

CIRCULAR

TYPE & NUMBER	Circular - EL02927
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Date	28 November 2018
To	BSC Parties
From	BSC Panel
Purpose	For information

Further 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 B4.1.4 of the BSC, a meeting of the Panel was convened at 11:30 on 28 November 2018.

As per circular [EL02924](#), on 26 November 2018 the Panel recognised URE Energy Limited as a Defaulting Party under Section H3.1.1(c)(iii) due to its failure to sufficiently reduce its Credit Cover Percentage over a period of two Working Days.

At its meeting today, the Panel noted that the Defaulting Party is in further Default under Section H3.1.1(g)(i) of the BSC in that the Defaulting Party has admitted its inability to pay its debts as they fall due.

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 immediate effect 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) dis-apply (for the purposes of Settlement) with immediate effect, 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) Pursuant to Sections H3.2.1(b) and H3.2.2(b) to:
 - (i) suspend with immediate effect 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) dis-apply (for the purposes of Settlement) with immediate effect 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 which the Submission Deadline has occurred prior to the time when the Panel notifies the Parties of such disapplication).
- (c) To notify the Defaulting Party and, pursuant to Section H3.2.1(a), each other BSC Party of the further Default.

The Panel noted that the previous resolutions made by the Panel in relation to the Defaulting Party on 26 November 2018 (see circular [EL02924](#)) will continue to apply.

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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.