



TERMS OF REFERENCE
Q8 Committee
(version 3)

Unless otherwise stated or the context otherwise requires, words and expressions and general rules as to interpretation that are used in these Terms of Reference shall have the same meanings and application attributed to them under the Balancing and Settlement Code (the Code). In particular, references to Sections in these Terms of Reference are to Sections of the Code and a reference to the Q8 Committee (Q8 Committee and/or Committee) shall, unless the context otherwise requires, include a Q8 Member (Member) and any duly appointed alternate.

1. ESTABLISHMENT AND ROLE

1.1 Establishment

1.1.1 The Panel has, in accordance with Section B5.1.1, established a Panel Committee with such Committee to be called the Q8 Committee and such Committee shall continue until such time it is dissolved by the Panel.

1.2 Role

1.2.1 The Panel has, in accordance with Section B5.1.3, delegated certain of its powers, functions and responsibilities under Section Q8 (Outages) to the Committee. Therefore, it is the role of the Committee to consider, investigate and determine claims made by Parties for compensation in respect of Outages.

2. COMPOSITION OF THE COMMITTEE AND APPOINTMENT OF MEMBERS

2.1 Members

2.1.1 The Committee shall be composed (as the Panel shall decide) of not less than 6 and not more than twelve (12) members (each a Member) having such experience and expertise in the electricity industry as the Panel decides is appropriate.

2.1.2 The Panel shall appoint Members to the Committee and a Member of the Committee shall remain in office until the Committee is dissolved or until their resignation has been submitted in writing to the Secretary (as that person is described in paragraph 2.6) or their removal by the Panel in accordance with paragraph 2.1.3 below (whichever is earlier).

2.1.3 Without prejudice to paragraph 2.1.2 above, the Panel may remove and replace such Members from time to time if:

- (i) in the Panel's opinion they are unwilling, unable, unfit or otherwise are incapable for any reason to carry out their duties as a Member in accordance with the Code, Code Subsidiary Documents (CSDs) or these Terms of Reference; or
- (ii) any of the matters stated in Sections B2.7.4(b) or B2.7.4(d) occurs and/or applies with such sections being read as if a Panel Member was a Member.

2.1.4 Without prejudice to the generality of paragraphs 2.1.2 and 2.1.3 above, the Panel may review and alter the membership of the Committee at any time.

2.2 Independence and Confidentiality

- 2.2.1 Each Member shall act independently, impartially and shall not be representative of, and shall act without undue regard to, the particular interests of any particular body, person or class of persons or any Related Person.
- 2.2.2 The Panel shall require from any Member such applicable statements equivalent to those set out in Sections B2.8.2 and B2.8.4 with such sections being read as if a Panel Member was a Member.
- 2.2.3 Members acknowledge that in carrying out their duties and functions as a Member that they may during the course of their business be in receipt of confidential information and as such each Member will be required to sign a confidentiality agreement. For the avoidance of doubt each Member shall not disclose any confidential information received in their capacity as Member to any person except where:
- (i) expressly required under the Code, CSDs and/or these Terms of Reference;
 - (ii) the disclosure of data is to the Authority, the Panel and/or any other Panel Committee as may be directed by the Panel;
 - (iii) the data is in the public domain;
 - (iv) required to do so in order to comply with any dispute resolution process, Legal Requirement and/or any Approved Modification.

2.3 Alternates

- 2.3.1 A Member shall be entitled to appoint an alternate (with such appointment and such alternate being approved by the Panel) and further may remove such person as his alternate from time to time by giving written notice to the Secretary. The appointment and removal of an alternate shall be effective from the time specified in such notice given to the Secretary.
- 2.3.2 These Terms of Reference shall apply in respect of the appointment of an alternate as though references to the Member in any paragraph were to such alternate.
- 2.3.3 Sections B2.10.6 and B2.10.7 shall apply in respect of any alternate as though references to the Panel Member alternate were to such a Member's alternate.

2.4 Indemnification

- 2.4.1 BSCCo shall indemnify all Members and their duly appointed alternates in accordance with Section B2.9.

