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SECTION G: CONTINGENCIES

1. GENERAL

1.1 Provisions in Code

1.1.1 This Section G sets out or refers to provisions of the Code which are to apply in certain contingencies, and related provisions.

1.1.2 The following provisions of the Code address the possibility of certain emergencies and other unusual or unexpected events of various kinds:

(a) Section P5, which addresses circumstances in which the ECVAA may be unable to receive Energy Contract Volume Notifications and Metered Volume Reallocation Notifications;

(b) Section Q7, which addresses the possibility of manifest errors in the submission or acceptance of Bids and Offers;

(c) Section Q8, which addresses circumstances in which the NETSO may be unable to receive Physical Notifications;

(d) paragraph 3, which addresses System Restoration Periods; and

(e) paragraph 4, which applies where the Secretary of State exercises certain emergency powers.

1.1.3 For the avoidance of doubt, paragraph 1.1.2 is not intended to be an exclusive list of provisions of the Code which address failures or delays or other abnormalities in the implementation of the Code.

1.1.4 The provisions of the Code referred to in paragraph 1.1.2 are "**Contingency Provisions**".

1.1.5 Paragraph 5 sets out arrangements for giving effect to the recovery of Exceptional Costs pursuant to the Fuel Security Code.

1.1.6 Paragraph 6 sets out arrangements for validating that Trading Charges relating to Network Gas Supply Emergency Acceptances are consistent with the Network Gas Supply Emergency Adjustment Principles, and where appropriate amending data relating to those Network Gas Supply Emergency Acceptances better to reflect those principles.

1.2 Exclusion of reconciliation

1.2.1 Where, pursuant to any Contingency Provision, any entitlement or liability by way of Ad-hoc Trading Charge is to be determined in relation to any Settlement Day:

(a) the amount of such Ad-hoc Trading Charge shall be determined on the basis of data derived from the Initial Settlement Run (or if any Reconciliation Settlement Run has already been carried out at the time at which the amount of such charge is to be determined, the latest such Reconciliation Settlement Run);

(b) unless ~~the Panel~~BSCCo expressly otherwise decides, no adjustment or reconciliation shall be made in the determination of such Ad-hoc Trading Charge upon or as a result of the later carrying out of any Reconciliation Settlement Run or other adjustment of any such data;

(c) the Ad-hoc Trading Charge itself will have arisen outside any Settlement Run and accordingly shall be excluded from account (in both paragraphs (a) and (b) of Section N6.4) by the FAA in carrying out any reconciliation under that Section.

1.3 Party Daily Reallocation Proportions

1.3.1 For the purposes of the Code, in relation to any Trading Party and any Settlement Day, the "**Party Daily Reallocation Proportion**" is the proportion determined as:

$RCRC_p$ / $\sum_p RCRC_p$

where $\sum_p$ represents the sum over all Trading Parties.

1.3.2 It is acknowledged that in certain circumstances the value of Party Daily Reallocation Proportion for a Trading Party might be negative, in which case any reference (in any Contingency Provision) to a liability of that Trading Party as to its Party Daily Reallocation Proportion of any amount shall be construed as an entitlement.

1.3.3 In accordance with paragraph 1.2.1, in the application of any Contingency Provision the Party Daily Reallocation Proportions shall be determined by reference to values of Daily Party Residual Settlement Cashflow determined in the Settlement Run (excluding the Interim Information Settlement Run) last carried out for the relevant Settlement Day before such proportions are to be determined, and shall not (unless ~~the Panel~~BSCCo decides otherwise) subsequently be revised.

1.4 Application of Contingency Provisions

1.4.1 For the avoidance of doubt, the Contingency Provisions shall apply (in accordance with their terms) only in relation to Settlement Periods commencing on or after the Go-live Date, but an event or circumstance giving rise to the application or operation of such provisions may occur or prevail before or on or after the Go-live Date.

1.5 Review of emergency arrangements

1.5.1 If at any time the Secretary of State announces an intention to carry out a review of arrangements which apply or may apply in anticipation of or following the exercise of any of the Secretary of State's powers under Sections 34 and 35 of the Act, Section 96 of the Act, and sections 1 to 4 of the Energy Act 1976 (including the arrangements provided for in the Fuel Security Code) the provisions of this paragraph 1.5 shall apply.

