with the Code or any Code Subsidiary Document and that accordingly any suit, action or proceeding (collectively proceedings) arising out of or in connection with the Code or any Code Subsidiary Document may be brought (and may only be brought) in such courts.

9.9.2 Each Party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any proceedings in any such court as is referred to in paragraph 9.9.1 and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any proceedings brought in the English or Welsh courts, or the Scottish courts, shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction.

9.9.3 Any Party which is not a company incorporated under the Companies Act 2006 shall immediately on becoming a Party (or upon ceasing to be a company so incorporated) provide to BSCCo an address in Great Britain for service of process on its behalf in any proceedings provided that if any such Party fails at any time to provide such address, such Party shall be deemed to have appointed BSCCo as its agent to accept service of process on its behalf until and unless such Party provides BSCCo with an alternative address in Great Britain for these purposes.

9.9.4 For the avoidance of doubt nothing contained in the foregoing provision of this paragraph 9.9 shall be taken as permitting a Party to commence proceedings in the courts where the Code otherwise provides for the proceedings to be referred to arbitration or otherwise determined.

9.10 Governing law

9.10.1 The Code and each Code Subsidiary Document shall be governed by, and construed in all respects in accordance with, the laws of England and Wales.

10. BSC SANDBOX

10.1 BSC Derogations

10.1.1 Subject to the provisions of paragraph 10.4.3, the Authority may, in accordance with this paragraph 10, grant any person, other than a BSC Company, a derogation from one or more provisions of the Code in which case paragraph 10.4 shall apply (a "**BSC Derogation**").

10.2 Applications for a BSC Derogation

10.2.1 Any person other than a BSC Company may make a written request for a BSC Derogation to the Authority pursuant to the Authority's regulatory sandbox procedures as set by the Authority from time to time and the Authority shall determine whether to pass such request to BSCCo for consideration (a "**BSC Sandbox Application**").

10.2.2 Notwithstanding any other provision of this paragraph 10, the Panel may determine, in its absolute discretion, the priority and the timetable for any steps proposed to be undertaken by the Panel or BSCCo in relation to a BSC Sandbox Application.

DRAFT

10.2.3 Without prejudice to the generality of the foregoing, BSCCo shall not be required to conduct an evaluation of a proposed BSC Derogation or submit a draft Sandbox Report to the Panel until a Sandbox Applicant has:

(a) provided all of the information that BSCCo reasonably requires in order to conduct such evaluation and prepare such report; and

(b) paid to BSCCo a fee which represents the reasonable costs to BSCCo of processing the BSC Sandbox Application, such fee to be approved by the Panel from time to time.

10.2.4 Following receipt of a BSC Sandbox Application, but subject to paragraph 10.2.3, BSCCo shall:

(a) evaluate the risks and impacts of the proposed BSC Derogation in accordance with the BSC Sandbox Procedure;

(b) conduct consultation(s) with:

(i) Parties; and

(ii) such interested third parties as it considers necessary;

(c) publish the responses to such consultation(s) on the BSC Website;

(d) prepare a draft report for the Panel which shall include:

(i) a summary of the representations received during the consultation(s) conducted pursuant to paragraph 10.2.4(b);

(ii) assessment of whether a proposed BSC Derogation meets the BSC Sandbox Eligibility Criteria;

(iii) analysis identifying the provisions of the Code (and for the purposes of this paragraph 10 a reference to the Code shall be deemed to include a reference to each Code Subsidiary Document) from which a BSC Derogation may be required;

(iv) the Trial Period proposed by the Sandbox Applicant, which shall be the shortest period the Sandbox Applicant considers necessary to test the Sandbox Applicant's proposal;

(v) the Trial Period that BSCCo considers is the shortest period necessary to test the Sandbox Applicant's proposal;

(vi) the Transition Plan proposed by the Sandbox Applicant, including the Transition Period proposed by the Sandbox Applicant, which shall be the shortest period the Sandbox Applicant considers necessary to allow the Sandbox Applicant to exit from the proposed BSC Derogation;

(vii) the Transition Period that BSCCo considers is the shortest period necessary to allow the Sandbox Applicant to exit from the proposed BSC Derogation;

(viii) BSCCo's evaluation of the risks and impacts of the proposed BSC Derogation, pursuant to paragraph (a);

DRAFT

(ix) the fees which BSCCo considers represent the reasonable costs to BSCCo of monitoring and administering such BSC Derogation;

(x) the reports that BSCCo considers should be provided to BSCCo by the Sandbox Applicant; and

(xi) such other matters as shall be required by the BSC Sandbox Procedure,

(the "**Sandbox Report**").

10.2.5 The Panel shall consider the draft Sandbox Report and, having taken due account of any representation contained in the summary referred to in paragraph 10.2.4(d)(i), shall determine:

(a) whether to recommend to the Authority:

(i) that the BSC Sandbox Application should be granted or rejected;

(ii) what, if any, conditions should be set on such proposed BSC Derogation; and

(iii) that the Trial Period and the Transition Plan should be approved; or

(b) whether to require amendments to:

(i) the draft Sandbox Report; and/or

(ii) the proposed Trial Period and/or Transition Plan,

in which case the Panel shall determine the timetable for making such amendments and specify its further requirements, BSCCo shall amend and resubmit the draft Sandbox Report and the Panel shall reconsider the draft Sandbox Report in accordance with paragraphs 10.2.4 and 10.2.5(a).

10.2.6 When considering whether to recommend to the Authority that a BSC Derogation be granted pursuant to paragraph 10.2.5, the Panel shall determine whether such proposed BSC Derogation would:

(a) better facilitate the achievement of the Applicable BSC Objectives (provided that the powers, function and duties of the Panel in respect of the Modification Procedures shall not be fettered or restricted notwithstanding a determination of the Panel in respect of the BSC Sandbox Eligibility Criteria); and

(b) meet the eligibility criteria set out in the BSC Sandbox Procedure,

collectively the ("**BSC Sandbox Eligibility Criteria**").

10.2.7 Within seven Business Days after the Panel meeting at which the draft Sandbox Report has been approved, BSCCo shall finalise the draft Sandbox Report and shall forthwith:

(a) submit such Sandbox Report to the Authority; and

(b) copy such report to:

(i) each Party and interested third party;

(ii) each Panel Member; and

DRAFT

(iii) the Sandbox Applicant.

10.2.8 If, at any time prior to the Derogation Period Commencement Date, the Panel is notified by the Authority that the Sandbox Applicant intends to withdraw its BSC Sandbox Application, the application shall lapse, and, in respect of the BSC Sandbox Application:

(a) no BSC Derogation shall commence; and

(b) no fee paid by the Sandbox Applicant shall be refunded to the Sandbox Applicant for any reason.

10.2.9 The Panel shall establish, and may revise from time to time, a document containing the processes that the BSC Panel, BSCCo and Sandbox Applicants shall follow with respect to BSC Sandbox Applications and the monitoring of BSC Derogations (the "**BSC Sandbox Procedure**"). BSCCo shall ensure that a copy of the BSC Sandbox Procedure (as revised from time to time) is published on the BSC Website.

10.3 Sandbox Send Back Process

10.3.1 Where the Authority considers that it is unable to form an opinion in relation to a Sandbox Report submitted to it pursuant to paragraph 10.2.7, it may issue a direction to the Panel:

(a) specifying any additional steps that it requires in order to form such an opinion including amending the proposed conditions on the proposed BSC Derogation, revising the proposed Trial Period or Transition Plan, or providing additional analysis and/or information; and

(b) requiring such Sandbox 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 "**Sandbox Send Back Direction**").

10.3.2 The Panel shall re-submit the revised Sandbox Report as soon after the Authority's direction pursuant to paragraph 10.3.1 as is appropriate, taking into account the complexity, importance and urgency of the proposed BSC Derogation.

10.3.3 Subject to paragraph 10.3.4, in relation to each Sandbox Send Back Direction BSCCo shall prepare a draft Sandbox 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 Sandbox Report to the Authority; and

(b) may include such further matters as the Panel considers necessary to address the Sandbox Send Back Direction including:

(i) further consultation with Parties and interested third parties;

(ii) revised or additional analysis and/or information;

(iii) amending the proposed conditions on the proposed BSC Derogation;

(iv) revising the proposed Trial Period or Transition Plan; and

(v) any other steps required by the Panel to address the Sandbox Send Back Direction.

DRAFT

10.3.4 Where the requirements specified in the Sandbox 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 Sandbox Send Back Process then:

(a) BSCCo may take such steps as are necessary to address the requirements of that Sandbox Send Back Direction; and

(b) the provisions of paragraphs 10.3.6(b), 10.3.6(c), 10.3.7 and 10.3.8 shall apply thereto provided that if the Panel does not approve the revised draft Sandbox Report then it may require BSCCo to prepare a draft Sandbox Send Back Process in accordance with paragraph 10.3.3.

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

10.3.6 Following approval by the Panel of the Sandbox Send Back Process:

(a) BSCCo shall perform the additional steps set out in the Sandbox Send Back Process;

(b) BSCCo shall:

(i) notify the Sandbox Applicant that the Authority has issued a Send Back Direction;

(ii) revise the Sandbox Report;

(iii) re-submit that Sandbox Report to the Panel; and

(iv) take any further steps in relation to the Sandbox Report as are set out in this paragraph 10.3 and the Sandbox Send Back Process; and

(c) the Panel shall consider the revised Sandbox Report in accordance with paragraph 10.3.7,

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

10.3.7 The Panel shall consider the revised Sandbox Report and determine:

(a) whether to revise the recommendation it made to the Authority pursuant to paragraph 10.2.5;

(b) whether to approve the revised Sandbox Report or to instruct BSCCo make such further changes to the revised report as may be specified by the Panel;

(c) (if applicable) whether to approve any revised proposed conditions on the proposed BSC Derogation; and/or

(d) (if applicable) whether to approve any revised proposed Trial Period or Transition Plan.

10.3.8 After the Panel has considered the revised Sandbox Report, BSCCo shall:

DRAFT

(a) finalise the revised Sandbox Report which shall, for the purposes of the Code, be deemed to be the Sandbox Report as from the date of the Panel's determination pursuant to paragraph 10.3.7; and

(b) submit such Sandbox Report to the Authority; and

(c) copy such report to:

(i) each Party and interested third party;

(ii) each Panel Member; and

(iii) the Sandbox Applicant.

10.4 Impact of BSC Derogation

10.4.1 Subject to paragraph 10.2.8, any BSC Sandbox Application (including the associated Trial Period and Transition Plan) that has been approved by the Authority shall be a BSC Derogation and, subject to paragraph 10.7.7, such BSC Derogation shall remain in force for the relevant Trial Period together with any relevant Transition Period relating to such Derogation (the "**Derogation Period**").

10.4.2 Subject to paragraph 10.4.3, for the duration of the Derogation Period:

(a) each Derogation Party shall be relieved of their obligation to comply with the Code to the extent permitted by a BSC Derogation; and

(b) no act or omission by a Derogation Party that would be a breach or Default of the Code shall be deemed to be a breach or Default to the extent only that such act or omission is permitted by a BSC Derogation.

10.4.3 In respect of each BSC Derogation:

(a) a Derogation Party shall be required to comply with all provisions of the Code that are relevant to such Party and which are outside the scope of such BSC Derogation;

(b) a Derogation Party shall be required to comply with any conditions included in such BSC Derogation;

(c) BSCCo may charge, and a Derogation Party shall pay to BSCCo such fees as published in the BSC Sandbox Report;

(d) such BSC Derogation shall have no effect to the extent that it purports to derogate from:

(i) any Licence conditions;

(ii) any other Industry Code (but without prejudice to any other regulatory sandbox arrangements);

(iii) any Legal Requirement (including, for the avoidance of doubt, any Relevant European Legal Requirement);

(iv) any provision of the Code identified in Section F1.1.9; or

(v) any provision of this paragraph 10,

DRAFT

and each Derogation Party acknowledges and agrees that it shall be responsible for its compliance with any such Code provision, Licence condition, Industry Code or Legal Requirement (for the purposes of this paragraph 10.4.3 a "**relevant legal requirement**");

(e) each Party:

(i) (to the fullest extent permitted by law but excluding any claim for death or personal injury as a result of negligence or any claim for fraud) hereby waives any claims, demands and proceedings against BSCCo in respect of all costs (including legal costs), fines, expenses, damages and other liabilities incurred by such Party (for the purposes of this paragraph 10.4.3 a "**claim**") in connection with any claim related to a Derogation Party's acts or omissions under a relevant legal requirement;

(ii) indemnifies and keeps indemnified BSCCo in connection with any claim related to a Derogation Party's acts or omissions under a relevant legal requirement.

10.4.4 With effect from 00:00 on the day following the Derogation Period End Date, such BSC Derogation shall no longer be in force and the Derogation Party shall comply with the Code in full from such time and date.

10.4.5 The granting of a BSC Derogation to any Party shall not relieve any other Party of all or any of its obligations under the Code.

10.4.6 Subject to paragraphs 10.5 and 10.6, no variation to a BSC Derogation shall be permitted.

10.5 Trial Period Duration

10.5.1 A Trial Period shall take effect from the Derogation Period Commencement Date and, subject to paragraph 10.5.3, shall remain in effect for such period as has been approved by the Authority pursuant to paragraph 10.4.1.

10.5.2 The Trial Period, including any extensions approved thereto pursuant to paragraph 10.5.3, shall on no account exceed a total duration of two years from the Derogation Period Commencement Date.

10.5.3 Subject always to paragraph 10.5.2, the Panel may extend a Trial Period with the approval of, or at the direction of, the Authority provided that the Panel may only recommend an extension to a Trial Period in exceptional circumstances.

10.6 BSC Derogation Transition and Exit

10.6.1 In respect of a BSC Derogation:

(a) a Derogation Party shall comply with the relevant Transition Plan approved by the Authority pursuant to paragraph 10.4.1; and

(b) the applicable Transition Period shall take effect from the end of the Trial Period relating to that BSC Derogation and shall remain in effect until the earlier of:

(i) the Derogation Period End Date;

(ii) the Implementation Date of a Code Modification relating to such BSC Derogation; or

DRAFT

(iii) three years after the Derogation Period Commencement Date.

10.6.2 The Panel may extend a Transition Period (other than a Transition Period that is being implemented pursuant to an Early Cessation Report) with the approval of, or at the direction of, the Authority where a Modification Proposal relating to the BSC Derogation was made before the conclusion of the Trial Period, and that Modification Proposal:

(a) has not been implemented, rejected or withdrawn at the date of the extension request; or

(b) has been withdrawn or rejected and the Panel determines that an extension to the Transition Period is reasonably necessary to allow the Derogation Party to exit from BSC Derogation,

provided that the Transition Period must end no later than three years after the Derogation Period Commencement Date.

10.6.3 BSCCo may charge, and a Derogation Party shall pay to BSCCo, such additional fees as BSCCo:

(a) considers represent the reasonable additional costs to BSCCo of monitoring and administering an extension of the Transition Period in respect of such BSC Derogation; and

(b) has notified to the Derogation Party prior to the extension of the Transition Period.

10.7 Derogation Reporting and Monitoring

10.7.1 A Derogation Party shall provide to BSCCo such reports as may be specified in the Sandbox Report.

10.7.2 Upon receipt of a report pursuant to paragraph 10.7.1, BSCCo shall:

(a) provide a copy of such report to each Panel Member;

(b) if such report has not already been received by the Authority, provide a copy of such report to the Authority; and

(c) publish a copy of such report on the BSC Website, redacting such information as the Derogation Party expressly requests BSCCo keep confidential.

10.7.3 The Panel may recommend to the Authority at any time that a BSC Derogation be removed if the Panel considers that:

(a) a BSC Derogation no longer meets the BSC Sandbox Eligibility Criteria; or

(b) a Derogation Party is in breach of a BSC Derogation,

in which case it may make a recommendation to the Authority in accordance with paragraph 10.7.4.

10.7.4 Before the Panel makes a recommendation pursuant to paragraph 10.7.3, BSCCo shall prepare, and submit to the Panel, a draft report which shall include:

(a) rationale on whether:

DRAFT

(i) a BSC Derogation no longer meets the BSC Sandbox Eligibility Criteria; or

(ii) a Derogation Party is in breach of a BSC Derogation;

(b) an evaluation of the risks and impacts related to the recommendation;

(c) the views of the Derogation Party, if the Derogation Party has provided such views to BSCCo;

(d) such other matters as shall be required by the BSC Sandbox Procedure,

(the "**Early Cessation Report**").

10.7.5 The Panel shall consider the draft Early Cessation Report and shall determine whether to:

(a) recommend to the Authority that the BSC Derogation be removed prior to the scheduled end of the relevant Derogation Period; or

(b) require amendments to the draft Early Cessation Report in which case the Panel shall determine the timetable for making such amendments and specify its further requirements, BSCCo shall amend and resubmit the draft report in accordance with such requirements and the Panel shall reconsider the draft report.

10.7.6 Within seven Business Days after the Panel meeting at which the Early Cessation Report has been approved, BSCCo shall:

(a) submit such report to the Authority; and

(b) copy such report to:

(i) each Party and interested third party;

(ii) each Panel Member; and

(iii) the Derogation Party.

10.7.7 If the Authority has approved a recommendation to remove a BSC Derogation prior to the scheduled end of the relevant Derogation Period then the Trial Period relating to that BSC Derogation, if such Trial Period is still in effect, shall immediately cease and paragraph 10.6 shall apply.

10.8 BSCCo Derogation Reporting

10.8.1 BSCCo shall from time to time and at least annually submit to the Panel for approval a draft lessons learned report including:

(a) an estimate of the costs incurred by BSCCo in respect of the administration of this paragraph 10; and

(b) such other matters as shall be required by the BSC Sandbox Procedure.

10.8.2 In respect of each lessons learned report approved by the Panel, BSCCo shall:

(a) submit such report to the Authority; and

(b) publish such report on the BSC Website.

DRAFT

11. OPEN DATA

11.1 The Balancing Mechanism Reporting Service Change Board

11.1.1 The principal function and power of the BCB under Section H (and without prejudice to any other functions and powers delegated to the BCB by the Panel in relation to the BMRS or otherwise) is to determine whether, the extent to which, and the terms (if any) on which BSC Data may be disclosed.

11.1.2 The Panel shall determine terms of reference ("**BCB Terms of Reference**") for the BCB in accordance with Section B5 and BSCCo shall publish the BCB Terms of Reference on the BSC Website.

11.1.3 The BCB Terms of Reference may include a right for the BCB to delegate to BSCCo the determination of BSC Data disclosure requests in which case:

(a) the provisions of this paragraph 11 shall apply mutatis mutandis to BSCCo as if references to the BCB were references to BSCCo; and

(b) the BCB shall periodically review whether any such delegated rights remain appropriate.

11.2 Data Disclosure Requests

11.2.1 For the purposes of the Code:

(a) "**BSC Data**" means data or information held by, or on behalf of, BSCCo (including BSC Agents) and which is received, produced or sent by or on behalf of Parties under the Code (including, for the avoidance of doubt, by BSC Agents and Party Agents) for the purposes of Settlement but excluding any data or information that the Code explicitly identifies as confidential;

(b) "**BSC Data Disclosure Recommendation**" means a recommendation made by BSCCo under paragraph 11.2.4;

(c) "**BSC Data Impact Assessment**" means an assessment undertaken by BSCCo in accordance with the BSC Data Request Procedure assessing, in respect of a BSC Data Request, the time, effort and cost required to disclose that BSC Data, the impact of implementing the BSC Data Request identified by BSC Agents, the anticipated benefits of disclosing that BSC Data and the potential impacts on industry;

(d) "**BSC Data Request**" means a request to disclose BSC Data made in accordance with the BSC Data Request Procedure;

(e) "**BSC Data Request Procedure**" means the document established and maintained by [the Panel] and published on the BSC Website setting out:

(i) the criteria for assessing BSC Data Requests, the and determining the extent to which BSC Data may be disclosed, together with the classification of BSC Data;

(ii) the procedures for processing BSC Data Requests: and

(iii) any requirements in relation to the form and manner in which BSC Data may be disclosed,

DRAFT

and for the purposes of this paragraph 11, "**disclose**" shall mean disclose, reveal, report, publish or transfer with or without restrictions, in each case as may be determined in accordance with this paragraph.

11.2.2 Any Party and any person may submit to BSCCo a BSC Data Request and BSCCo shall process such request and, where so approved, disclose that BSC Data in accordance with this paragraph.

11.2.3 Following receipt of a BSC Data Request, BSCCo shall, in accordance with the BSC Data Request Procedure:

(a) identify whether there are any issues which might prevent or limit the disclosure of that BSC Data including whether:

(i) the requested BSC Data includes personal data within the meaning of Data Protection Legislation, data relating to the private administration of a business or which is commercially sensitive, and/or data in respect of which publication is prohibited by a Legal Requirement;

(ii) the BSC Data would, if disclosed have a negative impact on existing or future consumers;

(iii) the disclosure of the BSC Data creates incremental security issues having regard to data that is already openly available, or exacerbates existing security issues, in each case which cannot be mitigated;

(b) identify whether any mitigations can be put in place to allow the disclosure of some or all of the requested BSC Data notwithstanding any issues identified under paragraph 11.2.3(a);

(c) undertake a BSC Data Impact Assessment;

(d) prepare a BSC Data Disclosure Recommendation for the BCB which shall set out, in relation to the BSC Data, BSCCO's recommendation on whether the BSC Data should be disclosed together with the matters determined or established pursuant to this paragraph 11.2.3; and

(e) consult with Parties and interested third persons for a period of not more than fifteen Working Days on BSCCo's draft BSC Data Disclosure Recommendation.

11.2.4 Upon completion of the consultation conducted under paragraph 11.2.3(e), BSCCo shall:

(a) finalise its draft BSC Data Disclosure Recommendation taking into account any consultation responses; and

(b) as soon as reasonably practical thereafter submit its BSC Data Disclosure Recommendation to the BCB together with copies of the consultation responses.

11.2.5 The BCB shall, in accordance with the BSC Data Disclosure Procedure, consider the BSC Data Disclosure Recommendation and any consultation responses and shall determine whether, the extent to which, and the terms (if any) on which the BSC Data shall be disclosed (including as to the recovery of the reasonable costs incurred by BSCCo of disclosing such BSC Data). In making such determination, the BCB must take into consideration the presumption that BSC Data should be openly available, and only refuse disclosure to the extent that concerns identified through the BSC Data Request Procedure warrant overriding this presumption.

DRAFT

11.2.6 Following a determination by the BCB, BSCO shall in accordance with the BSC Data Request Procedure:

(a) inform the Party or person who made the BSC Data Request;

(b) publish the outcome of the BCB's determination together with the rationale supporting that determination; and

(c) no earlier than the expiry of the appeal period set out in paragraph 11.3.2, and subject to paragraph 11.3, implement, or procure the implementation of, the BCB's determination.

11.2.7 Each Party hereby consents irrevocably and unconditionally to the disclosure of data pursuant to this paragraph.

11.2.8 The provisions of paragraph 11.2 shall not apply to the disclosure of BSC Data:

(a) to the Authority, BSCCo, any Panel Committee or (to the extent necessary for the purposes of the Code) any BSC Agent; or

(b) where the BSC Data is in the public domain; or

(c) where such BSC Data is permitted or required to be disclosed in compliance with any Legal Requirement; or

(d) where the disclosure of such BSC Data is expressly required under the Code.

11.2.9 BSCCo shall keep a copy of all determinations made by itself or the BCB pursuant to paragraph 11.2.5 and shall publish a register of such determinations together with the disclosure rationale.

11.2.10 BSCCo shall, at least annually, submit a report to the Authority in relation to BSC Data Requests during the preceding year.

11.3 Appeals

11.3.1 Where a Party or person who has requested the disclosure of BSC Data disagrees with the determination of the BCB under paragraph 11.2.5, the Party or (as the case may be) person may refer the matter to the Panel in accordance with the BSC Data Request Procedure.

11.3.2 A reference by a Party to the Panel under paragraph 11.3.1 shall be made no later than ten Business Days after the notification given by BSCCo under paragraph 11.2.6(b) in which case the disclosure of the relevant BSC Data shall be suspended pending the outcome of the Panel's determination.

11.3.3 The Panel shall adopt such procedures as it sees fit (having regard generally to the BSC Data Request Procedure) for the purpose of determining whether such BSC Data should be disclosed; and the Panel Secretary shall notify the decision of the Panel in respect of such BSC Data Request to the person making such appeal and publish the Panel's determination together with its rationale.

