

This annex sets out the proposed changes to the Balancing and Settlement Code for the purpose of enabling Elexon to act as the operator of the reconciliation mechanism for Warm Home Discount. **We propose that the Secretary of State makes the changes set out below. We would welcome respondents views.**

## **SECTION B: THE PANEL (Version 16)**

*Insert new paragraph 3.1.2A to read as follows:*

3.1.2A Without prejudice to paragraph 3.1.1 and 3.1.2, the Panel may establish from time to time arrangements for determining appeals pursuant to Regulation 12 of the Fuel Poverty Reconciliation Regulations, including establishing a Panel Committee for the purpose of determining such appeals.

## **SECTION C: BSCCO AND ITS SUBSIDIARIES (Version 12.0)**

*Insert new paragraph 1.1.2A to read as follows:*

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 Operator as set out in the Fuel Poverty Reconciliation Regulations subject to the following:

- (a) the appointed BSC Company may discharge the functions and responsibilities of the 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 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 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 Operator;
- (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 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 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 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 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 Fuel Poverty Reconciliation Regulations and paragraph 1.3.1 shall accordingly not apply to this paragraph 1.3.1A; and
- (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 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 a BSC Company as the 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.

## **ANNEX X-1: GENERAL GLOSSARY (Version 50.0)**

*Amend the definition of "BSC Company" to read as follows:*

**"BSC Company":** means BSCCo and each Subsidiary Affiliate of BSCCo;

*Insert the following new definitions in alphabetical order into the general glossary in Annex X-1 to read as follows:*

**"Fuel Poverty Reconciliation Regulations":** means the Electricity (Scheme for Reducing Fuel Poverty)(Reconciliation) Regulations 2011;

"the Operator":

has the same meaning given to that term in the Electricity (Scheme for Reducing Fuel Poverty)(Reconciliation) Regulations 2011;