

**ENERGY**

ELECTRICITY

**MODIFICATIONS TO TRANSMISSION LICENCES AND DOCUMENTS  
MAINTAINED UNDER LICENCES (EMR No. 2 of 2014)**



*Draft modifications to licences under section 6(1) of the Electricity Act 1989 and to documents maintained in accordance with the conditions of such licences, laid before Parliament under section 64(2) of the Energy Act 2013; draft to lie for forty days pursuant to section 64(3) of that Act, during which period either House of Parliament may resolve not to approve the draft.*

## **ENERGY**

### **ELECTRICITY**

#### **MODIFICATIONS TO TRANSMISSION LICENCES AND DOCUMENTS MAINTAINED UNDER LICENCES (EMR No. 2 of 2014)**

The Secretary of State makes the following modifications to licences and to documents maintained under licences, in exercise of the powers conferred by sections 26, 37 and 64(8), (9) and (13) of the Energy Act 2013 (“the Act”).

The Secretary of State has before making these modifications consulted in accordance with sections 26(4) and 37(4) of the Act.

A draft of these modifications has been laid before Parliament in accordance with section 64(2) of the Act. Neither House of Parliament resolved, within the 40-day period referred to in section 64(3) of the Act, that the Secretary of State should not make the modifications.

#### **Interpretation**

**1** In these modifications—

- (a) “Balancing and Settlement Code” means the code for the governance of electricity balancing and settlement in Great Britain which is maintained in accordance with the conditions of a transmission licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989;
- (b) “Balancing Services Agreement” means any document or agreement (other than the CUSC), in force on the date on which these modifications are in force, to which NGET is either a party or by which it has agreed to be bound, in each case governing the purchase by NGET of one or more Balancing Services as more particularly described in the Procurement Guidelines and to the extent the service provider of the Balancing Services is not a CUSC Party, including:
  - (i) Short Term Operating Reserve Standard Contract Terms (in each of its versions or issues as may be applicable to any service provider);
  - (ii) Fast Reserve Tender Rules and Standard Contract Terms (in each of its versions or issues as may be applicable to any service provider);
  - (iii) Firm Frequency Response Tender Rules and Standard Contract Terms (in each of its versions or issues as may be applicable to any service provider);
  - (iv) Frequency Control Demand Management (FCDM) Service Agreement;
  - (v) Agreement for the provision of Balancing Services (Footroom Service);
  - (vi) Electricity Forward Agreement Association Grid Trade Master Agreement;
  - (vii) Balancing Services Agreement for the provision of Commercial Ancillary Services across the Moyle Interconnector; and

- (viii) Balancing and Ancillary Services Agreement for the provision of Commercial Ancillary Services across the England-France Interconnector;
- (c) “BSC subsidiary documents”<sup>1</sup> means the following documents which are maintained by the BSC code administrator in accordance with the Balancing and Settlement Code—
  - (i) BSCP11;
  - (ii) BSCP15;
  - (iii) BSCP27;
  - (iv) BSCP503;
  - (v) BSCP508;
  - (vi) BSCP509;
  - (vii) NETA Interface Definition and Design: Part 1;
  - (viii) NETA Interface Definition and Design: Part 2;
  - (ix) SAA Service Description;
  - (x) SAA URS;
  - (xi) SVA Data Catalogue Volume 1;
  - (xii) SVA Data Catalogue Volume 2; and
  - (xiii) SVAA URS;
- (d) “CUSC” means the connection and use of system code which is maintained in accordance with the conditions of a transmission licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989;
- (e) “Grid Code” means the code of that name which is maintained in accordance with the conditions of a transmission licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989;
- (f) “standard conditions” means the standard conditions of transmission licences granted or treated as granted under section 6(1)(b) of the Electricity Act 1989;
- (g) “special conditions” means the special conditions of the transmission licence treated as granted under section 6(1)(b) of the Electricity Act 1989 to National Grid Electricity Transmission Plc (company number 2366977); and
- (h) “STC” means the system operator transmission owner code which is maintained in accordance with the conditions of a transmission licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989.

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<sup>1</sup> The BSC subsidiary documents listed in subparagraphs 1(c)(i) to (xiii) can be found at <http://www.elexon.co.uk/bsc-related-documents/related-documents/>

- 2 For the purposes of paragraph 1(b) above only—
- (a) “Balancing Services” has the meaning given in the NGET Transmission Licence;
  - (b) “CUSC” has the meaning given in the NGET Transmission Licence;
  - (c) “CUSC Party” has the meaning given in the NGET Transmission Licence;
  - (d) “NGET” means National Grid Electricity Transmission Plc (company number 2366977);
  - (e) “NGET Transmission Licence” means the transmission licence treated as granted under section 6(1)(b) of the Electricity Act 1989 to NGET; and
  - (f) “Procurement Guidelines” means the procurement guidelines established by NGET in accordance with Standard Condition C16 of the NGET Transmission Licence.

**Modifications to the standard conditions**

- 3 The standard conditions are modified in accordance with paragraphs 4 and 5, with effect from the date on which The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 come into force.

- 4 In Condition A1, insert the following definition in the relevant place—

““EMR legislation” means Part 2 of the Energy Act 2013 and any secondary legislation or other rules in force pursuant to that Part;”.

- 5 In Condition C3—

- (a) in paragraph 1—

- (i) in subparagraph (e)(iii), after “the Code of Practice;” delete “ and”;
- (ii) in subparagraph (e)(iv) delete “paragraph 1A” and replace with “paragraph 1A(a)”;
- (iii) in subparagraph (e)(iv) after “in paragraph 1A(a)” delete “.” and replace with “; and”;
- (iv) after subparagraph (e)(iv) insert a new subparagraph (e)(v) as follows—

“(v) not prevent or restrict the code administrator or an affiliate of the code administrator from undertaking the calculation, collection, administration and settlement of amounts payable or arising in respect of contracts for difference and capacity agreements entered into pursuant to EMR legislation.”;

- (b) in paragraph 1A—

- (i) create a new subparagraph (a) by inserting “: (a)” after “provisions about”;
- (ii) after “affiliate of the code administrator” delete “.” and replace with “; and”;
- (iii) after subparagraph (a) insert a new subparagraph (b) as follows—

“(b) arrangements that facilitate the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation.”;

(c) in paragraph 3—

(i) in subparagraph (d) after “paragraph 2;” delete “and”;

(ii) in subparagraph (e) after “and/or the Agency” delete “.” and replace with “; and”; and

(iii) after subparagraph (e) insert a new subparagraph (f) as follows—

“(f) implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation.”.

### **Modifications to the special conditions**

**6** The special conditions are modified in accordance with paragraph 7, with effect from the date on which The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 come into force.

**7** In Special Condition 1C—

(a) in paragraph 1—

(i) after “shall be amended” insert “: (a)”;

(ii) after “and control of such authorised electricity operator.” insert a new subparagraph (b) with the following wording—

“(b) by the addition of the following text at the correct place alphabetically:

“EMR functions” has the same meaning as in Chapter 5 of Part 2 of the Energy Act 2013.”;

(b) in paragraph 2(c), delete “not used;” and replace with—

“by the omission of the full stop and the addition of the following text at the end of subsection (c) in the definition of “permitted purpose”:

“; and (d) the EMR functions.”;

(c) renumber paragraph 3 as paragraph 8;

(d) after paragraph 2, insert new paragraphs 3 to 7 as follows—

“3. Standard Condition B1 (Regulatory Accounts) shall be amended at paragraph 2(a) by the insertion of “(which, for the purposes of this condition and Standard Conditions B5 and B6 only, includes the EMR functions)” after “business”.

4. Standard Condition B5 (Prohibition of Cross Subsidies) shall be amended by the insertion of “(which, for the purposes of this condition and Standard Condition B1 and B6 only, includes the EMR functions)” after “business” and “shall”.
  5. Standard Condition B6 (Restriction on Activity and Financial Ring Fencing) shall be amended at paragraph 1 by the insertion of “(which, for the purposes of this condition and Standard Conditions B1 and B5 only, includes the EMR functions)” after “transmission business”.
  6. Standard condition B7 (Availability of Resources) shall be amended as follows:
    - (a) at paragraph 1, by the deletion of the full stop at the end of paragraph (b) and the addition of the following text after “electricity transmission”: “;and (c) to properly and efficiently carry on the EMR functions and to comply in all respects with its obligations under EMR legislation”.
    - (b) in the following places to insert “and EMR functions”:
      - a. in paragraph 2(a) between “business” and “for”;
      - b. in paragraph 2(b):
        - (aa). between “business” and “for”;
        - (bb). between “business” and “[followed”;
      - c. in paragraph 2(c) between “business” and “for”;
      - d. in paragraph 4(a) between “business” and “for”;
      - e. in paragraph 4(b):
        - (aa). between “business” and “for”;
        - (bb). between “business” and “[followed”;
      - f. in paragraph 4(c) between “business” and “for”.
  7. Standard condition B8 (Undertaking from ultimate controller) shall be amended:
    - (a) at paragraph 1 by inserting “EMR legislation,” between “under” and “the”;
    - (b) by the addition of the following text as a new paragraph 4:
 

“The licensee shall not be in breach of paragraph 1 if within 7 days of this paragraph coming into force, or as otherwise directed by the Authority, the licensee procures an updated version of the undertaking required by paragraph 1, that includes reference to its obligations under or by virtue of EMR legislation”.; and
- (e) after paragraph 8 insert a new paragraph 9 as follows—
- “9. Standard Condition C2 (Prohibited activities) shall be amended by the addition of the following text as paragraph 4:

“For the avoidance of doubt, paragraph 2 shall not prohibit or restrict the ability of the licensee to carry out its EMR functions.””.

## **Modifications to the Balancing and Settlement Code**

- 8** The provisions of the Balancing and Settlement Code are modified in accordance with paragraphs 9 to 22, with effect from the date on which The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 come into force.
- 9** As modified the provisions of each relevant section of the Balancing and Settlement Code shall be comprised in a new version of that section of the Balancing and Settlement Code, which version shall bear the next sequential number after the version which applied immediately before the modifications had effect.
- 10** In Section C—
- (a) after paragraph 1.2.1A insert a new paragraph 1.2.1B as follows—

“1.2.1B Without prejudice to paragraphs 1.2.1 and 1.2.1A, and subject to the provisions of paragraphs 3.4, 3.5 and 10, the activities set out in Annex C-1 (the "**Permissible Activities**") may be undertaken by an Affiliate (or Affiliates) of BSCCo established to undertake those Permissible Activities ("**Permitted Affiliate**").”;
  - (b) in subparagraph 3.1.1(a) after “as further provided in Section E” insert “and, where relevant, paragraph 10.1.5”;
  - (c) after paragraph 3.4.5, insert a new paragraph 3.4.6 as follows—

“3.4.6 Except where expressly provided for in the Code, BSCCo shall not give any cross-subsidy to, or receive any cross-subsidy from, a Permitted Affiliate.”;
  - (d) in subparagraph 6.1.1(a) after “pursuant to the Code” insert “but excluding the activities of Permitted Affiliates, except as contemplated in paragraph 1.3.1 of Annex C-1;”;
  - (e) after Section C9 insert new Sections C10 and C11 as follows—

“**10. PERMISSIBLE ACTIVITIES UNDERTAKEN BY PERMITTED AFFILIATES**

**10.1 General**

10.1.1 In respect of each Permitted Affiliate:

    - (a) BSCCo shall be entitled to subscribe for, acquire or hold any share or other security in a Permitted Affiliate and paragraph 3.4.5(b) shall not apply;
    - (b) BSCCo shall not dispose of any legal or beneficial interest in any shares or other security in a Permitted Affiliate undertaking activities and functions specified in paragraph 1 of Annex C-1 except:



(i) to the CfD Counterparty and/or the CM Settlement Body and/or to any nominees of the CfD Counterparty and/or the CM Settlement Body; or

(ii) where otherwise directed to do so by the Secretary of State;

in which case paragraph 3.4.5(c) shall not apply;

(c) the Panel shall have no rights of approval or disapproval in respect of claims or proceedings by or against a Permitted Affiliate, or waivers or settlements of such claims, and paragraph 3.4.3(e) shall not apply; and

(d) paragraph 7 shall not apply.

10.1.2 Each Party and the Panel shall not (whether by action, omission or withholding of consent) prevent or restrict a Permitted Affiliate from performing all activities and functions and assuming all responsibilities and duties set out in Annex C-1.

10.1.3 Paragraphs 5.1. and 5.2 shall not apply to a Permitted Affiliate and, subject to paragraph 10.1.4, each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature against a Permitted Affiliate and releases each Permitted Affiliate from any liability in respect of any breach by such Permitted Affiliate of any provision of the Code or in tort (including negligence) or otherwise.

10.1.4 Nothing in paragraph 10.1.3 shall exclude or limit the liability of a Permitted Affiliate for:

(a) death or personal injury resulting from the negligence of such Permitted Affiliate; or

(b) fraud or fraudulent misrepresentation; or

(c) any claim against that Permitted Affiliate brought by a Party (acting in a capacity other than as a Party) solely to the extent that such Party has a right to bring a claim under an EMR Legal Requirement.

10.1.5 BSCCo may amend any BSC Agent Contract to include the supply of services to support Permissible Activities.

10.1.6 Nothing in this paragraph 10 shall affect or limit BSCCo's obligation to discharge its functions and responsibilities pursuant to the Code.

## **10.2 Ring-Fencing of Permitted Affiliates**

10.2.1 Without prejudice to paragraphs 3.4 and 3.5, but subject to paragraph 10.1, the following provisions shall apply (as relevant) to BSCCo and to each Permitted Affiliate:

(a) without prejudice to paragraph 3, BSCCo shall not transfer, lease, licence, or lend any sum or sums, asset (including non-financial resources), right, or benefit to a Permitted Affiliate except by way of:

- (i) a payment properly due for any goods, services, or assets provided on an arm's length basis and on normal commercial terms; or
  - (ii) a transfer, lease, licence, or loan of any sum or sums, asset, right, or benefit that is on an arm's length basis and on normal commercial terms.
- (b) except as permitted in paragraph 10.2.1(a), BSCCo shall not enter into any borrowing for or on behalf of a Permitted Affiliate where the term "borrowing" has the same meaning as that term in accordance with paragraph 3.4.4;
- (c) BSCCo and each Permitted Affiliate shall implement agreed contractual arrangements to ensure that:
- (i) where any common or shared costs between BSCCo and a Permitted Affiliate are incurred these costs are allocated reasonably and equitably, provided that in determining such allocation a Permitted Affiliate shall not be obliged to pay in excess of the established market rate, if applicable; and
  - (ii) where BSCCo incurs any costs (including costs in respect of any liabilities incurred by BSCCo) that arise as a consequence of services provided by BSCCo, or on BSCCo's behalf by a BSC Agent, to a Permitted Affiliate, such costs shall be recoverable from the Permitted Affiliate on a cost recovery basis; and
- (d) Parties shall have no liability or obligation to provide financial support to a Permitted Affiliate in respect of its performance of Permissible Activities.