DRAFT

SECTION V: REPORTING

SUMMARY PAGE

Modification Proposal	Decision Date	Implementation Date	Version
P450	12/01/23	23/02/23	447.0
P431 Self Governance	13/01/22	30/06/22	46.0
P398	03/02/21	24/06/21	45.0
P409	09/07/20	05/11/20	44.0
P388 Self-Governance	08/08/19	01/04/20	43.0
P354	18/06/18	01/04/20	43.0
P394 Self-Governance	12/12/19	27/02/20	42.0
P384 Self-Governance	09/05/19	18/12/19	41.0
P372 Self-Governance	09/05/19	27/06/19	40.0
P369	24/09/18	29/03/19	39.0
P344	24/08/18	28/02/19	38.0
P373 (*Nullification of P297)*	22/02/19	28/02/19	38.0
P297 *(Nullified by P373)*	28/04/14	01/11/18	38.0
P350	24/03/17	01/04/18	37.0
P348	22/06/17	22/02/18	36.0
P349	22/06/17	22/02/18	36.0
P329 Alternative	19/04/16	29/06/17	35.0
P321 Self Governance	08/10/15	29/06/17	35.0
P326 Alternative	14/04/16	23/02/17	34.0
P340 Self Governance	09/06/16	07/07/16	33.0
P315 Alternative	20/10/15	30/06/16	32.0
P305	02/04/15	05/11/15	31.0
P300	15/10/14	05/11/15	31.0

DRAFT

Modification Proposal	Decision Date	Implementation Date	Version
P311	14/08/14	31/12/14	30.0
P291	16/08/13	31/12/14	30.0
P313	14/08/14	16/12/14	29.0
P295	22/01/14	16/12/14	29.0
P312	14/08/14	08/09/14	28.0
ORD005[1]	Secretary of State	01/08/14	27.0
P243	20/01/10	04/11/10	26.0
P239	21/09/09	05/11/09	25.0
P217	16/10/08	05/11/09	25.0
P226	27/02/09	25/06/09	24.0
P220	02/04/08	06/11/08	23.0
P219	02/04/08	06/11/08	23.0
P208	16/01/07	22/02/07	22.0
P192	20/09/05	27/09/05	21.0
P172	29/04/05	06/05/05	20.0
P179	09/02/05	23/02/05	19.0
P169	17/12/04	05/01/05	18.0
PTM002	02/11/04	03/01/05	17.0
P98	18/08/03	08/11/04	16.0
P114	13/08/03	24/02/04	15.0
P116	08/07/03	27/11/03	14.0
P110	23/04/03	05/11/03	13.0
P126	18/07/03	08/08/03	12.0
P91	13/11/02	17/03/03	11.0
P78	09/09/02	11/03/03	10.0
P71	22/11/02	11/03/03	10.0
P61	28/08/02	10/12/02	9.0
P4	15/05/02	10/12/02	9.0
P86	23/09/02	30/09/02	8.0
P33	07/12/01	30/09/02	8.0

[1] ORD005 was Directed by the Secretary of State on 1 August 2014

DRAFT

Modification Proposal	Decision Date	Implementation Date	Version
P52	02/05/02	31/05/02	7.0
P48	27/03/02	02/04/02	6.0
P22	07/12/01	01/04/02	5.0
P49	18/02/02	27/03/02	4.0
P30	23/01/02	27/03/02	4.0
P8	24/09/01	24/09/01	3.0
P6	16/05/01	16/05/01	2.0

DRAFT

CONTENTS

(This page does not form part of the BSC)

SECTION V: REPORTING 1
1. GENERAL 1
1.1 Introduction 1
1.2 Interpretation 2
1.3 Consent to disclosure 2
1.4 Reporting Catalogue 2
2. BMRS 3
2.1 General 3
2.2 Specification of BMRS 3
2.3 Grades of service 4
2.4 Not used 5
2.5 Supporting obligations of BMRA – receipt of data 5
2.6 Indicative data 6
2.7 Not used 7
3. Reporting By OTHER BSC AGENTS 7
3.1 Reporting requirements 7
3.2 Reports 8
4. REPORTING BY BSCCO 9
4.1 Parameters 9
4.2 Market data 10
4.3 Additional provisions 11
4.4 Anonymised MSID Paid Delivered Volume Data 12
4.5 Line Loss Factors 12
4.6 Transmission Loss Factor Data 12
5. EMR SETTLEMENT DATA REQUIREMENTS 12
5.1 Provision of data and information to the EMR Settlement Services Providers 12
5.2 Provision of data and information to a CFD Settlement Services Provider 12
5.3 Provision of data and information to the CM Administrative Parties 13
5.4 General 14
6. NOT USED 14
7. SUBMISSION OF SETTLEMENT EXCHANGE RATES TO THE BMRA 14
7.1 Submission of Settlement Exchange Rates to BMRS 14
ANNEX V-1: TABLES OF REPORTS 15
TABLE 1 NOT USED 15
TABLE 1A – NOT USED 15
TABLE 1B NOT USED 15
TABLE 1C NOT USED 15
TABLE 1D NOT USED 15
TABLE 1E NOT USED 15
TABLE 2 – SAA REPORTING 16
TABLE 3 – ECVAA REPORTING 18
TABLE 4 – CRA REPORTING 19
TABLE 5 – CDCA REPORTING 20
TABLE 6 – FAA REPORTING 22
TABLE 7 – SVAA REPORTING 23
TABLE 8 26
TABLE 9 - TRANSMISSION LOSS FACTOR DATA 27
TABLE 10 – LINE LOSS FACTORS 28

DRAFT

Section V	Version 47.0	Effective Date: 23 February 2023

DRAFT

SECTION V: REPORTING

1. GENERAL

1.1 Introduction

1.1.1 This Section V sets out:

(a) details of the Balancing Mechanism Reporting Service; and

(b) other requirements for reporting of information by BSC Agents to Parties, the Authority and/or for public reporting.

1.1.2 Each of the Authority and BSCCo shall be entitled without payment:

(a) to have the BMRS (High Grade Service) made available to them (with such number of communication links as they may require);

(b) to receive, on request (including by way of standing request), a copy of any other report provided under this Section V (and the relevant BSC Agent shall provide such reports to the Authority and BSCCo in the same timescales as the report is provided to Parties or relevant Parties).

1.1.3 No failure (in whole or in part) to make data available on the BMRS or to provide any report to any Party under this Section V, nor any error, inaccuracy or incompleteness of any such data or report, shall affect or alter in any way the rights and obligations of the Parties in relation to Settlement (including any entitlement to receive or liability to pay amounts in respect of Trading Charges).

1.1.4 Each Party acknowledges and agrees that:

(a) the rights and obligations of Parties (in Settlement and otherwise) under the Code shall not be affected or prejudiced in any way by, and

(b) (subject to paragraph 1.1.5) no Party shall have any claim or entitlement against any BSC Agent, any Market Index Data Provider, any Financial Service Provider, BSCCo, the NETSO or any other Party as a result of,

the availability or non-availability (in whole or in part) of any data on the BMRS or on the BSC Website or otherwise as contemplated to be available under this Section V, or any error or inaccuracy in such data; and no warranty or representation is given (whether expressly or impliedly) by any person as to the accuracy or completeness of any such data.

1.1.5 The provisions of paragraphs 1.1.4(b) are without prejudice to:

(a) the obligations of the NETSO to send specified data to the BMRS and BSCCo pursuant to Section Q6;

(b) the obligations of each Market Index Data Provider to send specified data to the BMRS and BSCCo under the relevant Market Index Data Provider Contract;

(c) the obligations of:

(i) the BMRA under the relevant BSC Agent Contract for the provision of the BMRS as required by paragraph 2;

DRAFT

(ii) other BSC Agents under the relevant BSC Agent Contracts for the provision of reports as required by paragraph 3;

(d) the obligations of the Financial Service Provider to send the Settlement Exchange Rate to the BMRS under paragraph 2.2.2D.

1.2 Interpretation

1.2.1 In the provisions of this Section V which specify the timing and frequency of reporting:

"SP" means Settlement Period and where the context admits refers to each Settlement Period;

"J" means Quarter Hour period with a Settlement Period and where the context refers to each Quarter Hour period;

"D" means day or Settlement Day and where the context admits refers to each day or Settlement Day;

"W" means week (beginning Monday).

1.2.2 In this Section V:

(a) references to data include information;

(b) references to Tables are to the Tables set out in Annex V-1.

1.3 Consent to disclosure

1.3.1 Each Party irrevocably and unconditionally consents to the publication of data to the extent that such data is to be published:

(a) on the BMRS pursuant to paragraph 2; or

(b) by BSCCo pursuant to paragraph 4, where paragraph 4 provides for such data to be published,

and where data is or may be published pursuant to this Section V, such data shall not be regarded as Confidential Information for the purposes of Section H4.2.

1.3.2 Without prejudice to anything contained in Section H4.2.2 or H4.2.3 in relation to the disclosure by a Restricted Party of such data, each Party irrevocably and unconditionally consents to the disclosure to and use by Parties or other persons of data to be provided or made available to such Parties or other persons pursuant to paragraph 3 or paragraph 4.

1.4 Reporting Catalogue

1.4.1 For the purposes of the Code the Reporting Catalogue is the document of that title which sets out the data items to be contained in each of the reports mentioned in Annex V-1.

1.4.2 The Reporting Catalogue shall be a Code Subsidiary Document.

DRAFT

2. BMRS

2.1 General

2.1.1 This paragraph 2 sets out details of the BMRS to be provided by the BMRA.

2.1.2 The BMRS is a service for reporting to Parties and others and publishing:

(a) data relating to the Transmission System (and established pursuant to the Grid Code) or relating to the arrangements provided for or referred to in Section Q (to the extent further provided for in this Section), provided by (or converted from data provided by) the NETSO;

(b) data (derived in whole or part from the data referred to in paragraph (a)) established by the BMRS pursuant to paragraph 2.6;

(c) certain other data as provided or referred to in the BMRS Data Catalogue or elsewhere in the Code;

(d) Inside Information Data which may be submitted by a Party in accordance with Section Q for the purpose of reporting on BMRS; and

(e) the Settlement Exchange Rate which will be submitted by the Financial Service Provider in accordance with paragraph 7.

2.1.3 In this paragraph 2:

(a) "**BMRS data**" means data to be made available on the BMRS pursuant to this paragraph 2;

(b) the "**BMRS Specification**" is the technical specification of the BMRS contained in the Communication Requirements Document for the BMRA pursuant to Section O.

2.1.4 The provision of data to the BMRA and the reporting of data on the BMRS are separate arrangements from any arrangements for the submission of data for the purposes of Section Q and/or for the purposes of Settlement, and (without prejudice to the provisions of Section M3.5) nothing contained in this paragraph 2 may give rise to any Trading Dispute.

2.2 Specification of BMRS

2.2.1 The BMRA shall operate and make available the BMRS in accordance with this paragraph 2, the BMRS Specification, and the BMRS Data Catalogue.

2.2.2 Not used.

2.2.3 For certain kinds of data set out in the BMRS Data Catalogue, where data (for a particular period) is not provided to the BMRA for inclusion on the BMRS by the time required under Section Q, default values for such data shall be included on the BMRS as and where so provided in the BMRS Data Catalogue.

DRAFT

2.2.4 All BMRS data will remain available on the BMRS (except that errors in such data may be corrected) until no earlier than the expiry of a period of 12 or as specified in the BMRS Data Catalogue (whichever is the longer) months after:

(a) the Settlement Day to which such data relates, or

(b) in the case of forecast data, the day on which such data was provided.

2.3 Grades of service

2.3.1 The BMRA shall make available the BMRS as follows:

(a) a High Grade Service, for which:

(i) a Party (other than BSCCo) is required to pay the relevant Specified BSC Charges in accordance with Section D,

(ii) any other person (other than the Authority) shall be required to make payments as provided in paragraph 2.3.4(a)

shall be made available to any Party and (subject to paragraph 2.3.4) any other person, on request; and

(b) a Low Grade Service shall be made available, without charge, to any person;

in each case, as further specified in the BMRS Specification.

2.3.2 The High Grade Service and Low Grade Service will be made available by the respective means specified in the BMRS Specification.

2.3.3 BMRS data will be available on the BMRS as follows:

(a) data provided by the NETSO pursuant to Section Q will be available within 5 minutes after the BMRA received such data from the NETSO;

(b) data relating to a Settlement Period and established by the BMRA in accordance with paragraph 2.6 will be available within 30 minutes after the end of the relevant Settlement Period;

(c) data provided by BSCCo pursuant to Section Q will be available within 1 Business Day after the BMRA received such data from BSCCo;

(d) Transparency Regulation Data will be published as soon as reasonably practicable (taking into account any technical constraints) after such data is received by the BMRA;

(e) Inside Information Data will be published as soon as reasonably practicable (taking into account any technical constraints) after being received from the NETSO or BSCCo;

(f) any further data specified in the BMRS Data Catalogue will be published as soon as reasonably practical (taking into account any technical constraints) after such data is received by the BMRA or as specified in the BMRS Data Catalogue; and

(g) the Settlement Exchange Rate will be published as soon as reasonably practicable (taking into account any technical constraints) after exchange rate data is received by the BMRA.

DRAFT

2.3.4 The High Grade Service of the BMRS will be made available upon request to a person (other than the Authority) which is not a Party:

(a) subject to the payment by such person of

(i) a one-off administration charge of such amount as the Panel shall from time to time determine (and until the Panel has so determined, of £250);

(ii) charges equivalent to (and in amounts the same as those for the time being determined by the Panel for) the BSC Specified Charges in paragraphs 3.1(d) and (e), 3.3 and 3.4 (as applicable) of Annex D-3; and

(b) provided that such person has entered into and remains party to an agreement with BSCCo, in such form as BSCCo with the approval of the Panel may from time to time determine, providing for the payment of the amounts in paragraph (a) and such other matters as BSCCo may determine in relation to the availability of such service, the provision of any associated hardware and software and the use of such hardware and software by such person.

2.4 Not used.

2.5 Supporting obligations of BMRA – receipt of data

2.5.1 The BMRA shall:

(a) receive data from:

(i) the NETSO, at such times and with such frequency as provided in Section Q, as set out in the BMRS Data Catalogue;

(ii) each Market Index Data Provider, at such times and with such frequency as provided in Section T1.6 and the BMRS Data Catalogue;

(iii) the CRA and BSCCo as provided below in this paragraph 2.5;

(iv) the Financial Service Provider as provided below in paragraph 7;

(v) any other source as specified in the BMRS Data Catalogue.

(b) report to the person providing such data any failure to provide the data or to provide it in the form required under the Code;

(c) store all such data received by the BMRA for a period of at least 12 months or as specified in the BMRS Data Catalogue (whichever is the longer) commencing on the Settlement Day or earliest Settlement Day to which such data relates or (in relation to forecast data) the day on which such data was provided;

(d) not used;

(e) store Transparency Regulation Data received by the BMRA for a period of at least five years commencing on the day on which such data was received; and

(f) store Inside Information Data received by the BMRA for a period of at least ten (10) years commencing on the day on which such data was received.

DRAFT

2.5.2 The data to be received by the BMRA is as follows:

(a) from the NETSO (pursuant to Section Q) the data items specified in Section Q6 and/or the BMRS Data Catalogue as being provided to the BMRA;

(b) from each Market Index Data Provider (as provided in Section T) the data items specified in Section T1.6 and/or the BMRS Data Catalogue as being provided to the BMRA;

(c) from the CRA (pursuant to Section K) and/or the BMRS Data Catalogue BM Unit registration data;

(d) from BSCCo the data items listed below:

(i) $ETLMO^+$ following determination by and then as and when revised by the Panel pursuant to paragraph 2.6.3;

(ii) ETLMO- following determination by and then as and when revised by the Panel pursuant to paragraph 2.6.3;

(iii) not used;

(iv) Inside Information Data; and

(v) any other data items specified in the BMRS Data Catalogue;

(e) from the Financial Service Provider the exchange rate data specified in paragraph 7.

2.5.3 On receipt of any Balancing Services Adjustment Data from the NETSO, the BMRA shall perform the checks in relation to such data that are specified in the BMRS Data Catalogue.

2.6 Indicative data

2.6.1 For the purposes of this paragraph 2:

(a) 'Indicative' in relation to any term defined in the Code (and 'I' as a prefix to the acronym for any such term) means determined on an estimated basis for the purposes of enabling indicative values of such term to be reported on the BMRS before all of the necessary data to calculate such term is available;

(b) Indicative terms are determined by reference:

(i) to the estimates $ETLMO^+$ and $ETLMO^-$ (rather than values of $TLMO^+$ and $TLMO^-$), and/or

(ii) to the Indicative Balancing Services Adjustment Data (rather than values of Balancing Services Adjustment Data); and/or

(iii) to values of any other Indicative such term.

2.6.2 Indicative terms shall be estimates only and are established for the purposes of the BMRS only, and shall not replace and shall be without prejudice to the determination and application of the relevant term (on a definitive and not Indicative basis) for the purposes of Settlement and all other purposes of the Code.

DRAFT

2.6.3 For the purposes of the Code:

(a) $ETLMO^+$ and $ETLMO^-$ are such estimated values as the Panel shall from time to time determine to be used as assumed values of Transmission Loss Multipliers for the purposes of this paragraph 2.6;

(b) Indicative Balancing Services Adjustment Data are the data submitted by the NETSO to the BMRA pursuant to Section Q6.3.1(a) in respect of each Settlement Period in a Settlement Day.

2.6.4 The BMRA shall perform such calculations as are specified in the BMRS Data Catalogue.

2.6.5 Not used.

2.6.6 Not used.

2.6.6A Not used.

2.6.7 In the event that the BMRA is unable to calculate INIV, ISBP, ISSP, Indicative Period BM Unit Total Accepted Bid or Offer Volumes or Indicative Period BM Unit Bid and Offer Cashflows, Indicative Period RR Total Accepted Bid or Offer Volume or Indicative Period RR BM Unit Cashflow in accordance with this paragraph 2.6, it shall:

(a) where such inability is as a result of the receipt or otherwise of data required from the NETSO, contact the NETSO to seek to resolve such matter; and

(b) in any event, report the matter to BSCCo,

provided that, in the case of Market Index Data, where the BMRA has not received Market Index Data in respect of a Settlement Period from a Market Index Data Provider, it shall calculate ISBP and ISSP substituting zero values in place of such missing Market Index Data and, in that event, shall post a warning message to that effect on the BMRS.

2.6.8 In respect of each Settlement Period, the BMRA shall calculate the Demand Control Volume in accordance with the rules in Section T3 provided that where the BMRA has not received a Demand Control Event End Point notification from the NETSO, it shall deem the Demand Control Event End Point as the end time and date of the relevant Settlement Period.

2.7 Not used

3. Reporting By OTHER BSC AGENTS

3.1 Reporting requirements

3.1.1 The SAA shall provide reports in accordance with Table 2 in Annex V-1.

3.1.2 The ECVAA shall provide reports in accordance with Table 3 in Annex V-1.

3.1.3 The CRA shall provide reports in accordance with Table 4 in Annex V-1.

3.1.4 The CDCA shall provide reports in accordance with Table 5 in Annex V-1.

3.1.5 The FAA shall provide reports in accordance with Table 6 in Annex V-1.

3.1.6 The SVAA shall provide reports in accordance with Table 7 in Annex V-1.

DRAFT

3.1.7 The reporting requirements referred to in paragraphs 3.1.1 to 3.1.6 are without prejudice to any further reporting requirements set out in the Code or any Code Subsidiary Document.

3.2 Reports

3.2.1 Each of Tables 2 to 7 in Annex V-1 sets out:

(a) the name of each report to be provided by the relevant BSC Agent;

(b) a summary description of the data to be contained in each such report;

(c) the frequency with which each such report is to be provided;

(d) the persons and bodies to which each such report is to be provided.

3.2.2 For the purposes of Tables 2 to 7 in Annex V-1, and subject to paragraph 3.2.9:

(a) "**Relevant Party**" indicates that the data in question is to be provided to the Party or Trading Party or Supplier to which the data relates (and not to other Parties, except for BSCCo);

(b) "**Any Party (on request)**" indicates that the data in question (irrespective of the Party or Parties to which it relates) is to be provided to any Party which requests receipt of the same pursuant to paragraph 3.2.3;

(c) "**All Suppliers**" indicates that the data in question is to be provided to all Suppliers in the GSP Group to which the data relates;

(d) "**Any person (on request)**" indicates that, subject to paragraph 3.2.7, the data in question (irrespective of the Party or Parties to which it relates) is to be provided to any person (whether or not a Party) which requests receipt of the same pursuant to paragraph 3.2.3.

3.2.3 In respect of each of the Tables 2 to 7 in Annex V-1 and in relation to all (but not some) of the data for which the 'Recipient' column in any such Table includes:

(a) 'Any Party (on request)', each Party shall be entitled to receive all such data if it notifies BSCCo to that effect in accordance with BSCP41;

(b) 'Any person (on request)', any person shall be entitled, subject to paragraph 3.2.7, to receive all such data if it notifies BSCCo to that effect in accordance with such procedures as BSCCo may establish for such notification.

3.2.4 Tables 2 to 7 provide a general description of the data to be contained in each report; details of the data to be contained in each report are set out in the Reporting Catalogue.

3.2.5 Reports are to be provided:

(a) to Parties by the means specified in Section O;

(b) to persons other than Parties by such means as the Panel may from time to time determine.

3.2.6 Unless otherwise provided in the Code or the Reporting Catalogue, reports at any time provided pursuant to this paragraph 3 contain data relating only to relevant periods for which such data is (at such time) current, as further provided in the Reporting Catalogue.

DRAFT

3.2.7 Where a person who is not a Party requests the provision of data to which it is entitled pursuant to this paragraph 3.2, such data shall not be required to be made available to such person until and unless such person has agreed to be bound by such terms in such form as BSCCo with the approval of the Panel may from time to time determine relating to the provision of such data which may provide (inter alia) for the payment or periodic payment by such person to BSCCo of a sum (established and revised from time to time by BSCCo) representing the reasonable costs of providing such data to that person.

3.2.8 Subject to paragraph 3.2.9, and without prejudice to paragraph 3.2.7 each Party irrevocably and unconditionally consents to the publication of the data in Tables 2 to 7, to the extent only that such data:

(a) is to be published pursuant to this paragraph 3, where paragraph 3 provides for such data to be published, and

(b) is to be made available to any person on request.

3.2.9 Where it has been determined, pursuant to Section B3.3 or Section H11, that data referred to in Tables 2 to 7 of Annex V-1 shall be disclosed pursuant to the procedures set out in those Sections then such determination shall take precedence over this paragraph 3.2 and the data to which such determination relates may be disclosed notwithstanding anything to the contrary in this Section V.

4. REPORTING BY BSCCO

4.1 Parameters

4.1.1 BSCCo shall maintain:

(a) an up-to-date record:

(i) in respect of each type of BM Unit, of the principles and guidance established and revised from time to time by the Panel pursuant to Section M1.5; and

(ii) in respect of each BM Unit, of the Credit Assessment Load Factor ($WDCALF_i$ or $NWDCALF_i$ as appropriate) determined and revised from time to time by BSCCo or redetermined by the Panel (as the case may be) pursuant to Section M1.5;

(b) an up-to-date list of the following parameters set out in or established and revised from time to time under and in accordance with the Code:

(i) the Credit Assessment Price determined and revised from time to time by the Panel pursuant to Section M1.4;

(ii) the Transmission Loss Factors specified in Section T2.2.1(a);

(iii) the coefficient 'α' specified in Section T2.2.1(b);

(iv) the Line Loss Factors in respect of SVA Metering Systems (or classes of SVA Metering System) approved from time to time by the Panel, or where applicable the default values established in respect thereof, pursuant to Section K1.7 together with a summarised version of such factors (as described in BSCP518).

DRAFT

4.1.2 The record of $WDCALF_i$ and NWD $CALF_i$, values referred to in paragraph 4.1.1(a)(ii) (as updated from time to time) shall be made available to any Trading Party on request.

4.1.3 The principles and guidance referred to in paragraph 4.1.1(a)(i) and the list of parameters referred to in paragraph 4.1.1(b) (as updated from time to time) shall be published on the BSC Website and made available to any person on request.

4.2 Market data

4.2.1 BSCCo shall arrange for the data referred to in this paragraph 4.2 ("**market data**") to be published or made available in the manner specified in this paragraph 4.2, subject to paragraph 4.3.

4.2.2 Market data comprises the following:

(a) the CRS registration data as described in paragraph 4.2.3;

(b) the Funding Shares of each Trading Party as described in paragraph 4.2.4;

(c) the Indicative Balancing Services Adjustment Data and Balancing Services Adjustment Data as described in paragraph 4.2.5;

(d) the System Sell Price, System Buy Price and Net Imbalance Volume as described in paragraph 4.2.6;

(e) the Credit Default statements as described in paragraph 4.2.7;

(f) the Market Index Data as described in paragraph 4.2.8; and

(g) the Supplier Market Share Data as described in paragraph 4.2.10.

4.2.3 A list containing the name and identification number (allocated by the CRA pursuant to Section A4) of each Party and the registration data of each BM Unit (as received by BSCCo in the operations registration report pursuant to Table 4 in Annex V-1) shall be published on the BSC Website and revised from time to time as soon as reasonably practicable after BSCCo receives such data from the CRA.

4.2.4 A list containing the Funding Shares of each Trading Party, as specified in Section D1.4.1(a) shall be published on the BSC Website and revised from time to time as the Funding Shares are revised in accordance with that Section.

4.2.5 Indicative Balancing Services Adjustment Data and Balancing Services Adjustment Data in respect of each Settlement Period for each Settlement Day shall be published (and displayed for a period of 30 days) on the BSC Website in accordance with Section Q6.3.4 as soon as reasonably practicable after BSCCo receives such data from the NETSO.

4.2.6 The System Sell Price, the System Buy Price and Net Imbalance Volume for each Settlement Period in a Settlement Day shall be published on the BSC Website (and displayed for a period of 30 days), as soon as reasonably practicable after the Initial Settlement Run in respect of such Settlement Day has been carried out and BSCCo has received such data from the SAA.

DRAFT

4.2.7 The statements and notices relating to Credit Default which are to be published on the BSC Website pursuant to Section M or otherwise made available pursuant to Section M shall be published or made available in accordance with the BMRS Data Catalogue or by issuing them to Parties4.2.8 The Market Index Data from each Market Index Data Provider in respect of each Settlement Period of each Settlement Day shall be published (and displayed for a period of 30 days) as soon as reasonably practicable after BSCCo receives such data from the Market Index Data Provider.

4.2.9 Where market data is sent to BSCCo on a day which is not a Business Day, BSCCo shall publish such data on the BSC Website (or otherwise make it available, as provided in this paragraph 4.2) on the next following Business Day.

4.2.10 For the purposes of paragraph 4.2.10, "**Supplier Market Share Data**" means

(a) the Supplier Quarterly Volume Report containing information for individual Suppliers, except for data relating to any Suppliers for whom the criteria in paragraph 4.2.11 are satisfied, which BSCCo shall aggregate and attribute to a single anonymous entity called 'other suppliers'; and

(b) the sum of BM Unit Metered Volumes for each Party that also has Supplier BM Units registered, summed for all BM Units which:

(i) are not Supplier BM Units; and

(ii) are not located at premises occupied for purposes of operating a Licensable Generating Plant,

for all half hour periods in which BM Unit Metered Volume is negative.

4.2.11 This paragraph applies to the Supplier Quarterly Volume Report data that meets the following criteria for a Supplier:

(a) Quarterly Metering Systems by Supplier in Supplier Volume Reporting Group 1 is equal to or less than 250,000; and

(b) Quarterly Supplier Energy Volume across Supplier Volume Reporting Groups 2, 3 and 6 is equal to or less than 500,000 MWh.

4.2.12 The Supplier Market Share Data shall be published on the BSC Website as soon as reasonably practicable after receipt of the Supplier Quarterly Volume Report from the SVAA.

4.2.13 The relevant BM Unit Metered Volumes for the purposes of paragraph 4.2.10(b) shall be obtained from the First Reconciliation Settlement Run (as defined in Section U2.3.1) of the Timetabled Reconciliation Settlement Report (as defined in Table 2 of Annex V-1), which BSCCo will aggregate and sum over the same period as the associated Supplier Quarterly Volume Report.

4.3 Additional provisions

4.3.1 Where the Panel determines that any market data and/or any data referred to in paragraphs 4.1.1(a)(i) and 4.1.1(b) are capable of being displayed on the BMRS, such data shall from the date specified by the Panel (which shall be no earlier than 28 days after such determination) be displayed on the BMRS in accordance with the applicable provisions of the Code and otherwise with the terms established by the Panel, and the provisions of paragraph 4.2 or paragraph 4.1.3 (as the case may be) shall cease to apply to such data (including, for the avoidance of doubt the restriction in paragraph 4.2.8).