1.5.2 BSCCo shall participate (as and to the extent requested by or on behalf of the Secretary of State) in any review of the type referred to in paragraph 1.5.1.

1.5.3 Following any review of the type referred to in paragraph 1.5.1 (or during such review if so requested by the Secretary of State), ~~the Panel~~BSCCo shall propose a modification of the Code (including the provisions in paragraph 4) which in the opinion of ~~the Panel~~BSCCo~~, on the recommendation of BSCCo,~~ and after consultation with the Secretary of State and the Authority, is appropriate to support and/or to reflect any modifications of the arrangements referred to in that paragraph (including any modifications of the Fuel Security Code), or any new such arrangements, which may be made or established (by or on behalf of or at the behest of the Secretary of State) in consequence of such review.

1.5.4 Where ~~the Panel~~BSCCo has proposed a modification of the Code under paragraph 1.5.3, ~~the Panel~~it shall take steps, in consultation with the Authority, to coordinate the application (in relation to such proposal) of the procedures in Section F with other steps taken in

consequence of such review for the consideration of modifications to (or establishment of) arrangements referred to in paragraph 1.5.3.

2. AVOIDABLE COSTS

2.1 General

2.1.1 This paragraph 2 applies for the purposes of determining Avoidable Costs (which are used in the calculation of compensation claims for certain Contingency Provisions) in relation to a BM Unit and:

(a) such changes ("**relevant changes**") in Exports and/or Imports of that BM Unit during a Settlement Period as are specified in or determined pursuant to the relevant Contingency Provision; or

(b) where paragraph 3 (System Restoration) applies, a BM Unit that is the subject of a system restoration instruction (as defined in paragraph 3.3.1C) whether or not relevant changes occur.

2.1.2 Where any such Contingency Provision applies, ~~the Panel~~BSCCo shall determine, in its opinion, what is the amount of the net costs of operating the BM Unit which would not have been incurred but for:

(a) the relevant changes in Exports and/or Imports: or

(b) a system restoration instruction.

2.1.3 For the purposes of the Code, the "**Avoidable Costs**" shall be the amount determined by ~~the Panel~~BSCCo under paragraph 2.1.2 (which may for the avoidance of doubt be a negative amount, in a case where net costs were saved or revenues earned).

2.1.4 In determining what are the costs of operating a BM Unit and what such costs would not have been incurred (as provided in paragraph 2.1.2), ~~the Panel~~BSC~~S~~Co shall have regard to the following:

(a) costs include lost revenues, and costs saved include revenues earned;

(b) in the case of a BM Unit comprising premises of a Customer, the costs which are to be counted are the costs incurred by the Customer;

(c) costs are not to be counted unless they are demonstrably:

(i) costs directly incurred in the operation of the Plant and Apparatus comprised in the BM Unit;

(ii) costs which were reasonably and prudently incurred, and incurred pursuant to commitments reasonably and prudently made; and

(iii) costs the amount of which would be expected to differ according to whether there occurred the relevant changes in Exports and/or Imports or changes in operation to comply with a system restoration instruction in the relevant Settlement Period alone;

(d) costs include costs (incurred or saved) of consumption of electricity or fuel;

(e) the following costs are not to be counted:

(i) costs or losses in respect of damage to property (including Plant or Apparatus) or death or injury to persons;

(ii) insurance premia; and

(iii) financing costs and overhead costs;

(f) amounts payable (other than by way of rebate of payment for supply), under any contract or otherwise, by way of compensation for loss of supply or otherwise in consequence of relevant changes in Exports and/or Imports, by the Lead Party to the person referred to in paragraph (b), are to be disregarded; and

(g) amounts payable or receivable under the Code in respect of Trading Charges or BSCCo Charges are to be disregarded. 2.2 Procedures2.2.1 Where under any Contingency Provision the amount of Avoidable Costs is to be determined for any Settlement Period or Periods:

(a) the Lead Party shall prepare, consistently with the principles in paragraphs 2.1.3 and 2.1.4, and submit to BSCCo its estimate (for each such Settlement Period) of the net costs of operating the BM Unit which would not have been incurred:

(i) but for the relevant change in Exports and/or Imports; or

(ii) but for a system restoration instruction,

together with an explanation of and supporting information for its estimate, and shall provide to ~~the Panel~~BSCCo such further information as ~~the Panel~~BSCCo may require for the purposes of making its determination under paragraph 2.1.2;

(b) if required by ~~the Panel~~BSCCo, the Lead Party shall, by such time as ~~the Panel~~BSCCo may reasonably stipulate, submit a statement signed by its (or in the case in paragraph 2.1.4(b), the Customer's) statutory auditors to the effect that the Party's estimate of such costs have been prepared on a fair, complete and reasonable basis and consistent with the principles in paragraphs 2.1.3 and 2.1.4; and

(c) BSCCo shall notify ~~the Panel's~~its determination under paragraph 2.1.2 to the Lead Party.

