

CIRCULAR

TYPE & NUMBER Circular - EL02924

Date 26 November 2018

To BSC Parties

From BSC Panel

Purpose For information

BSC Default – URE Energy Limited

This Circular sets out the resolutions made by the BSC Panel in relation to URE Energy Limited (Company number 10300613; BSC Party ID 'FARADAY') ("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 BSC H3.2.1(a).

In accordance with the provisions of Section B4.7 of the BSC, a meeting of the Panel was convened at 12:30 on 26 November 2018.

The Panel noted that the Defaulting Party is in Default under Section H3.1.1(c)(iii). The Trading Party's Credit Cover Percentage, as determined by the ECVAA, was not equal to or lower than 90% 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 100%.

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 (e), to suspend, subject to approval by the Authority, the right of the Defaulting Party to register further Metering Systems and BM Units.
- (b) 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.
- (c) 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.
- (d) To notify the Defaulting Party and, pursuant to Section H3.2.1(a), each other BSC Party of the Default.

ELEXON will 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 market.operations@elexon.co.uk.