DRAFT

4.3.2 BSCCo shall:

(a) notify each Party and the Authority;

(b) publish a notice on the BSC Website;

(c) (in the case of data referred to in paragraph 4.2.6) publish a notice in the Financial Times (or such other newspaper as the Panel may determine);

as soon as reasonably practicable after any determination of the Panel under paragraph 4.3.2, specifying the date from which such data is to cease to be published by BSCCo on the BSC Website and to start to be published on the BMRS.

4.4 Anonymised MSID Paid Delivered Volume Data

4.4.1 MSID Pair Delivered Volume Data associated with the NETSO in the SVA Metering System Register (anonymised such that the Metering System(s) to which such data relates is not identifiable) in respect of each Settlement Period of each Settlement Day shall be published as soon as reasonably practicable after BSCCo receives such data from the SVAA.

4.5 Line Loss Factors

4.5.1 BSCCo shall arrange for the data set out in Table 10 in Annex V-1 to be published on the BSC Website and revised from time to time as soon as reasonably practicable after such data has been approved by the Panel pursuant to Section K1.7.

4.6 Transmission Loss Factor Data

4.6.1 BSCCo shall arrange for the report(s) and data set out in Table 9 in Annex V-1 to be made available as set out in that table.

4.6.2 Paragraph 3.2 shall apply for the purposes of paragraph 4.6.1 as if references in paragraph 3.2:

(a) to BSC Agents included BSCCo; and

(b) to Tables in Annex V-1 included Table 9.

[PXXX]5. ~~EMR SETTLEMENT~~ POLICY SUPPORT DATA REQUIREMENTS (EMR ETC.)

5.1 Provision of data and information to the EMR Settlement Services Providers

5.1.1 For the purposes of the Code, CFD Settlement Data and CM Settlement Data shall collectively be referred to as "**EMR Settlement Data**".

5.2 Provision of data and information to a CFD Settlement Services Provider

5.2.1 Subject to paragraph 5.2.4, BSCCo must provide, or procure that a BSC Agent provides, such data, information and reports to any CFD Settlement Services Provider and any CfD Counterparty as any CFD Settlement Services Provider and/or any CfD Counterparty reasonably require in order to discharge their EMR Settlement Functions (the "**CFD Settlement Data**").

DRAFT

5.2.2 In respect of the CFD Settlement Data, BSCCo shall provide to the Panel:

(a) a schedule of the CFD Settlement Data reasonably required by a CFD Settlement Services Provider and/or a CfD Counterparty;

(b) an explanation of why the CFD Settlement Data is reasonably required to enable any CFD Settlement Services Provider and/or any CfD Counterparty to discharge their EMR Settlement Functions; and

(c) a copy of the agreement required by paragraph 5.4.1.

5.2.3 In respect of any CFD Settlement Data that is:

(a) publicly available;

(b) available to any person on request; or

(c) expressly contemplated under any EMR Legal Requirement,

then each Party and the Panel shall not (whether by action, omission or withholding of consent) prevent or restrict BSCCo from providing that CFD Settlement Data to any CFD Settlement Services Provider and any CfD Counterparty.

5.2.4 Subject always to paragraph 5.2.3, if the Panel considers that any CFD Settlement Data is not reasonably required to enable a CFD Settlement Services Provider to discharge its EMR Settlement Functions the Panel shall instruct BSCCo to refer the matter to a CfD Counterparty.

5.2.5 Following such referral, a CfD Counterparty may, in its absolute discretion, determine whether that CFD Settlement Data is reasonably required to enable any CFD Settlement Services Provider to discharge its functions and a CfD Counterparty's determination shall be final and binding for the purposes of the Code.

5.2.6 If at any time a CFD Settlement Services Provider or a CfD Counterparty requests further CFD Settlement Data from BSCCo then the provisions of paragraphs 5.2.1, 5.2.2(b), 5.2.3 , 5.2.4 and 5.2.5 shall apply in respect of that CFD Settlement Data.

5.2.7 BSCCo shall arrange for a schedule of CFD Settlement Data to be published on the BSC Website from time to time and revised as soon as reasonably practicable after any change is made to the schedule of CFD Settlement Data in accordance with paragraph 5.2.5.

5.3 Provision of data and information to the CM Administrative Parties

5.3.1 BSCCo must provide, or procure that a BSC Agent provides, such data, information and reports to the relevant CM Administrative Parties as it is required to provide under any EMR Legal Requirement (the "**CM Settlement Data**") in accordance with the requirements contained therein.

5.3.2 BSCCo shall provide to the Panel:

(a) a schedule of the CM Settlement Data to be provided to CM Administrative Parties; and

(b) a copy of the agreement required by paragraph 5.4.1,

and BSCCo shall arrange for the schedule of CM Settlement Data to be published on the BSC Website from time to time.

DRAFT

5.4 General

5.4.1 Where EMR Settlement Data is provided to an EMR Settlement Services Provider pursuant to this paragraph 5, BSCCo shall enter into and remain a party to an agreement with any CFD Settlement Services Provider and any CM Settlement Services Provider (as applicable) in accordance with Section C11 relating to the provision of data provided that any failure to enter into such an agreement must not prevent BSCCo from complying with any EMR Legal Requirement.

5.5 Nuclear RAB Data

5.5.1 The background to this paragraph is that the Revenue Collection Counterparty and the Nuclear RAB Settlement Services Provider perform functions, services and activities, pursuant to Nuclear RAB Legal Requirements, which require data, information and reports produced for Settlement.

5.5.2 Accordingly, and without prejudice to Section H11, BSCCo must provide (or procure that a BSC Agent provides) to the Revenue Collection Counterparty and the Nuclear RAB Settlement Services Provider whatever such data, information and reports they reasonably require in order to perform those functions, services and activities.

6. NOT USED

7. SUBMISSION OF SETTLEMENT EXCHANGE RATES TO THE BMRA

7.1 Submission of Settlement Exchange Rates to BMRS

7.1.1 BSCCo shall appoint, and may from time to time reappoint or replace, a service provider approved by the Panel to provide daily exchange rate data to the BMRA (the "**Financial Service Provider**").

7.1.2 As soon as reasonably possible following receipt of exchange rate data from the Financial Service Provider by the BMRA, the BMRA shall publish the Settlement Exchange Rate on the BMRS.

7.1.3 Where, having made reasonable efforts to obtain it, Settlement Exchange Rate data is not provided to the BMRA for inclusion on the BMRS specified in the BMRS Data Catalogue the Settlement Exchange Rate will default to the value provided and/or determined for the previous Settlement Day.

DRAFT

ANNEX V-1: TABLES OF REPORTS

TABLE 1 NOT USED

TABLE 1A – NOT USED

TABLE 1B NOT USED

TABLE 1C NOT USED

TABLE 1D NOT USED

TABLE 1E NOT USED

DRAFT

TABLE 2 – SAA REPORTING

Name of report	Frequency	Recipient	General Description
Interim Information Settlement Report	Daily	Relevant Party Any Party (on request) Any person (on request)	For each Trading Party and Virtual Lead Party (where applicable) and the NETSO, a report providing Bid-Offer Data, Replacement Reserve Bid Data, Replacement Reserve Auction Result Data, Acceptance Data and Trading Charges relating to that Party, and volumes and prices for the whole system, from the Interim Information Settlement Runs
Initial Settlement Report	Daily	Relevant Party Any Party (on request) Any person (on request)	For each Trading Party, Virtual Lead Party and the NETSO, a report providing Bid-Offer Data, Replacement Reserve Bid Data, Replacement Reserve Auction Result Data, Acceptance Data and Trading Charges relating to that Party, and volumes and prices for the whole system, from the Initial Settlement Runs
Timetabled Reconciliation Settlement Report	Daily	Relevant Party Any Party (on request) Any person (on request)	For each Trading Party, Virtual Lead Party and the NETSO, a report providing Bid-Offer Data, Replacement Reserve Bid Data, Replacement Reserve Auction Result Data, Acceptance Data and Trading Charges relating to that Party and volumes and prices for the whole system, from the Timetabled Reconciliation Settlement Runs
Final Reconciliation Settlement Report	Daily	Relevant Party Any Party (on request) Any person (on request)	For each Trading Party, Virtual Lead Party and the NETSO, a report providing Bid-Offer Data, Replacement Reserve Bid Data, Replacement Reserve Auction Result Data, Acceptance Data and Trading Charges relating to that Party or the NETSO, and volumes and prices for the whole system, from the Final Reconciliation Settlement Runs
Post-Final Settlement Report	Following a Post-Final Settlement Run	Relevant Party Any Party (on request) Any person (on request)	For each Trading Party, Virtual Lead Party and the NETSO, a report providing Bid-Offer Data, Replacement Reserve Bid Data, Replacement Reserve Auction Result Data, Acceptance Data and Trading Charges relating to that Party, and volumes and prices for the whole system, from a Post-Final Settlement Run

DRAFT

Name of report	Frequency	Recipient	General Description
SAA Performance Report	Each month	BSCCo	A report summarising actual against expected timing for various SAA reports

DRAFT

TABLE 3 – ECVAA REPORTING

Name of report	Frequency	Recipient	General Description
Notification Report	End of each Settlement Day	Relevant Party	For each Contract Trading Party, a summary relating to that Contract Trading Party of Energy Contract Volumes and Metered Volume Reallocations in respect of accepted notifications for the given Settlement Day and indebtedness data once these notifications are taken into account
ECVAA Performance Report	Each month	BSCCo	A summary of ECVAA performance in respect of processing contract notification data received
Report of any rejections of ECVN	Promptly after a rejection	Relevant Party	A report relating to a Contract Trading Party of ECVNs rejected or refused or treated as rejected or refused
Report of any rejections of MVRN	Promptly after a rejection	Relevant Party	A report relating to a Contract Trading Party of MVRNs rejected or refused or treated as rejected or refused
Forward Notification Summary	Daily	Relevant Party	For each Contract Trading Party, a summary relating to that Contract Trading Party of notifications received, for a given number of Settlement Days following the Settlement Day on which the report is provided
Volume Nullification Notification Confirmation Report or VNNCR	Promptly after successful validation	Relevant Party	For each Contract Trading Party to whom the VNNR relates, a feedback to report either the acceptance or rejection of a VNNR
Acceptance Feedback Report for valid ECVNs	Promptly after successful validation	Parties, ECVNA	For each Contract Trading Party, a positive feedback to report the acceptance of those ECVNs where the effective date of the ECVN is no greater than 72 Settlement Periods ahead
Acceptance Feedback Report for valid MVRNs	Promptly after successful validation	Parties, MVRNA	For each Contract Trading Party, a positive feedback to report the acceptance of those MVRNs where the effective date of the MVRN is no greater than 72 Settlement Periods ahead

DRAFT

TABLE 4 – CRA REPORTING

Name of report	Frequency	Recipient	General Description
Registration Report	As necessary	Relevant Party	For each Party, a report providing any new or changed registration data relating to that Party
Operations Registration Report	Daily	BSCCo NETSO	A listing of all registered BM Units and of Trading Units and Interconnectors

DRAFT

TABLE 5 – CDCA REPORTING

Name of Report	Frequency	Recipient	General Description
CDCA Performance Report	Daily, monthly, quarterly and by exception	BSCCo	A breakdown of actual activities, relative to that expected
Raw Metered Volume Data Report	Daily	Relevant Party NETSO Relevant Distribution System Operator	A report relating to the Registrant, containing raw metered data from each meter and the status of this data
Estimated Data Report	As required or monthly	Relevant Party NETSO Relevant Distribution System Operator	A report relating to the Registrant, containing all estimate notifications issued by CDCA in a given period, the estimation method used and whether the estimation was agreed
Exception Report for Missing (Invalid) Data	Daily	Relevant Party Relevant Meter Operator Agent	A report relating to the Registrant, listing any notifications of data deemed to be invalid or not available for collection
MAR Reconciliation Report	Every 3 months per metering system	Relevant Party Relevant Meter Operator Agent	A report relating to the Registrant detailing the actual difference calculated for each active energy meter or associated outstation register
Aggregated Data Report	Daily	Relevant Party Any Party (on request) Any person (on request)	A report relating to the Registrant containing Metered Volumes for each BM Unit, Interconnector or GSP Group
Meter Period Data Report	Daily	Relevant Distribution System Operator Any Party (on request) Any person (on request)	A report containing all Metered Volumes for all Distribution Systems Connection Points
Report of Aggregation Rules	On request	Relevant Party	A report of the Aggregation Rules for each of the relevant types of Volume Allocation Unit relating to that Registrant

DRAFT

Name of Report	Frequency	Recipient	General Description
Total Gross Demand per GSP	Daily	Any Party (on request) NETSO Any person (on request)	A report of the aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period

DRAFT

TABLE 6 – FAA REPORTING

Name of report	Frequency	Recipient	General Description
Statements to Parties	Quarterly	Relevant Party	For each Trading Party and the NETSO, a breakdown per Settlement Day of initial and reconciliation amounts payable by that Party as detailed in Advice Notes, including interest and tax

DRAFT

TABLE 7 – SVAA REPORTING

Category of Data	Frequency	Recipient	General Description
Supplier Consumption Information	Daily	Relevant Party	Supplier consumption data per Settlement Period and/or Settlement Day aggregated by Supplier BM Unit and/or Supplier and GSP Group for each such Supplier. Where appropriate, such data is by Consumption Component Class.
Supplier Quarterly Volume Report	Quarterly	BSCCo	Report containing Supplier volume data (adjusted for distribution losses and GSP Group Correction) summed over a calendar quarter and the related number of Metering Systems averaged over a calendar quarter, grouped by Supplier Volume Reporting Group.
GSP Group Consumption Information	Daily	All Suppliers Any person (on request)	GSP Group consumption data per Settlement Period and/or Settlement Day in respect of each GSP Group. Where appropriate, such data is by Consumption Component Class.
GSP Group Market Matrix Report	Daily	Any person (on request)	GSP Group annualised consumption data (the sum across all Suppliers) by Profile Class, Standard Settlement Configuration, Line Loss Factor Class, Distributor and Time Pattern Regime.
GSP Group Profile Information	Daily	All Suppliers	Profile information in respect of each Settlement Day.

DRAFT

Category of Data	Frequency	Recipient	General Description
DUoS Report	Daily	Relevant Distribution System Operators Relevant Party	Various reports containing: • Profiled Supplier Purchase Matrix data per Settlement Period and Settlement Day by Line Loss Factor Class, Profile Class, Standard Settlement Configuration, Time Pattern Regime, Supplier and GSP Group; and • Supplier consumption data per Settlement Period and Settlement Day by Line Loss Factor Class, Supplier and GSP Group for Metering Systems associated with Measurement Classes F and G. For reporting purposes, this data will be associated with Profile Class and Standard Settlement Configuration specified by the relevant Licensed Distribution System Operator in accordance with BSCP507 for each Line Loss Factor Class. Report containing GSP Group Correction Factor and GSP Group Scaling Weight are provided.
TUoS Report	Daily	NETSO	Various reports containing GSP Group Take, Supplier Deemed Take by Settlement Period and/or Settlement Day in respect of each GSP Group and Supplier, and half hourly and non-half hourly consumption and half hourly Import and Export data as at the Transmission System Boundary by Settlement Period and/or Settlement Day in respect of each Supplier BM Unit and Measurement Class.

DRAFT

Category of Data	Frequency	Recipient	General Description
Profile Data Report	When requested (the data provided relates to the BSC Year preceding that in which the request is made)	Any person (on request)	Report containing profile coefficients per Settlement Period and Settlement Day, by GSP Group, Profile Class and combination of Standard Settlement Configuration and Time Pattern Regime. Note: for requests made during the BSC Year ending 31st March 2002, the data will include equivalent data under the Pooling and Settlement Agreement for the period 1st April 2000 to the day before the Go-live Date.
Market Domain Data	All Suppliers: upon registration with the participation capacity of a Supplier; and thereafter whenever updated. Any Party or any person (on request): When requested; and thereafter whenever updated.	All Suppliers Any Party (on request) Excluding Profiling Regression data: any person (on request)	A report containing those data items (or changes to those items) which relate to Supplier Volume Allocation, which is distributed by the SVAA in accordance with BSCP509.
Supplier Metering System Delivered Volume Report	Daily	Relevant Supplier	Report containing: (a) MSID Replacement Reserve delivered volume data per Settlement Period and/or Settlement Day, where appropriate, in accordance with the Supplier Disclosure Flag status recorded on the SVA Metering System Register; and (b) MSID ABSVD (Non Losses) and MSID ABSVD (Losses) relating to that Supplier, but excluding any Metering Systems for which the data submitted by the NETSO in accordance with Section Q6.4.7 indicates that MSID ABSVD should not be reported to the Supplier.
Virtual Lead Party Metered Consumption Report	Daily	Relevant Party	MSID consumption data per Settlement Period and/or Settlement Day, where appropriate, in accordance with the SVA Metering System Register.

DRAFT

TABLE 8

THIS TABLE IS INTENTIONALLY LEFT BLANK

DRAFT

TABLE 9 - TRANSMISSION LOSS FACTOR DATA

Name of Report(s) / Category of Data	Frequency	Recipient	General Description
Load Flow Model power flows	Annually	Any Party (on request)	A report containing the power flows which the LFM Specification provides for and upon which the Load Flow Model is established as described in paragraph 2.2 of Annex T-2.
Transmission Network Data	Annually	Any Party (on request)	A report containing the Transmission Network Data determined by the NETSO in accordance with, and in the format specified in, paragraph 5 of Annex T-2.
HVDC Boundary Data	Annually	Any Party (on request)	A report containing the HVDC Boundary Data determined by the NETSO in accordance with, and in the format specified in, paragraph 5 of Annex T-2.
Distribution Network Data	Annually	Any Party (on request)	Reports containing the Distribution Network Data for each Distribution System determined by the relevant Distribution System Operator in accordance with, and in the format specified in, paragraph 6 of Annex T-2.
Metered Volumes	Annually	Any Party (on request)	A report containing the Metered Volume data provided to BSCCo in accordance with paragraph 8.2 of Annex T-2.
Nodal TLFs	Annually	Any Party (on request)	For each Node, a report providing Nodal TLFs as determined by the TLFA in accordance with paragraph 8.2 of Annex T-2.
Nodal power flows	Annually	Any Party (on request)	A report providing Nodal power flows as determined by the TLFA in accordance with paragraph 8.2 of Annex T-2.

DRAFT

TABLE 10 – LINE LOSS FACTORS

Notes:

1. In this table terms shall have the meanings given to them in Section K1.7.

2. Previous, current and year ahead data shall be in respect of a BSC Year.

3. In respect of year ahead data publication shall only occur when that data is available.

4. Column 1 (data) specifies the data to be published and the day, week or other period to which the data relates.

DATA
Line Loss Factors in respect of SVA Metering Systems (or classes of SVA Metering System) or where applicable the default values established pursuant to Section K1.7 together with a summarised version. Previous, current and year ahead.

DRAFT

ANNEX X-1: GENERAL GLOSSARY

SUMMARY PAGE

Modification Proposal	Decision Date	Implementation Date	Version
P452	21/04/23	24/04/23	113.0
P450	12/01/23	23/02/23	112.0
P419	25/04/22	23/02/23	112.0
P376	06/08/21	23/02/23	112.0
P448	23/11/22	07/12/22	111.0
P449	10/11/22	11/11/22	110.0
P447	21/10/22	24/10/22	109.0
P425	28/09/22	05/10/22	108.0
P446	22/09/22	23/09/22	107.0
P436	14/04/22	18/07/22	106.0
P431 Self Governance	13/01/22	30/06/22	105.0
P433 Self Governance	13/01/22	30/06/22	105.0
P375	24/02/21	30/06/22	105.0
P429	11/02/22	24/02/22	104.0
P402	24/05/21	24/02/22	104.0
P399	18/05/21	04/11/21	103.0
P423	30/09/21	07/10/21	102.0
P422 Self Governance	12/08/21	06/09/21	101.0
P420	08/07/21	01/09/21	100.0
P398	03/02/21	24/06/21	99.0
P413	20/04/21	27/04/21	98.0
P383	12/09/19	01/04/21	97.0
P390	19/03/21	26/03/21	96.0
P392	18/06/20	25/06/20	95.0
P404 Self-Governance	09/04/20	25/06/20	95.0
P371	16/12/19	25/06/20	95.0
P403 Self-Governance	09/04/20	28/05/20	94.0
P388 Self-Governance	08/08/19	01/04/20	93.0
P354	18/06/18	01/04/20	93.0

DRAFT

Modification Proposal	Decision Date	Implementation Date	Version
P394 Self-Governance	12/12/19	27/02/20	92.0
P391 Self Governance	10/10/19	27/02/20	92.0
P384 Self-Governance	09/05/19	18/12/19	91.0
P374	14/11/19	21/11/19	90.0
P386 Self Governance	13/06/19	07/11/19	89.0
P364 Self-Governance	11/04/19	27/06/19	88.0
P367 Self-Governance	14/06/18	27/06/19	88.0
P370	20/02/19	03/04/19	87.0
P369	24/09/18	29/03/19	86.0
P344	24/08/18	28/02/19	85.0
P359	05/07/18	28/02/19	85.0
P356	14/06/18	01/11/18	84.0
P362 Alt	20/08/18	28/08/18	83.0
P365	10/04/18	17/04/18	82.0
P350	24/03/17	01/04/18	81.0
P357	13/12/17	22/02/18	80.0
P342 Alternative	08/12/16	02/11/17	79.0
P329 Alternative	19/04/16	29/06/17	78.0
P351	01/03/17	01/04/17	77.0
P338 Fast Track Self-Governance	14/04/16	01/04/17	77.0
P272 v2.0	29/10/14	01/04/17	77.0
P346 Self-Governance	10/11/16	01/04/17	77.0
P326 Self-Governance Alternative	14/04/15	23/02/17	76.0
P324	14/10/16	11/11/16	75.0
P340 Self Governance	09/06/16	07/07/16	74.0
P302	18/06/15	30/06/16	73.0
P315 Alternative	20/10/15	30/06/16	73.0

DRAFT

Modification Proposal	Decision Date	Implementation Date	Version
P330	25/06/16	02/06/16	72.0
P318 Self Governance	08/10/15	25/02/16	71.0
P328	12/11/15	16/11/15	70.0
P319 Self Governance	15/05/15	05/11/15	69.0
P309 Alternative	19/03/15	05/11/15	69.0
P305	04/04/15	05/11/15	69.0
P322	24/06/15	03/08/15	68.0
P307	29/01/15	25/06/15	67.0
ORD006	Secretary of State	25/06/15	67.0
P291	16/08/13	31/12/14	66.0
P295	22/01/14	16/12/14	65.0
P306 Self Governance	09/10/14	14/11/14	64.0
P312	14/08/14	08/09/14	63.0
ORD005[1]	Secretary of State	01/08/14	62.0
P298	04/07/14	18/07/14	61.0
P292	19/06/13	26/06/14	60.0
P301 Fast Track Self Governance	08/05/14	03/06/14	59.0
P276	20/07/12	31/03/14	58.0
P294	19/12/13	30/12/13	57.0
P296	17/10/13	06/11/13	56.0
P281	17/09/12	01/10/12	55.0
P284	17/09/12	18/09/12	54.0
P266	15/04/11	23/02/12	53.0
P269 Self-Governance	17/08/11	23/02/12	53.0
ORD004: Warm Home Discount (Reconciliation) Regulations 2011	DECC 29/06/11	06/07/11	52.0
P262	10/12/10	31/12/10	51.0
P263	24/11/10	31/12/10	51.0

[1] ORD005 was Directed by the Secretary of State on 1 August 2014

DRAFT

Modification Proposal	Decision Date	Implementation Date	Version
P257	20/09/10	04/11/10	50.0
P256	20/09/10	04/11/10	50.0
P255	15/07/10	22/07/10	49.0
P249	26/05/10	03/06/10	48.0
P247	14/05/10	28/05/10	47.0
P248	05/02/10	12/02/10	46.0
P240	20/01/10	27/01/10	45.0
P223	17/10/08	01/12/09	44.0
P238	13/11/09	20/11/09	43.0
P237	13/11/09	20/11/09	43.0
P239	21/09/09	05/11/09	42.0
P232	25/06/09	05/11/09	42.0
P233	19/05/09	25/06/09	41.0
P226	27/02/09	25/06/09	41.0
P215	23/04/08	25/06/09	41.0
ORD003	23/06/09	24/06/09	40.0
P220	02/04/08	06/11/08	39.0
P214	24/01/08	06/11/08	39.0
ADN004	01/10/08	01/10/08	38.0
P221	22/02/08	25/02/08	37.0
P207	10/07/07	10/09/07	36.0
P197	10/08/06	23/08/07	35.0
P209	16/03/07	23/08/07	35.0
P208	16/01/07	22/02/07	33.0
P196	19/06/06	22/02/07	33.0
P210	29/03/07	05/02/07 (retrospective)	34.0
P191	07/12/05	21/12/05	32.0
P192	20/09/05	27/09/05	31.0
P180	31/03/05	07/04/05	30.0
PTM005	16/02/05	23/02/05	29.0
P179	09/02/05	23/02/05	29.0
ADN002	02/02/05	09/02/05	28.0

DRAFT

Modification Proposal	Decision Date	Implementation Date	Version
P124	18/05/04	01/12/04	27.0
P98	18/08/03	08/11/04	26.0
P142	23/03/04	03/11/04	25.0
ORD001	BETTA	01/09/04	24.0
P160	30/07/04	13/08/04	23.0
P152	28/05/04	05/07/04	22.0
P151	05/04/04	19/04/04	21.0
P133	23/12/03	02/01/04	20.0
P110	23/04/03	05/11/03	19.0
P100	21/03/03	05/11/03	19.0
P107	30/04/03	04/11/03	18.0
P81	17/12/02	28/09/03	17.0
P122	10/09/03	19/09/03	16.0
P126	18/07/03	08/08/03	15.0
P62	12/08/02	01/08/03	14.0
P106	22/04/03	24/06/03	13.0
P78	09/09/02	11/03/03	12.0
P71	22/11/02	11/03/03	12.0
P101	02/01/03	23/01/03	11.0
P61	28/08/02	10/12/02	10.0
P12	10/05/02	02/07/02	9.0
P55	06/06/02	06/06/02	8.0
P46	14/05/02	22/05/02	7.0
P37	10/05/02	20/05/02	6.0
P22	07/12/01	01/04/02	5.0
P56	10/03/02	18/03/02	4.0
P67	01/03/02	08/03/02	3.0
P10	14/05/01	11/05/01	2.0