For the sake of clarity it is acknowledged that the Lead Party of a BM Unit subject to a system restoration instruction may be complying with the provisions of and providing the required information under this paragraph on its own behalf or on behalf of a Restoration Contractor owning or operating assets comprising such BM Unit. Restoration Contractor has the meaning given to it in paragraph 3.3.0.

2.2.2 If requested by the Authority, ~~the Panel~~BSCCo will discuss with the Authority any determination(s) to be made under paragraph 2.1.2, and will take account of any guidance from the Authority in making such determination(s); and ~~the Panel~~BSCCo will exclude from account (in such determination(s)) any cost, or a cost of any description, which the Authority directs ~~the Panel~~BSCCo to exclude.

3. SYSTEM RESTORATION

3.1 General

3.1.1 This paragraph 3 will apply if and only if the NETSO informs Users pursuant to OC9.4 of the Grid Code that either a Total Shutdown or a Partial Shutdown exists and that the NETSO intends to implement System Restoration (the terms 'Users', 'Total Shutdown', 'Partial Shutdown', 'System Restoration', 'Anchor Plant', 'Top Up Restoration Plant' and 'Total System' each having, for the purposes of this paragraph 3, the meanings given thereto in the Grid Code. The term 'Restoration Contractor' has the meaning given to it in paragraph 3.3.0).

3.1.2 Where this paragraph 3 applies:

(a) BSCCo shall (as soon as is practicable following the NETSO's notification under OC9.4 of the Grid Code) notify all Parties and any CM Settlement Services Provider that a Total Shutdown or Partial Shutdown exists and that the NETSO intends to implement System Restoration;

(b) the NETSO shall (as soon as is practicable following its notification under OC9.4 of the Grid Code) determine, in its reasonable opinion, the time and date with effect from which the Total Shutdown or Partial Shutdown commenced and inform BSCCo of that time and date;

(c) BSCCo shall determine the Settlement Period that corresponds with the time and date from which the Total Shutdown or Partial Shutdown commenced (as determined by the NETSO under paragraph (b));

(d) a "System Restoration Period" shall exist with effect from the start of the Settlement Period determined by BSCCo under paragraph 3.1.2(c) until either:

(i) the end of the Settlement Period immediately before the Settlement Period determined by ~~the Panel~~BSCCo under paragraph 3.1.8; or

(ii) the end of the Settlement Period determined by BSCCo under paragraph 3.1.9(c);

(e) BSCCo shall, as soon and so far as is practicable, notify all Parties and any CM Settlement Services Provider of the Settlement Period from which the System Restoration Period commenced;

(f) BSCCo shall, as soon and so far as is practicable, keep Parties informed of the operation of BSC Systems and, in so far as it is informed by the NETSO, of the operation of the Transmission System during a System Restoration Period; and

(g) the provisions of paragraph 3.3 shall apply in relation to all Settlement Periods which fall within a System Restoration Period.

3.1.3 Where the NETSO informs Users (pursuant to OC9.4 of the Grid Code) that a Total Shutdown exists, then:

(a) a Market Suspension Period shall exist, and the provisions of paragraphs 3.1.8 and 3.2 shall apply, with effect from the start of the Settlement Period determined by BSCCo under paragraph 3.1.2(c) until the end of the Settlement Period immediately before the Settlement Period determined by ~~the Panel~~BSCCo under paragraph 3.1.8; and

(b) BSCCo shall (as soon and so far as is practicable following its determination under paragraph 3.1.2(c)) notify Parties and any CM Settlement Services Provider of the Settlement Period from which the Market Suspension Period commenced.