2.5 Chairman

- 2.5.1 There shall be a chairman to the Committee (Q8 Chairman) who shall be a person appointed (and removed) by the Panel from time to time.
- 2.5.2 The Q8 Chairman shall select a Q8 Vice Chairman. In the Chairman's absence, the Q8 Vice Chairman will fulfil the role of Q8 Chairman and exercise such powers, functions and responsibilities as the Q8 Chairman. In the event the Q8 Vice Chairman is unable to attend Sections B4.2.3(b) and B4.2.4 shall apply.
- 2.5.3 The Q8 Chairman and Q8 Vice Chairman shall not be members of the Committee and shall not cast votes as Members.
- 2.5.4 The principal powers, functions and responsibilities of the Q8 Chairman shall include but not be limited to:

- (i) chair and regulate the conduct of meetings of the Committee;
- (ii) set the agenda for the meetings of the Committee;
- (iii)
- (iv) authorise any applicable documentation within the timescales required by the Code or any relevant CSD that relates to the business or operation of the Committee; and
- (v) any other functions in connection with the business or operation of the Committee as appropriate.

2.5.5 There shall be a Panel Sponsor to the Committee who shall be a person appointed (and removed) by the Panel Chairman from time to time.

2.6 Secretary

2.6.1 There shall be a secretary to the Committee (Secretary) who shall be a person (or persons) appointed (and removed) by BSCCo from time to time.

2.6.2 The Secretary shall not be a member of the Committee and shall not cast a vote as a Member.

2.6.3 The principal powers, functions and responsibilities of the Secretary shall include but not be limited to:

- (i) schedule and notify Members of meetings of the Committee;
- (ii) use reasonable endeavours to ensure a quorum is present at meetings of the Committee;
- (iii) circulate the agenda and any relevant papers before a scheduled meeting of the Committee;
- (iv) produce the minutes of Committee meetings;
- (v) produce any applicable documentation as requested within the timescales required by Code or any relevant CSD that relate to the business or operation of the Committee;
- (vi) ensure that prior to the attendance of any invitees at a Committee meeting they execute an approved confidentiality undertaking or such other undertaking as may be required by the Committee;
- (vii) record the expenditure associated with the Committee and account for such amounts to the Q8 Chairman;
- (viii) advising all relevant parties of the appointment, re-appointment and/or resignation of the Chairmen and/or any Members or their alternates;
- (ix) provide training for new Members and ongoing Members as necessary; and
- (x) any other functions in connection with the business or operation of the Committee as appropriate.

2.7 Expenses

2.7.1 The reasonable costs and expenses, and all other amounts incurred on behalf of the Committee in association with its functions and responsibilities, shall be paid by BSCCo and for the avoidance of doubt any payments paid by BSCCo shall be BSC Costs.

2.7.2 Section B2.11.2 shall apply to each Member save for circumstances where their attendance is required for other Panel Committee business for which they are already receiving reimbursement for the same reasonable expenses.

3. CONFLICT OF INTEREST

3.1.1 It shall be each Member's responsibility to disclose to the Q8 Chairman from time to time any interests of such Member which constitute, in such Member's reasonable opinion, an actual or perceived conflict of interest with their functions as a Member and in such circumstances such Member may absent themselves from voting. If the Q8 Chairman decides (after consultation with the other Members (if necessary) including but not limited to circumstances where a Member does not volunteer to absent themselves from voting on such matters) that a Member has an actual or perceived conflict of interest then the Q8 Chairman may determine that the Member in question should be required to absent themselves from particular Committee business and/or whether a recommendation should be made to the Panel that such Member be removed as a Member. Any decision of the Q8 Chairman (and/or the Panel) in this regard shall be final and binding.

4. POWERS AND FUNCTIONS OF THE Q8 COMMITTEE

4.1 General Powers and Functions

4.1.1 The Committee shall act in accordance with the Code, any relevant CSDs and these Terms of Reference.

4.1.2 The Committee shall have the powers, functions and responsibilities as is detailed in Section Q8, any relevant CSD that relate to that Section and/or any other matter so delegated to it by the Panel.