## **11. PROVISION OF SUPPORT TO EMR SETTLEMENT SERVICES PROVIDERS**

### **11.1 Provision of Support to EMR Settlement Services Providers**

11.1.1 Without prejudice to paragraph 10, BSCCo may, in its discretion, provide (directly and/or via a BSC Agent) to an EMR Settlement Services Provider such support services (including the provision of assurance services) as may be reasonably incidental to supporting that EMR Settlement Services Provider in discharging its EMR Settlement Functions.

### **11.2 Agreement between BSCCo and EMR Settlement Services Providers**

11.2.1 Subject to the disclosure obligations in Section V5, BSCCo shall enter into an agreement or agreements with any CFD Settlement Services Provider and any CM Settlement Services Provider including, inter alia, terms relating to the provision of Relevant EMR Settlement Data in accordance with Section V5, and terms that:

- (a) restrict the use of the Relevant EMR Settlement Data to the extent necessary to enable any CFD Settlement Services Provider and/or any

CM Settlement Services Provider (and their service providers) to discharge their EMR Settlement Functions;

- (b) are consistent with the terms (as to availability and reliability of data) contained in agreements entered into by BSCCo pursuant to Section V3.2.7;
  - (c) in respect of the CFD Settlement Data, impose restrictions on the use of CFD Settlement Data equivalent to the restrictions on the use of Confidential Information in Section H4 provided that a CFD Settlement Services Provider shall be entitled to share CFD Settlement Data with any CfD Counterparty, and otherwise in accordance with the EMR Legal Requirements;
  - (d) in respect of the CM Settlement Data, reflect the provisions on the use of protected information contained in the EMR Legal Requirements;
  - (e) where EMR Settlement Data is to be disclosed to a service provider of an EMR Settlement Services Provider, provide that such EMR Settlement Data shall only be disclosed on a "need-to-know" basis and requiring such service providers to enter into a confidentiality agreement with the relevant EMR Settlement Services Provider on terms equivalent to those contained in an EMR Legal Requirement or, if there is no applicable EMR Legal Requirement, Section H4;
  - (f) allow for the provision of support services in accordance with paragraph 11.1.1 and which, to the fullest extent permitted by law, restrict BSCCo's liability to the EMR Settlement Services Provider for any claim in damages or any other claim of a financial nature relating to the supply of services to the EMR Settlement Services Provider to the amounts payable under the agreement for those services; and
  - (g) provide for the payment by any CFD Settlement Services Provider of CFD Settlement Services Provider Costs and by any CM Settlement Services Provider of CM Settlement Services Provider Costs, as appropriate to the relevant agreement, in each case in accordance with Section D7.?"; and
- (f) at the end of Section C insert a new Annex C-1 as follows—

## **“ANNEX C-1: PERMISSIBLE ACTIVITIES**

### **1 Activities performed pursuant to the Energy Act 2013**

#### **1.1 Settlement Services Provider for Feed in Tariff Contracts for Difference**

1.1.1 A Permitted Affiliate may, for the duration of its appointment as a CFD Settlement Services Provider, perform (either itself or through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise (whether specified in any EMR Legal Requirement or in a contract between a Permitted Affiliate and a CfD Counterparty) in connection with:

- (a) the calculation, invoicing, reconciliation and, where applicable, settlement of amounts payable or arising under:
  - (i) Contracts for Difference; and
  - (ii) the Contracts for Difference Supplier Obligation;
- (b) the calculation, collection, administration and enforcement of financial collateral pursuant to Chapter 2 of Part 2 of the Energy Act 2013 and as set out in:
  - (i) contracts for difference entered into by a CfD Counterparty pursuant to Chapter 2 of Part 2 of the Energy Act 2013; and
  - (ii) the Contracts for Difference Supplier Obligation; and
- (c) any other matters pursuant to Chapter 2 of Part 2 of the Energy Act 2013.

#### **1.2 Settlement Services Provider for Capacity Agreements**

1.2.1 A Permitted Affiliate may, for the duration of its appointment as a CM Settlement Services Provider, perform (either itself or through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise (whether specified in any EMR Legal Requirement or in a contract between a Permitted Affiliate and the CM Settlement Body) in connection with:

- (a) the calculation, administration and, where applicable, settlement of amounts payable or arising under Chapter 3 of Part 2 of the Energy Act 2013 and set out in:
  - (i) the Electricity Capacity Regulations 2014;
  - (ii) any other regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time;
  - (iii) the Capacity Market Rules; and
- (b) the calculation, collection, administration and enforcement of financial collateral pursuant to Chapter 3 of Part 2 of the Energy Act 2013 and set out in:

- (i) the Electricity Capacity Regulations 2014;
  - (ii) any other regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time;
  - (iii) the Capacity Market Rules; and
- (c) any other matters pursuant to Chapter 3 of Part 2 of the Energy Act 2013.

**1.3 EMR Tender Activities**

1.3.1 A Permitted Affiliate may prepare for and participate in the process for the award of the activities referred to in paragraphs 1.1 and 1.2 and if such preparation and participation has been included in a Business Strategy and an Annual Budget which have been approved and adopted under paragraph 6, the costs thereof shall be BSC Costs and Sections C10.2.1(d) and D7.3.1 shall not apply in respect of such BSC Costs.”.

**11 In Section D—**

- (a) at the end of subparagraph 1.1.1(d) delete “.” and replace with “; and”;
- (b) after subparagraph 1.1.1(d) insert a new subparagraph 1.1.1(e) as follows—
  - “(e) further arrangements pursuant to which BSCCo will recover:
    - (i) CFD Settlement Services Provider Costs; and
    - (ii) CM Settlement Services Provider Costs.”;
- (c) after subparagraph 2.1.1(b)(iii) insert a new subparagraph 2.1.1(b)(iv) as follows—
  - “(iv) any CFD Settlement Services Provider Costs and/or CM Settlement Services Provider Costs incurred by BSCCo and/or any of its Subsidiaries;”;
- (d) in paragraph 2.1.2 after “Without prejudice to the generality of paragraph 2.1.1,” insert “and subject always to 2.1.1(b)(iv),”; and
- (e) after Section D6 insert a new Section D7 as follows—

**“7. EMR SETTLEMENT SERVICES PROVIDER COSTS**

**7.1 CFD Settlement Services Provider Costs to be recovered by BSCCo**

7.1.1 For the purposes of the Code, “**CFD Settlement Services Provider Costs**” means:

- (a) the costs directly incurred by BSCCo in providing, or procuring the provision of, CFD Settlement Data to a CFD Settlement Services Provider; and
- (b) any other costs directly incurred by BSCCo in providing, or procuring the provision of, those further services to a CFD Settlement Services Provider as are permitted elsewhere in the Code.

**7.2 CM Settlement Services Provider Costs to be recovered by BSCCo**

7.2.1 For the purposes of the Code, "CM Settlement Services Provider Costs" means:

- (a) the costs directly incurred by BSCCo in providing, or procuring the provision of, CM Settlement Data to a CM Settlement Services Provider; and
- (b) any other costs directly incurred by BSCCo in providing, or procuring the provision of, those further services to a CM Settlement Services Provider as are permitted elsewhere in the Code.

**7.3 General**

7.3.1 No Party shall be liable to pay CFD Settlement Services Provider Costs or CM Settlement Services Provider Costs to BSCCo (other than a Party in its capacity as a CFD Settlement Services Provider or a CM Settlement Services Provider, as appropriate, appointed for the time being)."

**12** In Annex D-3, in subparagraph 3.1(h), before "an Additional BM Unit Monthly Charge" insert "except for Additional BM Units that are comprised of CFD Assets or CM Assets (for which there shall be no Additional BM Unit Monthly Charge),".

**13** In Section E, after subparagraph 2.4.1(d) insert a new subparagraph 2.4.1(e) as follows—

- "(e) where such contract includes the supply of services in support of Permissible Activities pursuant to Sections C10 or C11:
  - (i) prevent the BSC Agent from terminating any part of a BSC Agent Contract that relates to the performance of BSC Agent services as a result solely of any breach by BSCCo of provisions relating to the supply of services by the BSC Agent in respect of Permissible Activities; and
  - (ii) to the fullest extent permitted by law, restrict BSCCo's liability to the BSC Agent for any claim in damages or any other claim of a financial nature relating solely to the supply of services by the BSC Agent in support of Permissible Activities to the amounts payable under that BSC Agent Contract for those services."

**14** In Section F—

(a) after paragraph 1.1.8 insert new paragraphs 1.1.9 and 1.1.10 as follows—

"1.1.9 Notwithstanding paragraph 2 and subject to paragraph 1.1.10, the following Code provisions may not be amended without the prior written consent of the Secretary of State:

- (a) paragraphs 1.1.9, 1.1.10, 1.6.1B, 1.6.3(e), 1.6.3(f), 1.9.3, 2.1.1(e), 2.1.1(f), 2.1.10(a)(viii), 2.7.6(b)(iii) and paragraph 1(d)(viii) of Annex F-1;
- (b) any paragraph in this Section F to the extent only that it makes reference to the persons referred to in paragraph 1.9.3 or refers to the Capacity Market Rules and/or the AF Rules;

- (c) Sections C1.2.1B, C11, paragraphs 1.1 and 1.2 of Annex C-1, Section D7, Section K3.1.8, Sections K3.3.12 to K3.3.14 (inclusive), Section L7.6.1A, Sections S2.4.1(i), S2.9 and S4.1.1(f), Section V5 and Section W1.5.3;
- (d) all terms and expressions that are defined in Annex X-1 and that are used only in the Code provisions specified in paragraphs 1.1.9(a), (b) and (c); and
- (e) any reference elsewhere in the Code to a CFD Settlement Services Provider, a CfD Counterparty, a Contract for Difference, a CM Settlement Services Provider, the CM Settlement Body, the Capacity Market Rules and/or an EMR Legal Requirement.

1.1.10 Minor modifications (for example, any necessary changes to formatting, paragraph numbering and references to other paragraphs in the Code) to the Code provisions specified in paragraph 1.1.9 that are required as a consequence of a Modification Proposal may be made without the prior written consent of the Secretary of State to the extent necessary to implement that Modification Proposal.”;

(b) after paragraph 1.6.1A insert a new paragraph 1.6.1B as follows—

“1.6.1B The Panel shall establish (and, where appropriate, revise from time to time) joint working arrangements, consistent with any IS Policies relating to change co-ordination, with:

- (a) the Secretary of State, the CM Settlement Body and any CM Settlement Services Provider (as applicable) to facilitate the identification of potential inconsistencies between a Code Modification and the Capacity Market Documents; and
- (b) the Secretary of State to facilitate the identification of potential inconsistencies between a Code Modification and the CFD Documents,

in each case, in a full and timely manner.”;

(c) in paragraph 1.6.2—

- (i) delete “paragraphs 1.6.1 and 1.6.1A” and replace with “paragraphs 1.6.1, 1.6.1A and 1.6.1B”; and
- (ii) after “full and timely manner and enable” insert “; (a)”;
- (iii) after “is made and given effect” insert—

“; and (b) potential inconsistencies between the Code Modification and the Capacity Market Documents and/or the CFD Documents (as applicable) to be raised with the CM Settlement Body, the CM Settlement Services Provider and the Secretary of State (as applicable)”;

(d) in subparagraph 1.6.3(c), after “changes to the STC;” delete “and”;

(e) in subparagraph 1.6.3(d) delete “.” and replace with “;”;

- (f) after subparagraph 1.6.3(d) insert new subparagraphs (e) and (f) as follows—
- “(e) **"Capacity Market Documents"** means the Capacity Market Rules, The Electricity Capacity Regulations 2014 and any other regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time; and
- (f) **"CFD Documents"** means the AF Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 and The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 and any other regulations made under Chapter 2 of Part 2 of the Energy Act 2013 which are in force from time to time.”;
- (g) after paragraph 1.9.2 insert a new paragraph 1.9.3 as follows—
- “1.9.3 For the purposes of this Section F, in relation to the consultation of interested third parties, the term ‘interested third parties’ shall include the Secretary of State, CfD Counterparty, the CM Settlement Body, a CFD Settlement Services Provider and any CM Settlement Services Provider.”;
- (h) after subparagraph 2.1.1(d) insert new subparagraphs 2.1.1(e) and 2.1.1(f) as follows—
- “(e) a CfD Counterparty to reflect a proposed change to the CFD Arrangements which would, if made, have an impact on the Code;
- (f) the CM Settlement Body to reflect a proposed change to the CM Arrangements which would, if made, have an impact on the Code.”;
- (i) in subparagraph 2.1.2(g) after “Industry Code” insert “, and an indication of potential inconsistencies of the proposed modification with the Capacity Market Documents and/or the CFD Documents”;
- (j) after subparagraph 2.1.10(vii) insert a new subparagraph 2.1.10(viii) as follows—
- “(viii) each person referred to in paragraph 1.9.3.”;
- (k) in subparagraph 2.7.6(b)(ii) delete “.” and replace with “; and”;
- (l) after subparagraph 2.7.6(b)(ii) insert a new subparagraph 2.7.6(b)(iii) as follows—
- “(iii) each of the persons specified in paragraph 1.9.3.”;
- (m) in paragraph 2.9.4 after “approved by the Authority.” insert—
- “The Panel must notify the persons listed in paragraph 1.9.3 of any Urgent Modification Proposal and when approving any alternative procedure or timetable, the Authority must consider whether or not such procedure and timetable should allow for the persons listed in paragraph 1.9.3 to be consulted on the Urgent Modification Proposal and if so how much time should be allowed.”;
- (n) in paragraph 2.9.9 after “each Panel Member,” insert “each of the persons referred to in paragraph 1.9.3.”;



- (o) in paragraph 6.3.1 after “the Transmission Company” insert “, each of the persons referred to in paragraph 1.9.3”;
- (p) in subparagraph 6.3.2(b)(ii) delete “.” and replace with “; and”;
- (q) after subparagraph 6.3.2(b)(ii) insert a new subparagraph 6.3.2(b)(iii) as follows—
  - “(iii) each of the persons specified in paragraph 1.9.3.”;
- (r) in paragraph 6.4.1 delete “unless an appeal is notified by a Party” and replace with “unless an appeal is notified by any of the persons listed in subparagraph 2.1.10(a)”;
- (s) in paragraph 6.4.2 delete “A Party (an **“appealing party”**)” and replace with “Subject to paragraph 6.4.2A, any of the persons listed in subparagraph 2.1.10(a) (an **“appealing party”**)”;
- and
- (t) after paragraph 6.4.2 insert a new paragraph 6.4.2A as follows—
  - “6.4.2A The Secretary of State, a CFD Settlement Services Provider and a CM Settlement Services Provider shall not be entitled to raise an appeal under paragraph 6.4.2.”.

