

ENERGY

ELECTRICITY

NOTICE OF MODIFICATION OF THE BALANCING AND SETTLEMENT CODE

The Secretary of State modifies the Balancing and Settlement Code as set out in this notice in exercise of the power conferred by section 245(1)(e) of the Energy Act 2023.

In this notice “Balancing and Settlement Code” means the document maintained in accordance with Condition E1 of the licence treated as granted under section 6(1)(da) of the Electricity Act 1989.

The Secretary of State consulted in Summer 2025 on proposed modifications of the Balancing and Settlement Code in connection with Enduring Governance for the Smart Secure Electricity Systems Programme, and on 28th November 2025 published a response to that consultation.

Modifications to the Balancing and Settlement Code

1 The Balancing and Settlement Code is modified in accordance with paragraph 2 with effect from 5th December 2025

2 In Section C—

(a) after paragraph 1.2.1E insert new paragraph 1.2.1F as follows—

“1.2.1F Without prejudice to paragraph 1.2.1, BSCCo may perform the functions, role and responsibilities in respect of the SSES Arrangements in accordance with paragraph 18.”

(b) After subparagraph 3.1.1(aa), insert a new subparagraph as follows—

“3.1.1(ab) to perform its functions and responsibilities in respect of the SSES Arrangements in accordance with paragraph 18.”

(c) After Section C17 insert new Section C18 as follows—

18. Smart Secure Electricity Systems (SSES) Arrangements

18.1 This paragraph 18 applies if the Secretary of State gives a direction to the Panel that:

- (a) requires the Panel, for the purposes of implementing SSES Arrangements, to establish as Panel Committees a technical governance group and a security governance group; and
- (b) includes a document or documents setting out the powers and functions of those groups and their governance, a change process for the document(s) themselves, and any other stipulations of the Secretary of State about the SSES Arrangements or BSCCo's role in connection with those arrangements.

18.2 For the purposes of the Code:

- (a) "**SoS Direction**" means a direction of the Secretary of State referred to in paragraph 18.1;

- (b) **"SSES Arrangements"** means arrangements relating to technical and security regulatory frameworks for load control (as defined in Part 9 of the Energy Act 2023) to enable consumer-led flexibility including any specifications, guidance, standards and other documentation which are to be established, with the prior written consent of the Secretary of State, and operated and maintained by the SSES Governance Groups pursuant to the SSES Governance Framework;
 - (c) **"SSES Governance Framework"** means the document(s) included in the SoS Direction, as from time to time modified as provided in paragraph 18.3(b);
 - (d) **"SSES Governance Groups"** means, in respect of the SSES Arrangements, the technical governance group and security governance group established by the Panel pursuant to the SoS Direction, and any sub-group established in accordance with the SSES Governance Framework by them.
- 18.3 The SSES Governance Framework shall:
- (a) specify or describe the classes of Party or other persons that are to be bound by the SSES Governance Framework and SSES Arrangements;
 - (b) only be modified pursuant to the change process specified in the SSES Governance Framework and at the direction of, or with the prior written consent of, the Secretary of State;
 - (c) with respect to matters within its scope, prevail in the event of any conflict or inconsistency with the Code.
- 18.4 The Panel shall:
- (a) establish, pursuant to the SoS Direction and in accordance with the SSES Governance Framework, Panel Committees as SSES Governance Groups;
 - (b) have such other powers, functions and responsibilities provided for in the SSES Governance Framework;
 - (c) comply with the SSES Governance Framework and shall not prescribe (pursuant to Section B5.4) the manner in which the proceedings and business of the SSES Governance Groups are to be conducted so as to be inconsistent with the application of this paragraph 18 or the SSES Governance Framework.
- 18.5 BSCCo shall:
- (a) provide such support, facilitation, resources and services (including procuring the delivery of services from third party providers) as may be required to:
 - (i) enable the Panel to discharge its functions and responsibilities in respect of the SSES Governance Groups;
 - (ii) enable any SSES Governance Groups to discharge their functions and responsibilities specified in the SSES Governance Framework;

- (b) perform any other functions or activities related to the SSES Arrangements which BSCCo is required or enabled to perform under the SSES Governance Framework;
 - (c) engage with participants in the SSES Arrangements (including participants that are not Parties and other interested persons) as and to the extent required in the SSES Governance Framework and the SSES Arrangements.
- 18.6 The SSES Governance Framework and SSES Arrangements may include Code Subsidiary Documents and/or documents which are otherwise given effect by the Code and:
- (a) in the case of documents which are otherwise given effect by the Code, any Party to which those documents apply must comply with them;
 - (b) the SSES Arrangements comprised in Code Subsidiary Documents shall be deemed to be documents referred to in Section H1.2.4;
 - (c) the SSES Governance Framework may provide for:
 - (i) BSCCo to enter into agreements with persons that are not Parties requiring such persons to be bound by and to comply with the SSES Governance Framework and/or the SSES Arrangements;
 - (ii) the proceedings of the security governance group to be conducted on a confidential basis (including for the purposes of Sections B1.2.1(e) and H4);
 - (iii) BSCCo to indemnify any members of the Panel and the SSES Governance Groups (and any sub-committees of those groups) from and against all costs (including legal costs), charges, expenses, damages or other liabilities incurred in performing their roles and functions under the SSES Governance Framework and SSES Arrangements;
 - (iv) objectives which apply to the SSES Governance Groups, and to the Panel and BSCCo with regards to their functions or activities under the SSES Governance Framework and SSES Arrangements, which may differ from the Panel objectives set out in Section B1.2;
 - (e) where, in respect of changes to the SSES Governance Framework and/or the SSES Arrangements, the SSES Governance Framework specifies that such changes must be subject to approval by the Secretary of State:
 - (i) such requirement shall take effect as a requirement of Section F3;
 - (ii) if the Secretary of State gives notice to the Panel and the Authority to that effect, the requirement for approval by the Secretary of State is substituted by a requirement for approval by the Authority;
 - (f) without prejudice to the foregoing, and subject to paragraph 18.3(b), the SSES Governance Framework shall include a change control process for modifying any documents which are otherwise given effect by the Code and

which form part of the SSES Governance Framework and/or the SSES Arrangements.

- 18.7 Notwithstanding Section F2.2 and subject to Section F1.1.10, paragraphs 1.2.1F, 3.1.1(ab) and this paragraph 18 may not be amended without the prior written consent of the Secretary of State.
- 18.8 All costs incurred by BSCCo in connection with delivering the SSES Governance Arrangements shall be BSC Costs (pursuant to Section D2.1.1 and D2.1.2) but BSCCo shall keep account of such costs separately from all other BSC Costs.

A handwritten signature in dark ink, appearing to read 'Funmi Brady', is positioned above the printed name.

Funmi Brady

25-11-2025

Signed as an official of the Department for Energy Security & Net Zero authorised to act on behalf of the Secretary of State.