

DRAFT LEGAL TEXT FOR PROPOSED MODIFICATION P359

SECTION K: CLASSIFICATION AND REGISTRATION OF METERING SYSTEMS AND BM UNITS (Version 38.0)

3. CONFIGURATION AND REGISTRATION OF BM UNITS

3.4 Demand Capacity and Generation Capacity

Amend paragraph 3.4.2 to read as follows:

- 3.4.2 The Lead Party shall estimate and notify to the CRA amounts under paragraph 3.4.1:
- (a) initially, at the time of registration of the BM Unit under paragraph 3.2 or 3.3;
 - (b) not later than the time specified in BSCP15 in the BSC Season preceding the relevant BSC Season; and
 - (c) within such period after the criteria set out in paragraph 3.4.3 have been met as is specified in paragraph 3.4.5, provided that the Lead Party shall have no obligation to submit a revised estimate of any such amount in circumstances where such criteria have been met as a result of the CRA notifying the Lead Party that the CRA has identified that either or both of the GC and DC Breach Monitoring Criteria have been met, pursuant to paragraph 3.5.7D(b)(ii).

Insert new paragraph 3.4.7A after 3.4.7 to read as follows:

3.4.7A The CRA shall carry out periodic monitoring ("GC and DC Breach Monitoring") of Metered Volumes in respect of each BM Unit, to identify whether, for any Settlement Period in the relevant BSC Season, or (as the case may be) the remainder of the relevant BSC Season following a revised estimate made in accordance with this paragraph 3.4:

- (a) the positive value of QM_{ij} (subject to paragraph 3.4.7C) for the BM Unit divided by SPD has exceeded GC by the GC Limits; ("GC Breach Monitoring Criterion") or
- (b) the negative value of QM_{ij} (subject to paragraph 3.4.7C) with the maximum magnitude for the BM Unit divided by SPD has been less than DC by the DC Limits, ("DC Breach Monitoring Criterion")

(together the "GC and DC Breach Monitoring Criteria").

3.4.7B GC and DC Monitoring shall take place at a time and frequency determined by BSCCo.

3.4.7C For the purposes of GC and DC Breach Monitoring, any part of the BM Unit Metered Volume which is delivered or taken by the Plant or Apparatus associated with that BM Unit in response to an Emergency Instruction (issued pursuant to Balancing Code 2.9 of the Grid Code) shall be disregarded.

3.4.7D If the CRA identifies that either or both of the GC and DC Breach Monitoring Criteria have been met in respect of a BM Unit, the CRA shall:

- (a) estimate for the BM Unit, in accordance with the BM Unit Volume Estimation Methodology, what will be:

(i) if the GC Breach Monitoring Criterion is met, the positive value of QM_{ij} with the maximum magnitude for the BM Unit in the relevant BSC Season; and

(ii) if the DC Breach Monitoring Criterion is met, the negative value of QM_{ij} with the maximum magnitude for the BM Unit in the relevant BSC Season,

(together, the "CRA-Estimated GC or DC Amounts")

(b) notify the Lead Party of the BM Unit, BSCCo, the CM Settlement Services Provider and the CFD Settlement Services Provider of the following in respect of the BM Unit:

(i) that the CRA has identified that either or both of the GC and DC Breach Monitoring Criteria have been met;

(ii) the Settlement Day and Settlement Period on which the criterion or criteria were met;

(iii) the CRA-Estimated GC or DC Amounts;

(iv) the date on which the CRA-Estimated GC or DC Amounts will take effect in accordance with BSCP15;

(v) that, pursuant to paragraph 3.4.7M, the CRA will publish a notice relating to the relevant BM Unit; and

(vi) any other information specified pursuant to paragraph 3.4.7P; and

(together the "GC or DC Breach Notification")

(c) publish a notice pursuant to paragraph 3.4.7M, in relation to the BM Unit.

3.4.7E For the purposes of estimating the CRA-Estimated GC or DC Amounts, the Panel shall establish and may from time to time revise, and shall provide to BSCCo and make available to all Trading Parties, a methodology for estimating BM Unit Metered Volumes (the "BM Unit Volume Estimation Methodology").