4.1.3 Notwithstanding paragraph 4.1.2 the Committee shall have the powers, functions and responsibilities to:

- (i) consider and determine, if appropriate, the time of commencement of an Outage or the period of such Outage in accordance with Section Q8.1.3;
- (ii) consider whether, in accordance with Section Q8.2, a claim has been validly submitted under Section Q8.2.1;
- (iii) where appropriate, request further information from the Lead Party and/or the Transmission Company and each Distribution Company in accordance with Section Q8.2.3;
- (iv) where appropriate, issue instructions to the Lead Party to comply with the requirements of Section G2.2.1;
- (v) where appropriate, determine the amount of loss in accordance with Section Q8.2.4 having regard to the factors in accordance with Section Q8.2.5; and
- (vi) where it determines that a claim for compensation under Section Q8.2 should be upheld, direct BSCCo to give instructions to the Funds Administration Agent (FAA) necessary to give effect to its determination.

4.2 Delegation

4.2.1 The Committee shall not delegate to any person any of its powers, functions and responsibilities unless the Panel expressly permits such delegation in advance.

5. PROCEEDINGS OF THE COMMITTEE

5.1 Meetings

5.1.1 Meetings of the Committee shall be held as and when a claim for Compensation for Outages is made and such meetings shall be at such a time and place as notified to the Members by the Secretary in accordance with these Terms of Reference.

- 5.1.2 The Secretary shall, at the request of the Q8 Chairman, convene Committee meetings by giving notice, at least 4 Working Days prior to the proposed meeting (or such other period so determined by the Q8 Chairman), to each Member, approved alternates, the Q8 Committee Panel Sponsor, BSC Auditor and the Authority. Such notice shall set out:
- (i) the date, time and place of the meeting; and
 - (ii) an agenda of the matters for consideration at the meeting and any supporting papers available to the Secretary at the time the notice is given (and the Secretary shall, if necessary, circulate to Members any late papers, as approved by the Q8 Chairman, as and when they are received by him).
- 5.1.3 The Secretary shall ensure that details of forthcoming Committee meetings shall be notified on the BSCCo website. Such notification shall not include agendas, papers or minutes.
- 5.1.4 A scheduled meeting of the Committee may be cancelled if:
- (i) the Q8 Chairman determines that there is no business for the Committee to conduct, and so requests the Secretary to cancel the meeting; and
 - (ii) the Secretary notifies all Members in writing of the proposal to cancel it, not less than 4 Working Days prior to the date that the meeting is or is to be convened; and
 - (iii) if 2 Working Days before the date for which the meeting is or is to be convened, no Member has notified the Secretary that he objects to such cancellation.
- 5.1.5 Sections B4.1.9 and B4.1.10 shall apply in respect of a meeting of the Committee with such sections being read as if a meeting of the Panel were to a meeting of the Committee
- 5.1.6 Where any matter not contained in the agenda is put before a meeting of the Committee that is in the opinion of the Committee necessary (in view of the urgency of the matter or otherwise) to consider then the Committee may determine upon such matter.

5.2 Urgent/Special Committee meetings

- 5.2.1 Notwithstanding anything contrary in paragraph 5.1 if, in the opinion of the Q8 Chairman, any matter arises which is of a sufficiently urgent nature so as to require a decision earlier than is possible under the next convened Committee meeting:
- (i) the Secretary shall, at the request of the Q8 Chairman, convene such a meeting and distribute an agenda and any papers in accordance with such notice as the Q8 Chairman considers appropriate; and
 - (ii) each Member shall be deemed to have consented to the convening of such a meeting and distribution of the agenda and papers in the manner and on such notice as the Q8 Chairman determines.
- 5.2.2 In respect of an urgent/special meeting if after 1 hour a quorum is not present, then at the election of the Q8 Chairman (with such consideration being given to the nature of the business), those Members present shall constitute quorum provided that at least 2 Members are present and provided further that the Q8 Chairman shall endeavour to contact each Member individually in order to ascertain each Member's vote and any matter decided shall be decided by a majority of those Members voted. Where the Q8 Chairman is unable to contact the correct quorum number of Members within 1 Working Day of the meeting the Q8 Chairman may decide the matter in consultation with the Panel and/or Panel Chairman.

5.3 Quorum

- 5.3.1 Subject to paragraph 5.2.2, no business shall be transacted at any meeting of the Committee unless a quorum is present. A quorum shall comprise of at least 4 Members (or their duly appointed alternates).
- 5.3.2 Any Committee meeting at which a quorum is not in attendance after a period of 30 mins of its commencement shall be adjourned and re-scheduled with the Secretary giving notice of the adjourned hearing and re-scheduling in such manner as requested by the Q8 Chairman.