DRAFT

CONTENTS

(This page does not form part of the BSC)

ANNEX X-1: GENERAL GLOSSARY ..... 1~~1~~2

Section X-1	Version 113.0	Effective Date: 24 April 2023

DRAFT

ANNEX X-1: GENERAL GLOSSARY

"**100kW Metering System**":	means: (i) any Metering System where the average of the maximum monthly electrical demands in the three months of highest maximum demand, either in: (a) the previous twelve months; or (b) the period since the most recent Significant Change of Demand (whichever is the shorter) exceeds 100kW; or (ii) any Metering System where the Profile of a Customer's electrical demand implies an average of the maximum monthly electrical demands in the three months of highest maximum demand either in: (a) the previous twelve months; or (b) the period since the most recent Significant Change of Demand (whichever is the shorter) exceeding 100kW; or (iii) any CVA Metering Systems; or (iv) an Unmetered Supply where the relevant Distribution System Operator has agreed that the maximum demand is above 100kW; or (v) any Metering System which is for the time being declared by a Supplier in accordance with the relevant BSC Procedure to have a maximum demand in excess of 100kW;
"**AC Transmission System**":	means the Transmission System excluding the HVDC Transmission System;
"**Acceptance**":	means a communication which is classed as an "Acceptance" in accordance with Section Q or, where the context so requires, the Acceptance Data and the associated Bid-Offer Acceptance Number k which have been derived from that communication;
"**Accession Agreement**":	means an agreement in the form set out in Annex A-1 whereby a Party Applicant accedes to the Framework Agreement;
"**Act**":	means the Electricity Act 1989;
"**Active Energy**":	means the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of instantaneous Active Power, measured in units of watt-hours or standard multiples thereof;

DRAFT

"**Active Export Related Reactive Energy**":	has the meaning given to that term in Section K1.1.4(f);
"**Active Export**":	has the meaning given to that term in Section K1.1.4(f);
"**Active Import Related Reactive Energy**":	has the meaning given to that term in Section K1.1.4(f);
"**Active Import**":	has the meaning given to that term in Section K1.1.4(f);
"**Active Power Purchasing Supplier**":	in respect of a GSP Group, means a Supplier that has recorded a Half Hourly Active Export greater than zero for that GSP Group at any point over a period of the thirty most recent Settlement Days for which data is available;
"**Active Power**":	means the product of voltage and the in-phase component of alternating current measured in units of watts and standard multiples thereof, that is: 1000 Watts = 1 kW 1000 kW = 1 MW
"**Actual Voting Share**":	has the meaning given to that term in paragraph 2 of Annex C-2;
"**Additional BM Unit Monthly Charge**":	has the meaning given to that term in paragraph 3.1 of Annex D-3;
"**Additional BM Unit**":	has the meaning given to that term in Section K3.3.5;
"**Additional Energy Contract Volume Notification**":	means an Energy Contract Volume Notification (the "**second**" such notification) submitted for which the relevant Energy Contract Volume Notification Agent, Energy (From) Account and Energy (To) Account are the same as those for an earlier valid Energy Contract Volume Notification (the "**first**" such notification), and: (a) the second notification does not specify (pursuant to Section P2.3.2(c)(i)) that it is to replace the first notification (by the ECVN identifier provided for in BSCP71); and (b) the period for which the second notification shall be effective includes one or more Settlement Periods that are within the period for which the first notification is effective;
"**Ad-hoc Trading Charge**":	has the meaning given to that term in Section N6.9;
"**Advanced Meter**":	means Metering Equipment installed in accordance with the obligation set out in condition 12.18 of the Standard Conditions of each Supply Licence;
"**Advice Note Date**":	has the meaning given in Section N7.1.5
"**Advice Note Period**":	has the meaning given in Section N7.1.6(a)

DRAFT

"**Advice Note Threshold Limit**":	has the meaning given in Section N7.1.6(b)
"**Advice Notes**":	means a note issued by the FAA in respect of Notification Date(s) setting out amounts payable by or to a Payment Party on the relevant Payment Date in accordance with Section N7.1;
"**AF Rules**":	has the meaning given to 'allocation framework' in section 13(2) of the Energy Act 2013;
"**Affected BM Unit**":	has the meaning given to that term in Section K7.1.1;
"**Affected Date**":	has the meaning given to that term in Section N9.2.1;
"**Affiliate**":	means, in relation to any Party, any holding company of that Party, any subsidiary of that Party or any subsidiary of a holding company of that Party, in each case within the meaning of section 1159 of the Companies Act 2006, but subject to Section X2.2.7 in relation to the NETSO;
"**Agency**":	means the agency for the cooperation of the energy regulators established by Regulation 2009/713/EC of the European Parliament and of the Council of the 13th July 2009 establishing an Agency for the Cooperation of Energy Regulators as amended from time to time;
"**Aggregate PACo Tender Costs**":	means the aggregate amount of PACo Tender Costs incurred in respect of a successful PACo Tender exercise comprising each amount of PACo Tender Costs pursuant to: (i) Annex C-1 paragraph 4.2.1(a) repayable together with interest at a market commercial rate from the first day of the month after the month in which such amount was paid to PACo until the re-payment date; and (ii) Annex C-1 paragraph 4.2.1(b) repayable on a capital repayment basis based on BSCCo's statement of account provided in accordance with paragraph 4.5.1(c);
"**Aggregate PAFA Tender Costs**":	means the aggregate amount of PAFA Tender Costs incurred in respect of a successful PAFA Tender exercise comprising each amount of PAFA Tender Costs pursuant to: (i) Annex C-1 paragraph 2.2.1(a) repayable together with interest at a market commercial rate from the first day of the month after the month in which such amount was paid to PAFACo until the re-payment date; and (ii) Annex C-1 paragraph 2.2.1(b) repayable on a capital repayment basis based on BSCCo's statement of account provided in accordance with paragraph 2.3.4;

DRAFT

"**Aggregate RECAS Tender Costs**":	means the aggregate amount of RECAS Tender Costs incurred in respect of a successful RECAS Tender exercise comprising each amount of REC Tender Costs pursuant to: (i) Annex C-1 paragraph 3.2.1(a) repayable together with interest at a market commercial rate from the first day of the month after the month in which such amount was paid to RECASCo until the re-payment date; and (ii) Annex C-1 paragraph 3.2.1(b) repayable on a capital repayment basis based on BSCCo's statement of account provided in accordance with paragraph 3.3.4;
"**Aggregation Rules**":	has the meaning given to that term in Section R3.1.1;
"**Allocation Schedule**":	means a schedule prepared in connection with a Shared SVA Meter Arrangement in accordance with BSCP550 which splits the Active Energy measured by the Shared SVA Metering System for each Settlement Period between one or more Suppliers such that the net energy allocation to the Suppliers is equal to such metered Active Energy;
"**Alternative Modification**":	has the meaning given to that term in Section F2.6.4;
"**Alternative Self-Governance Modification**":	means an alternative self-governance modification, which as compared with an associated Proposed Self-Governance Modification would better facilitate achievement of the Applicable BSC Objective(s);
"**Amount in Default**":	has the meaning given to that term in Section N9.1;
"AMSID":	has the same meaning as the Asset Metering System Number;
"AMSID Baseline Value":	has the meaning given to that term in paragraph 7.3.1(b) of Annex S-2;
"AMSID Baseline Losses":	has the meaning given to that term in paragraph 7.3.2A of Annex S-2;
"AMSID Pair":	means one AMSID measuring the flow of electricity to the Asset and, where applicable, one AMSID measuring the flow of electricity from the Asset, whose Half Hourly Metering Systems are used for the purposes of offering Balancing Services;
"**Annual BSC Costs**":	has the meaning given to that term in Section D2.1.1;
"**Annual BSC Meeting**":	means the meeting referred to in Section B6.2;
"**Annual BSC Report**":	means the report to be prepared in respect of each BSC Year pursuant to Section B6.1;

DRAFT

"**Annual Budget**":	means, in respect of each Plan Year, the budget referred to in Section C6.1.1(b);
"**Annual Default Costs**":	has the meaning given to that term in Section D2.1.1;
"**Annual Funding Share**":	has the meaning given to that term in Section D1.2.1(e);
"**Annual Holiday Periods**":	has the meaning given in M1.5A;
"**Annual Performance Assurance Report**":	has the meaning given to that term in Section Z8.1;
"**Annual Performance Assurance Timetable**":	has the meaning given to that term in Section Z5.2.1;
"**Annual SVA (Consumption) Costs**":	has the meaning given to that term in Section D4.1(b);
"**Annual SVA Costs**":	has the meaning given to that term in Section D2.1.1;
"**Apparatus**":	means all equipment in which electrical conductors are used or supported or of which they form part;
"**Appeal Meeting**":	has the meaning given to that term in Section Z6.3.4(b);
"**Applicable Balancing Services Volume Data**":	means the data in respect of a Settlement Period representing volume of Active Energy associated with the provision of Applicable Balancing Services as sent by the NETSO to the SAA and BMRA pursuant to Section Q6.4 and may be: (i) BM Unit ABSVD; or (ii) Non BM Unit ABSVD;
"**Applicable Balancing Services**":	means Balancing Services in respect of which the NETSO submits or is to submit data pursuant to Section Q6.4;
"**Applicable BSC Objective(s)**":	has the meaning given to that term in the Transmission Licence;
"**Applicant**":	means a person wishing to carry out one or more of the functions for which Qualification is required pursuant to Section J and who, in accordance with that Section, applies for Qualification and, where the context so admits, shall include a person applying for re-Qualification in accordance with that Section;
"**Application Fee**":	means the application fee (if any) set by the Panel from time to time in accordance with Section A2.5 as the fee payable by a Party Applicant;
"**Appointment Day**":	has the meaning given to that term in Section K7.1.1;
"**Appointment Resolution**":	has the meaning given to that term in Section C4.1.9;

DRAFT

"**Approved Insurance Product**":	means an insurance product which complies with the requirements set out in Annex M-4 of Section M and is provided by an insurance company regulated in the United Kingdom which has a long term debt rating of not less than single A by Standard & Poor's Corporation, Moody's Investors Service, Inc., Fitch Ratings Limited or such other bank(s), insurance company or insurance companies as the Panel may approve, such rating to be the equivalent to that required of a bank to be able to provide a Letter of Credit. A single A by Standard & Poor's Corporation or Fitch Ratings Limited shall satisfy these requirements if appended with a '+' or '-'. A single A by Moody's Investors Service, Inc. shall satisfy these requirements if appended with a '1', '2' or '3';
"**Approved Modification**":	means a modification to the Code which has been made pursuant to Section F1.1.1 but which has not yet been implemented;
"**Approved Self-Governance Modification Proposal**":	means a modification to the Code which has been made pursuant to Section F6.3.3 but which has not yet been implemented;
"**Assessment Procedure**":	means the procedure described in Section F2.6;
"Asset":	means Plant and/or Apparatus, the flow of electricity to or from which is measured by an Asset Metering System;
" Asset Differencing":	means the process set out in Section S10.1A.2;
"Asset Export":	means the flow of Active Energy from the Asset to the Boundary Point Metering System;
"Asset Import":	means the flow of Active Energy to the Asset from the Boundary Point Metering System;
"Asset Meter":	means a device for measuring Active Power or Active Energy as set out in paragraph 3.1.5 of Code of Practice 11
"Asset Metering Equipment":	means Metering Equipment which measures Active Energy or Active Power comprised in an Asset Metering System;
"Asset Metering System":	has the meaning given to that term in Section K 1.6 1(f);
"Asset Metering System Number":	means a unique number relating to an Asset Metering System determined by SVAA;
"Asset Meter Register" or "AMR":	means the register established pursuant to Section S10.1A and BSCP602;
"Asset Meter Registration Service" or "AMRS":	means the service provided or to be provided by SVAA for the registration of Asset Metering Systems, in accordance with BSCP602;

DRAFT

"Associated MSID Pair":	the MSID Pairs situated at the Boundary Point(s) at which an Asset is connected to the Total System;
"**Associated Distribution System**":	means, in relation to a Licensed Distribution System Operator (or SMRA, as the case may be), a Distribution System: (i) which is not operated by a Licensed Distribution System Operator; and (ii) in respect of which all the entry/exit points are subject to registration in such Licensed Distribution System Operator's (or SMRA's) SMRS; and, for these purposes, 'entry/exit point' means a point at which electricity may flow on to or off such Distribution System other than from or to the Transmission System or another Distribution System;
"**Authorisation Change**":	has the meaning given to that term in Section P2.1.5;
"**Authorised Recipient**":	has the meaning given to that term in Section H4.1.1;
"**Authority Led SCR Modification Proposal**":	means a proposal for a Authority Led SCR Modification which has been submitted pursuant to and in accordance with Section F5.3A.1;
"**Authority Led SCR Modification Report**":	means, in relation to an Authority Led SCR Modification Proposal the report prepared pursuant to and in accordance with Section F5.3A.2;
"**Authority Led SCR Modification**":	means a modification of the Code which directly arises from a Significant Code Review and where the process of the modification is led by the Authority in accordance with its **SCR Guidance** and submitted to Panel in accordance with Section F5.3A.1;
"**Authority**":	means: (i) until both section 1(1) and section 3(1) of the Utilities Act 2000 are brought into force, the Director General of Electricity Supply; (ii) thereafter, the Gas and Electricity Markets Authority established by section 1(1) of the Utilities Act 2000;
"Backstop Direction":	has the meaning given to it in Section F5.3B.1;
"**Balancing Mechanism Reporting Agent**" **or** "**BMRA**":	means the BSC Agent for Balancing Mechanism Reporting in accordance with Section E;
"**Balancing Mechanism Reporting Service**" **or** "**BMRS**":	means the service provided by the BMRA as described in Section V;

DRAFT

"Balancing Services Adjustment Data" or "BSAD":	means the data to be sent by the NETSO to the SAA and the BMRA pursuant to Section Q6.3;
"Balancing Services Use of System Charges" or **"BSUoS"**:	has the meaning given to that term in the CUSC;
"Balancing Services":	has the meaning given to that in the Transmission Licence;
"Base BM Unit Monthly Charge":	has the meaning given to that term in paragraph 3.1 of Annex D-3;
"Base BM Unit":	has the meaning given to that term in Section K3.3.5;
"Base Rate":	means the rate of interest published from time to time by the BSC Banker as its base rate;
"Base Trading Unit":	has the meaning given to that term in Section K4.7.1;
"Base Virtual Lead Party Monthly Charge":	has the meaning given to that term in paragraph 3.1 of Annex D-3;
"Baselined BM Unit"	means a BM Unit registered by a Lead Party in accordance with BSCP15 intended to contain at least one Baselined MSID Pair and/or Baselined AMSID Pair;
"Baselined AMSID Pair"	means an AMSID Pair for which the Lead Party requires SVAA to apply a Baselining Methodology for the calculation of the AMSID Baseline Value per Settlement Period (save where such an AMSID Pair has been identified as Inactive in accordance with Section S10.1A.2(f));
"Baselined MSID Pair"	means a MSID Pair for which the Lead Party requires SVAA to apply a Baselining Methodology for the calculation of the MSID Baseline Value per Settlement Period (save where such an MSID Pair has been identified as Inactive in accordance with Section S10.1.3(i));
"Baselined Expected Volume"	has the meaning given to that term in paragraph 7.3.3 of Annex S-2;
"Baselining Methodology"	means any methodology set out in the Baselining Methodology Document;
"Baselining Methodology Document"	means the document to be established by the Panel pursuant to Section S12;
"BC":	means a Balancing Code forming part of the Grid Code;
"BDTP":	means a document entitled BETTA Data Take On Procedure and allotted a particular number;

DRAFT

"**BETTA Effective Date**":	means the date, subsequent to BETTA Go Active which is publicly announced by the Authority as the BETTA Effective Date;
"**BETTA**":	has the meaning set out in the Transmission Licence;
"Billing Data":	means: (i) the count of Final Demand Sites on each Settlement Day reported by Charging Band, GSP Group and Registrant of each Lead Metering System (excluding de-energised Lead Metering Systems); and (ii) the total Import on each Settlement Day to SVA Metering Systems associated with Measurement Classes "B" and "D".
"**Binding Resolution**":	has the meaning given to that term in Section C4.10.1;
"**Black Start Period**":	means the period described in Section G3.1.2(d);
"**BM Auditor**":	has the meaning given to that term in Section H5.1.6;
"**BM Unit Fuel Type List**":	means the list identifying the Fuel Type Category for each BM Unit which is: (i) metered by the NETSO in accordance with CC6.5.6 of the Grid Code; and (ii) identified by the NETSO as falling within a Fuel Type Category;
"**BM Unit Volume Estimation Methodology**":	has the meaning given to that term in Section K3.4.7E;
"**BM Unit**":	means a Primary BM Unit established and registered (or to be established and registered) by a Party in accordance with Section K3 or a Secondary BM unit established and registered (or to be established and registered) by a Party in accordance with Section K8 or, where the context so requires, the Plant and/or Apparatus treated as comprised in or assigned to such unit for the purposes of the Code;
"**BMRS Zone**":	means the zones set from time to time by the Panel in consultation with the NETSO for the purposes of Section V;
"**Board**":	means the board of Directors of BSCCo;
"**Borrowing Account**":	means the borrowing account established with the BSC Banker in the name of the BSC Clearer pursuant to Section N4.1.1(d);
"**Boundary Point Metering System**":	means a Metering System which measures Exports or Imports at a Boundary Point;

DRAFT

"**Boundary Point**":	means a point at which any Plant or Apparatus not forming part of the Total System is connected to the Total System;
"**British Grid Systems Agreement**":	means the agreement of that title made between the NETSO, Scottish-Hydro Electric PLC and Scottish Power plc inter alia regulating the relationship between their respective grid systems;
"**BSAD Asset ID**":	has the meaning given to that term in Section Q6.3.2C
"**BSAD Party ID**":	means, in relation to a person who provides Balancing Services outside the Balancing Mechanism: (i) its full name; or (ii) a unique identifier assigned by the NETSO; which is to be provided as part of Balancing Services Adjustment Data by the NETSO in accordance with Section Q6.3.2;
"**BSC Account**":	has the meaning given to that term in Section N4.1;
"**BSC Agent Contract**":	means a contract between BSCCo and a BSC Agent for the provision of services in accordance with the requirements of Section E;
"**BSC Agent System**":	the BSC System(s) of a BSC Agent;
"**BSC Agent**":	means the person or persons for the time being appointed for the purposes of providing the services specified (or as may be specified) in a BSC Service Description and as otherwise described in Section E;
"**BSC Audit Report**":	has the meaning given to that term in Section H5.4.1;
"**BSC Audit**":	has the meaning given to that term in Section H5.1.1;
"**BSC Auditor**":	means the BSC Agent for BSC Audit in accordance with Section E;
"**BSC Banker**":	means the bank for the time being approved by the Panel for the purposes of Section N4.2.1;
"**BSC Clearer**":	means Elexon Clear Limited (or any successor to that company in the capacity of the BSC Clearer);
"**BSC Company**":	means BSCCo and each Affiliate of BSCCo other than a Permitted Affiliate;
"**BSC Costs**":	has the meaning given to that term in Section D2.1.1(a);
"**BSC Creditor**":	means, in relation to a Payment Date in respect of a Settlement Day, any Payment Party to whom an amount is payable by the BSC Clearer pursuant to Section N;
"**BSC Data**":	has the meaning given to that term in Section H11.2.1;

DRAFT

"**BSC Data Disclosure Recommendation**":	has the meaning given to that term in Section H11.2.1;
"**BSC Data Impact Assessment**":	has the meaning given to that term in Section H11.2.1;
"**BSC Data Request**":	has the meaning given to that term in Section H11.2.1;
"**BSC Data Request Procedure**":	has the meaning given to that term in Section H11.2.1;
"**BSC Debtor**":	means, in relation to a Payment Date in respect of a Settlement Day, any Payment Party by whom an amount is payable to the BSC Clearer pursuant to Section N;
"**BSC Derogation**":	has the meaning given to that term in Section H10.1.1;
"**BSC Party ID**":	means an alphanumeric, unique identifier, assigned to a Party by BSCCo;
"**BSC Procedure**" or "**BSCP**":	means a document of that title, as established or adopted and from time to time modified by the Panel in accordance with the Code, setting out procedures to be complied with (by Parties, Party Agents, BSC Agents, BSCCo, the Panel and others) in, and other matters relating to, the implementation of the Code;
"**BSC Sandbox Application**"	has the meaning given to that term in Section H10.2.1;
"**BSC Sandbox Eligibility Criteria**":	has the meaning given to that term in Section H10.2.6;
"**BSC Sandbox Procedure**":	has the meaning given to that term in Section H10.2.9;
"**BSC Season**":	has the meaning given to that term in Section K3.4.9;
"**BSC Service Description**":	means a document of that title, as established or adopted and from time to time modified by the Panel in accordance with the Code, setting out requirements as to particular services which are to be provided centrally as provided in Section E;
"**BSC Services Manager Criteria**":	means the pre-requisite criteria set out in the Authority's open letter of 30th April 2012 entitled "Potential expansion of role of Elexon", namely: (i) Parties should benefit from any diversification; (ii) the arrangements should not place disproportionate risk on Parties; (iii) standards of service under the BSC should be maintained; and (iv) the BSC Service Manager's BSC role should not give it any undue competitive advantage in a contestable activity.

DRAFT

"**BSC Services Manager**":	means any person for the time being appointed by BSCCo for the purposes of providing the services specified in Section E, paragraph 4;
"**BSC Systems**":	means: (i) the computer systems and the processes used by each of the BSC Agents and required in connection with the services provided by the BSC Agents as described in Section E; and (ii) so far as used in Settlement, any other computer systems and processes operated or procured by BSCCo; or where the context requires, all such systems and processes collectively;
"**BSC Website**":	means the websites established and maintained by BSCCo in whole or in part for the purposes of the Code;
"**BSC Year**":	each successive period of twelve months beginning on 1st April in each year, provided that the first BSC Year shall (unless the context otherwise requires) be the period from the Go-live Date to 31st March 2002;
"**BSCCo Accounting Policies**":	means the accounting policies of BSCCo from time to time pursuant to Section D2.3.1;
"**BSCCo Chair**":	has the meaning given to that term in Section C4.1.8(a);
"**BSCCo Charges**":	has the meaning given to that term in Section D1.1.3;

DRAFT

"**BSCCo Materials**":	means: (i) any and all of the Code, Modification Proposals, Proposed Modifications, Alternative Modifications, Approved Modifications, Code Modifications, Code Subsidiary Documents, proposed or approved modifications to Code Subsidiary Documents; and (ii) any other documents established or adopted under the Code or any Code Subsidiary Document (whether or not referred to in the Code or a Code Subsidiary Document); and (iii) the documents, materials, reports, diagrams, charts and specifications in respect of which BSCCo or any other BSC Company has rights by virtue of the BSC Agent Contracts (relating to BSC Systems); and (iv) any other documents, materials, reports, diagrams, charts or specifications relating to any other BSC Systems; and (v) any other documents, works, materials, ideas, inventions, designs or proposals (in whatever form) arising out of or in connection with the central administration, operation or development (by the Panel, Panel Committees and BSCCo) of the Code and the Code Subsidiary Documents, howsoever and by whomsoever any of the foregoing are produced or compiled and including all drafts and working papers relating thereto;
"**BSCCo Shareholder**":	means the NETSO in its capacity as holder of all of the issued share capital of BSCCo;
"**BSCCo**":	means ELEXON Limited (or any successor to that company acting in the capacity as BSCCo);
"**BSCCo-Determined GC or DC Estimates**":	has the meaning given to that term in Section K3.4.7J;
"**BSP Group**":	means either of those distinct electrical systems in place under SAS and consisting of: (i) all or part of the distribution system; (ii) exempt distribution system; or (iii) Grid-connected composite site(s); or (iv) Grid-connected customer site(s); supplied from one or more Bulk Supply Points and which were known, under SAS as North Scotland _P and South Scotland _N respectively;

DRAFT

"**Bulk Supply Point**":	means a point of supply from a transmission system to a: (i) Distribution System; or (ii) Exempt Distribution System; or (iii) Grid-connected composite site; or (iv) Grid-connected customer site; and which was located in Scotland and known as a Bulk Supply Point under SAS;
"**Business Day**":	means a day (other than a Saturday or a Sunday) on which banks are open in London for general interbank business in Sterling and, in relation to payment in euro, any such day when in addition the Trans European Automated Real-time Gross Settlement Express Transfer System is operating;
"**Business Hours**":	means unless otherwise expressly stated the period from 0900 hours to 1700 hours on a Business Day;
"**Business Person/Personnel**":	has the meaning given to that term in Section H4.1.1;
"**Business Strategy**":	has the meaning given to that term in Section C6;
"Capacity Agreement":	has the meaning given to that term in the Capacity Market Rules;
"**Capacity Market Documents**":	has the meaning given to that term in Section F1.6.3;
"**Capacity Market Rules**":	means the rules so called and created pursuant to Section 34 of the Energy Act 2013, and from time to time modified in accordance with The Electricity Capacity Regulations 2014;
"**Capacity Provider**":	has the meaning given to that term in the Capacity Market Rules;
"**Cash Cover**":	means (subject to the provisions of Section N) cash for the time being delivered by a Trading Party to the FAA in accordance with Section M2.1.1(b);
"**CCGT Module**":	has the meaning given to that term in the Grid Code;
"**Central Data Collection Agent**" or "**CDCA**":	means the BSC Agent for Central Data Collection in accordance with Section E;
"**Central Meter Registration Service**" or "**CMRS**":	means the service for registration of data relating to CVA Metering Systems maintained (for the purposes of the Code) by the Central Data Collection Agent;
"**Central Registration Agent**" or "**CRA**":	means the BSC Agent for Central Registration in accordance with Section E;