3.1.4 Where the NETSO informs Users (pursuant to OC9.4 of the Grid Code) that a Partial Shutdown exists, then the NETSO shall, at least once every fifteen minutes from the time and date that the Partial Shutdown commenced (as determined by the NETSO in accordance with paragraph 3.1.2(b)), monitor the spot time Initial National Demand Out-Turn against its spot time National Demand forecast made day-ahead and prior to the commencement of the Partial Shutdown (the "**baseline forecast**") until the time at which either:

(a) the Market Suspension Threshold is met, or deemed to be met, in accordance with paragraph 3.1.5; or

(b) the NETSO determines (in accordance with paragraph 3.1.9) that the Total System has returned to normal operation.

3.1.5 Where, at any time during the Partial Shutdown:

(a) the NETSO determines, in its reasonable opinion, that the spot time Initial National Demand Out-Turn is equal to or lower than ninety five (95) percent (%) of the baseline forecast (the "**Market Suspension Threshold**"); or

(b) no more baseline forecast data is available to the NETSO; and

(c) seventy two hours have elapsed since the time and date that the Partial Shutdown commenced (as determined by the NETSO in accordance with paragraph 3.1.2(b));

then the Market Suspension Threshold shall be met, or in the case of paragraphs 3.1.5(b) or 3.1.5(c) shall be deemed to be met, with effect from that time and date.

3.1.6 The NETSO shall (as soon as is practicable) notify BSCCo of the time and date on which the Market Suspension Threshold was met in accordance with paragraph 3.1.5(a), or was deemed to be met in accordance with paragraph 3.1.5(b).

3.1.7 Where the Market Suspension Threshold has been met, or deemed to be met, in accordance with paragraph 3.1.5 then:

(a) BSCCo shall determine the Settlement Period that corresponds with the time and date from when the Market Suspension Threshold was met, or deemed to be met, under paragraph 3.1.5;

(b) a Market Suspension Period shall exist, and the provisions of paragraphs 3.1.8 and 3.2 shall apply, with effect from the start of the Settlement Period determined by BSCCo under paragraph 3.1.7(a) until the end of the Settlement Period immediately before the Settlement Period determined by ~~the Panel~~BSCCo under paragraph 3.1.8; and

(c) BSCCo shall (as soon and so far as is practicable) notify Parties and any CM Settlement Services Provider of the Settlement Period from which the Market Suspension Period commenced.

3.1.8 Where there is a Market Suspension Period under either paragraph 3.1.3 or paragraph 3.1.7, then:

(a) following the NETSO's determination (under OC9.4.7.9 of the Grid Code) of the time the Total System could return to normal operation, ~~the Panel~~BSCCo shall determine, after consultation with the NETSO, the Settlement Period with effect from which the provisions of paragraph 3.2 are to cease to apply, having regard to the following matters and any other matters or processes set out in the relevant BSCP:

(i) the time the Total System could return to normal operation under the Grid Code determined by the NETSO;

(ii) the desirability of a return to normal operation under the Code at the same time or as soon as practicable thereafter; and

(iii) the amount of time which (in the opinion of ~~the Panel~~BSCCo) it is reasonable to allow for Parties to recommence operations under or for the purposes of Sections Q and P;

(b) at any time up until one hour prior to the Settlement Period from which the provisions of paragraph 3.2 would otherwise cease to apply, the NETSO may determine (in accordance with OC9.4.7.9 of the Grid Code) that the Total System could not return to normal operation at that time;

(c) ~~the Panel~~BSCCo shall revise its determination under paragraph (a) if the NETSO determines under paragraph (b) that the Total System could not return to normal operation at that time; and

(d) BSCCo shall promptly notify all Parties and any CM Settlement Services Provider of ~~the Panel~~BSCCo's determination under paragraph (a) and, where applicable, paragraph (c).

3.1.9 Where a Partial Shutdown exists but there has been no Market Suspension Period:

(a) the NETSO shall inform BSCCo of its determination and, if applicable, any revised determination (under OC9.4.7.9 of the Grid Code) of the time the Total System could return to normal operation;

(b) the NETSO shall inform BSCCo as soon as possible of the time at which (in the NETSO's determination) the Total System returned to normal operation; and

(c) BSCCo shall determine the Settlement Period that corresponds with the time that the Total System returned to normal operation (as determined by the NETSO under paragraph 3.1.9(b)), and shall promptly notify ~~the Panel,~~ Parties and any CM Settlement Services Provider of that Settlement Period.