**15** In Annex F-1—

- (a) in subparagraph 1(d)(i) after “System Operator-Transmission Owner Code” insert “and an indication of potential inconsistencies the Proposed Modification and any Alternative Modification have with the Capacity Market Documents and/or the CFD Documents”;
- (b) in subparagraph 1(d)(iv) after “System Operator-Transmission Owner Code” insert “and/or the Capacity Market Documents and/or the CFD Documents”;
- (c) in subparagraph 1(d)(vi) delete “.” and replace with “;”;
- (d) after subparagraph 1(d)(vi) insert a new subparagraph 1(d)(vii) as follows—
  - “any potential inconsistencies the Proposed Modification and any Alternative Modification have with the CFD Arrangements and/or the CM Arrangements,”; and
- (e) in subparagraph 1(k) after “the STC Committee” insert—
  - “, and a summary of any impact assessment prepared by:
    - (i) the Secretary of State, the CM Settlement Body and/or a CM Settlement Services Provider in relation to the Capacity Market Rules;
    - (ii) the Secretary of State in relation to the Capacity Market Documents;
    - (iii) the Secretary of State, any CfD Counterparty and/or any CFD Settlement Services Provider in relation to the AF Rules; or
    - (iv) the Secretary of State in respect of the CFD Documents.”.

**16** In Section G—

- (a) in subparagraph 3.1.2(a) after “notify all Parties” insert “and any CM Settlement Services Provider”;

- (b) in subparagraph 3.1.2(e) after “notify all Parties” insert “and any CM Settlement Services Provider”;
- (c) in subparagraph 3.1.3(b) after “notify Parties” insert “and any CM Settlement Services Provider”;
- (d) in subparagraph 3.1.7(c) after “notify Parties” insert “and any CM Settlement Services Provider”;
- (e) in subparagraph 3.1.8(d) after “notify all Parties” insert “and any CM Settlement Services Provider”; and
- (f) in subparagraph 3.1.9(c) delete “and shall promptly notify the Panel and Parties of that Settlement Period.” and replace with “and shall promptly notify the Panel, Parties and any CM Settlement Services Provider of that Settlement Period.”.

**17** In Section H—

- (a) in subparagraph 4.1.1(g)(viii) delete “and”;
- (b) re-number subparagraph 4.1.1(g)(ix) as 4.1.1(g)(x);
- (c) after subparagraph 4.1.1(g)(viii) insert a new subparagraph 4.1.1(g)(ix) as follows—
  - “(ix) all Contracts for Difference; and”;
- (d) in subparagraph 4.1.1(j)(iii) delete “,” and replace with “;”;
- (e) after subparagraph 4.1.1(j)(iii) insert a new subparagraph 4.1.1(j)(iv) as follows—
  - “(iv) the Capacity Market Rules,”;
- (f) after subparagraph 4.4.2(c)(v) insert a new subparagraph 4.4.2(v)(vi) as follows—
  - “(vi) pursuant to an EMR Legal Requirement; or”;
- (g) in paragraph 7.1.1 delete “subject to any contrary provision of the Act or any Licence” and replace with “subject to any contrary provision of the Act, any Licence, any EMR Legal Requirement”; and
- (h) in paragraph 9.4.3 after “as provided in Section F” insert “and, in respect of the Secretary of State, to the extent provided in Section C”.

**18** In Section K—

- (a) after paragraph 3.1.7 insert a new paragraph 3.1.8 as follows—
  - “3.1.8 A BM Unit comprised of:
    - (a) CFD Assets shall be comprised solely of the CFD Assets specified in the Contract for Difference relating to that BM Unit and shall not include any other Plant or Apparatus (the “**Relevant CFD Assets**”); and

- (b) CM Assets shall be comprised solely of the CM Assets specified in the Capacity Agreement relating to that BM Unit and shall not include any other Plant or Apparatus.”; and

(b) after paragraph 3.3.11 insert new paragraphs 3.3.12, 3.3.13 and 3.3.14 as follows—

“3.3.12 Where a Supplier is the Registrant of SVA Metering System(s) associated with CFD Assets, the Supplier shall in respect of those CFD Assets:

- (a) ensure that Additional BM Unit(s) have been registered in accordance with this Section K; and
- (b) assign only the Relevant CFD Assets to such Additional BM Unit(s); or

3.3.13 If at any time BSCCo receives a notice from an EMR Settlement Services Provider in respect of CFD Assets to register or de-register Additional BM Units in a GSP Group then BSCCo shall:

- (a) in respect of the GSP Group to which those CFD Assets are connected, register Additional BM Units for each Supplier identified by BSCCo under paragraph 3.3.14; or
- (b) de-register any Additional BM Unit in that GSP Group which were registered under paragraph 3.3.13(a) and which are connected to those CFD Assets but which are no longer required,

in each case in accordance with BSCP15.

3.3.14 In respect of each GSP Group BSCCo shall establish and maintain a list identifying:

- (a) Active Power Purchasing Suppliers in that GSP Group; and
- (b) any other Qualified Half Hourly Supplier that has requested to be included on that list.”.

**19** In Section S—

(a) in subparagraph 2.4.1(h) delete “.” and replace with “;”;

(b) after subparagraph 2.4.1(h) insert a new subparagraph 2.4.1(i) as follows—

“(i) where applicable, to provide metered data to an EMR Settlement Services Provider in accordance with paragraph 2.9.”;

(c) in subparagraph 4.1.1(d)(vi) delete “and”;

(d) in subparagraph 4.1.1(e) delete “.” and replace with “; and”;

(e) after subparagraph 4.1.1(e) insert a new subparagraph 4.1.1(f) as follows—

“(f) to provide such data to the SAA as is necessary for the provision of Relevant EMR Settlement Data to an EMR Settlement Services Provider.”.

**20** In Section V, after Section V4 insert a new Section V5 as follows—

**“5. EMR SETTLEMENT DATA REQUIREMENTS**

**5.1 Provision of data and information to the EMR Settlement Services Providers**

5.1.1 For the purposes of the Code, CFD Settlement Data and CM Settlement Data shall collectively be referred to as "**EMR Settlement Data**".

**5.2 Provision of data and information to a CFD Settlement Services Provider**

5.2.1 Subject to paragraph 5.2.4, BSCCo must provide, or procure that a BSC Agent provides, such data, information and reports to any CFD Settlement Services Provider and any CfD Counterparty as any CFD Settlement Services Provider and/or any CfD Counterparty reasonably require in order to discharge their EMR Settlement Functions (the "**CFD Settlement Data**").

5.2.2 In respect of the CFD Settlement Data, BSCCo shall provide to the Panel:

- (a) a schedule of the CFD Settlement Data reasonably required by a CFD Settlement Services Provider and/or a CfD Counterparty;
- (b) an explanation of why a CFD Settlement Data is reasonably required to enable any CFD Settlement Services Provider and/or any CfD Counterparty to discharge their EMR Settlement Functions; and
- (c) a copy of the agreement required by paragraph 5.4.1.

5.2.3 In respect of any CFD Settlement Data that is:

- (a) publicly available;
- (b) available to any person on request; or
- (c) expressly contemplated under any EMR Legal Requirement,

then each Party and the Panel shall not (whether by action, omission or withholding of consent) prevent or restrict BSCCo from providing that CFD Settlement Data to any CFD Settlement Services Provider and any CfD Counterparty.

5.2.4 Subject always to paragraph 5.2.3, if the Panel considers that any CFD Settlement Data is not reasonably required to enable a CFD Settlement Services Provider to discharge its EMR Settlement Functions the Panel shall instruct BSCCo to refer the matter to a CfD Counterparty.

5.2.5 Following such referral, a CfD Counterparty may, in its absolute discretion, determine whether that CFD Settlement Data is reasonably required to enable any CFD Settlement Services Provider to discharge its functions and a CfD Counterparty's determination shall be final and binding for the purposes of the Code.

5.2.6 If at any time a CFD Settlement Services Provider or a CfD Counterparty requests further CFD Settlement Data from BSCCo then the provisions of paragraphs 5.2.1, 5.2.2(b), 5.2.3, 5.2.4 and 5.2.5 shall apply in respect of that CFD Settlement Data.

5.2.7 BSCCo shall arrange for a schedule of CFD Settlement Data to be published on the BSC Website from time to time and revised as soon as reasonably practicable after

any change is made to the schedule of CFD Settlement Data in accordance with paragraph 5.2.5.

### **5.3 Provision of data and information to the CM Administrative Parties**

5.3.1 BSCCo must provide, or procure that a BSC Agent provides, such data, information and reports to the relevant CM Administrative Parties as it is required to provide under any EMR Legal Requirement (the "CM Settlement Data") in accordance with the requirements contained therein.

5.3.2 BSCCo shall provide to the Panel:

- (a) a schedule of the CM Settlement Data to be provided to CM Administrative Parties; and
- (b) a copy of the agreement required by paragraph 5.4.1,

and BSCCo shall arrange for the schedule of CM Settlement Data to be published on the BSC Website from time to time.

### **5.4 General**

5.4.1 Where EMR Settlement Data is provided to an EMR Settlement Services Provider pursuant to this paragraph 5, BSCCo shall enter into and remain a party to an agreement with any CFD Settlement Services Provider and any CM Settlement Services Provider (as applicable) in accordance with Section C11 relating to the provision of data provided that any failure to enter into such an agreement must not prevent BSCCo from complying with any EMR Legal Requirement.”.

**21** In Section W, in paragraph 1.2.1 delete “contrary provision of the Act or any Licence or the rights, powers and duties of the Authority” and replace with “contrary provision of the Act, any Licence, any EMR Legal Requirement or the rights, powers and duties of the Authority”.

**22** In Annex X-1—

- (a) in the definition of BSC Company after “Affiliate of BSCCo” insert “other than a Permitted Affiliate”; and
- (b) insert the following new definitions in the relevant places—

“ <b>Active Power Purchasing Supplier</b> ”:	in respect of a GSP Group, means a Supplier that has recorded a Half Hourly Active Export greater than zero for that GSP Group at any point over a period of the 30 most recent Settlement Days for which data is available;”;
“ <b>AF Rules</b> ”:	has the meaning given to ‘allocation framework’ in section 13(2) of the Energy Act 2013;”;
“ <b>Capacity Agreement</b> ”:	has the meaning given to that term in the Capacity Market Rules;”;
“ <b>Capacity Market Documents</b> ”:	has the meaning given to that term in Section F1.6.3;”;

<b>“Capacity Market Rules”:</b>	means the rules so called and made under to Section 34 of the Energy Act 2013, and from time to time modified by the Secretary of State under that section or by the Authority in accordance with The Electricity Capacity Regulations 2014;”;
<b>“Capacity Provider”:</b>	has the meaning given to that term in the Capacity Market Rules;”;
<b>“CFD Arrangements”:</b>	means: <ul style="list-style-type: none"> <li>(i) the contract for difference arrangements specified in Chapter 2 of Part 2 of the Energy Act 2013;</li> <li>(ii) any regulation, licence modification or other instrument made by virtue of or pursuant to Chapter 2 of Part 2 of the Energy Act 2013; and</li> <li>(iii) the systems and processes used by any CfD Counterparty and/or any CFD Settlement Services Provider in complying with, and delivering the requirements specified in (i) and/or (ii);”;</li> </ul>
<b>“CFD Assets”:</b>	means Plant and Apparatus (including apparatus used for station load or other demand required for the purposes of netting under a Contract for Difference to the extent that any arrangements for netting are identified in the Contract for Difference relating to those Plant and Apparatus) that are subject to a Contract for Difference;”;
<b>“CfD Counterparty”:</b>	means a person designated as a "CfD counterparty" under section 7(1) of the Energy Act 2013;”;
<b>“CFD Documents”:</b>	has the meaning given to that term in Section F1.6.3;”;
<b>“CFD Settlement Data”:</b>	has the meaning given to that term in Section V5.2.1;”;
<b>“CFD Settlement Services Provider”:</b>	means any person: <ul style="list-style-type: none"> <li>(i) appointed for the time being and from time to time by a CfD Counterparty; or</li> <li>(ii) who is designated by virtue of Section C1.2.1B,</li> </ul> in either case to carry out any of the CFD settlement activities (or any successor entity performing CFD settlement activities);”;
<b>“CFD Settlement Services Provider Costs”:</b>	has the meaning given to that term in Section D7.1.1;”;
<b>“CM Administrative Parties”:</b>	has the meaning given to the term ‘administrative parties’ in The Electricity Capacity Regulations 2014 and, for the purposes of the Code only, shall include any CM Settlement Services Provider;”;

<b>“CM Arrangements”:</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(i) the capacity market arrangements specified in Chapter 3 of Part 2 of the Energy Act 2013;</li> <li>(ii) any regulations, rules, licence modification or other instrument made pursuant to Chapter 3 of Part 2 of the Energy Act 2013; and</li> <li>(iii) the systems and processes used by the CM Settlement Body and/or any CM Settlement Services Provider in complying with, and delivering the requirements specified in, (i) and/or (ii);”;</li> </ul>
<b>“CM Assets”:</b>	<p>where a Capacity Provider has elected to use a BSC metering option, means Plant and Apparatus (including apparatus used for station load or other demand required for the purposes of netting under the Capacity Arrangements) that are subject to a Capacity Agreement entered into pursuant to Chapter 3 of Part 2 of the Energy Act 2013;”;</p>
<b>“CM Settlement Body”:</b>	<p>the Electricity Settlements Company Ltd or such other person as may from time to time be appointed as Settlement Body under regulation 80 of the Electricity Capacity Regulations 2014;”;</p>
<b>“CM Settlement Data”:</b>	<p>has the meaning given to that term in Section V5.3.1;”;</p>
<b>“CM Settlement Services Provider”:</b>	<p>means any person appointed for the time being and from time to time by a CM Settlement Body to provide services to it in relation to the performance of its functions under the Capacity Market Documents;”;</p>
<b>“CM Settlement Services Provider Costs”:</b>	<p>has the meaning given to that term in Section D7.2.1;”;</p>
<b>“Contract for Difference”:</b>	<p>means a contract for difference entered into by the CfD Counterparty pursuant to Chapter 2 of Part 2 of the Energy Act 2013 or any contract treated as a CFD for the purposes of The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 by virtue of any provision made under paragraph 16(2) of Schedule 2 to the Energy Act 2013;”;</p>
<b>“Contracts for Difference Supplier Obligation”:</b>	<p>means the obligations of suppliers to make payments, or provide collateral to a CfD Counterparty established pursuant to the Energy Act 2013 and set out in The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014;”;</p>