3.4.7F BSCCo shall post the BM Unit Volume Estimation Methodology on the BSC website.

3.4.7G Within two (2) Working Days following the day after a GC or DC Breach Notification is deemed to have been received by the Lead Party of the relevant BM Unit, the Lead Party may:

(a) notify BSCCo that the Lead Party challenges the CRA-Estimated GC or DC Amounts (a "GC or DC Estimation Challenge");

(b) provide evidence that the CRA-Estimated GC or DC Amounts are not correct; and

(c) propose alternative amounts, for what will be, for the BM Unit:

(i) if the GC or DC Breach Notification identified that the GC Breach Monitoring Criterion is met, the positive value of QM_{ij} with the maximum magnitude for the BM Unit in the relevant BSC Season; and

(ii) if the GC or DC Breach Notification identified that the DC Breach Monitoring Criterion is met, the negative value of QM_{ij} with the maximum magnitude for the BM Unit in the relevant BSC Season,

estimated in accordance with the BM Unit Volume Estimation Methodology or, if the Lead Party considers another methodology is more appropriate, that other methodology.

(together the "Challenger-Proposed GC or DC Estimates")

3.4.7H After receiving a GC or DC Estimation Challenge, BSCCo:

(a) shall notify the CRA of the GC or DC Estimation Challenge;

(b) shall promptly consider whether BSCCo has substantial evidence that, or other reasons to believe that, there is (in accordance with the GC or DC Estimation Challenge Guidance) a material doubt as to whether the CRA-Estimated GC or DC Amounts for the BM Unit are correct;

(c) may, but shall not be required to make any enquiry of the Lead Party of the BM Unit or any other person, but will take into account any information already provided by the Lead Party pursuant to paragraph 3.4.7G.

(d) shall, within two (2) Working Days:

(i) decide whether to uphold the GC or DC Estimation Challenge, having regard to the matters considered pursuant to paragraphs (b) and (c); and

(ii) notify:

(A) the Lead Party; and

(B) the CRA,

of BSCCo's decision.

3.4.7I The CRA shall suspend ongoing GC and DC Breach Monitoring in respect of a BM Unit from such time as BSCCo has notified the CRA of a GC or DC Estimation Challenge in respect of that BM Unit, pursuant to paragraph 3.4.7H(a), until:

(a) if BSCCo decides to uphold the GC or DC Estimation Challenge, the date on which the BSCCo-Determined GC or DC Estimates take effect in respect of that BM Unit, in accordance with BSCP15; or

(b) if BSCCo decides not to uphold the GC or DC Estimation Challenge, such time as BSCCo notifies the CRA of that decision, pursuant to paragraph 3.4.7H(d)(ii)(B).

3.4.7J If BSCCo decides to uphold a GC or DC Estimation Challenge pursuant to paragraph 3.4.7H, BSCCo shall notify to the CRA such amounts for:

(a) if the GC or DC Breach Notification identified that the GC Breach Monitoring Criterion is met, the positive value of QM_{ij} with the maximum magnitude for the BM Unit in the relevant BSC Season; and

(b) if the GC or DC Breach Notification identified that the DC Breach Monitoring Criterion is met, the negative value of QM_{ij} with the maximum magnitude for the BM Unit in the relevant BSC Season,

as BSCCo considers appropriate, having regard to the Challenger-Proposed GC or DC Estimates and the matters considered pursuant to paragraphs 3.4.7H(b) and 3.4.7H(c).

(together, the "**BSCCo-Determined GC or DC Estimates**")

3.4.7K For the avoidance of doubt, if BSCCo decides not to uphold a GC or DC Estimation Challenge, the CRA-Estimated GC or DC Amounts shall remain in place for the purposes of the relevant BM Unit Registration.

3.4.7L For the purposes of paragraph 3.4.7H(b), the Panel shall establish, and may from time to time revise, and shall provide to BSCCo and shall make available to all Trading Parties, principles or guidance as to the basis on which the existence or absence of material doubt is to be established by BSCCo (the "**GC or DC Estimation Challenge Guidance**").

3.4.7M For the purposes of paragraph 3.4.7D, the Panel shall establish, and may from time to time revise, and shall provide to BSCCo and shall make available to all Trading Parties, a document setting out, in relation to a notice published by the CRA:

(a) the contents of such publication; and

(b) where such publication shall be made.