DRAFT

"Central Registration Service" or "CRS":	means the service for registration of data maintained (for the purposes of the Code) by the Central Registration Agent as described in Sections A4 and K;
"Central Switching Service" or "CSS":	has the meaning given to that term in the REC;
"Central Volume Allocation" or **"CVA"**:	means the determination of quantities of Active Energy to be taken into account for the purposes of Settlement in respect of Volume Allocation Units;
"CFD Arrangements":	means: (i) the contract for difference arrangements specified in Chapter 2 of Part 2 of the Energy Act 2013; (ii) any regulation, licence modification or other instrument made by virtue of or pursuant to Chapter 2 of Part 2 of the Energy Act 2013; and (iii) the systems and processes used by any CfD Counterparty and/or any CFD Settlement Services Provider in complying with, and delivering the requirements specified in (i) and/or (ii);
"CFD Assets":	means Plant and Apparatus (including apparatus used for station load or other demand required for the purposes of netting under a Contract for Difference to the extent that any arrangements for netting are identified in the Contract for Difference relating to those Plant and Apparatus) that are subject to a Contract for Difference;
"CfD Counterparty":	means a person designated as a "CfD counterparty" under section 7(1) of the Energy Act 2013;
"CFD Documents":	has the meaning given to that term in Section F1.6.3;
"CFD Settlement Data":	has the meaning given to that term in Section V5.2.1;
"CFD Settlement Services Provider Costs":	has the meaning given to that term in Section D7.1.1;
"CFD Settlement Services Provider":	means any person: (i) appointed for the time being and from time to time by a CfD Counterparty; or (ii) who is designated by virtue of Section C1.2.1B, in either case to carry out any of the CFD settlement activities (or any successor entity performing CFD settlement activities);
"Challenger-Proposed GC or DC Estimates":	has the meaning given to that term in Section K3.4.7G;
"CHAPS":	means the Clearing House Automated Payments System;

DRAFT

"Charging Band":	has the meaning given to that term in Schedule 32 of the Distribution Connection and Use of System Agreement;
"**Chief Executive**":	means the person appointed from time to time as chief executive of BSCCo by the Board in accordance with Section C4.6;
"**Citizens Advice**":	means the National Association of Citizens Advice Bureaux;
"**Citizens Advice Scotland**":	means the Scottish Association of Citizens Advice Bureaux;
"**Class**":	in relation to a Trading Unit Application, means a Class as referred to in Annex K-2;
"**Clearing Account**":	means the clearing account established with the BSC Banker in the name of the BSC Clearer pursuant to Section N4.1.1(a);
"**Clock Change Day**"	means the twenty four hour period commencing at 00:00 during which a Clock Change occurs;
"**Clock Change**":	means a step change in local time in accordance with the beginning and ending of summer time in Great Britain as defined by the Summer Time Act 1972;
"**CM Administrative Parties**":	has the meaning given to the term 'administrative parties' in The Electricity Capacity Regulations 2014 and, for the purposes of the Code only, shall include any CM Settlement Services Provider;
"**CM Arrangements**":	means: (i) the capacity market arrangements specified in Chapter 3 of Part 2 of the Energy Act 2013; (ii) any regulations, rules, licence modification or other instrument made pursuant to Chapter 3 of Part 2 of the Energy Act 2013; and (iii) the systems and processes used by the CM Settlement Body and/or any CM Settlement Services Provider in complying with, and delivering the requirements specified in, (i) and/or (ii);
"**CM Assets**":	where a Capacity Provider has elected to use a BSC metering option, means Plant and Apparatus (including apparatus used for station load or other demand required for the purposes of netting under the Capacity Arrangements) that are subject to a Capacity Agreement entered into pursuant to Chapter 3 of Part 2 of the Energy Act 2013;

DRAFT

"CM Settlement Body":	the Electricity Settlements Company Ltd or such other person as may from time to time be appointed as Settlement Body under regulation 80 of the "Electricity Capacity Regulations 2014; "
"CM Settlement Data":	has the meaning given to that term in Section V5.3.1;
"CM Settlement Services Provider Costs":	has the meaning given to that term in Section D7.2.1;
"CM Settlement Services Provider":	means any person appointed for the time being and from time to time by the CM Settlement Body to provide services to it in relation to the performance of its functions under the Capacity Market Documents;
"Coal Plant":	means a Power Station which uses coal as the primary source of fuel;
"Code Administration Code of Practice Principles":	means the principles set out in Section 1 of the Code Administration Code of Practice from time to time;
"Code Administration Code of Practice":	means the Code Administration Code of Practice approved by the Authority from time to time;
"Code Effective Date":	means the date of the Framework Agreement;
"Code Modification":	means a modification made to the Code as set out in Section F1.1.1;
"Code of Practice":	means a code of practice, as established or adopted and from time to time modified by the Panel in accordance with the Code, relating to Metering Equipment or any part or class thereof;
"Code Subsidiary Document":	means any document referred to in Section H1.2.4 as modified from time to time in accordance with Section F3;
"Code":	means this Balancing and Settlement Code, as from time to time modified by the NETSO in accordance with the Transmission Licence; and references to the Code include the Code as given contractual force and effect by the Framework Agreement;
"Collection Account":	means the collection account established with the BSC Banker in the name of the BSC Clearer pursuant to Section N4.1.1(b);
"Combined Offshore BM Unit":	has the meaning given to that term in Section K3.1.4;
"Committee Member":	means a member of a Panel Committee;
"Communication Requirements Document":	has the meaning given to that term in Section O2.2.1(b);

DRAFT

"Communication":	has the meaning given to that term in Section O1.1.3;
Communications Equipment":	means, at or relating to any Boundary Point or Systems Connection Point, in respect of any Metering Equipment, or relating to any Asset Metering Equipment; (i) the terminating equipment (which may include a modem) necessary to convert data from such Metering Equipment into a state for transmission to the CDCA for the purposes of Central Volume Allocation or to a Data Collector for the purposes of Supplier Volume Allocation; and (ii) the exchange link which is connected to that terminating equipment; but does not include an Outstation;
"Communications Medium":	has the meaning given to that term in Section O1.1.3;
"Competent Authority":	means the Secretary of State, the Authority and any local or national agency, authority, department, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom ;
"Conditional Implementation Date":	means in relation to a Modification Proposal as described in Section F1.3.5(c) the date recommended by the Panel pursuant to Section F2.11;
"Confidential Information":	means, in relation to a Party, all data, documents and other information supplied to that Party, that Party's Party Agent or any nominee of that Party by or on behalf of another Party (or Party Agent) or by or on behalf of the Panel, any Panel Committee, any Workgroup, a BSC Agent or a Market Index Data Provider under or pursuant to the provisions of the Code or any Code Subsidiary Document and, additionally, where the Party is a Supplier who was also a Distribution System Operator (being, or being the successor to, the holder at the Code Effective Date of a PES Supply Licence relating to distribution activities in England and Wales or being, or being the successor to, the holder at the BETTA Effective Date of a PES Supply Licence relating to distribution activities in Scotland, acting in that capacity), any data and other information which is held in respect of a Customer and which was previously acquired by that Supplier acting in its capacity as such a Distribution System Operator;
"Confirmation Notice":	means a notice issued pursuant to and in accordance with Section N10.1;
"Confirmed VNNR":	has the meaning given to that term in P4A.4.3;

DRAFT

"**Connection Agreements**":	means the Master Connection and Use of System Agreement, the Supplemental Agreements, the Supplier's Connection Agreements, any Unmetered Supply connection agreement, the Supplier's Use of System Agreements and the Interconnection Agreements, and "**Connection Agreement**" means any or (as the context may require) a particular one of them;
"**Connection and Use of System Code**" or "**CUSC**":	has the meaning given to the term "CUSC" in the Transmission Licence;
"**Connection and Use of System Code**":	has the meaning given to that term in the Transmission Licence;
"**Consumption BM Unit**":	means a BM Unit which: (i) in the case of a BM Unit other than an Interconnector BM Unit, is classified as a Consumption BM Unit in accordance with the provisions of Section K3.5.2 or, in the case of an Exempt Export BM Unit, the Lead Party has elected to treat as a Consumption BM Unit pursuant to Section K3.5.5; and (ii) in the case of an Interconnector BM Unit, is designated by the CRA as a 'Consumption' BM Unit pursuant to Section K5.5.5;
"**Consumption Energy Account**":	means an Energy Account designated by the CRA as a 'Consumption' Energy Account;
"**Consumption Interconnector BM Unit**":	an Interconnector BM Unit designated by the CRA as a 'Consumption' BM Unit;
"**Contiguous Assets**":	has the meaning given to that term in Annex K-2;
"**Contingency Provision**":	has the meaning given to that term in Section G1.1.4;
"**Contract for Difference**":	means a contract for difference entered into by a CfD Counterparty pursuant to Chapter 2 of Part 2 of the Energy Act 2013 or any contract treated as a CFD for the purposes of The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 by virtue of any provision made under paragraph 16(2) of Schedule 2 to the Energy Act 2013;
"**Contract Principles**":	has the meaning given to that term in Section E2.3.1;
"**Contract Renewal**":	means an extension to the duration (including the duration of any fixed term period) of a contract between a Supplier and Customer for the supply of electricity in respect of which the Metering System is an Advanced Meter in accordance with Section L2.2.2;
"**Contract Trading Party**":	means a Trading Party or the NETSO;

DRAFT

"Contracting Party":	has the meaning given to that term in Section H7.2.1;
"Contracts for Difference Supplier Obligation":	means the obligations of suppliers to make payments, or provide collateral to a CfD Counterparty established pursuant to the Energy Act 2013 and set out in The Contracts for Difference (Supplier Obligation) Regulations 2014;
"Core Industry Document":	has the meaning given to that term in the Transmission Licence;
"Corporate Functions Person":	has the meaning given to that term in Section H4.1.1;
"CRA-Estimated GC or DC Amounts":	has the meaning given to that term in Section K3.4.7D;
"Credit Assessment Load Factor Non-Working Day" or "CALF Non-Working Day":	means any day that is a Saturday or a Sunday, or a day designated as a bank holiday in England and Wales (for those GSP Groups in England and Wales), or a day designated as a bank holiday in Scotland (for those GSP Groups in Scotland) in accordance with the Banking and Financial Dealings Act 1971 and the St Andrew's Day Bank Holiday (Scotland) Act 2007 as amended from time to time;
"Credit Assessment Load Factor Working Day" or "CALF Working Day":	means any day that is not a CALF Non-Working Day;
"Credit Assessment Load Factor":	means a factor for the time being applicable in relation to a BM Unit in accordance with Section M1.5 and which shall include, as the context requires, Working Day Credit Assessment Load Factor and Non-Working Day Credit Assessment Load Factor;
"Credit Assessment Price":	has the meaning given to that term in Section M1.4.1;
"Credit Cover":	means credit cover provided or to be provided by a Trading Party in accordance with Section M;
"Credit Cover Error Compensation":	has the meaning given to that term in Section M4.1.1;
"Credit Cover Error Period":	has the meaning given to that term in Section M4.1.4(b)(ii);
"Credit Cover Error":	has the meaning given to that term in Section M4.1.4(a);
"Credit Cover Percentage":	has the meaning given to that term in Section M3.1;
"Credit Cover Volume Allocation Run":	has the meaning given to that term in Section U2.3.2(b);
"Credit Default Refusal Period":	has the meaning given to that term in Section M3.3.3;

DRAFT

"Credit Default Rejection Period":	has the meaning given to that term in Section M3.3.3;
"Credit Default":	means Level 1 Credit Default or Level 2 Credit Default;
"Credit Facility":	means the facility referred to in Section N4.9.1;
"Credit Qualifying BM Unit":	has the meaning given to that term in Section K3.7;
"Customer":	means a CVA Customer or a SVA Customer (or either of them) as the case may be;
"CVA Boundary Point":	means a Boundary Point, the Exports and Imports at which are or are to be measured by CVA Metering System(s);
"CVA Customer":	means a person to whom electrical power is provided, whether or not that person is the provider of that electrical power; and where that electrical power is measured by a CVA Metering System;
"CVA Metering Equipment":	means Metering Equipment which is or is to be comprised in a CVA Metering System (whether or not also comprised in an SVA Metering System);
"CVA Metering System":	means a Metering System (at a Boundary Point or a Systems Connection Point) which in accordance with Section K is or is to be registered in the Central Meter Registration Service;
"CVA Meter Operator Agent":	means a Party Agent appointed in accordance with Section L to install, commission, test and maintain, and rectify faults in respect of, CVA Metering Equipment;
"D+1":	has the meaning given to that term in Section N9.5.1;
"D+2":	has the meaning given to that term in Section N 9.6.1;
"Data Aggregator":	means a Party Agent appointed by a Supplier in accordance with Section S to carry out the aggregation of metering data received from Data Collectors and to forward such aggregated data to the SVAA;
"Data Catalogue":	has the meaning given to that term in Section O1.1.3;
"Data Collector":	means a Party Agent appointed by a Supplier or a Virtual Lead Party in accordance with Section S to retrieve, validate and process metering data in relation to SVA Metering Equipment and/or Asset Metering Equipment (as applicable);
"Data File Catalogue":	has the meaning given to that term in Section O2.2.1;

DRAFT

"**Data Protection Legislation**":	means the Data Protection Act 2018; and EU Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, which is known as the General Data Protection Regulation;
"**Data Transfer Service Agreement**":	means the agreement for the provision of a data transfer service dated 30th July, 1997 and made between the Service Controller (as therein defined) and users of the Data Transfer Service (as therein defined);
"**Data Transfer Service Provider**":	means a person providing data transfer services as described in Section J1.3.3;
"**DC Breach Monitoring Criterion**":	has the meaning given to that term in Section K3.4.7A;
"**DC Limits**":	means the values established and from time to time revised and approved in accordance with Section K3.4.3A;
"**DCC**":	means Smart DCC Limited (or any successor to that company);
"**De Minimis Acceptance Threshold**":	has the meaning given to that term in Section T1.8.1;
"**Dedicated Assets**":	has the meaning given to that term in Annex K-2.1.3.2;
"**de-energisation**":	means in relation to any Boundary Point or Systems Connection Point (or the Plant or Apparatus connected to any System at such a point) the movement of any isolator, breaker or switch or the removal of any fuse whereby no electricity can flow at such point to and from a System; and "**de-energised**" shall be construed accordingly;
"**Default Funding Share**":	has the meaning given to that term in Section D1.3.1;
"**Default Interest Rate**":	has the meaning given to that term in Section N9.1;
"**Default Party Charge Share**":	has the meaning given to that term in Section D5.1.5;
"**Default Payment Date**":	has the meaning given to that term in Section N9.6.6;
"**Default Share Amount**":	has the meaning given to that term in Section N9.6.4(b);
"**Default**":	has the meaning given to that term in Section H3.1.1;
"**Defaulting Party**":	has the meaning given to that term in Section H3.1.1;
"**Defendant Contracting Party**":	has the meaning given to that term in Section H7.2.1;
"**Definition Procedure**":	means the procedure described in Section F2.5;
"**Demand Capacity" or "DC**":	has the meaning given to that term in Section K3.4.8;

DRAFT

"**Demand Control Event End Point**":	means the date and time at which a Demand Control Event ceases;
"**Demand Control Event Estimate**":	means the estimated volume instructed by the NETSO in respect of a Demand Control Event;
"**Demand Control Event Notice**":	means each of the notifications submitted by the NETSO pursuant to Sections Q6.9.3 to Q6.9.5 inclusive;
"**Demand Control Event Stage**":	means each stage of a Demand Control Event as determined by the NETSO in accordance with the Grid Code;
"**Demand Control Event Start Point**":	means the date and time at which a Demand Control Event commences;
"**Demand Control Event**":	has the meaning given to that term in Section Q6.9.2;
"**Demand Control Impacted Settlement Period**":	has the meaning given to that term in Section Q6.9.6;
"**Demand Control Instruction**":	means an instruction sent by the NETSO to a Distribution System Operator in respect of a Demand Control Event;
"**Demand Control Level**":	means the level of electricity instructed by the NETSO pursuant to a Demand Control Instruction;
"**Demand Control Volume**":	means the volume of electricity that is subject to a Demand Control Instruction;
"**Demand Disconnection Event**":	means the parts of a Demand Control Event that consist of a Demand Disconnection;
"**Demand Disconnection Impacted DSO**":	means a Distribution System Operator impacted by a Demand Control Event;
"**Demand Disconnection**":	has the meaning given to the terms Demand and Disconnection respectively in the Grid Code;
"**Deputy Panel Chair**":	means the person appointed to act as deputy panel chair from time to time pursuant to Section B2.15.1;
"**Derogation Party**":	in respect of a BSC Derogation, means each Party identified in that BSC Derogation as being entitled to rely on such BSC Derogation;
"**Derogation Period Commencement Date**":	means the date set by the Authority, or determined in accordance with the Authority's directions, on which a BSC Derogation shall commence;
"**Derogation Period End Date**":	means the date set by the Authority, or determined in accordance with Section H10 or the Authority's directions, on which a BSC Derogation shall cease;
"**Derogation Period**":	has the meaning given to that term in Section H10.4.1;

DRAFT

"**Desktop Audit**":	means an audit undertaken by the TAA in accordance with Section L7.4A;
"**Directive**":	means any present or future directive, requirement, instruction, direction or rule of any Competent Authority (but only, if not having the force of law, if compliance therewith is in accordance with the general practice of persons to whom such directive, requirement, instruction, direction or rule is addressed) and includes any modification, extension or replacement thereof then in force;
"**Director**":	means a director of BSCCo;
"**Disclose**":	has the meaning given to that term in Section H4.1.1;
"**Discontinuance Date**":	has the meaning given to that term in Section A5.3.2;
"**Discontinuing Party**":	has the meaning given to that term in Section A5.3.1;
"**Disputes Secretary**":	has the meaning given to that term in Section W2.6.1;
"**Dissatisfied Person**":	has the meaning given to that term in Section J3.7.1;
"**Distribution Business Group**":	means a Distribution System Operator and every Affiliate of that Distribution System Operator (and if it has no Affiliate, only that Distribution System Operator);
"**Distribution Code**":	has the meaning given to that term in the Transmission Licence;
"**Distribution Connection and Use of System Agreement**"	has the meaning given to that term in the Distribution Licence;
"**Distribution Interconnector Boundary Point**":	means a Boundary Point at which a Distribution Interconnector is connected to a Distribution System;
"**Distribution Interconnector**":	means an Interconnector whose connection to the Total System is only to a Distribution System;
"**Distribution Licence**":	means: (i) until section 28 of the Utilities Act 2000 is brought into force, a PES Supply Licence; (ii) thereafter, has the meaning given to that term in the Act;
"**Distribution Network Data**":	has the meaning given to that term in paragraph 6.1 of Annex T-2;

DRAFT

"**Distribution System Operator**": means:

(i) a Licensed Distribution System Operator;

(ii) any other Party which distributes electricity for the purposes of section 4(1)(bb) of the Act (as inserted or to be inserted by section 28 of the Utilities Act 2000) through a Distribution System, acting in that capacity;

"**Distribution System**": means:

(i) all or part of a distribution system in Great Britain operated by a Licensed Distribution System Operator; and

(ii) all or part of any other distribution system in Great Britain for which the condition is satisfied that all entry/exit points are subject to registration in SMRS ;

provided that:

(a) such distribution system or part thereof is connected to the Transmission System at Grid Supply Points which fall within only one Group of GSPs, and

(b) where part only of a distribution system is comprised in a Distribution System, each other part thereof must be comprised in one or more other Distribution Systems;

where:

(1) 'distribution system' has the meaning given to that term in section 4(4) of the Act, following amendment of the Act by section 28 of the Utilities Act 2000;

(2) 'entry/exit point' means a point at which electricity may flow on to or off such distribution system other than from or to the Transmission System or another such system or a distribution system referred to in paragraph (i) above;

Except that prior to the BETTA Effective Date every use of the words Great Britain in such meaning shall be deemed to be a reference to England and Wales;

"**Distribution Systems Connection Point**": means a Systems Connection Point at which two Distribution Systems are connected;

"Distributor ID: means the unique reference by which a Licensed Distribution System Operator is identified for the purposes of Supplier Volume Allocation;

"**Domestic Premises**": has the meaning given to that term in each Supply Licence;

DRAFT

"Dormant Subsidiary":	means a BSCCo Subsidiary that is dormant within the meaning of section 1169 of the Companies Act 2006;
"**Drawing**":	has the meaning given to that term in Section N9.1.1(b);
"**Dynamic Data Set**":	has the meaning given to that term in Section Q2.1;
"**Dynamic LoLP Function Methodology**":	means the method for determining a dynamic Loss of Load Probability function as set out in the Loss of Load Probability Calculation Statement;
"Earliest Nullification Effective Period":	means the first Settlement Period on that Settlement Day not to have passed the Submission Deadline at the time the ECVAA issues the VNNCR in accordance with P4A.4;
"**Early Cessation Report**":	has the meaning given to that term in Section H10.7.4;
"**EBGL**":	means the Guideline on Electricity Balancing;
"**EBGL Amendment Procedures**":	has the meaning given to that term in Section F1.1.11;
"**EBGL Article 18 terms and conditions**"	means the Sections or parts of the Code constituting terms and conditions approved by the Authority as the terms and conditions related to balancing pursuant to Article 18 of the EBGL, as amended or supplemented from time to time (including the rules for suspension and restoration of market activities pursuant to Article 36 of the NCER and the rules for settlement in case of market suspension pursuant to Article 39 of the NCER, approved by the Authority pursuant to Article 4 of the NCER). The Sections or parts of the Code constituting these terms and conditions are identified for convenience in Section F Annex F-2 as amended from time to time;
"**EBGL Data**":	means the data specified in Article 12 of the Guideline on Electricity Balancing in relation to which there is a requirement on TSOs under the Guideline on Electricity Balancing to submit such data to the information transparency platform established pursuant to the Transparency Regulation. For the purposes of the Code, such data shall be comprised of EBGL Local Data and EBGL Standard Product Data;
"**EBGL Delegation Letter**":	means the letter dated 20th February 2020 issued by the NETSO delegating specified tasks relating to the amendment of the EBGL Article 18 terms and conditions to BSCCo and the Panel;
"**EBGL Local Data**":	means any EBGL Data that is not EBGL Standard Product Data;
"**EBGL Objectives**":	means the objectives referred to in Article 5(5) of the EBGL including those objectives set out in the recitals and Article 3 of EBGL;

DRAFT

"**EBGL Standard Product Data**":	means EBGL Data that relates to 'standard products' as such term is defined in the Guideline on Electricity Balancing;
"**ECVAA System Failure**":	has the meaning given to that term in Section P5.1.1;
"**ECVNA Authorisation**":	means an authorisation, by or on behalf of a Contract Trading Party pursuant to Section P, of a person to act as Energy Contract Volume Notification Agent;
"**EdF Documents**":	means any agreement for the time being and from time to time made between the NETSO and Electricité de France, Service National relating to the use or operation of the relevant Interconnector;
"**Effective-from Date**":	has the meaning, in relation to an Energy Contract Volume Notification or a Metered Volume Reallocation Notification, given to that term respectively in Section P2.3.2(a)(iii) or P3.3.2(a)(v);
"**Effective-to Date**":	has the meaning, in relation to an Energy Contract Volume Notification or a Metered Volume Reallocation Notification, given to that term respectively in Section P2.3.2(c)(ii) or P3.3.2(c)(ii);
"**EII Asset**":	means Plant and Apparatus associated with Metering Systems in respect of which an EII Certificate is in force;
"**EII Certificate**":	means a certificate issued by the Secretary of State pursuant to The Electricity Supplier Obligations (Amendment & Excluded Electricity) Regulations [2015];
"**EII Regulations**":	means The Electricity Supplier Obligations (Amendment & Excluded Electricity) Regulations [2015];
"**Electricity Arbitration Association**":	means the unincorporated members' club of that title formed inter alia to promote the efficient and economic operation of the procedure for the resolution of disputes within the electricity supply industry by means of arbitration or otherwise in accordance with its arbitration rules;
"**Electricity Regulation**":	means the Regulation (EU) 2019/943of the European Parliament and of the Council of 5th June 2019 on the internal market for electricity as amended by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020;
"**electricity**":	means Active Energy and Reactive Energy;
"Eligible Services Facility":	has the meaning given to that term in the CUSC;
"**Embedded Distribution System**":	means an independent Distribution System that is connected to the Distribution System of a Host DSO;

DRAFT

"**Embedded DSO**":	means a Distribution System Operator operating an Embedded Distribution System;
"**Emergency Instruction**":	has the meaning given to that term in the Grid Code;
"**EMR Legal Requirement**":	means the Energy Act 2013, The Electricity Capacity Regulations 2014, The Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Contracts for Difference (Supplier Obligation) Regulations 2014, the AF Rules and any other regulation or instrument made by virtue of or pursuant to Chapter 2 (contracts for difference) or Chapter 3 (capacity market) or Chapter 4 (investment contracts) or Schedule 2 of the Energy Act 2013;
"**EMR Settlement Data**":	has the meaning given to that term in Section V5.1.1;
"**EMR Settlement Functions**":	means those functions which are to be performed by a CfD Counterparty or CM Settlement Body (or any EMR Settlement Services Provider on behalf of either of them) in order to give effect to requirements imposed on the CfD Counterparty or CM Settlement Body by the EMR Legal Requirements;
"**EMR Settlement Services Provider**":	means a CFD Settlement Services Provider and/or a CM Settlement Services Provider;
"**energisation**":	means, in relation to any Boundary Point or Systems Connection Point (or any Plant or Apparatus connected to any System at such a point), the movement of any isolator, breaker or switch or the insertion of any fuse, so as to enable electricity to flow, at such point to and from a System; and "**energise**" and "**energised**", shall be construed accordingly;
"**Energy (From) Account**":	means has the meaning given to that term in Section P1.3.5;
"**Energy (To) Account**":	means has the meaning given to that term in Section P1.3.5;
"**Energy Account**":	means an account held or to be held by a Party for the purposes of accounting in Settlement for quantities of Active Energy;
"**Energy Contract Volume Aggregation Agent" or "ECVAA**":	means the BSC Agent for Energy Contract Volume Aggregation in accordance with Section E;
"**Energy Contract Volume Data**":	means, in relation to any Settlement Period, a quantity (in MWh) of Active Energy as referred to in Section P2.3.2(a)(iv);