<b>“EMR Legal Requirement”:</b>	means the Energy Act 2013, The Electricity Capacity Regulations 2014, The Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014, the AF Rules and any other regulation or instrument made by virtue of or pursuant to Chapter 2 (contracts for difference) or Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 or Schedule 2 of the Energy Act 2013;”;
<b>“EMR Settlement Data”:</b>	has the meaning given to that term in Section V5.1.1;”;
<b>“EMR Settlement Functions”:</b>	those functions which are to be performed by a CfD Counterparty or CM Settlement Body (or any EMR Settlement Services Provider on behalf of either of them) in order to give effect to requirements imposed on the CfD Counterparty or CM Settlement Body by the EMR Legal Requirements;”;
<b>“EMR Settlement Services Provider”:</b>	means a CFD Settlement Services Provider and/or a CM Settlement Services Provider;”;
<b>“Permissible Activity”:</b>	has the meaning given to that term in Section C1.2.1B;”;
<b>“Permitted Affiliate”:</b>	has the meaning given to that term in Section C1.2.1B;”;
<b>“Relevant CFD Assets”:</b>	has the meaning given to that term in Section K3.1.8;”;
<b>“Relevant EMR Settlement Data”:</b>	means: <ul style="list-style-type: none"> <li>(i) the CFD Settlement Data where EMR Settlement Data is to be provided to a CFD Settlement Services Provider; and</li> <li>(ii) the CM Settlement Data where EMR Settlement Data is to be provided to a CM Settlement Services Provider;”.</li> </ul>

**23** The provisions of the Balancing and Settlement Code are modified in accordance with paragraphs 24 to 27, with effect from 26 February 2015.

**24** As modified the provisions of each relevant section of the Balancing and Settlement Code shall be comprised in a new version of that section of the Balancing and Settlement Code, which version shall bear the next sequential number after the version which applied immediately before the modifications had effect.

**25** In Section L—

(a) in subparagraph 6.2.1(e) delete “.” and replace with “; and”;

(b) after subparagraph 6.2.1(e) insert a new subparagraph 6.2.1(f) as follows—



“(f) any CfD Counterparty, any CFD Settlement Services Provider, the CM Settlement Body and/or any CM Settlement Services Provider, in each case acting through any reasonably nominated employee, agent or contractor.”; and

(c) after paragraph 7.6.1 insert a new paragraph 7.6.1A as follows—

“7.6.1A Where BSCCo becomes aware of a non-compliance that has impacted metered volumes then it shall, as soon as reasonably practicable thereafter, notify any CFD Settlement Services Provider and any CM Settlement Services Provider and include in that notice at least the following:

- (a) the MSID(s) (if known) relating to the applicable SVA Metering System or CVA Metering System; and
- (b) the nature of the non-compliance.”.

**26** In Section S, after paragraph 2.8 insert a new paragraph 2.9 as follows—

**“2.9 Provision of Data to a CM Settlement Services Provider**

2.9.1 Where a Supplier that is the Registrant of an SVA Metering System associated with CM Assets is so requested by a Customer or generator that has entered into a Capacity Agreement in respect of those CM Assets then that Supplier shall ensure that its Half Hourly Data Aggregator provides metered data relating to that SVA Metering System to a CM Settlement Services Provider in accordance with BSCP503.”.

**27** In Section W, after paragraph 1.5.2 insert a new paragraph 1.5.3 as follows—

“1.5.3 Where BSCCo becomes aware of any matters which would or might reasonably be expected to give rise to a Trading Dispute under paragraph 1.5.1 then it shall also notify a CfD Counterparty and the CM Settlement Body and include in that notice:

- (a) the MSID(s) (if known) relating to the applicable SVA Metering System(s) or CVA Metering System(s) impacted by that matter; and
- (b) the nature of the error.”.

**Modifications to the BSC subsidiary documents**

**28** The provisions of the BSC subsidiary documents are modified in accordance with paragraphs 29 to 39, with effect from the date on which The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 come into force.

**29** As modified the provisions of each BSC subsidiary document comprises a new version of that BSC subsidiary document, each new version shall bear the next sequential number after the version which applied immediately before the modifications had effect.

**30** In BSC subsidiary document BSCP15—

- (a) in Section 1, paragraph 1.3—

- (i) In the first bullet point, starting “Detailed notification”, after “non-standard BM Unit” insert “or Additional BM Unit”;
- (ii) After the first bullet point, starting “Detailed notification”, insert a new bullet point as follows—
  - “• 15 Working Days notification of registration of Additional BM Unit, unless FPN flag is set to ‘yes’ where 30 WD notification may be needed (see section 1.6).”;
- (iii) In the second bullet point, starting “15 Working Days”, after “15” insert a footnote as follows—

“If the Additional BM Unit is an Exempt Export BM Unit, the Lead Party can change the BM Unit’s allocated Trading Unit by providing notification in accordance with BSCP31. If no notification is provided by the Lead Party, the BM Unit will be allocated to the Base Trading Unit for its GSP Group.”;

- (b) in Section 1, paragraph 1.8, insert a new paragraph 1.9 as follows—

**“1.9 BM Units for CFD or CM Assets**

The BSC requires that any BM Units with CFD/CM Assets shall comprise only those Assets allowed by the CFD or Capacity Agreement.

BM Units for CFD or CM Assets Registered in CMRS

Lead Parties will be able to register BM Units for Metering Systems registered in CMRS under the existing processes and approach. This is because in CMRS the BM Unit is specific to the Generating Unit and it is therefore possible to change BM Unit ownership (retaining the same identifier). The BM Unit can therefore exist for the lifetime of the Generating Unit, and consequently the lifetime of the CFD, and one or more Capacity Agreements. This means that new registration arrangements or processes are not necessary.

BM Units for CFD or CM Assets Registered in SMRS

Additional BM Units are not a permitted CM metering option. Metered volumes associated with CM Assets registered in SMRS cannot be provided to a CM Settlement Services Provider using Additional BM Units. CM Assets may still be allocated to Additional BM Units, registered under process 3.4.

Additional BM Units for CFD Assets registered in SMRS may be provided to a CFD Settlement Services Provider (CFDSSP) to be used for CFD settlement purposes. The registration of Additional BM Units for CFD Assets shall follow process 3.18. Additional BM Units for non-CFD Assets registered in SMRS should follow 3.4.

Additional BM Units for CFD Assets Registered in SMRS

Both Lead Parties and BSCCo may initiate the registration process for Additional BM Units for CFD Assets registered in SMRS using process

3.18. Additional BM Units for CFD Assets are not liable for the Section D charge for Additional BM Units. Consequently all Additional BM Unit registrations for CFD Assets must be confirmed with or instructed by the CFDSSP, and shall follow a naming convention.

The CFDSSP instructs Additional BM Unit registration details to BSCCo based on information that generators with a CFD are obliged to notify to the CFDSSP, such as when the Additional BM Units are needed. This reduces the need for Lead Parties to manage the Additional BM Unit registration process. Lead Parties should find Additional BM Units are registered and available for use when needed.

Where it is not known which Supplier will take responsibility for Metering Systems associated with a generator with a CFD, BSCCo will register Additional BM Units for a set of Suppliers. The set will be based on a list maintained by BSCCo. The list is maintained in accordance with section 3.20. Each set of Additional BM Units will be associated with the relevant CFD for the lifetime of the CFD. Only one of the Additional BM Units in the set shall be ‘active’ on any particular Settlement Day.

In SMRS the BM Unit represents the Supplier’s Metering System(s), so the Generating Unit(s) must be assigned to an Additional BM Unit so that the BM Unit Metered Data relates to the relevant CFD and can therefore be used by the CFDSSP for CFD Settlement purposes.

CFD Generating Unit(s) must move between Additional BM Units as responsibility under the BSC for the Metering System(s) changes i.e. as a CFD generator changes Suppliers/Offtakers its Metering Systems must move from its old Supplier’s Additional BM Unit to its new Supplier Additional BM Unit. Supplier BM Unit ownership can only take place when a Supplier transfers its Supplier ID i.e. ownership of the Supplier ID (and license) is transferred. Additional BM Units registered for CFD Assets will therefore only last for the lifetime of the CFD. When the CFD expires the CFDSSP will instruct BSCCo to deregister the relevant Additional BM Units to coincide with the expiry of the CFD. The CFDSSP will know when a CFD expires.”;

- (c) in Section 2, paragraph 2.1, insert the following new acronym in the relevant place—

“CFDSSP                      Contract for Difference Settlement Services Provider”;

- (d) in Section 3.4—

- (i) after “where necessary/appropriate, procedure 3.12.” insert—

“A Supplier registering an Additional BM Unit for CfD or CM Assets should not follow this procedure 3.4, but should follow procedure 3.18.”;  
and

- (ii) in the table, in row “3.4.2”—

- (A) delete the wording in the second column and replace with—

“At least 15 WD prior to Effective From Date if FPN flag set to ‘no’, or 30 WD prior to Effective From Date if FPN flag set to ‘yes’”;

(B) in the second column, after “15” insert a new footnote as follows—

“The EFD must align with the MDD Release Schedule and be agreed between the TC, CRA, Party and BSCCo as applicable”;

(e) after Section 3.17 insert a new Section 3.18 as follows—

**“3.18 Registration of Additional BM Units for CFD Assets**

REF	WHEN	ACTION	FROM	TO	INPUT INFORMATION REQUIRED	MEDIUM
3.18.1	As required	Notify need for Additional BM Unit registration	Supplier	BSCCo	BSCP15/4.1, Registration of BM Unit signed by an authorised person, registered as such using BSCP38 and including name, address and CFD ID provided by the generator with a CFD. BMU Id and BMU Name must follow naming convention on BSC website.	Email
3.18.2	Within 1 WD of 3.18.1	Confirm registration is required for CFD	BSCCo	CFDSSP	As submitted in 3.18.1	Email
3.18.3	Within 1 WD of 3.18.2 or as required	Instruct registration details	CFDSSP	BSCCo	Registration details, including CFD ID, GSP Group, and whether to register based on specific Supplier ID(s) or the list maintained in procedure 3.20	Email
3.18.4	Within 1 WD of 3.18.3	Acknowledge and validate request, including Effective From Dates of request and MDD timetable (Effective From Date must be on or after the MDD Go Live Date and registration request must be at least 15 WD prior to Effective From Date.)	BSCCo	CFDSSP	As submitted in 3.18.3	Email

3.18.5	Following 3.18.4	Initiate Market Domain Data process (BSCP509)  Initiate Registration of BM Units based on registration details	BSCCo  BSCCo	  CRA	Form BSCP509/01 & relevant entity forms.  BSCP15/4.1	Internal Process  Email
13.18.6	Within 1 WD of receipt of 3.18.5	Acknowledge receipt of Registration request	CRA	BSCCo	As submitted in 3.18.5	
3.18.7	At the same time as 13.18.6	Check that the Party is registered with the CRA and that the form has been completed by an authorised person. Also check the registration data to confirm the FPN flag has been set correctly.	CRA		As submitted in 3.18.5	Internal Process
3.18.8	As the same time as 3.18.6	Where FPN flag is set to 'Y', inform TC of the intended BM Unit registration.	CRA	TC		Email
3.18.9	Within 5WD of 3.18.8	The TC may object to the registration.	TC	CRA	A statement detailing the nature of the objection  Where an objection cannot be resolved, the CRA shall escalate the objection to BSCCo	Email
3.18.10	Following 3.18.9	Allocate the Additional BM Unit(s) to the Base Trading Unit for the relevant GSP Group (and set the Base Trading Unit Flag for each BM Unit).	CRA		As submitted in 3.18.5  Creation of new Additional BM Unit for a GSP Group	Internal Process
3.18.11	On receipt of data in 3.18.6	CRA to receive and register the Credit Assessment Load Factor (CALF) data for the BM Unit and to ensure that CALF data is registered prior to the Effective From Date of the BM Unit.	BSCCo	CRA	CALF data (CRA-I011)	Email

3.18.12	Following 3.18.11	Confirm all steps in the BM Unit registration process have been completed.	CRA	BSCCo	Completed BSCCo Checklist	Email
3.18.13	Within 1 WD of 3.18.5 but after 3.18.7	Inform Party, BSCCo, TC and BSC Agents of the BM Unit registration.	CRA	BSCCo TC SVAA BSC Agents Lead Party	CRA-I020. BM Unit, Interconnector and GSP Group Data to SVAA (CRA-I015) Registration Report (CRA-I014) to Parties.	Electronic  (Email to BSC Agents and BSCCo)
3.18.14	Following publication of final MDD circular	'Point of no return'. In order to ensure full data consistency across all BSC Agent and TC systems a pending Additional BM Unit registration cannot be withdrawn or amended beyond this point except by prior agreement with BSCCo				

”;

(f) in Section 3.18—

(i) in the table row 3.18.4, in the second column after “15 WD” insert a new footnote as follows—

“The EFD must align with the MDD Release Schedule and be agreed between the TC, CRA, Party and BSCCo as applicable”;

(ii) in the table row 3.18.4, in the second column after “15 WD” insert a new footnote as follows—

“BM Unit registration timescales may be reduced in certain circumstances if the registering Party agrees that the registration will not be withdrawn or amended after the ‘point of no return’.”;

(g) after Section 3.18, insert a new Section 3.19 as follows—

**“3.19 De-Registration of Additional BM Units for CFD**

REF	WHEN	ACTION	FROM	TO	INPUT INFORMATION REQUIRED	MEDIUM
-----	------	--------	------	----	----------------------------	--------