3.2 Variation of rules

3.2.1 In relation to all Settlement Periods which fall within a Market Suspension Period:

(a) the operation of the balancing mechanism shall be suspended in accordance with Section Q5.4;

(b) Section Q8 shall not apply;

(c) the notification of contract volumes shall be suspended in accordance with Section P1.6 (and, if otherwise applicable, Section P5 shall not apply);

(d) a single imbalance cash-out price shall apply in accordance with Section T1.7;

(e) the value of Credit Assessment Energy Indebtedness (CEI_{pj}) shall be set to zero for all Trading Parties for the purposes of Section M;

(f) the value of Metered Energy Indebtedness (MEI_{pj}) shall be set to zero for all Trading Parties for the purposes of Section M; and

(g) the operation of the TERRE Market shall be suspended in accordance with paragraph Q5A.2.

3.2.1A In relation to all Settlement Days that fall wholly or partially within a Market Suspension Period the value of Actual Energy Indebtedness (AEI_p) shall be set to zero for all Trading Parties for the purposes of Section M.

3.2.2 Where this paragraph 3.2 applies, ~~the Panel~~BSCCo may, after consultation with the NETSO, for the purposes of making arrangements for a return to normal operations under the Code, determine and notify Parties that:

(a) any data submitted (in accordance with Section Q2, Q3 or Q4) by Lead Parties, and/or

(b) any Volume Notifications submitted by Volume Notification Agents

during any part or parts (as specified by ~~the Panel~~BSCCo in such notification to Parties) of the Market Suspension Period, shall be disregarded for the purposes of the Code.

3.3 System restoration compensation

3.3.0 Restoration Contractors owning or operating assets comprising a BM Unit subject to a system restoration instruction may qualify for system restoration compensation amounts under this paragraph 3. Claims for system restoration compensation amounts shall be made by the Lead Party of the BM Unit subject to a system restoration instruction (whether such claim be for itself or on behalf of a Restoration Contractor). Where a claim is made on behalf of a Restoration Contractor, the Lead Party shall pass on any resulting compensation under the terms of the agreements and business arrangements between the Lead Party and such Restoration Contractor. Restoration Contractor has the meaning given to that term as set out in the Grid Code and may be a non-BSC Party.

3.3.1 Subject to the provisions of the Code the Lead Party of any BM Unit (whether or not comprising Plant or Apparatus which is comprised in an Anchor Plant or Top Up Restoration Plant as defined in the Grid Code) which is the subject ofa system restoration instruction as defined in paragraph 3.3.1C,

may, within the period of twenty Business Days after the end of the System Restoration Period, submit to BSCCo a claim for payment of compensation to be determined in accordance with this paragraph 3.3.

3.3.1A ~~The Panel~~BSCCo may approve a period longer than twenty Business Days for the submission of a claim for compensation under paragraph 3.3.1:

(a) upon application of the Lead Party within the period of twenty Business Days after the end of the System Restoration Period; or

(b) as ~~the Panel~~BSCCo deems appropriate in the circumstances.

3.3.1B A claim for payment of compensation submitted under paragraph 3.3.1 shall comprise:

(a) a claim, the form of which shall be prescribed under the relevant BSCP;

(b) a statement detailing the claim in accordance with paragraph 3.3.5(a); and

(c) any additional supporting material in accordance with paragraph 3.3.5(b).

3.3.1C For the purposes of this paragraph 3.3, a "**system restoration instruction**" is:

(a) in relation to any Settlement Period(s) which fall within both a System Restoration Period and a Market Suspension Period, an instruction given by the NETSO pursuant to OC9.4, BC2.9.2.12(e)(i) and/or BC2.9.2.2(iii) of the Grid Code; or

(b) in relation to any Settlement Period(s) which fall within a System Restoration Period but not within a Market Suspension Period, an instruction given by the NETSO pursuant to OC9.4, BC2.9.1.2(e)(i) and/or BC2.9.2.2(iv) of the Grid Code.