3.4.7N If, for the purposes of updating the registration details of a particular BM Unit to take effect on a particular day, multiple different amounts for what will be:

(a) the positive value of QM_{ij} with the maximum magnitude for the BM Unit in the relevant BSC Season; and

(b) the negative value of QM_{ij} with the maximum magnitude for the BM Unit in the relevant BSC Season,

have been estimated by or notified to the CRA pursuant to the Code, the CRA must use the amounts with the highest priority pursuant to the GC or DC Conflict Resolution Priority Order.

3.4.7O For the purposes of paragraph 3.4.7N, the order of priority for the amounts, from highest priority to lowest priority, is as follows:

(a) the BSCCo-Determined GC or DC Estimates most recently notified to the CRA by BSCCo pursuant to paragraph 3.4.7J;

(b) CRA-Estimated GC or DC Amounts; and

(c) amounts most recently notified to the CRA by the Lead Party pursuant to paragraph 3.4.2 or 3.4.2A,

(together the "**GC or DC Conflict Resolution Priority Order**").

3.4.7P For the purposes of paragraph 3.4.7D(b)(vi), the Panel shall establish, and may from time to time revise, and shall provide to BSCCo and shall make available to all Trading Parties, a document specifying any additional information to be included in a GC or DC Breach Notification.

Amend paragraph 3.4.8 to read as follows:

3.4.8 Subject to paragraph 5.6, for each BM Unit, at any time:

- (a) the "**Generation Capacity**" or "**GC**" shall be the amount determined as:

G / SPD

where G is the value under paragraph 3.4.1(a) most recently notified in relation to the relevant BSC Season under paragraph 3.4.2, or (if another value has been estimated by or notified to the CRA pursuant to the Code) the value determined pursuant to paragraph 3.4.7N;

- (b) the "**Demand Capacity**" or "**DC**" shall be the amount determined as:

D / SPD

where D is the value under paragraph 3.4.1(b) most recently notified in relation to the BSC Season under paragraphs 3.4.2 or 3.4.2A (as the case may be), or (if another value has been estimated by or notified to the CRA pursuant to the Code) the value determined pursuant to paragraph 3.4.7N;

- (c) the "**Relevant Capacity**" is:

- (i) if $GC_i + DC_i$ is greater than zero, GC_i ;
(ii) otherwise, DC_i .

SECTION X: DEFINITIONS AND INTERPRETATION

ANNEX X-1: GENERAL GLOSSARY (V80.0)

Insert the following new definitions in alphabetical order:

<u>"BSCCo-Determined GC or DC Estimates"</u>	<u>has the meaning given to that term in Section K3.4.7J;</u>
<u>"BM Unit Volume Estimation Methodology"</u>	<u>has the meaning given to that term in Section K3.4.7E;</u>
<u>"Challenger-Proposed GC or DC Estimates"</u>	<u>has the meaning given to that term in Section K3.4.7G;</u>
<u>"CRA-Estimated GC or DC Amounts"</u>	<u>has the meaning given to that term in Section K3.4.7D;</u>
<u>"DC Breach Monitoring Criterion"</u>	<u>has the meaning given to that term in Section K3.4.7A;</u>
<u>"GC or DC Breach Notification"</u>	<u>has the meaning given to that term in Section K3.4.7D;</u>
<u>"GC or DC Conflict Resolution Priority Order"</u>	<u>has the meaning given to that term in Section K3.4.7O;</u>
<u>"GC or DC Estimation Challenge"</u>	<u>has the meaning given to that term in Section K3.4.7G;</u>
<u>"GC or DC Estimation Challenge Guidance"</u>	<u>has the meaning given to that term in Section K3.4.7L;</u>
<u>"GC and DC Breach Monitoring Criteria"</u>	<u>has the meaning given to that term in Section K3.4.7A;</u>
<u>"GC and DC Breach Monitoring":</u>	<u>has the meaning given to that term in Section K3.4.7A;</u>
<u>"GC Breach Monitoring Criterion"</u>	<u>has the meaning given to that term in Section K3.4.7A;</u>