3.19.1	As required	Instruct de-registration details	CFDSSP	BSCCo	De-registration details, including CFD ID, GSP Group, and whether to deregister based on specific Supplier ID(s) or list maintained in 3.20	
3.19.2	Following 3.19.1	Acknowledge and validate request, including Effective To Dates of request and MDD timetable (Effective To Date must be on or after the MDD Go Live Date and registration request must be at least 20 WD prior to Effective To Date.)	BSCCo	CFDSSP	As submitted in 3.19.1	
3.19.3	At least 20 WD prior to Effective To Date	Initiate Market Domain Data process (BSCP509)	BSCCo		Based on list maintained under 3.20 and details provided in 3.19.1	Internal Process
		Submit de-registration of BM Unit form	BSCCo	CRA	BSCP15/4.2, De-Registration of BM Unit	Email
3.19.4	Upon receipt of 3.19.3	Check the form for completeness and authorisation	CRA			Internal
3.19.5	Within 1 WD of 3.19.4	Acknowledge de-registration request. Where FPN set to 'yes', notify TC.	CRA	BSCCo TC		Email
3.19.6	At the same time as 3.19.4	Notify the SVAA of the BM Unit.	CRA	SVAA		Email
3.19.7	At least 15 WD prior to Effective To Date	Confirmation of Effective To Date.	CRA	TC / Party	Confirmation of Effective To Date	Email

3.19.8	On or before Effective To Date	Update systems and provide Party, BSCCo, TC and BSC Agents with registration reports.	CRA	Party  TC and BSCCo  BSC Agents	Registration reports of data entered onto systems – Registration Report (CRA-I014),  Operations Registration Report (CRA – I020),  BM Unit, Interconnector and GSP Group Data (CRA-I015).	Electronic
--------	--------------------------------	---	-----	---	---	------------

”;

**(h)** in Section 3.19—

(i) in the table row 3.19.1, in the second column after “As required” insert a new footnote as follows—

“Typically this will be when the CFD comes to an end and the Additional BM Unit is no longer required for CFD. Suppliers should ensure any MPANs are re-allocated to another appropriate BM Unit. Any Metering Systems not re-allocated will be assigned to the relevant Supplier’s Base BM Unit by SVAA.”;

(ii) in the table row 3.19.3, in the third column after “(BSCP509)” insert a new footnote as follows—

“BSCCo to initiate BSCP509 before the de-registration form is submitted to the CRA.”;

(iii) in the table row 3.19.5, in the third column after “TC” insert a new footnote as follows—

“Where the BM Unit has a FPN set to No, the Transmission Company does not need to be informed of the De-Registration.”;

(iv) in the table row 3.19.6, in the third column after “BM Unit” insert a new footnote as follows—

“The Supplier needs to ensure all Metering Systems associated with the additional Supplier BM Unit are re-allocated to either the Base BM Unit or another Supplier BM Unit associated with the same GSP Group (BSCP503 & 507) unless circuits are being disconnected.”; and

(v) in the table row 3.19.6, in the fifth column after “SVAA” insert a new footnote as follows—

“Notification of such BM Units shall be sent to the SVAA in its capacity as the Market Domain Data manager.”;

**(i)** after Section 3.19 insert a new Section 3.20 as follows—



**“3.20 Additional Unit Sets for CFD**

BSCCo is required by the Code to maintain a list of Active Power Purchasing Suppliers (Suppliers with HH Active Export greater than zero) within each GSP Group to support the registration and deregistration of Additional BM Units for CFD purposes. Suppliers may opt-in and opt-out of this list. Any CFDSSP request supersedes any Supplier request or BSCCo list update. Any Supplier request supersedes any BSCCo list update. Suppliers can request the list from BSCCo via the BSC service desk.

REF	WHEN	ACTION	FROM	TO	INPUT INFORMATION REQUIRED	MEDIUM
3.20.1	As required	Request inclusion/exclusion from list	Supplier / CFDSSP	BSCCo	Supplier ID, GSP Group and details of request	Email
3.20.2	Within 5 WD of 3.20.1 and before 3.20.3	Validate and acknowledge request. Where request from Supplier check for authorisation (as per BSCP38)	BSCCo	Supplier / CFDSSP	As submitted in 13. 20.1	Email
3.20.3	Following 3.20.2 and at least quarterly	Update list	BSCCo		As submitted in 13.20.1 and based on those active Half Hourly Export Suppliers within each GSP Group	Internal Process

”;

**(j)** in Section 4.1—

- (i) after the tick box “[ ] a change in the Switching Group to which the BM Unit belongs” insert two new tick boxes as follows—

“[ ] an additional BM Unit registration for CFD Assets  
[ ] an Additional BM Unit registration under instruction of the CFDSSP (only BSCCo should tick this box)”;

- (ii) after the table entitled “BM Unit Registration Details” insert—

“Note: If BSCCo are registering one or more Additional BM Units under instruction from the CFDSSP, spreadsheets or other suitable formats may be used to detail the registration details. Additional BM Units for CFD Assets must be of BM Unit Type ‘S’ and follow the naming convention for the BM Unit ID and BM Unit Name on the BSC Website.”;

**(k)** in Section 4.2—

- (i) after the tick box “[ ] subject to a Registration Transfer in accordance with BSCP68” insert a new tick box as follows—

“[ ] an Additional BM Unit deregistration for CFD”;

- (ii) after the heading “De-Registration BM Unit Data Requirements” insert a new footnote as follows—

“Where CFD Additional BM Units are being de-registered, the de-registration details may be provided using spreadsheets or other suitable formats.”.

**31** In BSC subsidiary document BSCP508—

- (a) in Section 1.1.2, after “there may be a need to perform adjustments between Reconciliation Volume Allocation Runs in accordance with BSCP11.” insert a new paragraph as follows—

**“Calculate the BM Unit SVA Gross Demand (for purposes of the CFD Arrangements)”**

In order to support the CFD Arrangements the SVAA will, for each VAR, calculate and provide to the SAA the gross demand (‘the BM Unit SVA Gross Demand’) for each Supplier BM Unit and Settlement Period in the Settlement Day. The BM Unit SVA Gross Demand for a Supplier BM Unit is defined as the sum of the Corrected Component (CORCiNj) for all Consumption Component Classes ‘N’ associated with Active Import. It follows from this definition that the BM Unit SVA Gross Demand will be adjusted for distribution losses and for GSP Group Correction (but will exclude any Active Export energy).”;

- (b) in Section 3.2A, in the table in row “3.2A.10”, in the sixth column after “P0182 BM Unit Supplier Take Energy Volume Data File.” insert “P0236 BM Unit SVA Gross Demand Data File.”;
- (c) in Section 3.2B, in the table in the row “3.2B.10”, in the sixth column after “P0182 BM Unit Supplier Take Energy Volume Data File.” insert “P0236 BM Unit SVA Gross Demand Data File.”; and
- (d) in Section 3.3, in the table in row “3.3.10”, in the sixth column after “P0182 BM Unit Supplier Take Energy Volume Data File.” insert “P0236 BM Unit SVA Gross Demand Data File.”.

**32** In BSC subsidiary document BSCP509—

- (a) in Section 3.3, in the footnote linked to the heading “General Changes to MDD”, after “in Appendix 4.3.” insert “MDD changes related to MDD Housekeeping, Registration of New Market Participants or registration of Additional BM Units should follow 3.6.”;
- (b) in Section 3.4, in the footnote linked to the word “timetable” in the table, row “3.4.1” third column—
  - (i) after “Market Participants” delete “and” and replace with “,”; and
  - (ii) after “Party Agents” insert “ and Additional BM Units”;
- (c) in Section 3.6—
  - (i) delete the heading to the section and replace with “MDD Fast Track - MDD Housekeeping Changes, Registration of New Market Participants and Additional BM Units”;

- (ii) in the table in row “3.6.1”, in the third column after “register in MDD” insert “or CR submitted for Additional BM Units”;
  - (iii) in the table in row “3.6.2”, in the third column after “is a new Market Participant” insert “or CR is for Additional BM Units”;
  - (iv) in the table in row “3.6.11”, in the second column delete “As required” and replace with “At next available opportunity”;
  - (v) in the table in row “3.6.11”, in the third column after “new Market Participant change made” insert “and / or new Additional BM Unit changes made”;
  - (vi) in the table in row “3.6.12”, in the third column after “new Market Participant change made” insert “and / or new Additional BM Unit changes made”;
- (d) in Section 4.2, in Part A delete “Housekeeping Change” and replace with “Fast Track (3.6)”;
- and
- (e) in Section 4.4, after “MDD Entity Change Request Forms)” insert a new Section 4.4.1 as follows—

**“4.4.1 MDD Entity Change Request Forms for CFD**

If BSCCo is registering one or more Additional BM Units under instruction from any CFD Settlement Services Provider, spreadsheets or other suitable formats may be used to detail the registration details other than entity 61 form. Suppliers registering Additional BM Units for CFD Assets shall use the entity 61 form. Additional BM Units for CFD Assets must be of BM Unit Type ‘S’ and follow the naming convention for the BM Unit ID and BM Unit Name on the BSC website.”.

**33 In BSC subsidiary document NETA Interface Definition and Design: Part 1, in Section 8.4—**

- (i) in the first row, in the column titled “User”, after “System Operator” insert “, EMR Settlement Services Provider”;
- (ii) in the first row, in the column titled “BSC reference”, after “CP1397” insert “, EMR”;
- (iii) in the third row titled “Interface Requirement”, after “BMRA” insert “, EMR Settlement Services Provider”; and
- (iv) in the fourth row, after “BSCCo Ltd” insert “, EMR Settlement Services Provider”.

**34 In BSC subsidiary document NETA Interface Definition and Design: Part 2—**

- (a) after Section 2.1.2.3 insert a new Section 2.1.2.4 as follows—

**“2.1.2.4 Interfaces to EMR**

The BM Unit Gross Demand Report (SAA-I042) is sent to a CFD Settlement Services Provider in XML format, as described in section 11.”;

- (b) in Section 3.1.5, in the table—

- (i) after the last row titled “SAA-I014” insert a new row “SAA-I014” as follows—

“

SAA-I014	Settlement Report	to	EMR Settlement Services Provider	Electronic data file transfer
----------	-------------------	----	----------------------------------	-------------------------------

”;

- (ii) after row “SAA-I040” insert new rows “SAA-I041” and “SAA-I042” as follows—

“

SAA-I041	BM Unit SVA Gross Demand Data File	from	SVAA	Electronic data file transfer, Pool Transfer File Format
SAA-I042	BM Unit Gross Demand Report	to	CFD Settlement Services Provider	Electronic data file transfer, XML

”;

;

- (c) in Section 3.2.4, in the table after the last row insert a new row as follows—

“

From	SVAA	SAA-I041	BM Unit SVA Gross Demand Data File	Electronic data file transfer, Pool Transfer File Format
------	------	----------	------------------------------------	--

”;

;

- (d) after Section 3.2.6 insert a new Section 3.2.7 as follows—

**“3.2.7 EMR Settlement Services Provider Interfaces**

Dir’n	User	Agent-id	Name	Type
to	EMR Settlement Services Provider	SAA-I014	Settlement Report	Electronic data file transfer
to	CfD Settlement Services Provider	SAA-I042	BM Unit Gross Demand Report	Electronic data file transfer, XML

”;

- (e) after Section 10.9 insert a new Section 11 as follows—

**“11 Interfaces from and to EMR Settlement Services Provider**

**11.1 SAA-I042: (output) BM Unit Gross Demand Report**

<b>Interface ID:</b> SAA-I042	<b>User:</b> CFD Settlement Services Provider	<b>Title:</b> BM Unit Gross Demand Report	<b>BSC Reference:</b> EMR
<b>Mechanism:</b> Electronic data file transfer, XML	<b>Frequency:</b> Daily	<b>Volumes:</b> One per Settlement Run	
<b>Interface Requirement:</b>  The SAA shall issue the BM Unit Gross Demand data to a CFD Settlement Services Provider for all Settlement Runs, The report shall include:  Settlement Date Settlement Run Type BSC Party ID BM Unit ID Settlement Period TLM-Adjusted BM Unit Gross Demand  For each Settlement Period, the report will contain data for the following BM Units:  <ul style="list-style-type: none"> <li>Supplier BM Units, for which the TLM-Adjusted BM Unit Gross Demand is defined as:   <math display="block">\text{TLM-Adjusted BM Unit Gross Demand} = - \text{TLM}_{ij} * \text{BM Unit SVA Gross Demand}</math>  where BM Unit SVA Gross Demand is calculated by SVAA; and</li> <li>BM Units (other than Supplier BM Units and Interconnector BM Units) which have a BM Unit Metered Volume less than zero, for which the TLM-Adjusted BM Unit Gross Demand is defined as:   <math display="block">\text{TLM-Adjusted BM Unit Gross Demand} = \text{TLM}_{ij} * \text{BM Unit Metered Volume}</math> </li> </ul>			
<b>Physical Interface Details:</b>			
This file will be sent in a format defined by an XML Schema established and maintained by the SAA.			

”.

35 In BSC subsidiary document SAA Service Description—

(a) after Section 3.1.4 insert a new Section 3.1A as follows—

**“3.1A Determination of TLM-Adjusted BM Unit Gross Demand (for CFD purposes)**

In order to support the CFD Arrangements the SAA will, for each VAR, calculate and provide to a CFD Settlement Services Provider the gross demand (“the TLM-

**Adjusted BM Unit Gross Demand**) for each relevant BM Unit and Settlement Period in the Settlement Day. For Supplier BM Units the TLM-Adjusted BM Unit Gross Demand is defined as:

$$\text{TLM-Adjusted BM Unit Gross Demand} = - \text{TLM}_{ij} * \text{BM Unit SVA Gross Demand}$$

where BM Unit SVA Gross Demand is the value received from the SVAA for that BM Unit and Settlement Period.

For BM Units (other than Supplier BM Units and Interconnector BM Units) which have a BM Unit Metered Volume less than zero in a given Settlement Period the TLM-Adjusted BM Unit Gross Demand is defined as:

$$\text{TLM-Adjusted BM Unit Gross Demand} = \text{TLM}_{ij} * \text{BM Unit Metered Volume}$$

For all other BM Units, TLM-Adjusted BM Unit Gross Demand is not defined (and the SAA will not provide a value for that BM Unit and Settlement Period to a CFD Settlement Services Provider).”;

(b) after Section 4.1.5 insert a new Section 4.1.6 as follows—

“4.1.6 The SAA shall also send a copy of the Transmission Company’s sub-flow of the Settlement Report (see 4.1.3 above) to the EMR Settlement Services Provider for each Settlement Run.”;

(c) in Appendix A—

(i) in Section A1, at the end of the table insert a new row as follows—

“

BM Unit SVA Gross Demand	SVAA
--------------------------	------

”;

(ii) in Section A2, in the table after the row titled “Settlement Reports (Transmission Company)” insert a new row as follows—

“

Settlement Reports (Scheduled)	EMR Settlement Services Provider
--------------------------------	----------------------------------

”; and

(iii) in Section A2, in the table after the last row insert a new row as follows—

“

BM Unit Gross Demand	CFD Settlement Services Provider
----------------------	----------------------------------

”.