3.3.2 For the purposes of this paragraph 3.3, in relation to a Settlement Period in the System Restoration Period and a BM Unit:

(a) the "**system restoration compensation amount**" shall be an amount determined as:

$$(A - B)$$

where

A is the amount of the Avoidable Costs of the Lead Party in relation to the operation of the BM Unit as determined by ~~the Panel~~BSCCo under paragraphs 3.3.4(a) and 3.3.4(c);

B is an amount determined in accordance with paragraph (b) or (c);

(b) if the Settlement Period falls within a Market Suspension Period, the amount B shall be determined as:

$$(BSCQ^{n}_{ij} * P^{n}_{ij})$$

where P^{n}_{ij} is the System Sell Price (equal, in accordance with Section T1.7.1, to the System Buy Price) for that Settlement Period;

(c) if the Settlement Period falls within a System Restoration Period but not within a Market Suspension Period, the amount B shall be determined as:

$$\sum_a (BSCAEI^{n}_{aj} - BSCAEI^{(n-1)}_{aj})$$

where $\sum_a$ is the sum over the Lead Party Energy Account and all Subsidiary Party Energy Accounts for the BM Unit;

(d) for the purposes of paragraph (c), $BSCAEI^{n}_{aj}$ is the Account Energy Imbalance Cashflow calculated for Energy Account a in accordance with Section T4, except that:

(i) for the BM Unit i to which the claim relates, the BM Unit Metered Volume QM_{ij} shall be replaced with:

$$QM_{ij} - BSCQ^{n}_{ij}$$

(ii) for any BM Unit i' for which ~~the Panel~~BSCCo has previously determined a system restoration compensation volume $BSCQ^{n'}_{i'j}$ for Settlement Period j, the BM Unit Metered Volume $QM_{i'j}$ shall be replaced with:

$$QM_{i'j} - BSCQ^{n'}_{i'j}$$

(e) for the purposes of paragraph (c), $BSCAEI^{(n-1)}_{aj}$ is the Account Energy Imbalance Cashflow calculated for Energy Account a in accordance with Section T4, except that for any BM Unit i' for which ~~the Panel~~BSCCo has previously determined a system restoration compensation volume $BSCQ^{n'}_{i'j}$ for Settlement Period j, the BM Unit Metered Volume $QM_{i'j}$ shall be replaced with:

$$QM_{i'j} - BSCQ^{n'}_{i'j}$$

(f) for the purposes of paragraphs (b) to (e), $BSCQ^{n}_{ij}$ is the quantity (in MWh) determined by ~~the Panel~~BSCCo under paragraph 3.3.4(b) and shall be called the "**system restoration compensation volume**";

(g) for the purposes of paragraphs (b) to (e), $BSCQ^{n}_{ij}$ shall be negative where it represents an increase in net Imports or a reduction in net Exports, zero (0) where it represents no change in Exports and/or Imports and otherwise positive.

3.3.3 Where a claim is submitted under paragraph 3.3.1, each Settlement Period (in the System Restoration Period) shall be a "**relevant**" Settlement Period for the purposes of this paragraph 3.3, and the amounts to be determined under this paragraph 3.3 shall be determined for all such Settlement Periods.

3.3.4 Where a claim is submitted under paragraph 3.3.1, ~~the Panel~~BSCCo shall determine, in its opinion:

(a) what changes in Exports and/or Imports of the BM Unit during each relevant Settlement Period resulted from action taken for the purposes of complying (in accordance with the Grid Code) with system restoration instructions relating to that Settlement Period; and

(b) what is the net quantity (in MWh) of such changes in Exports or Imports of the BM Unit for each such Settlement Period; and

(c) what, if any, other changes occurred in the operation of the BM Unit as a result of a system restoration instruction.

3.3.5 For the purposes of assisting ~~the Panel~~BSCCo to determine a claim for compensation under this paragraph 3.3:

(a) the Lead Party shall, at the time at which it submits a claim under paragraph 3.3.1, provide a statement to ~~the Panel~~BSCCo of the changes which the Lead Party considers to be the changes described in paragraph 3.3.4(a), the quantity which the Lead Party considers to be the net quantity described in paragraph 3.3.4(b) and the changes which the Lead Party considers to be the changes described in paragraph 3.3.4(c), and shall provide such other information as ~~the Panel~~BSCCo may reasonably request for the purposes of determining the matters in paragraphs 3.3.4(a), (b) and (c), for each relevant Settlement Period;

(b) the Lead Party may at the time at which it submits its claim under paragraph 3.3.1 submit additional supporting material to establish the validity of its claim;

(c) the Lead Party shall comply with the requirements of paragraph 2.2.1 in relation to determination of Avoidable Costs;

(d) the NETSO and each Distribution System Operator shall provide such information as ~~the Panel~~BSCCo may reasonably request for the purposes of determining the system restoration compensation volumes; and

(e) the NETSO shall provide such information as ~~the Panel~~BSCCo may reasonably request for the purposes of determining the changes in operation of a BM Unit described in paragraph 3.3.4(c).