DRAFT

"**Energy Contract Volume Notification Agent" or "ECVNA**":	means a person authorised under Section P and in accordance with Section J as Party Agent by a Contract Trading Party to submit Energy Contract Volume Notifications on its behalf;
"**Energy Contract Volume Notification**":	means a notification of Energy Contract Volumes in relation to Settlement Periods in any Settlement Day(s);
"**Energy Contract Volume**":	is defined in Annex X-2;
"**Energy Credit Cover**":	has the meaning given to that term in Section M2.4.1;
"**Energy Indebtedness**":	has the meaning given to that term in Section M1.2.1;
"Energy Market Data Specification":	has the meaning given to the term "Data Specification" in the REC;
"EPG Scheme" or "Energy Price Guarantee Scheme":	has the meaning given to that term in Section C14.2;
"EPG Scheme Account"	has the meaning given to that term in Section C14.2;
"EPG Scheme Administrator"	has the meaning given to that term in Section C14.2;
"EPG Scheme Agreement"	has the meaning given to that term in Section C14.2;
"EPG Scheme Document"	has the meaning given to that term in Section C14.2;
"EPG Scheme Party"	has the meaning given to that term in Section C14.2;
"EPG Scheme Supplier Party"	has the meaning given to that term in Section C14.2;
"EPG Scheme Payment"	has the meaning given to that term in Section C14.2;
"Equipment Owner":	means, in relation to a Metering System, a person which is the owner of Metering Equipment comprised in that Metering System but is not the Registrant of that Metering System;
"Equivalent Meter":	means, in relation to an Unmetered Supply, the hardware and software that is used to calculate the half hourly consumption of electricity associated with such Unmetered Supply, which hardware and software meets the specification therefore set out in BSCP520;
"**Equivalent Unmetered Supply**":	means an Unmetered Supply with a Measurement Class of unmetered half hourly consumption;
"**European Commission**":	means the institution of that name established under the Treaty on European Union as amended from time to time;
"**Exempt Export BM Unit**":	means a BM Unit which comprises Exemptable Generating Plant, for which the Lead Party is the Party responsible for Exports, subject to Section K3.3A;

DRAFT

"**Exemptable Generating Plant**":	means Generating Plant which is Exemptable, as defined in Section K1.2.2;
"**Exemption Proportion**":	in respect of EII Assets, means the exemption proportion specified in an EII Certificate;
"**Exemption**":	means an exemption granted under section 5 of the Act;
"**Expected Transfer**":	has the meaning given to that term in Section R7.1.3;
"**Export Metering System**":	means a Metering System which measures Exports;
"**Export MSID**":	means the SVA Metering System Number of a Metering System which measures Exports;
"**Export**":	has the meaning given to that term in Section K1.1.4(b) as interpreted in accordance with the provisions of Section K1.1.4;
"**Expulsion Date**":	has the meaning given to that term in Section A5.2.4;
"**Expulsion Notice**":	has the meaning given to that term in Section A5.2.4;
"**External Interconnection**":	has the meaning given to that term in the Grid Code;
"**External System**":	means an electricity transmission system or electricity distribution system which is outside the area specified in Schedule 1 of the Transmission Licence and is electrically linked to a System; except that during the Transition Period: means an electricity transmission system or electricity distribution system which is outside the area covered by the Total System and is electrically linked to a System;
"**Externally Interconnected System Operator**":	means the person which operates an External System;
"**Extra-Settlement Determination**":	has the meaning given to that term in Section U2.3;
"**failing Supplier**":	has the meaning given to that term in Section K7.1.1;
"**Fast Reserve**":	means the Balancing Service procured by the NETSO as defined in the Procurement Guidelines;

DRAFT

"**Fast Track Self-Governance Criteria**":	means a Modification Proposal which: (i) if implemented would satisfy the Self-Governance Criteria; and (ii) falls within the scope of Section F2.1.1(d)(iv) (without limiting the right of any person specified in paragraph 2.1.1 to propose a Fast Track Self-Governance Modification Proposal) and which is required to correct an error in the Code or as a result of a factual change, including but not limited to: (a) updating names or addresses listed in the Code; (b) correcting minor typographical errors; (c) correcting formatting and consistency errors, such as paragraph numbering; or (d) updating out of date references to other documents or paragraphs;
"**Fast Track Self-Governance Implementation Date**":	means in relation to a Fast Track Self-Governance Modification Proposal, the date with effect from which the Code is to be given effect as modified by that modification, as such date may be extended pursuant to Section F2.11.7;
"**Fast Track Self-Governance Modification Proposal**":	has the meaning given to that term in Section F7.1.1;
"**Fast Track Self-Governance Modification Report**":	means in relation to a Fast Track Self-Governance Modification Proposal, a report finalised by the Modification Secretary including: (i) a description of the Proposed Modification; (ii) a statement that the Panel has determined that the Proposed Modification meets all of the Fast Track-Self Governance Criteria together with any rationale provided by the Panel in reaching its determination; (iii) details of how to object to the Proposed Modification being implemented under Section F7.2; (iv) the proposed text to modify the Code in order to give effect to the Fast Track Self-Governance Modification Proposal; and (v) the proposed Fast Track Self-Governance Implementation Date;
"Final Demand Site":	means a "Final Demand Site" as defined in Schedule 32 of the Distribution Connection and Use of System Agreement;

DRAFT

"**Final Physical Notification Data**":	means, in respect of a Settlement Period and a BM Unit, the data which is referred to in Section Q3.2.2 and which complies with the requirements of Section Q3.2.3;
"**Final Reconciliation Settlement Run**":	has the meaning given to that term in Section U2.3;
"**Final Reconciliation Volume Allocation Run**":	has the meaning given to that term in Section U2.3;
"**Financial Service Provider**":	has the meaning given to that term in Section V7.1.1;
"**First Reconciliation Settlement Run**":	has the meaning given to that term in Section U2.3;
"**First Reconciliation Volume Allocation Run**":	has the meaning given to that term in Section U2.3;
"**First Settlement Period**":	has the meaning given to that term in Section H2.3.3;
"**Framework Agreement**":	means the BSC Framework Agreement, as defined in the Transmission Licence;
"**Frequency**":	has the meaning given to that term in the Grid Code;
"**Fuel Security Code**":	means has the meaning given to that term in the Transmission Licence;
"**Fuel Type Category**":	means each of the categories referred to in Section Q6.1.18;
"**Funding Party Payment**":	has the meaning given to that term in Section D5.1.2;
"**Funding Party**":	has the meaning given to that term in Section D5.1.2;
"**Funding Shares**":	has the meaning given to that term in Section D1.2.1;
"**Funds Administration Agent" or "FAA**":	means the BSC Agent for Funds Administration in accordance with Section E1.2.4;
"**Funds Transfer Agreement**":	means the funds transfer agreement entered or to be entered into by the FAA, the BSC Clearer and the BSC Banker pursuant to Section N4.2.1;
"**Gas Transporter**":	has the meaning given to that term in Section 7 of the Gas Act 1986.
"Gas Turbine Unit":	has the meaning given to that term in the Grid Code;

DRAFT

"Gate Closure":	means: (i) in relation to a Settlement Period, the spot time one 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 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 one hour before, and no later than fifty five 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 one hour before the spot time at the start of the Settlement Period that coincides with the start of that Replacement Reserve Auction Period;
"GC and DC Breach Monitoring Criteria"	has the meaning given to that term in Section K3.4.7A;
"GC and DC Breach Monitoring":	has the meaning given to that term in Section K3.4.7A;
"GC Breach Monitoring Criterion":	has the meaning given to that term in Section K3.4.7A;
"GC Limits":	means the values established and from time to time revised and approved in accordance with Section K3.4.3A;
"GC or DC Breach Notification":	has the meaning given to that term in Section K3.4.7D;
"GC or DC Conflict Resolution Priority Order":	has the meaning given to that term in Section K3.4.7O;
"GC or DC Estimation Challenge Guidance"	has the meaning given to that term in Section K3.4.7L;
"GC or DC Estimation Challenge":	has the meaning given to that term in Section K3.4.7G;

DRAFT

"**General Meeting**":	means a meeting of all Voting Parties to vote on a Voting Party Resolution but shall not be a general meeting of BSCCo as referred to in the Companies Act 2006 and BSCCo's Articles of Association;
"**Generating Plant**":	means an installation comprising one or more Generating Units (even where sited separately), other than an Interconnector, owned and/or controlled by the same person, which may reasonably be considered as being managed as one power station;
"**Generating Unit**":	means any Apparatus which produces electricity;
"**Generation Capacity**" **or** "**GC**":	has the meaning given to that term in Section K3.4.8;
"**Generation Licence**":	a licence granted pursuant to section 6(1)(a) of the Act, as modified from time to time;
"**Go-live Date**":	means the date designated by the Secretary of State for the start of trading under the Code; and unless the context otherwise requires, means 00:00 hours on that date;
"**Good Industry Practice**":	means, in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
"**Great Britain**":	means the landmass of England, Wales and Scotland, including internal waters;
"**Grid Code**":	has the meaning given to that term in the Transmission Licence;
"**Grid Supply Point**":	means a Systems Connection Point at which the Transmission System is connected to a Distribution System and includes an Offshore Transmission Connection Point;
"**Group of GSPs**":	means one or more Grid Supply Points for the time being established as forming such a group in accordance with Section K1.8;
"**GSP Group liability cap**":	means, in relation to any GSP Group, the liability cap in relation to a month calculated in accordance with Annex S-1;
"**GSP Group Take**":	is defined in Annex X-2;

DRAFT

"GSP Group":	means a distinct electrical system, consisting of: (i) the Distribution System(s) which are connected to the Transmission System at (and only at) Grid Supply Point(s) which fall within one Group of GSPs, and (ii) any Distribution System which: (1) is connected to a Distribution System in paragraph (i), or to any other Distribution System under this paragraph (ii), and (2) is not connected to the Transmission System at any Grid Supply Point and the total supply into which is determined by metering for each half hour;
"Guideline on Electricity Balancing (EBGL)":	means Commission Regulation (EU) 2017/2195;
"Half Hourly Data Aggregator":	means a Data Aggregator which carries out the aggregation of metering data received from Half Hourly Data Collectors in respect of SVA Metering Systems;
"Half Hourly Data Collector":	means a Data Collector which retrieves, validates and processes metering data from Half Hourly Meters and Equivalent Meters comprised in respect of SVA Metering Systems and from Asset Meters comprised in Asset Metering Systems;
"Half Hourly Meter":	means a Meter which provides measurements on a half hourly basis for Settlement purposes;
"Half Hourly Metering Equipment":	means Metering Equipment which provides measurements on a half hourly basis for Settlement purposes;
"Half Hourly Metering System":	means a Metering System which provides measurements on a half hourly basis for Settlement purposes;
"High Grade Service":	has the meaning given to that term in Section V2.3;
"Host DSO":	means a Distribution System Operator operating a Distribution System that is directly connected to the Transmission System;
"HVDC Boundary Data":	has the meaning given to that term in paragraph 5.1 of Annex T-2;
"HVDC Boundary":	means the point at which the AC Transmission System is connected to the HVDC Transmission System;
"HVDC Transmission System":	means that part of the Transmission System used for the transmission of high voltage direct current (HVDC);
"ID Transfer Date":	has the meaning given to that term in paragraph 1.4.5 of Section S;

DRAFT

"**ID Transferee**":	has the meaning given to that term in paragraph 1.4.1 of Section S;
"**ID Transferor**":	has the meaning given to that term in paragraph 1.4.1 of Section S;
"**Identifier**":	means a unique number and/or letter or, as the case may be, a unique combination of numbers and/or letters;
"**Imbalance Party**":	means a Trading Party or a Virtual Lead Party that holds a Virtual Balancing Account;
"**Impacted SVA Metering System**":	means an SVA Metering System impacted by a Demand Disconnection;
"**Implementation Date**":	means, in relation to an Approved Modification, the date with effect from which the Code is to be given effect as modified by that modification, as such date may be extended pursuant to Section F2.11.7;
"**Implementation Scheme**":	means the programme implementation scheme designated by the Secretary of State pursuant to the Transmission Licence and equivalent conditions of other Licences, as from time to time modified;
"**Import Metering System**":	means a Metering System which measures Imports;
"**Import MSID**":	means the SVA Metering System Number of a Metering System which measures Imports;
"**Import**":	has the meaning given to that term in Section K1.1.4(b) as interpreted in accordance with the provisions of Section K1.1.4;
"Inactive"	has the meaning given to that term in Section S10.1.3.B and S10.1A.2B;
"**Individual Liquidity Threshold**":	has the meaning given to that term in Section T1.5.2;
"**Industry Code**":	means a multilateral code or agreement created and maintained pursuant to a licence granted by the Authority under section 6 of the Electricity Act 1989 or under sections 7, 7ZA or 7A of the Gas Act 1986, including the Core Industry Documents, the Grid Code, the Connection and Use of System Code, the Retail Energy Code, the System Operator Transmission Owner Code and the Uniform Network Code and the Code (unless the context otherwise requires);
"**Industry Code Manager**":	means in relation to an Industry Code, the body or entity which is responsible for the management of the process for progressing changes to that Industry Code;

DRAFT

"**Industry Code Owner**":	means in relation to an Industry Code, the body or entity which is responsible for the operation of procedures for making changes to such Industry Code;
"**Industry Panel Member**":	means a Panel Member appointed pursuant to Section B2.2;
"**Initial BSC Services Manager Contract Principles**":	has the meaning given to that term in Section E, paragraph 4.4.2(a)
"**Initial Energy Contract Volume Notification**":	means: (a) an Energy Contract Volume Notification in respect of which there is no earlier valid Energy Contract Volume Notification with the same Energy Contract Volume Notification Agent, Energy (From) Account and Energy (To) Account; or (b) an Energy Contract Volume Notification (the "**second**" such notification) submitted for which the relevant Energy Contract Volume Notification Agent, Energy (From) Account and Energy (To) Account are the same as those for an earlier valid Energy Contract Volume Notification (the "**first**" such notification) and the second notification is not an Additional Energy Contract Volume Notification or a Replacement Energy Contract Volume Notification in relation to the first notification;
"**Initial Notification Date**":	means, in respect of any Settlement Day, the Notification Date in relation to the Initial Settlement Run;
"**Initial Payment Date**":	means, in respect of any Settlement Day, the Payment Date in relation to the Initial Settlement Run;
"**Initial Settlement Run**":	has the meaning given to that term in Section U2.3;
"**Initial Volume Allocation Run**":	has the meaning given to that term in Section U2.3;
"**Inside Information Data**":	means the data items set out in the CVA Data File Catalogue;
"**Inside Information Message**":	means a message containing the data items specified in Section Q11.2.3;
"**Intellectual Property Rights" or "IPRs**":	means patents, trade marks, design rights, copyright, database rights, know-how (whether registrable or otherwise), applications for any of the foregoing, and other similar rights or obligations, whether registrable or not, in any country (including the United Kingdom) for the full term of the rights together with any extensions;

DRAFT

"**Interconnected System Operator**":	means, in relation to an Interconnector, the NETSO or Distribution System Operator (as the case may be) to whose System such Interconnector is connected;
"**Interconnection Agreement**":	means an agreement between the Interconnected System Operator and an Externally Interconnected System Operator and/or an Interconnector User relating to an Interconnector and/or an agreement under which an Interconnector User can use an Interconnector;
"**Interconnector Administrator**":	means, in relation to an Interconnector, the Party for the time being which is appointed and has agreed to act as interconnector administrator in accordance with the provisions of Section K;
"**Interconnector BM Unit**":	has the meaning given to that term in Section K5.5.1;
"**Interconnector Boundary Point**":	means a Boundary Point at which an Interconnector is connected to a System;
"**Interconnector Error Administrator**":	means, in relation to an Interconnector, the Party for the time being which is appointed and agrees to act as (or the Party which is otherwise required to act as) interconnector error administrator in accordance with the provisions of Section K;
"**Interconnector Metered Volume**":	means, in relation to an Interconnector, the Metered Volume in respect of a Settlement Period;
"**Interconnector Scheduled Transfer**":	has the meaning given to that term in Section R7.1.3;
"**Interconnector User**":	means, in relation to an Interconnector, a Lead Party in respect of an Interconnector BM Unit other than the Interconnector Error Administrator;
"**Interconnector**":	means Apparatus, connected to a System, for the transfer of electricity to or from the Total System from or to an External System;
"**Interested Person**":	means a Party, an Applicant for Qualification whose application has been refused, a Qualified Person or, as the case may be, a person whose Qualification has terminated or been removed;
"**Interim Information Settlement Run**":	has the meaning given to that term in Section U2.3;
"**Interim Information Volume Allocation Run**":	has the meaning given to that term in Section U2.3;
"**Intraday Cross-Zonal Gate Closure Time**":	has the meaning given to that term in Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management (CACM);

DRAFT

"**Investment Account**":	means an interest bearing account with a bank or building society into which Reserve Account monies are deposited;
"**Invitee**":	has the meaning given to that term in Section L6.2;
"**IS Policies**":	has the meaning given to that term in Section F4.1.3;
"kVAr":	means kilovoltamperes reactive;
"**kW**":	means kilowatt;
"**kWh**":	means kilowatt-hour;
"last resort direction":	has the meaning given to that term in Section K7.1.1;
"**Lead Energy Account**":	means, in relation to a BM Unit, the corresponding Energy Account of the Lead Party;
"Lead Metering System":	means the Import Metering System determined by the Licensed Distribution System Operator as the Import Metering System associated with a Single Site whose Registrant will be responsible for the transmission and distribution use of system charges applicable to that Single Site;
"**Lead Party**":	means, in relation to a BM Unit, the Party registered or to be registered in respect of the BM Unit pursuant to Section K3 and K8;
"**Legal Requirement**":	means any Act of Parliament, regulation, licence or Directive;
"**Letter of Credit**":	means an unconditional, irrevocable standby letter of credit substantially in the form set out in Annexes M-1, M-2 or M-3 (or such other form as the Panel may approve) in sterling in favour of the BSC Clearer by any United Kingdom clearing bank(s) or any other bank(s) which has (have) a long term debt rating of not less than single A by Standard & Poor's Corporation, Moody's Investors Service, Inc., Fitch Ratings Limited or such other bank(s) as the Panel may approve, and which shall be available for payment at a United Kingdom branch of the issuing bank. A single A by Standard & Poor's Corporation or Fitch Ratings Limited shall satisfy these requirements if appended with a '+' or '-'. A single A by Moody's Investors Service, Inc. shall satisfy these requirements if appended with a '1', '2' or '3';
"**Level 1 Credit Default Cure Period**":	has the meaning given to that term in Section M3.2.5;
"**Level 1 Credit Default**":	has the meaning given to that term in Section M3.2.6;
"**Level 2 Credit Default**":	has the meaning given to that term in Section M3.3.1;
"**Licence Restricted Party**":	has the meaning given to that term in Section L6.7.1;

DRAFT

"**Licence**":	means a licence granted under section 6 of the Act, as modified from time to time in accordance with the Act;
"**Licensable Generating Plant**":	means Generating Plant which is Licensable as defined in Section K1.2.2;
"**Licensed Distribution System Operator**" or "**LDSO**":	means a Party which holds a Distribution Licence in respect of distribution activities in Great Britain, acting in that capacity;
"**Load Flow Model Specification**" or "**LFM Specification**":	has the meaning given to that term in paragraph 2.1 of Annex T-2;
"**Load Flow Model**":	has the meaning given to that term in paragraph 1.3 of Annex T-2;
"**Load Period**":	has the meaning given to that term in paragraph 7.2 of Annex T-2;
"**Load Shedding**":	has the meaning given to the term in the Procedure for Network Gas Supply Emergency issued by National Grid Gas plc.;
"**Long Term Vacant**":	means the status of a Non Half Hourly Metering System which is registered in SMRS as energised and where the Supplier has complied with the requirements or criteria set out in Section S 2.8.3 and S 2.8.5;
"**Loss of Load Probability Calculation Statement**":	has the meaning given to that term in Section T1.6A.1;
"**Low Grade Service**":	has the meaning given to that term in Section V2.3;
"**Main Business Person**":	has the meaning given to that term in Section H4.1.1;
"**Main Business**":	has the meaning given to that term in Section H4.1.1;
"**Main Funding Share**":	has the meaning given to that term in Section D1.2.1;
"**Main Specified Charge**":	has the meaning given to that term in Section D3.1;
"**Managed Data Network**":	has the meaning given to that term in Section O1.4.1(d);
"**Manifest Error**":	has the meaning given to that term in Section Q7.1.1(a);
"**Market Domain Data**":	means data which relate to Supplier Volume Allocation to be provided by the SVAA to all persons involved in Settlement in accordance with BSCP509;
"**Market Index Data Provider Contract**":	means that the contract (as amended, supplemented, renewed or replaced from time to time) between BSCCo and a Market Index Data Provider for the provision of Market Index Data;

DRAFT

"**Market Index Data Provider**":	has the meaning given to that term in Section T1.5.2;
"**Market Index Data**":	means that the data to be provided by the Market Index Data Provider(s) in accordance with the Market Index Definition Statement or, in relation to a particular Market Index Data Provider, the data to be so provided by that Market Index Data Provider, in each case as set out in Section T1.5 and T1.6;
"**Market Index Definition Statement**":	has the meaning given to that term in Section T1.5.1;
"**Market Participant**":	shall have the same meaning given to the term "market participant" as specified in Article 2(7) of REMIT;
"**Market Suspension Period**":	the period determined in accordance with Section G3.1.3(a) or G3.1.7(b), as applicable;
"**Market-wide Half Hourly Settlement Implementation Management" or "MHHS Implementation Management**":	has the meaning given to that term in Section C12.1.1;
"Market-wide Half Hourly Settlement Implementation Manager" or "MHHS Implementation Manager:"	has the meaning given to that term in Section C12.2;
"**Market Suspension Threshold**":	has the meaning given to that term in Section G3.1.5;
"**Master Connection and Use of System Agreement**":	means the agreement envisaged in Condition 10B of the Transmission Licence as such applied immediately prior to 18th September 2001 and/or the Connection and Use of System Code (and the framework agreement by which such code is made binding) established pursuant to Condition C7F of the Transmission Licence which replaces such agreement in whole or part;
"**Material Change**":	means a change to a person's systems or processes which is of such a type or magnitude as to raise the reasonable expectation of an impact on that person's ability to meet its obligations under the Code and any Material Changes described as such in Section J and/or BSCP537;
"**Menu of Qualification Fees**":	means the scale of fees to be charged in connection with the Qualification Process, as set out in BSCP537;
"**Menu of Supplier Charges**":	has the meaning given to that term in Annex S-1;
"**Meter Administrator**":	means a person appointed by a Supplier in accordance with Section S to calculate estimated energy consumption for Equivalent Unmetered Supplies;

DRAFT

"**Meter Advance Reconciliation**":	means the process of reconciling half hourly energy values with meter advances as described (in the case of CVA Metering Systems) in BSCP05 and (in the case of SVA Metering Systems) in BSCP502;
"**Meter Operator Agent**":	means an SVA Meter Operator and a CVA Meter Operator and a Meter Operator appointed in respect of Asset Metering Equipment ;
"**Meter Technical Details**":	means all technical details (including Outstation channel mapping) of a Metering System required to enable metered data to be collected and correctly interpreted from that Metering System as referred to in BSCP20, BSCP502 or (as the case may be) BSCP504 or (as the case may be) BSCP602 and BSCP603;
"**Meter**":	means a device for measuring Active Energy or Reactive Energy;
"**Metered Volume Reallocation Data**":	means Metered Volume Reallocation Fixed Data or Metered Volume Reallocation Percentage Data;
"**Metered Volume Reallocation Fixed Data**":	means, in relation to a BM Unit, a volume of Active Energy (in MWh) as referred to in Section P3.3.2(a)(vi));
"**Metered Volume Reallocation Notification Agent" or "MVRNA**":	means a person authorised in accordance with Section P as Party Agent by a Contract Trading Party to submit Metered Volume Reallocation Notifications on its behalf;
"**Metered Volume Reallocation Notification**":	means a notification of a Metered Volume Reallocation in relation to Settlement Periods in any Settlement Day(s);
"**Metered Volume Reallocation Percentage Data**":	means, in relation to a BM Unit, a percentage as referred to in Section P3.3.2(a)(vi);
"**Metered Volume**":	has the meaning given to that term in Section R1.2;
"**Metering Dispensation**":	means a dispensation (in relation to any Metering Equipment) from compliance with any requirement of a Code of Practice, granted by the Panel in accordance with Section L;
"**Metering Equipment**":	means Meters, Asset Meters, measurement transformers (voltage, current or combination units), metering protection equipment including alarms, circuitry, associated Communications Equipment and Outstations and wiring;
"**Metering Point**":	has the meaning given to that term in the REC;
"**Metering System**":	means particular commissioned Metering Equipment, subject to and in accordance with Section K1.6;
"**MHHS Implementation**":	has the meaning given to that term in Section C12.2;

DRAFT

"**MHHS Implementation Assurance Provider**":	has the meaning given to that term in Section C12.2;
"**MHHS Implementation Management Costs**":	has the meaning given to that term in Section D8.1;
"**MHHS Implementation Management Monthly Charge**":	has the meaning given to that term in Section D8.1;
"**MHHS Implementation Manager**":	has the meaning given to that term in Section C12.1.1;
"**Modification Business**":	means the business of a Panel meeting and/or a Panel resolution which relates to Modification Procedures;
"**Modification Procedures**":	means the procedures for the modification of the Code (including the implementation of Approved Modifications) as set out in paragraphs 1, 2, 5 and 6 of Section F;
"**Modification Proposal**":	means a proposal to modify the Code which has been submitted (and not refused) pursuant to and in accordance with Section F2.1;
"**Modification Register**":	has the meaning given to that term in Section F1.3.1;
"**Modification Report**":	means, in relation to a Proposed Modification (and any associated Alternative Modification), the report prepared or to be prepared in accordance with Section F2.7;
"**Modification Secretary**":	has the meaning given to that term in Section F1.2.5;
"**Monthly Default Costs**":	has the meaning given to that term in Section D4.1;
"**Monthly Net Main Costs**":	has the meaning given to that term in Section D4.1;
"**Monthly NETA Recovery Amount**":	has the meaning given to that term in paragraph 2.2 of Annex D-2;
"**Monthly Progress Report**":	has the meaning given to that term in Section F1.4.1;
"MSID Baseline Value":	has the meaning given to that term in paragraph 7.3.1 of Annex S-2;
"MSID Baseline Losses":	has the meaning given to that term in paragraph 7.3.1 of Annex S-2;
"**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;
"**MSID**":	has the same meaning as SVA Metering System Number;