**36** In BSC subsidiary document SAA URS—

(a) in Section 5.3, in the table—

- (i) in the third row titled “Function Requirement:” after “receipt of BM Unit Allocated Demand Volume and” insert “BM Unit SVA Gross Demand”;
  - (ii) in the fourth row titled “Non Functional Requirement:” after “Demand Volume and” insert “BM Unit SVA Gross Demand”; and
  - (iii) in the fifth row titled “Interfaces” after “SAA-I029” insert “, SAA-I041”; and
- (b) after Section 5.24 insert a new Section 5.25 as follows—
- “5.25 SAA-F027: Calculate BM Unit Gross Demand for EMR**

<b>Requirement ID:</b> SAA-F026	<b>Status:</b> Mandatory	<b>Title:</b> Calculate BM Unit Gross Demand	<b>BSC reference:</b> EMR
<b>Man/auto:</b> Automatic	<b>Frequency:</b> Once, on each Settlement Run	<b>Volumes:</b>	
<b>Functional Requirement:</b>			
<p>The SAA shall determine the TLM-Adjusted BM Unit Gross Demand for registered BM Units, for use by a CFD Settlement Services Provider.</p> <ol style="list-style-type: none"> <li>For Supplier BM Units the TLM-Adjusted BM Unit Gross Demand is defined as: <math display="block">\text{TLM-Adjusted BM Unit Gross Demand} = - \text{TLM}_{ij} * \text{BM Unit SVA Gross Demand}</math> <p>where BM Unit SVA Gross Demand is the value received from the SVAA for that BM Unit and Settlement Period.</p> </li> <li>For BM Units (other than Supplier BM Units and Interconnector BM Units) which have a BM Unit Metered Volume less than zero in a given Settlement Period the TLM-Adjusted BM Unit Gross Demand is defined as: <math display="block">\text{TLM-Adjusted BM Unit Gross Demand} = \text{TLM}_{ij} * \text{QM}_{ij}</math> </li> <li>For all other BM Units, TLM-Adjusted BM Unit Gross Demand is not defined (and the SAA will not provide a value for that BM Unit and Settlement Period to a CFD Settlement Services Provider).</li> <li>The SAA shall report TLM-Adjusted BM Unit Gross Demand values to a CFD Settlement Services Provider for each relevant BM Unit and Settlement Period in the Settlement Day via SAA-I042.</li> </ol>			
<b>Non Functional Requirement:</b>			
<b>Interfaces:</b>			
SAA-I041: BM Unit SVA Gross Demand Data File SAA-I042: BM Unit Gross Demand Report			

”.



**37** In BSC subsidiary document SVA Data Catalogue Volume 1—

(a) in Appendix A, in the table after row “P0236” insert a new row as follows—

“

P0236	BM Unit SVA Gross Demand	BSCP508	SVAA	SAA	001
	Data File	NETA IDD Part 2	SVAA	SAA	001

”;

and

(b) in Appendix B after the heading “APPENDIX B - Data Interface Definition” insert a new table as follows—

“

<b>BM Unit SVA Gross Demand Data File</b>	P0236	001
---	-------	-----

Source Document	Known as	From	To	Comment
BSCP508 NETA IDD Part 2	BM Unit SVA Gross Demand Data File BM Unit SVA Gross Demand Data File	SVAA SVAA	SAA SAA	

**Data Requirement from BSC Procedures:**

Data Group	Data Item Name	Comment
Structure not specified	Supplier ID	
	GSP Group ID	
	BM Unit ID	
	CDCA Settlement Date	
	CDCA Run Number	
	SVAA SSR Settlement Date	
	SVAA SSR Run Number	
	Settlement Period (1-50)	
	Period BM Unit SVA Gross Demand	

**Physical File Specification:**

Data Group	Data Item Name	Comment	Value	Opt
ZHD File Header	Record Type		ZHD	
	File Identifier			
	File Type		P0236001	
	From Role Code		G	
	From Participant Id	Id of SVAA		
	To Role Code		F	

	To Participant Id	Id of SAA		
	Sending Application Id		Null	Yes
	Receiving Application Id		Null	Yes
	Broadcast		Null	Yes
	Test Data Flag			
ZP2 Data File Additional Header	Record Type		ZP2	
	Settlement Date	From SVA Run		
	Settlement Code	From SVA Run		
	Run Type Code	From SVA Run Type Id		
	SVA Run Number	From SVA Run		
	GSP Group		Null	
RDT Report Parameters	Record Type		HD2	
	User Name			
	Report Parameters	Input SVA Run Number		
HD2 Additional Header Details	Record Type		HD2	
	SVA Run Date			
	CDCA Set Number	From CDCA Set Number in GSP Group Take Data File		
	CDCA Settlement Date	From CDCA Settlement Date in GSP Group Take Data File		
GS9 GSP Group	Record Type		GS8	
	GSP Group Id			
SU3 Supplier Detail	Record Type		SU2	
	Supplier Id			
BM3 BM Unit	Record Type	See note 1	BM2	
	BM Unit Id			
BMV Period BM Unit SVA Gross Demand	Record Type		BMV	
	Settlement Period Id			

Period BM Unit SVA Gross Demand

ZPT File Footer

Record Type

ZPT

Record Count

Checksum

### Backus-Naur Format (BNF):

BM Unit Registration Data File ::= ZHD ZP2 RDT HD2 {GSP\_set} ZPT

GSP\_set ::= GS9 {SUP\_set}

SUP\_set ::= SU3 {BM3 {BMV}}

<b><u>Record:</u></b>	<b><u>Order on:</u></b>	<b><u>Order:</u></b>
BM3	BM Unit Id	Ascending
BMV	Settlement Period Id	Ascending
GS9	GSP Group Id	Ascending
SU3	Supplier Id	Ascending

Note: the above list shows the order of records at each level within the BNF structure. It should be read in conjunction with the BNF structure and not as a simple list of the sort order.

### Notes:

1. The file will include only those BM Units to which the SVA Run attributes a demand energy volume.
2. The BM Unit SVA Gross Demand Data File is output in ascending order by GSP Group, Supplier Id, BM Unit Identifier and Settlement Period Id.
3. The BM Unit SVA Gross Demand Data File is specified in Pool Transfer File Format and will be changed to Pool File Format before processing by Stage 2. Pool Transfer File Format (PTFF) is defined in Section 2.6.3 of the SVA Data Catalogue.

”.

38 In BSC subsidiary document SVA Data Catalogue Volume 2—

- (a) in Appendix A, in the table after row “Percentage of NHH BM Unit Allocations with Errors” insert a new row as follows—

“Period BM Unit SVA Gross Demand SVA DC”;

- (b) in Appendix B, in the table after row “Percentage of NHH BM Unit Allocations with Errors” insert a new row as follows—

“

Period BM Unit SVA Gross Demand BM Unit SVA Gross Demand Data 001  
File

”;

and

- (c) in Appendix C, after the Section titled “Percentage of NHH BM Unit Allocations with Errors” insert a new Section titled “Period BM Unit SVA Gross Demand” as follows—

**“Period BM Unit SVA Gross Demand**

**Description:** The total gross demand allocated to a Supplier BM Unit in a Settlement Period (after adjustment for distribution line losses and GSP Group Correction, but excluding any Active Export). The value will be positive (indicating a greater than zero value of demand) in all but exceptional circumstances (e.g. negative meter advances).

**Units:** MWh

**Valid Set:** Any within the constraints of the format.

**Domain:** Wholesale Energy

**Logical Format:** NUM(14,4)

**Default Value:** Not Required

**Acronym**

**Notes:**

”.

39 In BSC subsidiary document SVAA URS—

- (a) in Section 2.4, paragraph 8, after “functionality” delete “; and” and replace with “.”;

- (b) after Section 4.3.1.2, insert a new Section 4.3.1.3 as follows—

**“4.3.1.3 BM Unit SVA Gross Demand Calculation (for purposes of the CFD Arrangements)**

1. In addition to the Deemed Take calculation reflecting net consumption, the gross half hourly demand (‘BM Unit SVA Gross Demand’) for each Supplier and BM Unit is calculated. The BM Unit

SVA Gross Demand for a Supplier BM Unit is defined as the sum of the Corrected Component (CORC<sub>i</sub>N<sub>j</sub>) for all Consumption Component Classes ‘N’ associated with Active Import. It follows from this definition that the BM Unit SVA Gross Demand will be adjusted for distribution losses and for GSP Group Correction (but will exclude any Active Export energy).”;

- (c) in Section 4.5.2, after “1. The BM Unit Supplier Take Energy Volume Data File” delete “is” and replace with “and BM Unit SVA Gross Demand Data File are”;
- (d) in Section 4.5.3, after “1. The BM Unit Supplier Take Energy Volume Data File” delete “is” and replace with “and BM Unit SVA Gross Demand Data File are”;
- (e) in Section 5.3.1, in the table after row 1.18 insert a new row as follows—

“

1.19	M	The system must be capable of calculating half hourly gross demand for each BM Unit for use by the Settlement Administration Agent	CFD	
------	---	--	-----	--

”;

- (f) after Section 6.2.8.3 insert a new Section 6.2.8.4 as follows—

**“6.2.8.4 Process 1.4.9.2 - Calculate BM Unit SVA Gross Demand**

For each Supplier, BM Unit and each Settlement Period in the trading day being processed calculate the BM Unit SVA Gross Demand as the sum of Corrected Supplier Consumption and Corrected Line Loss Component recorded for Active Import Component Classes in the Supplier HH Demand datastore.”;

- (g) in Section 6.4, in the table after row “TUoS Report” insert a new row as follows—

“

BM Unit SVA Gross Demand Data File	Process 6.2.8.3 Produce BM Unit Gross Demand Data File	External entity g Settlement Administration Agent	A report of Gross Demand for each BM Unit required by the SAA for EMR reporting
------------------------------------	--	---	---

”; and

- (h) after Section 6.5.12 insert a new Section 6.5.13 as follows—

**“6.5.13 BM Unit SVA Gross Demand Data File**

From/To:

Process 6.2.8.3 Produce BM Unit Gross Demand Data File

to External entity g Settlement Administration Agent

Data Items

BM Unit Identifier  
CDCA Set Number

CDCA Settlement Date  
GSP Group  
GSP Group Id  
BM Unit SVA Gross Demand  
Run Type Code  
Settlement Code  
Settlement Date  
Settlement Period Id  
SSR Run Date  
SSR Run Number  
Supplier Id”.

**40** The provisions of the BSC subsidiary documents are modified in accordance with paragraphs 41 to 44, with effect from 26 February 2015.

**41** As modified the provisions of each BSC subsidiary document comprises a new version of that BSC subsidiary document, each new version shall bear the next sequential number after the version which applied immediately before the modifications had effect.

**42** In BSC subsidiary document BSCP11—

(a) after Section 1.6 insert a new Section 1.7 as follows—

**“1.7 EMR Requirements**

Where BSCCo becomes aware of any matters which would or might reasonably be expected to give rise to a Trading Dispute, then it shall notify the CfD Counterparty and the CM Settlement Body, in accordance with 5.1, of:

- The MSID relating to the applicable SVA or CVA Metering System (if known); and
- The nature of the non-compliance.”; and

(b) in Section 5, in the table in row 5.1.2, column 5, after “Raising Party” insert “EMR Settlement Services Provider”.

**43** In BSC subsidiary document BSCP27—

(a) in Section 1.6—

- (i) in the table in row one, in the second column relating to “BSCP11” delete “Queries and Trading”; and
- (ii) in the table in row three, in the first column relating to “BSCP11” delete “Queries and Trading”;

(b) after Section 1.19, insert a new Section 1.20 as follows—

**“1.20 EMR Requirements**

BSCCo shall notify all NC and Category 1 Non Compliances it becomes aware of to any CFD Settlement Services Provider and any CM Settlement Services Provider. BSCCo shall provide:

- The MSID relating to the applicable SVA or CVA Metering System; and
- The nature of the non-compliance.”; and

(c) in Section 3.6, in the table after row “3.6.1” insert a new row as follows—

“

3.6.1A	Within 1 WD of 3.6.1	Notify NC and Category 1 Non Compliances	BSCCo	EMR Settlement Services provider	Details of the non-compliance including the MSID relating to the applicable SVA or CVA Metering System and the nature of the non-compliance.	Email or other agreed format
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”

**44** In BSC subsidiary document BSCP503—

(a) after Section 1.2, insert a new Section 1.2A as follows—

**“1.2A Capacity Market Responsibilities**

The HHDA shall send to a CM Settlement Services Provider Half Hourly Metered Data for specific Metering Systems for which it is responsible. The HHDA’s Supplier shall instruct the HHDA of the specific Metering Systems. The data shall be submitted for each VAR and in accordance with the SVAA calendar. Please note that this requirement does not extend to the CFD Arrangements.”;

(b) in Section 1.4, after principal function (h) insert a new principal function (i) as follows—

“Provide, where applicable, Half Hourly metered data for the Capacity Market to a CM Settlement Services Provider in accordance with Section S 2.9.”;

(c) in Section 1.5, in the table row “BSCP11” delete “Queries and Trading”;

(d) in Section 1.6.1, insert the following new acronym in the relevant place—

“CMSSP Capacity Market Settlement Services Provider”;

(e) in Section 3.4.2, in the table after row 3.4.2.3 insert a new row 3.4.2.3A as follows—

“

3.4.2.3A	At the same time as 3.4.2.3	Where instructed by the Supplier, send Capacity Market data in MWh and clocktime.	HHDA	CMSSP	[D0XXX Half Hourly Metered Data for the Capacity Market – to be replaced with actual flow number for implementation]	Electronic or other method, as agreed
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”;

(f) in Section 3.4.2, in the footnote linked to the heading “Perform Data Aggregation Run”, after “reporting to the SVAA” insert “, and where applicable the CMSSP”;

(g) after Section 3.5 insert a new Section 3.6 as follows—

**“3.6 Processing Supplier Instructions for the CM**

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.6.1	Within 1 WD of valid request from Capacity Provider	Send [Capacity Market Reporting Notification]	Supplier	HHDA	[D0XXX Capacity Market Reporting Notification – to be replaced with actual flow number for implementation]	Electronic or other method, as agreed.
3.6.2	Within 1 WD of 3.6.1	Process notification and validate	HHDA		Appendix 4.6	Internal Process
3.6.3	Within 1 WD of 3.6.1	If [Capacity Market Reporting Notification] cannot be processed or is invalid send reporting rejection notice.  Return to 3.6.1 if Supplier wishes to provide revised notification.	HHDA	Supplier	[D0XXX Capacity Market Reporting Rejection – to be replaced with actual flow number for implementation]	Electronic or other method, as agreed.
3.6.4	Within 1 WD of 3.6.1	If [Capacity Market Reporting Notification] valid send confirmation of acceptance.	HHDA	Supplier	[D0XXX Capacity Market Reporting Confirmation – to be replaced with actual flow number for implementation]	Electronic or other method, as agreed.