3.3.6 Where the Lead Party has submitted a claim in accordance with paragraph 3.3.1, subject to the provisions of the Code:

(a) the Lead Party shall be entitled to be paid by the BSC Clearer the net sum, for all relevant BM Units and relevant Settlement Periods, of the system restoration compensation amounts, together with compound interest calculated by applying the Base Rate on a daily basis on each compensation amount from (and including) the Initial Payment Date for the relevant Settlement Period to (but not including) the date (if later) when such payment is made;

(b) for the avoidance of doubt, if the net sum for a Lead Party, of the system restoration compensation amounts, for all relevant BM Units and relevant Settlement Periods is a negative sum, the Lead Party shall not be liable to pay for that sum;

(c) each Trading Party (including the Lead Party) shall be liable to pay to the BSC Clearer its System Restoration Reallocation Proportion of the net amount payable to the Lead Party under paragraph (a);

(d) the amounts of the entitlements and liabilities under paragraphs (a) and (c) shall be Ad-hoc Trading Charges for the purposes of Section N6.9; and

(e) BSCCo shall give such instructions to the FAA as are necessary to give effect to the payment of such Ad-hoc Trading Charges;

3.3.7A The Implementation Date for the application of compound interest pursuant to paragraph 3.3.6(a) shall be the Go-live Date.

3.3.8 For the purposes of the Code, in relation to any Trading Party, the System Restoration Reallocation Proportion is the proportion determined as:

$$\sum_d \sum_a \sum_i QCE_{iaj} \; / \; \sum_d \sum_p \sum_i QCE_{iaj}$$

where

$\sum_i$ represents, for each Energy Account a, in Settlement Period j, the sum over all BM Units i that are in offtaking Trading Units;

$\sum_a$ represents the sum over all Energy Accounts a, for Party p;

$\sum_p$ represents the sum over all Trading Parties p;

$\sum_d$ represents the sum over all Settlement Periods in the seven Settlement Days immediately preceding the Settlement Day on which the System Restoration Period commenced

provided that, where such seven day period includes any day before the Go-live Date, there shall (in the above formula) be used, in relation to Settlement Periods in any such day, such quantities (pursuant to the Pooling and Settlement Agreement or otherwise) as ~~the Panel~~BSCCo shall determine to be appropriate.

4. CIVIL EMERGENCIES AND FUEL SECURITY PERIODS

4.1 Application of emergency powers

4.1.1 This paragraph 4 applies in any case (whether before, on or after the Go-live Date):

(a) where the Secretary of State gives a direction under Section 34(4)(b) of the Act; or

(b) where:

(i) any action is taken by or on behalf of His Majesty's Government pursuant to and in accordance with the emergency provisions set out in sections 1 to 4 of the Energy Act 1976, and

(ii) the Secretary of State is of the opinion (in their discretion) that such action has, or will or is likely to have, a material effect on the ability of any person or persons to generate, participate in the transmission of, distribute or supply electricity in pursuance of a Licence or Exemption; or

(c) where any action is taken by or on behalf of His Majesty's Government pursuant to and in accordance with the emergency provisions set out in section 96 of the Act;

and (in any such case) for so long as such direction or action continues in force or effect, and for such period (if any) thereafter as appears to the Secretary for State to be appropriate in all the circumstances.

4.1.2 For the avoidance of doubt, where this paragraph 4 applies, directions and notices may from time to time be given by the Secretary of State under each of paragraphs 4.2, 4.3 and 4.4 independently or together.

4.2 Single Imbalance Price

4.2.1 Where this paragraph 4 applies, if at any time the Secretary of State, in their discretion, after consultation with the Authority, gives a direction to ~~the Panel~~BSCCo that this paragraph 4.2.1 is to apply, specifying the time of commencement of such direction in accordance with paragraph 4.2.2(a), a single imbalance cash-out price shall apply in accordance with Section T1.7 in relation to each relevant Settlement Period.