DRAFT

"**MVRNA Authorisation**":	means an authorisation, by or on behalf of a Contract Trading Party pursuant to Section P, of a person to act as Metered Volume Reallocation Notification Agent for it;
"**MW**":	means megawatt;
"**MWh**":	means megawatt-hours;
"National Electricity Transmission System Operator Area":	has the meaning set out in Schedule 1 to the Transmission Licence;
"**National Electricity Transmission System Operator**":	means National Grid Electricity System Operator Limited, registered number 11014226 whose registered office is 1-3 Strand, London WC2N 5EH, as the holder of the Transmission Licence in relation to which Section C (system operator standard conditions) of the standard Transmission Licence conditions applies and any reference to "NETSO", "NGESO", "National Grid Company" or "NGC" in the Code or any Code Subsidiary Document shall have the same meaning;
Net Differencing Baseline Value	has the meaning given to it in Annex S-2 7.3.1(c)
"**Net Payment Amount**":	has the meaning given to that term in Section N5.1.6;
"**New VLP Registrant**":	has the meaning given to that term in Section K2.8.1;
"**Network Code on Electricity Emergency and Restoration (NCER)**":	means Commission Regulation (EU) 2017/2196 of 24th November 2017 establishing a network code on electricity emergency and restoration;
"Network Gas Supply Emergency":	has the meaning given to the term in the Procedure for Network Gas Supply Emergency issued by National Grid Gas plc;
"Network Gas Supply Emergency Acceptance":	means a communication which is classed as an Acceptance in accordance with Section Q5.1.3(c);
"Network Gas Supply Emergency Adjustment Principle";	means the principles set out in Section G6.1.3;
"**Node**":	has the meaning given to that term in paragraph 4.2 of Annex T-2;
"**Nominated Agreements**":	has the meaning given to that term in Section H4.4.1;
"**Nomination Committee**":	means the committee of that name appointed by the Board pursuant to Section C4.1;
"**Non Half Hourly Data Aggregator**":	means a Data Aggregator which carries out the aggregation of metering data received from Non Half Hourly Data Collectors;

DRAFT

"**Non Half Hourly Data Collector**":	means a Data Collector which retrieves, validates and processes metering data from Non Half Hourly Meters;
"**Non Half Hourly Meter**":	means a SVA Meter which provides measurements other than on a half hourly basis for Settlement purposes;
"**Non Half Hourly Metering Equipment**":	means SVA Metering Equipment which is not Half Hourly Metering Equipment;
"**Non Half Hourly Metering System**":	means a SVA Metering System which is not a Half Hourly Metering System;
"**Non Pumped Storage Hydro Plant**":	means a Power Station which uses the mechanical force of moving water as the primary source of energy but does not include Pumped Storage Plant;
"**Non-Binding Resolution**":	has the meaning given to that term in Section C4.9.1;
"**Non-BM Fast Reserve**":	means Fast Reserve that is procured outside the balancing mechanism;
"**Non-BM STOR**":	means the balancing service used by the NETSO to provide reserve power in the form of either generation or demand reduction;
"Non-Final Demand Declaration":	means a declaration made by an SVA Non-Final Demand Facility Operator in respect of SVA Non-Final Demand Facilities in accordance with BSCP602;
"**Non-paying BSC Debtor**":	has the meaning given to that term in Section N9.2.1;
"**Non-Supplier Trading Party**":	has the meaning given to that term in Section M2.3A;
"**Notification Date**":	means, for any Settlement Day, in relation to the Initial Settlement Run or any Reconciliation Settlement Run, the day on which the SAA is (pursuant to Section N) to provide data and information to the FAA, and in respect of which the FAA is to provide Advice Notes to Payment Parties, as determined under Section N3 and N7;
"**Notified Volume Charge**":	has the meaning given to that term in paragraph 3.1 of Annex D-3;
"**Novation Agreement**":	means an agreement in the form prescribed by BSCCo whereby a Party transfers its rights and obligations under an Accession Agreement including its BSC Party ID to a Novation Applicant ;
"**Novation Applicant**":	has the meaning given to that term in Section A2.7.1;
"**Novation Date**":	has the meaning given to that term in Section A2.7.5;
"**Novation Fee**":	means the application fee (if any) set by the Panel from time to time in accordance with Section A2.7.6 as the fee payable by a Novation Applicant;

DRAFT

"**Nuclear Plant**":	means a Power Station which uses nuclear energy to generate electricity;
[Pxxx]"**Nuclear RAB Legal Requirement**":	has the meaning given to that term in paragraph 5.1.1 of Annex C-1;
[Pxxx]"**Nuclear RAB Settlement Services**"	has the meaning given to that term in paragraph 5.1.1 of Annex C-1;
[Pxxx]"**Nuclear RAB Settlement Services Provider**"	has the meaning given to that term in paragraph 5.1.1 of Annex C-1;
"**Nuclear Site Licence**":	has the meaning given to that term in Section L6.7.1;
"**Nullification Effective Period**":	has the meaning given to that term in P4A.1.2(b);
"**Offshore Power Park Module**":	has the meaning given to that term in the Grid Code;
"**Offshore Transmission Connection Point**":	means a Systems Connection Point at which the Offshore Transmission System is connected to a Distribution System;
"**Offshore Transmission System User Assets**":	has the meaning given to that term in the Grid Code;
"**Offshore Transmission System**":	has the meaning given to that term in the Grid Code and, for the purposes of the Code, shall include Offshore Transmission System User Assets;
"**Offshore Waters**":	has the meaning given to *"offshore waters"* within Section 90(9) of the Energy Act 2004;
"**Offshore**":	means in Offshore Waters;
"**Oil Plant**":	means a Power Station which uses oil as the primary source of fuel;
"**On-Site Inspection**":	means an audit undertaken by the TAA in accordance with Section L7.4;
"**Open Cycle Gas Turbine Plant**":	means Plant consisting of one or more Gas Turbine Units which are not part of a CCGT Module;
"**Operational Day**":	has the meaning given to that term in the Grid Code;
"**Outage**":	has the meaning given to that term in Section Q1.2.1(c);
"**Outstation**":	means equipment which receives and stores data from a Meter(s) for the purpose, inter alia, of transfer of that metering data to the CDCA or a Data Collector, as the case may be, and which may perform some processing before such transfer and may be one or more separate units or may be integral with the Meter;

DRAFT

"P/C Status":	has the meaning given to that term in Section K3.5.1;
"**P272 Implementation Date**":	means the Relevant Implementation Date for Modification Proposal P272;
"**PAB Functions**":	means the functions, duties and responsibilities of the Performance Assurance Board set out or referred to in Section Z1.4.1;
"**PACo**":	means a company engaging in Permissible Activity in accordance with Section C Annex C-1 and duly incorporated in England and Wales;
"**PACo Board**":	means the board of directors of PACo;
"**PACo Role**":	means the role undertaking one or more Permissible Activities following a Permissible Activity Tender;
"**PACo Shareholder**":	means BSCCo in its capacity as holder of some or all of the issued share capital of PACo;
"**PACo Tender Costs**":	means the costs referred to in paragraph 4.2 of Section C Annex C-1;
"**PACo Tender Recovery Period**":	means the period starting from the commencement date of the contract awarding the PACo Role and ending a maximum of five years thereafter;
"**PAFA Role**":	means the role of 'Performance Assurance Framework Administrator' to be awarded under the Uniform Network Code;
"**PAFA Tender Costs**":	has the meaning given to that term in Annex C-1 paragraph 2.2.1;
"**PAFA Tender Recovery Period**":	means the period commencing on the date PAFA Tender Costs are first paid to PAFACo and ending a maximum of five years thereafter;
"**PAFA Tender**":	means all activities, by or on behalf of PAFACo, in connection with the planning, preparation, negotiation and award of, or any other process leading to an award of, the PAFA Role;
"**PAFACo Board**":	means the board of directors of PAFACo;
"**PAFACo Shareholder**":	means BSCCo in its capacity as holder of all of the issued share capital of PAFACo;
"**PAFACo**":	means a company duly incorporated in England and Wales;
"**Paid or Recovered**":	has the meaning in Section N9.3.1;
"**Panel Chair**":	means the person appointed by the Authority to be chair of the Panel as described in Section B2.1;

DRAFT

"**Panel Committee**":	means a committee established by the Panel pursuant to Section B5;
"**Panel Member**":	means a member for the time being of the Panel;
"**Panel Secretary**":	means the secretary to the Panel appointed from time to time pursuant to Section B1.1.3;
"**Panel**":	means the panel established pursuant to Section B1.1.1;
"**Party Agent**":	means a person (which may include the Party itself) appointed or to be appointed by a Party for the purposes of carrying out functions or performing obligations (of or on behalf of that Party) which under the Code are required to be or may only be carried out or performed by such an agent;
"**Party Applicant**":	has the meaning given to such term in Section A2.2.1;
"**Party Charge**":	has the meaning given to that term in Section D5.1.2;
"**Party Details**":	has the meaning given to such term in Section A3.1;
"**Party Registration Data**":	has the meaning given to that term in Section A4.2;
"**Party Service Line**":	means a document of that title, as established or adopted and from time to time modified by the Panel in accordance with the Code, setting out the requirements as to particular services which are to be performed by Parties and Party Agents (excluding SVA Meter Operator Agents);
"**Party System**":	has the meaning given to that term in Section O2.2.1;
"**Party**":	means a person who is for the time being bound by the Code by virtue of being a party to the Framework Agreement;
"Party Submitted Expected Volume":	has the meaning given to the term in paragraph 7.3.4 of Annex S-2;
"**Payment Calendar**":	means, in relation to a BSC Year, the calendar prepared and issued by the FAA in accordance with Section N3;
"**Payment Date**":	means, in relation to any Settlement Run in respect of any Settlement Day, the date on which notified payments in respect of Trading Charges are to be settled, in accordance with Section N;
"**Payment Party**":	means a Trading Party, a Virtual Lead Party that holds a Virtual Balancing Account or the NETSO, or (in the context of a Payment Date) any such Party where obliged to make or (subject to Section N2.4 to N2.7 (inclusive)) entitled to receive payment to or from the BSC Clearer of any amount in respect of Trading Charges;

DRAFT

"**Pending Modification Proposal**":	has the meaning given to that term in Section F2.1.5;
"**Performance Assurance Administrator**":	means the person for the time being and from time to time appointed pursuant to Section Z as the Performance Assurance Administrator for the purposes of the Code;
"**Performance Assurance Board**":	means the Panel Committee established under Section Z;
"**Performance Assurance Effective Date**":	means 1st November 2008 or such other date as may be prescribed in the Annual Performance Assurance Timetable as being the date on which the Performance Assurance Board shall make each Performance Assurance Party's initial Risk Determination;
"**Performance Assurance Operating Period**":	means the period of time detailed as such in the Annual Performance Assurance Timetable from time to time;
"**Performance Assurance Party**":	has the meaning given to that term in Section Z5.1.1(c);
"**Performance Assurance Reporting and Monitoring System" or "PARMS**":	means the system established inter alia for the purpose of recording and monitoring compliance by Suppliers with their obligations pursuant to Section S;
"**Performance Assurance Technique**":	has the meaning given to that term in Section Z5.3.2;
"**Performance Level**":	means any of the standards of performance specified in the Menu of Supplier Charges;
"**Performance Monitoring Log**":	means, in relation to a particular GSP Group, the log to be produced by a Supplier, in accordance with the relevant BSC Procedure, in respect of its performance against the Serials contained in the Menu of Supplier Charges;
"**Performance Monitoring Report**":	means, in relation to a particular GSP Group, the report to be provided by a Supplier, in accordance with the relevant BSC Procedure, in respect of its performance against the Serials contained in the Menu of Supplier Charges;
"**Permissible Activity**":	has the meaning given to that term in Section C1.2.1B;
"**Permissible Activity Tender**":	means a tender in accordance with paragraph 4 of Section C Annex C-1;
"**Permitted Activities**":	has the meaning given to that term in Section H4.1.1;
"**Permitted Affiliate**":	has the meaning given to that term in Section C1.2.1B;
"**PES Supplier**":	means a Supplier which held or is a successor (in that capacity) to a company which held a PES Supply Licence at the Code Effective Date;

DRAFT

"**PES Supply Licence**":	means a licence granted under section 6(1)(c) of the Act prior to amendment of that section by section 30 of the Utilities Act 2000;
"**Physical Notification**":	means: (i) in respect of a Settlement Period and a BM Unit not subject to a Network Gas Supply Emergency Acceptance, a notification made by (or on behalf of) the Lead Party to the NETSO under the Grid Code as to the expected level of Export or Import, as at the Transmission System Boundary, in the absence of any Acceptances, at all times during that Settlement Period; (ii) in respect of a Settlement Period and a BM Unit subject to a Network Gas Supply Emergency Acceptance, a notification made by (or on behalf of) the Lead Party to the NETSO under the Grid Code as to the contracted position of the BM Unit at the Bid-Offer Acceptance Time;
"**Plan Year**":	has the meaning given to that term in Section C6.1.1;
"**Plant**":	means fixed or movable items used in the generation, supply, distribution and/or transmission of electricity, other than Apparatus;
"**Pool Executive Committee**":	means the Executive Committee as defined in the Pooling and Settlement Agreement;
"**Pool Member**":	means a Party who was a pool member under the Pooling and Settlement Agreement on or at any time after the Code Effective Date;
"**Pooling and Settlement Agreement**":	means the Pooling and Settlement Agreement dated 30th March 1990;
"**Post-Final Settlement Run**":	has the meaning given to that term in Section U2.3;
"**Post-Final Volume Allocation Run**":	has the meaning given to that term in Section U2.3;
"**Postponed Payment Date**":	has the meaning given to that term in Section N6.6.1;
"**Power Park Module**"	has the meaning given to that term in the Grid Code;
"**Power Station**":	has the meaning given to that term in the Grid Code;
"**Primary BM Unit**":	means a unit established and registered (or to be established and registered) by a Lead Party in accordance with Section K3;
"**Primary Supplier**":	means, in connection with a Shared SVA Meter Arrangement, the Supplier agreed or nominated as primary Supplier in accordance with Section K;

DRAFT

"**Procurement Guidelines**":	means the statement prepared by (and, if appropriate, revised by) the NETSO pursuant to condition C16(3) of the Transmission Licence;
"**Production BM Unit**":	means a BM Unit which: (i) in the case of a BM Unit other than an Interconnector BM Unit, is classified as a Production BM Unit in accordance with the provisions of Section K3.5.2 or, in the case of an Exempt Export BM Unit, the Lead Party has elected to treat as a Production BM Unit pursuant to Section K3.5.5; and (ii) in the case of an Interconnector BM Unit, is designated by the CRA as a 'Production' BM Unit pursuant to Section K5.5.5;
"**Production Energy Account**":	means an Energy Account designated as a 'Production' Energy Account;
"**Production Interconnector BM Unit**":	means an Interconnector BM Unit designated by the CRA as a 'Production' BM Unit;
"**Profile Administration Services Contract**":	has the meaning given to that term in Section C9.3.1;
"**Profile Administration Services**":	shall have the meaning given in Section C9.1;
"**Profile Administrator**":	means the BSC Agent for Profile Administration pursuant to Section E;
"**Profile Class**":	is defined in Annex X-2;
"**Profile**":	has the meaning given to that term in Annex X-2, Table X-6;
"**Profiled Unmetered Supply**":	means an Unmetered Supply with a Measurement Class of unmetered non-half hourly consumption;
"**Proposed Modification**":	means a modification to the Code which has been proposed by way of Modification Proposal but which has not or not yet been made in accordance with Section F1.1.1;
"**Proposed Self-Governance Modification**":	means a modification to the Code which has been proposed by way of a Self-Governance Modification Proposal but which has not yet been made in accordance with Section F6.3.3;
"**Proposer**":	means, in relation to a particular Modification Proposal, the person who makes, or adopts, such Modification Proposal;
"**Protected Information**":	has the meaning given to that term in Section H4.1.1;

DRAFT

"**Pumped Storage Plant**":	has the meaning given to that term in the Grid Code;
"Qualification Document":	means the Qualification Document that is to be completed by the Applicant in accordance with Section J3.3.5 and which once completed describes how the Applicant will meet its obligations under the Code and any relevant BSCP;
"**Qualification Process**":	means the process set out in Section J and BSCP537 whereby an Applicant is assessed to determine whether it satisfies the Qualification Requirements (and for the avoidance of doubt where the context allows also includes re-Qualification);
"**Qualification Requirements**":	means, in relation to an Applicant, the requirements which that Applicant is required to satisfy in order to perform the specific activities or functions for which it is applying to be Qualified being one or more of the activities or functions for which Qualification is required pursuant to Section J, Section S and BSCP537;
"**Qualification**":	means, subject to Section J3.3, written confirmation by the Panel that an Applicant has, in the opinion of the Panel, satisfied the relevant Qualification Requirements (and "Qualify" and "Qualified" shall be construed accordingly);
"**Qualified Person**":	means: (i) a person who is Qualified excluding SVA MOAs; (ii) for the purposes of Section J3.7, a person whose Qualification has been removed by the Performance Assurance Board, or whose Qualification the Performance Assurance Board has decided to remove, pursuant to Section J3.4; and (iii) where the context so admits, an Applicant;
"**Quarter Date**":	means 31st March, 30th June, 30th September and 31st December;
"**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 to the BMRA pursuant to Section Q5A by the submission of Quarter Hour RR Acceptance Data;
"**Quarter Hour**":	is defined in Annex X-2;
"**Quarter**":	means the period of three calendar months ending on a Quarter Date;
"**Query Meeting**":	has the meaning given to that term in Section Z6.2.2(c);
"**Query Period**":	has the meaning given to that term in Section M3.2.2;
"**Query Response**":	has the meaning given to that term in Section Z6.1.1(b);

DRAFT

"Range CCGT Module":	has the meaning given to that term in the Grid Code;
"**Reactive Energy**":	means the integral with respect to time of Reactive Power; and for the purposes of the Code, is comprised of Active Export Related Reactive Energy and Active Import Related Reactive Energy
"**Reactive Power**":	means the product of voltage and current and the sine of the phase angle between them, measured in units of voltamperes reactive and standard multiples thereof;
"**REC Code Manager**":	has the meaning given to the term Code Manager in the Retail Energy Code;
"**RECAS Role**":	means the role of 'Retail Energy Code (REC) Administrative Services (RECAS)';
"**RECAS Tender Costs**":	has the meaning given to that term in Annex C-1 paragraph 3.2.1;
"**RECAS Tender Recovery Period**":	means the period commencing on the date RECAS Tender Costs are first paid to RECASCo and ending a maximum of five years thereafter;
"**RECAS Tender**":	means all activities, by or on behalf of RECASCo, in connection with the planning, preparation, negotiation and award of, or any other process leading to an award of the RECAS Role;
"**RECASCo Board**":	means the board of directors of RECASCo;
"**RECASCo Shareholder**":	means BSCCo in its capacity as holder of all of the issued share capital of RECASCo;
"**RECASCo**":	means a company duly incorporated in England and Wales;
"**Reconciliation Charge**":	has the meaning given to that term in Section N6.4.3;
"**Reconciliation Payment Date**":	means, in respect of a Settlement Day, the Payment Date in relation to a Reconciliation Settlement Run;
"**Reconciliation Settlement Run**":	has the meaning given to that term in Section U2.3;
"**Reconciliation Volume Allocation Run**":	has the meaning given to that term in Section U2.3;
"**Reference Year**":	has the meaning given to that term in paragraph 7.1 of Annex T-2;
"**Registrant**":	means, in relation to a Metering System, the person for the time being registered in CMRS or (as the case may be) CSS or (as the case may be) AMRS in respect of that Metering System pursuant to Section K;

DRAFT

"**Registered Capacity**"	Has the meaning given to that term in the Grid Code;
"**Registration Transfer**":	has the meaning given to that term in Section K2.6.1;
"**Regulation on Wholesale Energy Market Integrity and Transparency" or "REMIT**":	means Regulation (EU) 1227/2011 of the European Parliament and of the Council of 25th October 2011 on wholesale energy market integrity and transparency as amended by The Electricity and Gas etc. (Amendment) (EU Exit) Regulations 2020;
"**Rejected Modification Proposal**":	has the meaning given to that term in Section F2.1.5;
"**Rejected Self-Governance Modification Proposal**":	means a Self-Governance Modification Proposal in respect of which the Panel has determined that it does not better facilitate achievement of the Applicable BSC Objective(s);
"**Related Person**":	means, in relation to an individual, any member of their immediate family, their employer (and any former employer of theirs within the previous twelve months), any partner with whom they are in partnership, and any company or Affiliate of a company in which they or any member of their immediate family controls more than twenty (20) per cent (%) of the voting rights in respect of the shares of the company;
"**Related Undertaking**":	means, in relation to any person, any undertaking in which such person has a participating interest as defined by section 421A of the Financial Services and Markets Act 2000;
"**Relevant Affiliate**":	means, in relation to any person, any holding company of that person, any subsidiary of that person or any subsidiary of a holding company of that person, in each case within the meaning of section 1159 of the Companies Act 2006;
"**Relevant BM Units**":	has the meaning given to that term in paragraph 1.4.1 of Section S;
"**Relevant Capacity Limit**":	means, in connection with a Shared SVA Metering System, the prevailing estimate notified from time to time pursuant to Section K2.5.5(g);
"**Relevant Capacity**":	has the meaning given to that term in Section K3.4.8;
"**Relevant CFD Assets**":	has the meaning given to that term in Section K3.1.8;
"**Relevant Challenge**":	shall have the meaning given to that term in Section F2.11.15;
"**Relevant Contract Parties**":	has the meaning given to that term in Section P1.3.5;

DRAFT

"Relevant EMR Settlement Data":	means: (i) the CFD Settlement Data where EMR Settlement Data is to be provided to a CFD Settlement Services Provider; and (ii) the CM Settlement Data where EMR Settlement Data is to be provided to a CM Settlement Services Provider;
"Relevant European Legal Requirement":	means any legal instrument of the European Commission to the extent such instrument remains a Legal Requirement by virtue of an Act of Parliament following the United Kingdom's withdrawal from the European Union;
"Relevant ID Transfer":	has the meaning given to that term in paragraph 1.4.2 of Section S;
"Relevant Implementation Date":	has the meaning given to that term in Section F1.9.2;
"Relevant Instrument":	has the meaning given to that term in Section H4.1.1;
"Relevant Metering Systems":	has the meaning given to that term in paragraph 1.4.1 of Section S;
[P452]"Relevant Scheme":	has the meaning given to that term in Section C15.2;
"Relevant Supplier ID":	has the meaning given to that term in paragraph 1.4.1 of Section S;
"Remote Transmission Assets":	has the meaning given to that term in the Transmission Licence;
"Replacement Energy Contract Volume Notification":	means an Energy Contract Volume Notification (the "**second**" such notification) submitted for which the relevant Energy Contract Volume Notification Agent, Energy (From) Account and Energy (To) Account are the same as those for an earlier valid Energy Contract Volume Notification (the "**first**" such notification), and: (a) the second notification specifies (pursuant to Section P2.3.2(c)(i)) that it is to replace the first notification (by the ECVN identifier provided for in BSCP71); and (b) either: (i) the Effective-from Date of the second notification is the same as or prior to the Effective-to Date of the first notification; or (ii) the first notification has no Effective-to Date;
"Replacement Reserve Auction Period":	means for a given auction, a period of sixty minutes within which Replacement Reserve may be dispatched for each Quarter Hour contained therein;

DRAFT

"**Replacement Reserve Schedule Methodology Document**":	has the meaning given to that term in Section T1.13.1;
"**Replacement Reserve**":	has the meaning given to that term in the Commission Regulation (EU) 2017/1485 in relation to the product procured under Article 19 of Commission Regulation (EU) 2017/2195;
"**Replacement Supplier BM Unit**":	has the meaning given to that term in Section K7.3.2;
"**Replacement Supplier Registration Date**":	has the meaning given to that term in Section K7.6.4;
"**Replacement Supplier Transfer Date**":	has the meaning given to that term in Section K7.1.4;
"**Replacement Supplier**":	has the meaning given to that term in Section K7.1.1;
"**Report Phase**":	means, in relation to a Proposed Modification, the stage described in Section F2.7 (and, where the context so requires, the steps to be taken during that stage);
"**Reporting Catalogue**":	means the document referred to in Section V1.4, as from time to time modified by the Panel in accordance with the Code;
"**Reserve Account**":	means the reserve account established with the BSC Banker in the name of the BSC Clearer pursuant to Section N4.1.1(c);
"**Retail Code Consolidation Date**":	means the date (or dates) designated by the Authority, where such date (or dates) may apply to Section J2.1B, L7 and/or Z5 progressively, wholly or partially;
"**Retail Price Index**":	means the general index of retail prices published by the Office for National Statistics each month in respect of all items provided that if: (i) the index for any month in any year shall not have been published on or before the last day of the third month after such month; or (ii) there is a material change in the basis of the index, the Panel shall agree a substitute index for such month or (as the case may be) a substitute index;
"**Retail Energy Code**" or "**REC**":	has the meaning given to the term "Retail Energy Code" in each Supply Licence;
"Retained EU Law":	has the meaning given to the term in section 6(7) of the Withdrawal Act 2018;

DRAFT

"Revenue Collection Counterparty"	has the meaning given to that term in paragraph 5.1.1 of Annex C-1;
"Risk Evaluation Methodology":	has the meaning given to that term in Section Z5.4.1;
"Risk Evaluation Register":	has the meaning given to that term in Section Z5.5.1(b);
"Risk Management Determination Appeal":	has the meaning given to that term in Section Z6.1.1(c);
"Risk Management Determination Query":	has the meaning given to that term in Section Z6.1.1(a);
"Risk Management Determination":	has the meaning given to that term in Section Z5.7.1;
"Risk Operating Plan":	has the meaning given to that term in Section Z5.6.1(b);
"RR Instruction":	means Acceptance Data classified by the NETSO as "RR Instruction Flagged";
"Sample Settlement Period":	has the meaning given to that term in paragraph 7.2 of Annex T-2;
"Sandbox Applicant":	means any person making a BSC Sandbox Application pursuant to Section H10.2.3;
"Sandbox Report":	has the meaning given to that term in Section H10.2.4;
"Sandbox Send Back Direction":	means a direction issued by the Authority pursuant to paragraph 10.3.1 of Section H;
"Sandbox Send Back Process":	means, in respect of a proposed BSC Derogation, the process determined in accordance with paragraph 10.3 of Section H;
[P452]" Scheme Account":	has the meaning given to that term in C15.2;
" Scheme Amounts":	has the meaning given to that term in Section C15.2;
"Scheme Framework Agreement":	has the meaning given to that term in the Implementation Scheme;
[P452]" Scheme Functions":	has the meaning given to that term in Section C15.2;
" Scheme Functions Agreement":	has the meaning given to that term in Section C15.2;
"Scheme Regulations":	has the meaning given to that term in Section C15.2;
"Scheme Rules"	has the meaning given to that term in Section C15.2;