5.4 Voting

- 5.4.1 At any meeting of the Committee all matters to be decided shall be put to a vote of all quorum Members (or by their duly appointed alternate).
- 5.4.2 In deciding any matter, each Member shall cast one vote. All matters shall be decided by a simple majority of votes cast.
- 5.4.3 For the avoidance of doubt and for the purposes of paragraphs 5.4.1 and 5.4.2, abstentions shall not be classed as votes and will therefore not prevent unanimous agreement of a matter.
- 5.4.4 A resolution in writing signed by or on behalf of all Members entitled to vote in respect of the matter the subject of the resolution shall be valid and effectual as if it had been passed at a duly convened and quorate meeting of the Committee.

5.5 Teleconference and/or Correspondence Meetings

- 5.5.1 Where the Q8 Chairman considers it appropriate, a meeting of the Committee may be validly held by telephone conference call (or such other similar means) or by correspondence.
- 5.5.2 A quorum is obtained in respect of a teleconference call (or such other similar means) as per these Terms of Reference but in addition all present Members at the telephone conference call must confirm that they can speak and hear each other.
- 5.5.3 A quorum is obtained in respect of a correspondence meeting where at least a quorum (as per these Terms of Reference) shall provide a response (which shall include their vote) to correspondence the subject of determination provided that the Members have at least 4 Working Days to consider and respond to such correspondence received.
- 5.5.4 Paragraph 5.4 shall apply to any meetings outlined in this paragraph.

5.6 Attendance by other persons

- 5.6.1 All meetings of the Committee shall be held in closed confidential session.
- 5.6.2 The following Non Member Representatives may attend any meeting of the Committee and shall be entitled to receive all notices and documentation relating to such meetings:
- (i) the Panel Sponsor of the Committee;
 - (ii) a representative from the BSC Auditor; and
 - (iii) a representative from the Authority,
- provided that in the case of paragraph (ii), and prior to the receipt of any notices or documentation, notification is given to the Secretary and confidentiality undertaking is executed by such representative.
- 5.6.3 The individuals referred to in paragraph 5.6.2 shall be entitled to speak at any of the meetings they attend but shall have no vote and shall not be members of the Committee.

5.6.4 After consultation with Members, the Q8 Chairman may invite such individuals as he sees fit (including but not limited to representatives of a BSC Agent, Party or the Transmission Company) to attend a meeting of the Committee provided that prior to their attendance a confidentiality undertaking is executed by such invitee. Any such individual shall be entitled to receive from the Secretary (with approval from the Q8 Chairman) such part of the agenda and/or any papers that may concern the invitee.

5.6.5 Any person in attendance at a Committee meeting by virtue of paragraph 5.6.4 shall:

- (i) have no vote and shall not be a member of the Committee;
- (ii) address the meeting where invited to do so by the Q8 Chairman; and
- (iii) leave the meeting when requested to do so by the Q8 Chairman.

5.7 Minutes of Meetings

5.7.1 The Secretary shall ensure that as soon as is reasonably practicable after each Committee meeting that all discussions are minuted (including determinations and the failure to make a determination) and such minutes are to be distributed to the meeting attendees for approval.

5.8 Papers

5.8.1 The Secretary shall circulate to Members any papers (including any late papers) as and when is appropriate, save that such circulation, unless otherwise agreed by the Q8 Chairman, shall not be less than 4 Working Days before the proposed meeting.

5.8.2 If any Member wishes to notify additional matters to be considered at a meeting of the Committee, they shall give notice to the Secretary no less than 3 Working Days before the meeting (or such lesser period as the Q8 Chairman may from time to time determine). The Secretary will circulate such notice to all other persons entitled to attend that meeting.

5.8.3 On receipt of any paper by the Q8 Chairman, the Q8 Chairman shall after consultation with Members determine whether the subject of the paper is within the remit of the Committee. Any papers deemed to be outside the remit of the Committee will, where practicable, be forwarded by the Secretary to the appropriate body and in all events be reported to the Panel.

6. DECISIONS OF THE COMMITTEE

6.1.1 Any determination (including, if applicable, any adjustments and/or error compensation determinations) of the Committee (when carrying out its powers, functions and responsibilities under Section Q8) made under these Terms of Reference shall be final and binding on the Parties and no such decision shall be capable of being referred to for the purposes of an appeal or otherwise to the Panel.