

CIRCULAR

TYPE & NUMBER	ELEXON Circular – EL02858
--------------------------	---------------------------

Date	23 July 2018
To	BSC Parties
From	BSC Panel
Purpose	For information

Defaulting Party under the BSC

This document sets out the resolutions made by the BSC Panel in relation to Gen4u Limited (company number 07851899) ('the Defaulting Party') under Section H3.2.1 of the Balancing and Settlement Code ('BSC'). Provision of a copy of this document to a BSC Party shall constitute notification to that BSC Party of the decisions of the Panel, and shall also constitute notification to that BSC Party of the Default pursuant to Section H3.2.1(a) of the BSC.

In accordance with the provisions of Section B4.7 of the BSC an urgent meeting of the Panel was convened at 12.00 on 23 July 2018.

The Panel **NOTED** that the Defaulting Party is in Default under Section H3.1.1(g)(ii) of the BSC in that:

'the Defaulting Party is unable to pay its debts (within the meaning of Section 123(1) 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).'

The Panel considered this matter and, having regard to its objectives under Section B1.2.1 and to its other obligations under the BSC, **RESOLVED** as follows:

- (a) Pursuant to Sections H3.2.1(b) and H3.2.2(a) to:
 - (i) suspend with effect on and from the commencement of Settlement Period 1 (00:00) on 24 July 2018 the right of the Defaulting Party to submit (or have submitted on its behalf) Energy Contract Volume Notifications under Section P of the BSC; and/or
 - (ii) disapply (for the purposes of Settlement) with effect on and from the commencement of Settlement Period 1 (00:00) on 24 July 2018 that part of all Energy Contract Volume Notifications submitted (at whatever time) by or on behalf of the Defaulting Party which relate to the period commencing on and continuing after Settlement Period 1 (00:00) on 24 July 2018.
- (b) Pursuant to Sections H3.2.1(b) and H3.2.2(b) to:
 - (i) suspend with effect on and from the commencement of Settlement Period 1 (00:00) on 24 July 2018 the right of the Defaulting Party to submit (or have submitted on its behalf) Metered Volume Reallocation Notifications under Section P of the BSC; and/or
 - (ii) disapply (for the purposes of Settlement) with effect on and from the commencement of Settlement Period 1 (00:00) on 24 July 2018 that part of all Metered Volume Reallocation Notifications submitted (at whatever time) by the Defaulting Party or on its behalf which relate to the period commencing on and continuing after Settlement Period 1 (00:00) on 24 July 2018.
- (c) Pursuant to Sections H3.2.1 (b) and H3.2.2 (e), to suspend, subject to approval by the Authority, the right of the Defaulting Party to register further Metering Systems and BM Units.

CIRCULAR

- (d) Pursuant to Sections H3.2.1 (b) and H3.2.2 (f), with effect on and from the commencement of Settlement Period 1 (00:00) on 24 July 2018 to suspend the right of the Defaulting Party to receive reports and data.
- (e) Pursuant to Section H3.2.1(f), to notify the Funds Administration Agent on behalf of the BSC Clearer to treat the Defaulting Party as a Defaulting Party for the purposes of Section N of the BSC.
- (f) Pursuant to Sections H3.2.1 (b) and H3.2.2 (g), to suspend with immediate effect the right of the Defaulting Party to vote pursuant to Annex B-2 of the BSC.
- (g) To notify the Defaulting Party and, pursuant to Section H3.2.1(a), each other BSC Party of the Default.

ELEXON shall continue to closely monitor and review the situation concerning the Defaulting Party (including its effect on other BSC Parties).

The Panel noted that nothing in these Resolutions should be taken as preventing it from deciding at any time to take any further, additional, different or other steps under Section H3.2.1 of the BSC in relation to the Defaulting Party.

For more information, please contact marketoperations@elexon.co.uk.