”;

(h) after Section 4.4.2, insert a new Section 4.4.3 as follows—

**“4.4.3 Capacity Market Data**

In addition to performing aggregation for the SVAA, the HHDA will collate and process data relating to Metering Systems that have been notified by the Supplier as supporting the Capacity Market. The HHDA must provide the results of this processing to the CMSSP.

Where the Supplier has notified the HHDA of Metering Systems supporting the Capacity Market, the HHDA will, for each relevant SVA Metering System, for each Settlement Period, calculate the line losses by applying the appropriate Line Loss Factor to the energy volumes that it has received from the Half Hourly Data Collector. Where data is not received from the HHDC the HHDA shall use the existing provisions in section 4.3.

The [D0XXX Half Hourly Metered Data for the Capacity Market] gives the full data list produced by the aggregation run.

The HHDA will provide the CMSSP with the collated data, grouped by Supplier.”; and

(i) after Section 4.5 insert a new Section 4.6 as follows—

**“4.6 Capacity Market Reporting Notification Validation**

The HHDA will validate the Capacity Market Reporting Notification files in accordance with the Data Transfer Catalogue.

A record of all validation failures must be kept for audit and control purposes.”.

**Modifications to the Grid Code**

**45** The provisions of the Grid Code are modified in accordance with paragraphs 46 to 48, with effect from the date on which The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 come into force.

**46** In the Glossary & Definitions section, in paragraph GD.1, insert the following new definitions in the relevant places—

- |  |   |
|--|---|
| <b>“AF Rules</b>                         | Has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013.”   |
| <b>“Capacity Market Documents</b>        | The <b>Capacity Market Rules</b> , The Electricity Capacity Regulations 2014 and any other Regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time.”;  |
| <b>“Capacity Market Rules</b>            | The rules made under section 34 of the Energy Act 2013 as modified from time to time in accordance with that section and The Electricity Capacity Regulations 2014.”;   |
| <b>“CfD Counterparty</b>                 | A person designated as a “CFD counterparty” under section 7(1) of the Energy Act 2013.”;  |
| <b>“CfD Documents</b>                    | The <b>AF Rules</b> , The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 and The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 and any other regulations made under Chapter 2 of Part 2 of the Energy Act 2013 which are in force from time to time.”; |
| <b>“CfD Settlement Services Provider</b> | means any person:<br><ul style="list-style-type: none"><li>(i) appointed for the time being and from time to time by a <b>CfD Counterparty</b>; or</li></ul>  |

	(ii) who is designated by virtue of Section C1.2.1B of the <b>Balancing and Settlement Code</b> ,  in either case to carry out any of the CFD settlement activities (or any successor entity performing CFD settlement activities).”;
“ <b>CM Administrative Parties</b>	The <b>Secretary of State</b> , the <b>CM Settlement Body</b> , and any <b>CM Settlement Services Provider</b> .”;
“ <b>CM Settlement Body</b>	the Electricity Settlements Company Ltd or such other person as may from time to time be appointed as Settlement Body under regulation 80 of the Electricity Capacity Regulations 2014.”;
“ <b>CM Settlement Services Provider</b>	any person with whom the <b>CM Settlement Body</b> has entered into a contract to provide services to it in relation to the performance of its functions under the <b>Capacity Market Documents</b> .”;
“ <b>EMR Administrative Parties</b>	Has the meaning given to “administrative parties” in The Electricity Capacity Regulations 2014 and each <b>CfD Counterparty</b> and <b>CfD Settlement Services Provider</b> .”;
“ <b>EMR Documents</b>	The Energy Act 2013, The Electricity Capacity Regulations 2014, the <b>Capacity Market Rules</b> , The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the <b>AF Rules</b> and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time.”; and
“ <b>EMR Functions</b>	Has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013.”.

- (a) in subparagraph PC.5.4(f) after “**Offshore Development Information Statement**” delete “.” and replace with “;”;
- (b) after subparagraph PC.5.4(f) insert a new subparagraph PC.5.4(g) as follows—
  - “(g) is obliged to use it in order to carry out its **EMR Functions** or is obliged to disclose it under an **EMR Document**.”;
- (c) in subparagraph PC.5.6(e) after “under the **STC**” delete “.” and replace with “;”;
- (d) after subparagraph PC.5.6(e) insert a new subparagraph PC.5.6(f) as follows—
  - “(f) is obliged to use it in order to carry out its **EMR Functions** or is obliged to disclose it under an **EMR Document**.”.

**48** In the General Conditions section—

- (a) in paragraph GC.4.6 after “working arrangements with the **STC Committee**” insert “, the **CM Administrative Parties** and the **Secretary of State**”;
- (b) in paragraph GC.4.6 after “implementation of change to the **STC**” insert “, and the identification of potential inconsistencies between **GC Modification Proposals** and the **Capacity Market Documents** or the **CfD Documents** (as applicable)”;
- (c) in paragraph GC.4.6 after “enable changes to the **STC**” insert “, and enable the identification of inconsistencies between **GC Modification Proposals** and the **Capacity Market Documents** and/or **CfD Documents** to be raised with the **CM Administrative Parties** and the **Secretary of State**,”;
- (d) in paragraph GC.12.1 after “supplied as a requirement of or otherwise under the **Grid Code**.” insert “To the extent required to facilitate the requirements of the **EMR Documents**, **Users** that are party to the **Grid Code** but are not party to the **CUSC Framework Agreement** agree that the confidentiality provisions of the **CUSC** are deemed to be imported into the **Grid Code**.”; and
- (e) after paragraph GC.12.2 insert new paragraphs GC.12.3 and GC.12.4 as follows—
  - “GC.12.3 **NGET** has obligations under the **EMR Documents** to inform **EMR Administrative Parties** of certain data. **NGET** may pass on **User** data to an **EMR Administrative Party** where **NGET** is required to do so under an **EMR Document**.
  - GC.12.4 **NGET** may use **User** data for the purpose of carrying out its **EMR Functions**.”.

**Modifications to the CUSC**

**49** The provisions of the CUSC are modified in accordance with paragraphs 50 to 54, with effect from the date on which The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 come into force.

**50** In Section 4—

- (a) in paragraph 4.1.2.10 after “**The Company** to comply with its obligations set out in the **CUSC**.” insert—

“Each **User** hereby consents to the disclosure and use by **The Company** of data and other information from any year relating to the provision by that **User** of the **Balancing Service** to the extent necessary to enable **The Company** to carry out its **EMR Functions**.”;

- (b) after paragraph 4.1.3.22 insert a new paragraph 4.1.3.23 as follows—

“4.1.3.23 Each **User** hereby consents to the disclosure and use by **The Company** of data and other information from any year relating to the provision by that **User** of the **Balancing Service** to the extent necessary to enable **The Company** to carry out its **EMR Functions**.”;

- (c) after paragraph 4.2.12.3 insert a new paragraph 4.2.12.4 as follows—

“4.2.12.4 Each **User** hereby consents to the disclosure and use by **The Company** of data and other information from any year relating to the provision by that **User** of the **Balancing Service** to the extent necessary to enable **The Company** to carry out its **EMR Functions**.”;

- (d) after paragraph 4.2A.7 insert a new paragraph 4.2A.8 as follows—

“4.2A.8 **Disclosure and Use of Information**

Each **User** hereby consents to the disclosure and use by **The Company** of data and other information from any year relating to the provision by that **User** of the **Balancing Service** to the extent necessary to enable **The Company** to carry out its **EMR Functions**.”; and

- (e) after paragraph 4.2B.3 insert a new paragraph 4.2B.4 as follows—

“4.2B.4 **Disclosure and Use of Information**

Each **User** or other person who provides **Balancing Services** to **The Company** hereby consents to the disclosure and use by **The Company** of data and other information from any year relating to the provision by that **User** or other person of the **Balancing Service** to the extent necessary to enable **The Company** to carry out its **EMR Functions**.”.

**51** In Section 6—

- (a) in paragraph 6.7.1 after “**National Electricity Transmission System**” insert “or of carrying out its **EMR Functions**.”;

- (b) after subparagraph 6.15.1.2(c)(vi) insert a new subparagraph 6.15.1.2(c)(vii) as follows—

“(vii) pursuant to an **EMR Document** and if an **EMR Document** requires the disclosure of data from previous years, **The Company** may disclose that data also; or”;

- (c) after paragraph 6.15.1.3 insert a new paragraph 6.15.1.3A as follows—

“6.15.1.3A In addition, and without prejudice, to the provisions of paragraph 6.15.1.3, **The Company** and each of its subsidiaries may use all and any information or data supplied to or acquired by it in any year, from or in relation to **Users**, for the purpose of carrying out its **EMR Functions**.”;

(d) after paragraph 6.15.7(c)(v) insert a new paragraph 6.15.7(c)(vi)—

“(vi) pursuant to an EMR Document; or”; and

(e) after paragraph 6.15.11 insert a new paragraph 6.15.12 as follows—

“6.15.12 Where **The Company** and a **User** are parties to an **Interface Agreement** in relation to a connection under the **CUSC**, the confidentiality provision in that agreement shall be deemed to include the changes which have been made to this Paragraph 6.15 consequent to the introduction of the **EMR Documents**.”.

**52** In Section 7—

(a) in paragraph 7.2 after “any **Licence** or the **Regulations**” insert “, or an **EMR Document**”;

(b) in paragraph 7.2 after subparagraphs 7.2.1 to 7.2.4 insert wording on a new line, indented at the same indentation as the words “Subject to any contrary provision of the **Act**”, as follows—

“insofar as **The Company** and a **User** are parties to an agreement related to the **CUSC** and that agreement contains any dispute resolution provision to which the procedure in this section 7 does not apply, **The Company** and that **User** agree that such provision shall be subject to any contrary provision of an **EMR Document**.”;

(c) in paragraph 7.2.4 after “shall be resolved in accordance with Paragraph 7.5” delete “.” and replace with “, and”;

**53** In Section 8—

(a) in paragraph 8.15.1—

(i) after “with each **Core Industry Document Owner** ” delete “and” and replace with “, ”;

(ii) after “with the **STC** committee” insert “, the **CM Administrative Parties** and with the **Secretary of State**”; and

(iii) after “of change to **Core Industry Documents** and the **STC**” insert “, and facilitate the identification of potential inconsistencies between **CUSC Modification Proposals** and the **Capacity Market Documents** and the **CfD Documents** respectively”; and

(b) in paragraph 8.15.2 after “the **STC**” insert “, and for potential inconsistencies between **CUSC Modification Proposals** and the **Capacity Market Documents** and/or the **CfD Documents** to be raised with the **CM Administrative Parties** and the **Secretary of State**”;

(c) in subparagraph 8.16.4(i) after “the **STC**” insert “, and an indication of potential inconsistencies between the **CUSC Modification Proposal** and the **Capacity Market Documents** and/or the **CfD Documents**”;

- (d) in paragraph 8.20.12 after “to **Core Industry Document Owners**” insert “, the **CM Administrative Parties**, the **CfD Administrative Parties**”;
- (e) in paragraph 8.22.6 after “to Core Industry Document Owners” insert “, the **CM Administrative Parties**, the **CfD Administrative Parties**”;
- (f) in paragraph 8.22.9 after “shall meet this requirement).” insert “The Consultation Paper will be copied to the **CM Administrative Parties** and the **CfD Administrative Parties**.”
- (g) in subparagraph 8.23.2(g)(i) after “the **STC**” insert “, and an indication of potential inconsistencies between the **CUSC Modification Proposal** and the **Capacity Market Documents** and/or the **CfD Documents**”;
- (h) in subparagraph 8.23.2(g)(iv)—
  - (i) after “under the **Core Industry Documents**” delete “and” and replace with “,”; and
  - (ii) after “the **STC**” insert “, the **Capacity Market Documents** and the **CfD Documents**”;
- (i) in subparagraph 8.23.2(g)(vi)—
  - (i) after “operation of the **Core Industry Documents**” delete “and” and replace with “,”; and
  - (ii) after “operation of the **Core Industry Documents**, the **STC**” insert “, the **Capacity Market Documents** and the **CfD Documents**”;
- (j) in subparagraph 8.23.2(j) after “the **STC** committee” insert—
 

“, and a copy of any impact assessment related to the **CUSC Modification Proposal** prepared by the **CM Administrative Parties** in relation to the **Capacity Market Rules**, the **Secretary of State** in relation to the **Capacity Market Documents**, the **CfD Administrative Parties** in relation to the **AF Rules**, or the **Secretary of State** in relation to the **CfD Documents**, ”;
- (k) in subparagraph 8.23.3 after “to have an appropriate interest in it” insert “, which for these purposes will include the **CM Administrative Parties** and the **CfD Administrative Parties** ”;
- (l) in subparagraph 8.23.8(ii) after “each **Panel Member**” delete “and”;
- (m) in subparagraph 8.23.8(iii) after “may request a copy” delete “,” and replace with “; and”;
- (n) after subparagraph 8.23.8(iii) insert a new subparagraph 8.23.8(iv) as follows—
 

“(iv) the **CM Administrative Parties** and the **CfD Administrative Parties**,”
- (o) in paragraph 8.24.7 after “follow any other procedure or timetable approved by the **Authority**.” insert—
 

“The **CUSC Modifications Panel** must notify the **CM Administrative Parties** and the **CfD Administrative Parties** of any **Urgent CUSC Modification Proposal** and when approving any alternative procedure or timetable, the **Authority** must consider whether or not such procedure and timetable should allow for the **CM Administrative Parties**

and the **CfD Administrative Parties** to be consulted on the **Urgent CUSC Modification Proposal** and if so how much time should be allowed.”;

- (p) in paragraph 8.25.7 after “**Code Administrator to CUSC Parties and Panel Members**” insert “and the **CM Administrative Parties** and the **CfD Administrative Parties**”;
- (q) in paragraph 8.28.2, renumber subparagraphs (f), (g) and (h) as subparagraphs (h), (i) and (j) respectively; and
- (r) after subparagraph 8.28.2(e) insert new subparagraphs 8.28.2(f) and 8.28.2(g) as follows—
  - “(f) the **CM Administrative Parties**;
  - (g) **CfD Administrative Parties**”.