DRAFT

"**Scottish Distribution Company**":	means Scottish Hydro-Electric Power Distribution Limited and/or SP Transmission & Distribution Ltd and Scottish Distribution Companies means both of those companies;
"**Scottish Distribution Licensee**":	means the holder of a Distribution Licence in relation to the distribution system as the term "Distribution System" is defined in and for the purposes of the SAS;
"**Scottish Trading Parties**":	has the meaning given to that term in Section E2.5.3;
"**SCR Exempt Modification Proposal**":	has the meaning given to that term in Section F5.2.1;
"**SCR Guidance**":	means a document of that title created and maintained by the Authority to provide guidance to interested parties on the conduct of a Significant Code Review by the Authority;
"**SCR Modification Proposal**":	means a Modification Proposal raised by the NETSO pursuant to a direction from the Authority arising from a Significant Code Review in accordance with Section F5.3.1 or by the Authority in accordance with Section F5.3.1A or Section F5.1.3(aa);
"**SCR Subsumed Modification Proposal**":	has the meaning given to that term in Section F5.2.5;
"**SCR Suitability Assessment Report**":	means the report submitted by the Panel in accordance with Section F5.2.2;
"**SCR Suitability Assessment**":	means the Panel's assessment of whether a Modification Proposal falls within the scope of a Significant Code Review;
"**SCR Suspended Modification Proposal**":	has the meaning given to that term in Section F5.4.3;
"**Secondary BM Unit Monthly Charge**":	has the meaning given to that term in paragraph 3.1 of Annex D-3;
"**Secondary BM Unit**":	means a unit established and registered (or to be established and registered) by a Virtual Lead Party in accordance with Section K8;
"**Secondary Supplier**":	means, in connection with a Shared SVA Meter Arrangement, a Supplier which is not the Primary Supplier;
"**Secretary of State**":	has the meaning given to that term in the Act;

DRAFT

"**Self- Governance Criteria**": means, a proposal that, if implemented:

(a) does not involve any amendments whether in whole or in part to the EBGL Article 18 terms and conditions, except to the extent required to correct an error in the EBGL Article 18 terms and conditions or as a result of a factual change, including but not limited to:

(i) correcting minor typographical errors;

(ii) correcting formatting and consistency errors, such as paragraph numbering; or

(iii) updating out of date references to other documents or paragraphs;

(b) is unlikely to have a material effect on:

(i) existing or future electricity consumers; and

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and

(iii) the operation of the national electricity transmission system; and

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the Code's governance procedures or modification procedures, and

(c) is unlikely to discriminate between different classes of Parties;

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

"**Self-Governance Modification Proposal**": has the meaning given to that term in Section F6.1.1;

"**Self-Governance Modification Report**": means in relation to a Proposed Self-Governance Modification (and any associated Alternative Self-Governance Modification), the report prepared or to be prepared in accordance with Section F6.3.2;

DRAFT

"**Self-Governance Statement**":	means a statement made by the Panel and submitted to the Authority: (a) confirming that, in its opinion, the Self-Governance Criteria are met and the Modification Proposal is suitable for the self-governance route; and (b) providing a detailed explanation of the Panel's reasons for that opinion;
"**Send Back Direction**":	means a direction issued by the Authority pursuant to paragraph 2.7A.1 of Section F;
"**Send Back Process**":	means, in respect of a Modification Proposal, the process determined in accordance with paragraph 2.7A of Section F;
"**Serial**":	means any one of the standards of Supplier performance set out in any of the Menu of Supplier Charges;
"**Settlement Account**":	means, in relation to a Trading Party or the NETSO, an account maintained at a Settlement Bank and designated in accordance with Section N;
"**Settlement Administration Agent**" or "**SAA**":	means the BSC Agent for Settlement Administration in accordance with Section E;
"**Settlement Agreement for Scotland**" or "**SAS**":	means the Settlement Agreement for Scotland, including all Service Requirements and Market Procedures (as therein defined) made under it;
"**Settlement Bank**":	means a bank which: (i) has its head office or a branch situated in the United Kingdom and which holds accounts denominated in the lawful currency of the United Kingdom at such office or branch; (ii) is a settlement member of CHAPS or is a CHAPS participant by virtue of an agency agreement with a settlement member; and (iii) is either:- (a) a European institution under the Banking Co-ordination (Second Council Directive) Regulations 1992; or (b) an authorised institution under the Banking Act 1987;
"**Settlement Calendar**":	means, in relation to a BSC Year, the calendar prepared and issued by the SAA in accordance with Section U2.4;
"**Settlement Day**":	means the period from 00:00 hours to 24:00 hours on each day;
"**Settlement Error**":	means an error as referred to in Section W 1.3.1(a)(i) or (ii);

DRAFT

"**Settlement Exchange Rate**":	means the exchange rate recorded by the BMRS in accordance with Section V2.1.2;
"**Settlement Expected Volume**":	has meaning given to that term in paragraph 7.3.5 of Annex S-2;
"**Settlement Payment Date**":	means, in respect of a Settlement Day, the Payment Date in relation to an Initial Settlement Run;
"**Settlement Period**":	is defined in Annex X-2;
"**Settlement Risk**":	has the meaning given to that term in Section Z5.1.1(a);
"**Settlement Run**":	means a determination (in accordance with Section T), in relation to a Settlement Day, of amounts giving rise, on the part of Trading Parties and the NETSO, to a liability to pay to or a right to be paid by the BSC Clearer amounts in respect of Trading Charges in each Settlement Period in that Settlement Day, and of the net credit or debit in respect of such amounts; and where the context requires a reference to a Settlement Run includes the data and information produced by the SAA following such a determination and delivered to the FAA in accordance with Section N;
"**Settlement**":	means the determination and settlement of amounts payable in respect of Trading Charges (including Reconciliation Charges) in accordance with the Code (including where the context admits Volume Allocation);
"**Shared SVA Meter Arrangement**":	means an arrangement in accordance with Section K2.5.1 under which there is a single SVA Metering System, comprising Half Hourly Metering Equipment, for Exports or (as the case may be) Imports for which one or more Suppliers are responsible;
"**Shared SVA Metering System**":	means a SVA Metering System which is for the time being the subject of a Shared SVA Meter Arrangement;
"**Short Term Operating Reserve**" or "**STOR**":	means the balancing service procured by the NETSO as defined in the Procurement Guidelines;
"**Shortfall Amount**":	has the meaning given to that term in Section N9.2.3;
"**Shortfall Creditor**":	has the meaning given to that term in Section N9.2.2;
"**Significant Change of Demand**"	means the point at which, in respect of any Metering System, there is a change of Customer or change in activity at the Metering System such that the Registrant is of the reasonable opinion that such change shall result in the average of the maximum monthly electrical demand in the three months of highest maximum demand in the next twelve months not exceeding 100 kW;

DRAFT

"**Significant Code Review Conclusions**":	means the document published by the Authority containing its conclusions in respect of a Significant Code Review;
"**Significant Code Review Phase**":	has the meaning given to that term in the Transmission Licence;
"**Significant Code Review**":	means a review of one or more matters which the Authority considers likely to: (a) relate to the Code (either on its own or in conjunction with other Industry Code(s)); and (b) be of particular significance in relation to its principal objective and/or general duties (under section 3A of the Act), statutory functions and/or relevant obligations arising under EU law;
"**Single Intraday Coupling**":	has the meaning given to that term in Commission Regulation (EU) 2015/1222 of 24th July 2015 establishing a guideline on capacity allocation and congestion management (CACM);
"Single Site":	means: (i) a "Single Site" as defined in Schedule 32 of the Distribution Connection and Use of System Agreement; or one or more Domestic Premises;
"**Small Power Station**":	has the meaning given to that term in the Grid Code;
"**Small Scale Third Party Generating Plant Limit**"	has the meaning given to that term in Table X-2 of Annex X-2;
"**Small Scale Third Party Generating Plant**":	means Third Party Generating Plant connected to a Distribution System at a single Boundary Point at which the aggregate maximum generation capacity (measured at the Boundary Point) of all Third Party Generating Plant so connected does not exceed the Small Scale Third Party Generating Plant Limit;
"**Smart Metering Equipment Technical Specifications**":	means the document of that name as designated by the Secretary of State for the purposes of the Supply Licence
"**Sole Trading Unit**":	means a Trading Unit comprising a single BM Unit as described in Section K4.1.4;
"**SP04 Completion Date**"	has the meaning given to that term in paragraph 3.5.3 of Annex S-1;
"**SP04 Exclusion Period**"	has the meaning given to that term in paragraph 3.5.2 of Annex S-1;
"**Specified Assets and Equipment**":	has the meaning given to that term in Annex K-2;

DRAFT

"**Specified BSC Charges**":	has the meaning given to that term in Section D3.1;
"**Specified SVA Charges**":	has the meaning given to that term in Section D3.1;
"**Stage**"	shall have the meaning given to that term in Procedure for Network Gas Supply Emergency issued by National Grid Gas plc;
"**Standard Settlement Configuration**":	is defined in Annex X-2;
"**Static LoLP Function Methodology**":	means the method for determining a static Loss of Load Probability function as set out in the Loss of Load Probability Calculation Statement;
"**Sterling**" or "**£**":	means the lawful currency of the United Kingdom for the time being and from time to time;
"**STOR Availability Window**":	means the time during which providers of STOR are required to be available;
"**Submission Deadline**":	means for any Settlement Period the spot time at the start of that Settlement Period;
"Submitted Expected Volume":	means the Lead Party's best estimate, commensurate to good Industry practice of the total expected quantities of Active Energy Imported and/or Exported from or to all MSID Pairs and AMSID Pairs registered in the BM Unit that are not Baselined MSID Pairs or Baselined AMSID Pairs;
"**Subsidiary Energy Account**":	means, in relation to a BM Unit, the corresponding Energy Account of a Subsidiary Party;
"**Subsidiary Party**":	means, in relation to a BM Unit, a Contract Trading Party (not being the Lead Party) to whose Energy Account a quantity of Active Energy or (as the case may be) percentage of the BM Unit Metered Volume is to be allocated pursuant to a Metered Volume Reallocation Notification, or nullified pursuant to a Volume Notification Nullification Request; or in relation to a particular Metered Volume Reallocation Notification or a particular Volume Notification Nullification Request, the relevant such Contract Trading Party;
"**Subsidiary**":	has the meaning given to that term in section 1159 of the Companies Act 2006;
"**Supplemental Agreement**":	means an agreement entered or to be entered into between the NETSO and any User party to the Master Connection and Use of System Agreement for connection to and/or use of the NETSO's transmission system;
"**Supplier Agent**":	has the meaning given to that term in Section S1.2.2;

DRAFT

"**Supplier BM Unit**":	means a BM Unit registered or to be registered by or allocated or to be allocated to a Supplier pursuant to Section K3.3;
"**Supplier Deemed Take**":	is defined in Annex X-2;
"**Supplier Force Majeure**":	has the meaning given to that term in Section S3.3.1;
"**Supplier ID**":	has the meaning given to that term in paragraph 1.3.1 of Section S;
"**Supplier Market Share Data**":	means the report described in paragraph 4.2.10 of Section V;
"**Supplier Meter Registration Agent**" or "**SMRA**":	means a Licensed Distribution System Operator acting in its capacity as the provider of a Supplier Meter Registration Service;
"**Supplier Meter Registration Service**" or "**SMRS**":	means the service provided or to be provided by a Licensed Distribution System Operator for the registration of Metering Systems at Boundary Points on its Distribution System(s) and its Associated Distribution System(s) (if any);
"**Supplier Migration Plan**":	means a Supplier's plan, approved and maintained in accordance with Section Z8.3, for the migration of Advanced Meters to Half Hourly Metering Equipment in accordance with Section L2.2.2;
"**Supplier of Last Resort**":	has the meaning given to that term in Section K7.1.1;
"**Supplier Quarterly Volume Report**":	means the Quarterly Supplier Energy Volume and Quarterly Metering Systems by Supplier for all Suppliers determined in accordance with paragraphs 9A.1.4 and 9A.1.5 of Annex S-2;
"**Supplier Volume Allocation Agent**" or "**SVAA**":	means the BSC Agent for Supplier Volume Allocation in accordance with Section E;
"**Supplier Volume Allocation Rules**":	means the rules contained in Annex S-2 (including any BSC Procedures and Party Service Lines referred to in that Annex);
"**Supplier Volume Allocation System**":	the BSC Systems used by the SVAA for the purposes of Supplier Volume Allocation pursuant to Section S;
"**Supplier Volume Allocation**":	means the determination of quantities of Active Energy to be taken into account for the purposes of Settlement in respect of Supplier BM Units;
"**Supplier Volume Reporting Group**":	means the grouping levels used to report Quarterly Supplier Energy Volume and Quarterly Metering Systems by Supplier for the purposes of the Supplier Market Share Data, and which has the values listed in Table X-9;

DRAFT

"**Supplier**":	means a Party which holds a Supply Licence and is responsible for Exports and/or Imports for which such Party is required, by virtue of Section K, to register one or more SVA Metering Systems;
"**Supplier's Monthly Cap**":	means, in relation to a Supplier in a GSP Group, the cap on its liability to pay charges in respect of any month determined in accordance with Annex S-1;
"**Supply Licence**":	means a licence for the supply of electricity granted under section 6 of the Act, as modified from time to time;
"**SVA Communication**":	has the meaning given to that term in Section O1.4.1
"**SVA Costs**":	has the meaning given to that term in Section D2.1.1;
"**SVA Customer**":	means a person to whom electrical power is provided, whether or not that person is the provider of that electrical power; and where that electrical power is measured by a SVA Metering System;
"**SVA Data Catalogue**":	has the meaning given to that term in Section O1.4.1;
"**SVA Eligible Services Facility**":	means an Eligible Services Facility whose Imports and/or Exports are measured by SVA Metering System(s);
"**SVA Generator**":	means a Third Party Generator, in respect of a Third Party Generating Plant whose Import and/or Exports are measured by SVA Metering System(s);
"**SVA Metering Equipment**":	means Metering Equipment which is or is to be comprised in a SVA Metering System (whether or not also comprised in a CVA Metering System);
"**SVA Metering System Register**":	means the register established pursuant to Section S10 and BSCP507;
"**SVA Metering System Number**":	means a unique number relating to a Metering Point and which consists of the following: (i) a two digit number determined by reference to the Licensed Distribution System Operator; (ii) a ten digit reference number provided by the relevant Licensed Distribution System Operator; (iii) a one digit check number provided by the relevant Licensed Distribution System Operator;
"**SVA Metering System**":	means a Metering System which in accordance with Section K is or is to be registered in the Supplier Meter Registration Service;
"**SVA Non-Final Demand Facilities Register**":	means the register of SVA Non-Final Demand Facilities maintained by the SVAA;

DRAFT

"SVA Non-Final Demand Facilities":	means either a SVA Generator, a SVA Storage Facility or a SVA Eligible Services Facility;
"SVA Non-Final Demand Facility Operator":	means the operator of an SVA Non-Final Demand Facility;
"**SVA Meter Operator Agent**":	has the meaning given to the term "Metering Equipment Manager" in the REC, to the extent that the Metering Equipment Manager has been appointed by a Supplier;
"**SVA Specified Charge**":	has the meaning given to that term in paragraph 4 of Annex D-3;
"**SVA Storage Facilities Register**":	means the register of SVA Storage Facilities maintained by the SVAA;
"**SVA Storage Facility Operator**":	has the meaning given to that term in the CUSC;
"**Switching Group**":	means a Switching Group as described in Section K3.1.4A;
"**System Constraint**":	has the meaning given to that term in the Grid Code;
"**System Management Action Flag**" or "**SMAF**":	means a flag set by the NETSO pursuant to its System Management Action Flagging Methodology;
"**System Warning**":	has the meaning given to the term National Electricity System Warning in the Grid Code;
"**System**":	means the Transmission System, a Distribution System or Offshore Transmission System User Assets;
"**Systems Connection Point Metering System**":	means a Metering System which measures flows of electricity at a Systems Connection Point;
"**Systems Connection Point**":	means a point of connection (whether consisting of one or more circuits) between two or more Systems excluding: (a) a point of connection between Distribution Systems in the same GSP Group; and (b) a point of connection between Offshore Transmission System User Assets and the Transmission System;
"**System Operator-Transmission Owner Code**" or "**STC**":	means the code so called and created, and from time to time modified by the NETSO, in accordance with the Transmission Licence;
"Tariff Setting Data":	means the total Import to Final Demand Sites over a calendar year ending on 30th September reported by Charging Band within each GSP Group.

DRAFT

"TC (IEA) Energy Account":	means an Energy Account of the NETSO held pursuant to Section A1.4.3;
"TC (Non-IEA) Energy Account":	means an Energy Account of the NETSO held pursuant to Section A1.4.1(c);
"TDC Chai":	has the meaning given to that term in Section W2.5.1;
"TDC Member":	has the meaning given to that term in Section W2.3.1;
"TDC Terms of Reference":	has the meaning given to that term in Section W2.3.3;
"Technical Assurance Agent" or "TAA":	means, in relation to CVA Metering Systems or SVA Metering Systems (as the case may be), the BSC Agent for Technical Assurance in accordance with Section E;
"Teleswitch Agent":	means the BSC Agent for Teleswitch Monitoring in accordance with Section E;
"Teleswitch Group":	is defined in Annex X-2;
"Tender Committee":	has the meaning given to that term in Section E2.7.2;
"Tender Framework Statement":	has the meaning given to that term in Section E2.7.1;
"TERRE Market":	means the European market for the exchange of balancing energy from Replacement Reserves (the Trans-European Replacement Reserves Exchange) in accordance with Article 19 of Commission Regulation (EU) 2017/2195 and Commission Regulation (EU) 2017/1485;
"Third Party Applicant":	has the meaning given to that term in Section F2.1A.1;
"Third Party Claim":	has the meaning given to that term in Section H7.2.3;
"Third Party Generating Plant":	means Exemptable Generating Plant for whose Exports a Party, not being the person (acting in that capacity) who generates electricity at such Generating Plant, has for the time being elected to be responsible in accordance with Section K1.2.2(a)(ii)(2);
"Third Party Generator":	means the person (whether or not a Party) who generates electricity at Third Party Generating Plant, in that capacity;
"Third Party Proposer":	means any interested third party or any body representative of interested third parties in each case designated by the Panel as being permitted to make a proposal to modify the Code pursuant to Section F2.1.1(c);
"Time Standard":	has the meaning given to that term in Section O2.2.1;
"Timetabled Reconciliation Settlement Run":	has the meaning given to that term in Section U2.3;

DRAFT

"**Timetabled Reconciliation Volume Allocation Run**":	has the meaning given to that term in Section U.2.3;
"**Total Amount Let**":	means any amounts lent by BSCCo to PACo in accordance with paragraph 4.2.1 of Section C Annex C-1;
"**Total System**":	means the Transmission System, each Offshore Transmission System User Asset and each Distribution System;
"**Trading Charges Amount**":	has the meaning given to that term in Section N6.1;
"**Trading Charges**":	means the following kinds of charges: Daily Party BM Unit Cashflows, Daily Party BM Unit Non-Delivery Charges, Daily Party Energy Imbalance Cashflows, Daily Party Information Imbalance Charges, Daily Party Residual Settlement Cashflow, Daily Party RR Cashflows, Daily Party RR Instruction Deviation Cashflows, and Daily System Operator Cashflows (in each case as determined in accordance with Section T); and where the context requires includes Reconciliation Charges in accordance with Section N;
"**Trading Data**":	means any data of a kind listed in Annex V-1, Tables 2-7 and 9;
"**Trading Dispute**":	has the meaning given to that term in Section W1.3.1;
"**Trading Disputes Committee**":	means the Panel Committee established under Section W2;
"**Trading Party Group**":	means a Trading Party and every Affiliate of that Trading Party (and if it has no Affiliate, only that Trading Party);
"**Trading Party**":	means a Party, other than the NETSO, which holds Energy Accounts;
"**Trading Unit Applicant**":	means the Lead Party of a BM Unit which is the subject of a Trading Unit Application;
"**Trading Unit Application**":	has the meaning given to that term in Section K4.2.1;
"**Trading Unit**":	means a BM Unit or a combination of BM Units established in accordance with and satisfying the requirements of Section K4;
"**Transferee BM Unit**":	has the meaning given to that term in paragraph 1.6.2 of Section S;
"**Transferee**":	has the meaning given to that term in Section K7.1.1;
"**Transferring Party**":	has the meaning given to that term in Section A2.7.1(a);

DRAFT

"**Transition Period**":	means the continuous period: (i) commencing immediately after the conclusion of the Trial Period; and (ii) ending on the Derogation Period End Date, as determined pursuant to Section H10;
"**Transition Plan**":	means a detailed plan and timeline specifying how a Derogation Party will exit from the proposed BSC Derogation, as determined pursuant to Section H10;
"**Transmission Interconnector**":	means an Interconnector which is not a Distribution Interconnector;
"**Transmission Licence**":	means a licence granted or treated as granted to the NETSO under section 6(l) (b) of the Act;
"**Transmission Loss Factor Agent**" or "**TLFA**":	means the BSC Agent for TLF Determination in accordance with Section E1.2.5;
"**Transmission Loss Factor Step In Notice**":	has the meaning given to that term in paragraph 10.1 of Annex T-2;
"**Transmission Losses Principle**":	has the meaning given to that term in the Transmission Licence;
"**Transmission Network Data**":	has the meaning given to that term in paragraph 5.1 of Annex T-2;
"**Transmission Network Use of System Charges**" or "**TNUoS**":	has the meaning given to that term in the CUSC;
"**Transmission System Boundary Point**":	means a Boundary Point on the Transmission System (including Remote Transmission Assets);
"**Transmission System Boundary**":	means the boundary between the Transmission System and all Plant or Apparatus (including Distribution Systems and other directly connected Plant and Apparatus) connected to the Transmission System;
"**Transmission System**":	has the meaning given to the term ' National Electricity Transmission System' in the Transmission Licence except that prior to the BETTA Effective Date every reference to Great Britain and Offshore in such term shall be deemed to be a reference to England and Wales;
"**Transparency Regulation Data**":	means the data that the NETSO is required to submit to the BMRAunder the Transparency Regulation;
"**Transparency Regulation**":	means Regulation (EU) 543/2013 of the European Parliament and of the Council of 14th June 2013 on submission and publication of data in electricity markets as amended by the The Electricity and Gas etc. (Amendment) (EU Exit) Regulations 2020;

DRAFT

"Treasury Policy":	means the policy approved by the Board from time to time which sets out the criteria governing the investment of Reserve Account monies;
"Trial Period":	means the continuous period during which a Derogation Party's proposal is trialled, as determined pursuant to Section H10;
"TU BM Unit(s)":	has the meaning given to that term in Section K4.4.1;
"Uniform Network Code":	means the Industry Code of that name, as modified from time to time;
"Unmetered Supplies Operator" or "UMSO":	has the meaning given to that term in Section S8.2.14;
"Unmetered Supply Certificate":	means a certificate issued by a Licensed Distribution System Operator permitting a supply of electricity to be made on its Distribution System or Associated Distribution System without the requirement for such supply to be metered, such certificate to be agreed between the relevant Licensed Distribution System Operator and the Customer taking the supply and to contain at least the information set out or referred to in the BSCP520;
"Unmetered Supply":	means a supply of electricity to a particular inventory of Apparatus in respect of which a Licensed Distribution System Operator has issued an Unmetered Supply Certificate;
"Urgent Modification Proposal":	means a Modification Proposal treated or to be treated as an Urgent Modification Proposal in accordance with Section F2.9;
"Valid Nullification Effective Period":	means: • if the Nullification Effective Period is earlier than the Earliest Nullification Effective Period, the Earliest Nullification Effective Period; or in all other cases • the Nullification Effective Period;
"Var":	means voltamperes reactive;
"VAT":	United Kingdom Value Added Tax;
"Virtual Balancing Account":	means an account held or to be held by a Virtual Lead Party, that does not hold or wish to hold Energy Accounts, for purposes of accounting in Settlement for energy imbalance volumes arising from Non-Delivery of Replacement Reserve;
"Virtual Lead Party":	means a Party that has registered with the Virtual Lead Party participation capacity;

DRAFT

"**Virtual Lead Party Agent**":	has the meaning given to that term in Section S1.2.2;
"**VoLL Review Process**":	means the process for reviewing the VoLL established and maintained by the Panel pursuant to Section T1.12.4;
"**VoLL Review**":	means a review of the VoLL initiated and conducted in accordance with Section T1.12.3;
"**Volume Allocation Run**":	means a determination, in relation to a Settlement Day, by way of Central Volume Allocation and/or Supplier Volume Allocation, of quantities of Active Energy Exported or Imported (or to be treated as Exported or Imported) by Parties in each Settlement Period in that Settlement Day; and where the context requires a reference to a Volume Allocation Run includes the data and information produced by the CDCA and/or SVAA following such a determination and delivered to the SAA in accordance with Section R or S;
"**Volume Allocation Units**":	has the meaning given to that term in Section R1.1.1;
"**Volume Allocation**":	means Central Volume Allocation and Supplier Volume Allocation;
"**Volume Notification Agent**":	has the meaning given to that term in Section P5.1.1(a);
"**Volume Notification Nullification Confirmation Report" or "VNNCR**":	means the report sent by the ECVAA in accordance with P4A.4;
"**Volume Notification Nullification Request" or "VNNR**":	has the meaning given in P4A.1.1;
"**Volume Notification**":	has the meaning given to that term in Section P5.1.1(a);
"**Voting Party Group**":	has the meaning given to that term in paragraph 2.1.1(c) of Annex C-2;
"**Voting Party Resolution**":	has the meaning given to that term in paragraph 1.1.2(c) of Annex C-2;
"**Voting Party**":	has the meaning given to that term in paragraph 2.1.1 of Annex C-2;
"**Wh**":	means watt-hours;
"**WHD Operator**":	has the same meaning given to the term "the Operator" in the Warm Home Discount (Reconciliation) Regulations 2011;
"**Wholesale Energy Market**":	has the meaning given to the term "wholesale energy market" as specified in Article 2(6) of REMIT;

DRAFT

"**Withdrawal Act**":	means the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020;
"**Withdrawal Date**":	has the meaning given to that term in Section A5.1.1;
"**Withdrawal Notice**":	has the meaning given to that term in Section A5.1.1;
"**Withdrawing Party**":	has the meaning given to that term in Section A5.1.1;
"Winter Contingency BM Unit":	means a BM Unit that is the subject of a notification issued to BSCCo by the NETSO in accordance with Section T1.15;
"**Workgroup**":	means a group established by the Panel in accordance with and for the purposes set out in Section F2.4;
"**Working Day**":	shall have the same meaning as Business Day;
"Zone":	has the meaning given to that term in paragraph 4.1 of Annex T-2;

DRAFT