54 In Section 11, in paragraph 11.3, insert the following new definitions in the relevant places—

“ <b>AF Rules</b> ”	Has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013;”;
“ <b>Capacity Market Documents</b> ”	The <b>Capacity Market Rules</b> , The Electricity Capacity Regulations 2014 and any other Regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time.”;
“ <b>Capacity Market Rules</b> ”	The rules made under section 34 of the Energy Act 2013 as modified from time to time in accordance with that section and The Electricity Capacity Regulations 2014;”;
“ <b>CfD Administrative Parties</b> ”	The Secretary of State, a <b>CfD Counterparty</b> and any <b>CfD Settlement Services Provider</b> ;”;
“ <b>CfD Counterparty</b> ”	A person designated as a “CfD counterparty” under section 7(1) of the Energy Act 2013;”;
“ <b>CfD Documents</b> ”	The <b>AF Rules</b> , The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 and The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 and any other regulations made under Chapter 2 of Part 2 of the Energy Act 2013 which are in force from time to time;”;
“ <b>CfD Settlement Services Provider</b> ”	means any person:



- (i) appointed for the time being and from time to time by a **CfD Counterparty**; or
- (ii) who is designated by virtue of Section C1.2.1B of the **Balancing and Settlement Code**,

in either case to carry out any of the CFD settlement activities (or any successor entity performing CFD settlement activities);”;

““**CM Administrative Parties**”

The **Secretary of State**, the **CM Settlement Body**, and any **CM Settlement Services Provider**;”;

““**CM Settlement Body**”

the Electricity Settlements Company Ltd or such other person as may from time to time be appointed as Settlement Body under regulation 80 of the Electricity Capacity Regulations 2014;”;

““**CM Settlement Services Provider**”

any person with whom the **CM Settlement Body** has entered into a contract to provide services to it in relation to the performance of its functions under the **Capacity Market Documents**;”;

““**EMR Documents**”

means The Energy Act 2013, The Electricity Capacity Regulations 2014, the **Capacity Market Rules**, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the **AF Rules** and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time;” and

““**EMR Functions**”

Has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013;”.

## **Modifications to the STC**

- 55** The provisions of the STC are modified in accordance with paragraphs 56 and 57, with effect from the date on which The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 come into force.

**56** In Section B—

- (a) in subparagraph 7.2.2.2(f) after “any Core Industry Document” insert “, and an indication of potential inconsistencies between the proposal and the Capacity Market Documents and/or the CfD Documents”;
- (b) in subparagraph 7.2.5.8(f)(i) after “Core Industry Documents, ” insert “, and an indication of potential inconsistencies the STC Modification Proposal and any Alternative STC Modification have with the Capacity Market Documents and CfD Documents,”;
- (c) in subparagraph 7.2.5.8(f)(iv)—
  - (i) after “under the BSC, CUSC” delete “and” and replace with “,”; and
  - (ii) after “Core Industry Documents” insert “, Capacity Market Documents and CfD Documents”;
- (d) in subparagraph 7.2.5.8(f)(vi)—
  - (i) after “of the BSC, CUSC” delete “and” and replace with “,”; and
  - (ii) after “of the BSC, CUSC, Core Industry Documents” insert “, Capacity Market Documents and CfD Documents,”;
- (e) in subparagraph 7.2.5.10(b) after “under sub-paragraph 7.2.2.1(b)” insert “, the CM Administrative Parties and the CfD Administrative Parties ”; and
- (f) in subparagraph 7.2.5.12(b)—
  - (i) after “under sub-paragraph 7.2.2.1(b)” delete “ and” and replace with “,”;
  - (ii) after “Core Industry Documents” insert “, the CM Administrative Parties and the CfD Administrative Parties”;
- (g) in paragraph 7.2.6.5 after “approved by the Authority. ” insert—

“The STC Modification Panel must notify the CM Administrative Parties and the CfD Administrative Parties of any Urgent STC Modification Proposal and when approving the alternative procedure or timetable, the Authority must consider whether or not such procedure and timetable should allow for the CM Administrative Parties and the CfD Administrative Parties to be consulted on the Urgent STC Modification Proposal and if so how much time should be allowed.”;
- (h) in paragraph 7.2.6B.7 after “Administrator to the Party Representatives” insert “ and the CM Administrative Parties and the CfD Administrative Parties”;
- (i) in paragraph 7.2.9.1—
  - (i) after “for proposing change to the BSC, CUSC” insert “, Capacity Market Documents, CfD Documents”;
  - (ii) after “consequent on an amendment to the Code,” insert “and to facilitate the identification of potential inconsistencies that STC Modification Proposals and any

Alternative STC Modification have with the Capacity Market Documents and/or CfD Documents”; and

(iii) after “likelihood of an impact of a STC Modification Proposal and any Alternative STC Modification, on the BSC, CUSC, Core Industry Document or such other designated document” insert “, or identify the likelihood of potential inconsistencies that the STC Modification Proposal and any Alternative STC Modification have with the Capacity Market Documents and/or CfD Documents”; and

(j) in paragraph 7.2.9.2 after “to the BSC, CUSC” insert “, Capacity Market Documents, CfD Documents”.

57 In Section J, in paragraph 3, insert the following definitions in the relevant places—

““AF Rules”	Has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013;”;
““Capacity Market Documents”	The Capacity Market Rules, The Electricity Capacity Regulations 2014 and any other Regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time;”;
““Capacity Market Rules”	The rules made under section 34 of the Energy Act 2013 as modified from time to time in accordance with that section and The Electricity Capacity Regulations 2014;”;
““CfD Administrative Parties”	The Secretary of State, any CfD Counterparty and any CfD Settlement Services Provider;”;
““CfD Counterparty”	A person designated as a “CfD counterparty” under section 7(1) of the Energy Act 2013;”;
““CfD Documents”	The AF Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 and The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 and any other regulations made under Chapter 2 of Part 2 of the Energy Act 2013 which are in force from time to time;”;
““CfD Settlement Services Provider”	means any person: (i) appointed for the time being and from time to time by a CfD Counterparty; or

	(ii) who is designated by virtue of Section C1.2.1B of the BSC, in either case to carry out any of the CFD settlement activities (or any successor entity performing CFD settlement activities);”;
““CM Administrative Parties”	the Secretary of State, the CM Settlement Body, and any CM Settlement Services Provider;”;
““CM Settlement Body”	the Electricity Settlements Company Ltd or such other person as may from time to time be appointed as Settlement Body under regulation 80 of the Electricity Capacity Regulations 2014;”;
““CM Settlement Services Provider”	any person with whom the CM Settlement Body has entered into a contract to provide services to it in relation to the performance of its functions under the Capacity Market Documents;”.

**Modifications to the Balancing Services Agreements**

- 58 The provisions of each Balancing Services Agreement are modified in accordance with paragraph 59, with effect from the date on which The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 come into force.
- 59 Each of the Balancing Services Agreements is amended by inserting at a relevant place a new clause as follows—

“EMR

Notwithstanding any confidentiality obligations and any restriction on the use or disclosure of information set out in this Agreement, the Provider consents to The Company and each of its subsidiaries using all and any information or data supplied to or acquired by it in any year under or in connection with this Agreement for the purpose of carrying out its EMR Functions.

The provisions relating to the resolution of disputes set out in this Agreement (if any) are subject to any contrary provision of an EMR Document.

Where for the purposes of this provision only:

“AF Rules”	has the meaning given to “allocation framework” in section 13(2) of the Energy Act 2013
“Agreement”	means this document or agreement
“Capacity Market Rules”	means the rules made under section 34 of the Energy Act 2013 as modified from time to time in accordance with that section and The Electricity Capacity Regulations 2014

“EMR Document”	means The Energy Act 2013, The Electricity Capacity Regulations 2014, the Capacity Market Rules, The Contracts for Difference (Allocation) Regulations 2014, The Contracts for Difference (Definition of Eligible Generator) Regulations 2014, The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014, The Electricity Market Reform (General) Regulations 2014, the AF Rules and any other regulations or instruments made under Chapter 2 (contracts for difference), Chapter 3 (capacity market) or Chapter 4 (investment contracts) of Part 2 of the Energy Act 2013 which are in force from time to time
“EMR Functions”	has the meaning given to “EMR functions” in Chapter 5 of Part 2 of the Energy Act 2013
“Provider”	means the entity who has entered into or is bound by the Agreement with The Company
“The Company”	means National Grid Electricity Transmission plc (No: 2366977) whose registered office is at 1-3 Strand, London, WC2N 5EH”.

Date

Minister of State  
Department of Energy and Climate Change

## GUIDANCE NOTE

*(This note is not part of the modifications)*

The powers for implementing EMR are set out within the Energy Act 2013<sup>2</sup>. The Government has implemented its Electricity Market Reform (EMR) policy primarily through secondary legislation such as the Contracts for Difference (Allocation Regulations) 2014, the Contracts for Difference (Supplier Obligation) Regulations 2014 and the Capacity Market Regulations 2014. The purpose of these licence and code modifications is to effect the consequential changes that are required as a result of the implementing secondary legislation.

The standard conditions of a transmission licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989<sup>3</sup> allow a licence holder to take part in or carry out activities within the electricity sector such as transmission, distribution, interconnection, generation and supply.

Paragraph 5 makes modifications to Standard Condition C3 of the transmission licence that relate to the Balancing and Settlement Code (BSC). The changes enable the BSC administrator, or an affiliate of the BSC administrator, can undertake particular activities for the purposes of EMR. They also allow the BSC to contain provisions that support the operation of EMR.

The special conditions of the electricity transmission licence treated as granted under section 6(1)(b) of the Electricity Act 1989 to National Grid Electricity Transmission Plc<sup>4</sup> (NGET) amend the standard conditions of the electricity transmission licence treated as granted to NGET. Paragraph 7 sets out modifications to the special conditions of NGET's transmission licence that change the conditions so that NGET is able to carry out the EMR functions which are conferred upon NGET by the suite of EMR secondary legislation. The change to the definition of "permitted purpose" in Special Condition 1C widens the definition to include EMR functions. The remaining changes ensure that NGET must treat EMR functions as forming part of its transmission business in relation to cross-subsidies, restriction on activity and financial ring-fencing, and availability of resources.

The BSC<sup>5</sup> contains the governance arrangements for electricity balancing and settlement in Great Britain. Paragraph 10 makes modifications to the BSC that permit subsidiaries of BSCCo, the Balancing and Settlement Code Company who administers the BSC, to take on the role of a CfD Settlement Services Provider and a CM Settlement Services Provider. Paragraphs 11 to 13 make further changes to the BSC that insert provisions to protect parties to the BSC from costs and liabilities arising out of EMR. The changes in paragraphs 14 to 16 include references to EMR legislation and documentation in the existing change co-ordination process and include any CM Settlement Services Provider in notifications relating to contingencies. The remaining modifications in paragraphs 17 to 22 and 25 to 27 protect BSC data and ensure data required for EMR can be used as appropriate. They also address configuration, registration and de-registration of units specific to EMR as well as inserting provisions in relation EMR related disputes.

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<sup>2</sup> <http://www.legislation.gov.uk/ukpga/2013/32/contents/enacted>

<sup>3</sup> The standard licence conditions can be viewed at: <https://www.ofgem.gov.uk/licences-codes-and-standards/licences/licence-conditions>

<sup>4</sup> The special licence conditions can be viewed at: <https://www.ofgem.gov.uk/licences-codes-and-standards/licences/licence-conditions>

<sup>5</sup> The BSC can be viewed at: <http://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/>

The BSC subsidiary documents<sup>6</sup> are maintained in accordance with the BSC. Paragraphs 29 to 39 and 41 to 44 make modifications that insert technical changes required to facilitate EMR and to reflect changes made to the BSC itself. In particular paragraph 44 sets out changes to BSCP503. There are changes to sections 3.4.2, 3.6 and 4.4 of BSCP503 that insert placeholder references in square brackets in relation to flow number information. It is intended that the BSC administrator will replace the placeholders through its implementation process as is normal practice for BSC changes.

The Grid Code<sup>7</sup> covers the material technical aspects relating to connections to, and the operation and use of, the National Electricity Transmission System and is designed to achieve certain objectives, such as to permit the development, maintenance and operation of an efficient, co-ordinated and economical system for the transmission of electricity. Paragraphs 46 to 48 make modifications to the Grid Code which include references to EMR legislation and documentation in the existing change co-ordination process. The modifications also ensure that data flows accommodate EMR and that confidentiality provisions encompass EMR information within their scope.

The connection and use of system code (CUSC)<sup>8</sup> constitutes the contractual framework for connection to, and use of, NGET's high voltage transmission system. Paragraphs 50 to 54 make changes to the CUSC. In particular paragraphs 50 and 51 ensure that data flows and confidentiality provisions include provisions for EMR. Paragraph 52 ensures that CUSC disputes are subject to appropriate EMR legislation and documents. Paragraph 53 makes changes to include references to EMR legislation and documentation in the change co-ordination process.

The system operator transmission owner code (STC)<sup>9</sup> defines the high-level relationship between the National Electricity Transmission System Operator and Transmission Owners. Paragraphs 56 and 57 make modifications to include references to EMR legislation and documentation in the existing change co-ordination process.

The Balancing Services Agreements (BSAs) relate to the procurement of Balancing Services in order to balance demand and supply and to ensure the security and quality of electricity supply across the GB Transmission System. NGET, in accordance with the condition LC C16 of its transmission licence, must establish and publish statements and guidelines on Balancing Services, Procurement and Use, and the BSAs give effect to those statements. Paragraph 59 inserts a new clause into each BSA to amend existing data flows and disputes provisions so that they apply in relation to EMR.

The Secretary of State will publish the modifications on the website of the Department of Energy and Climate Change as soon as reasonably practicable.

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<sup>6</sup> The BSC subsidiary documents can be viewed at: <http://www.elexon.co.uk/bsc-related-documents/related-documents/>

<sup>7</sup> The Grid Code can be viewed at: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-Code/>

<sup>8</sup> The CUSC can be viewed at: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/The-CUSC/>

<sup>9</sup> The STC can be viewed at: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/STC/The-STC/>