4.2.2 For the purposes of paragraph 4.2.1, a relevant Settlement Period is a Settlement Period for which Gate Closure falls within the period:

(a) commencing at the time specified by the Secretary of State (not being earlier than the time at which their direction is given under paragraph 4.2.1); and

(b) ending at such time as the Secretary of State may (at any time after giving a direction under paragraph 4.2.1) direct by notice of not less than forty eight hours given to ~~the Panel~~BSCCo.

4.2.3 Where the Secretary of State gives a direction to ~~the Panel~~BSCCo under paragraph 4.2.1 or 4.2.2(b), BSCCo shall send a copy of such direction to all Parties as soon as possible after receiving the same.

4.2.4 For the avoidance of doubt, directions under paragraph 4.2.1 may be given by the Secretary of State on more than one occasion (in relation to the same circumstances giving rise to the application of this paragraph 4) where, following any one such direction, the period referred to in paragraph 4.2.2 is to end or has ended.

4.3 Historic limit on balancing mechanism prices

4.3.1 Where this paragraph 4 applies, if at any time the Secretary of State, in their discretion, after consultation with the Authority, gives a direction to ~~the Panel~~BSCCo that this paragraph 4.3.1 is to apply, specifying the matters specified in paragraph 4.3.3, historic price limits shall apply in the Balancing Mechanism in accordance with Section Q5.5 in relation to each relevant BM Unit and relevant Settlement Period.

4.3.2 For the purposes of paragraph 4.3.1:

(a) a relevant BM Unit is a BM Unit specified or of a description specified pursuant to paragraph 4.3.3(b);

(b) a relevant Settlement Period is a Settlement Period for which Gate Closure falls within the period:

(i) commencing at the time specified by the Secretary of State in accordance with paragraph 4.3.3(b), and

(ii) ending at such time as the Secretary of State may (at any time after giving a direction under paragraph 4.3.1) direct by notice of not less than forty eight hours given to ~~the Panel~~BSCCo.

4.3.3 The matters to be specified in a direction under paragraph 4.3.1 are:

(a) the time of commencement of such direction (not being earlier than the time at which their direction is given under paragraph 4.3.1);

(b) either:

(i) that historic price limits (in accordance with Section Q5.5) are to apply to all BM Units; or

(ii) the description or identity of the BM Units to which such historic price limits are to apply; and

(c) whether such historic price limits are to be determined by reference to a period other than that determined under Section Q5.5.2(c)(i), and if so what other period.

4.3.4 Where the Secretary of State gives a direction to ~~the Panel~~BSCCo under paragraph 4.3.1 or 4.3.2(b)(ii), BSCCo shall send a copy of such direction to all Parties as soon as possible after receiving the same.

4.3.5 For the avoidance of doubt, directions under paragraph 4.3.1 may be given by the Secretary of State on more than one occasion (in relation to the same circumstances giving rise to the application of this paragraph 4):

(a) where, following any one such direction, the period referred to in paragraph 4.3.2(b) is to end or has ended, or

(b) for the purposes of changing the BM Units to which historic price limits (in accordance with Section Q5.5) are to apply or the period by reference to which such historic price limits are to be determined.

4.3.6 If requested to do so, BSCCo shall assist the Secretary of State or their representative in formulating any description of BM Units for the purposes of paragraph 4.3.3(b)(ii).

4.4 Revision of Credit Assessment Price

4.4.1 Where this paragraph 4 applies, if at any time the Secretary of State, in their discretion, after consultation with the Authority, gives a direction to ~~the Panel~~BSCCo that this paragraph 4.4.1 is to apply, specifying the time of commencement of such direction (in accordance with paragraph 4.4.2(a)) and the period for which the direction is to apply, ~~the Panel~~BSCCo shall determine a reduced value of the Credit Assessment Price in accordance with such principles and/or so as to achieve such objectives as may be specified in such direction.

4.4.2 For the purposes of paragraph 4.4.1:

(a) the reduced value of Credit Assessment Price shall (notwithstanding Section M1.4.2(b)) be effective from the time specified by the Secretary of State (not being earlier than the time at which their direction is given under paragraph 4.4.1) and shall apply for the period so specified;

(b) ~~the Panel~~BSCCo may (in accordance with the principles and/or so as to achieve the objectives so specified) determine different reduced values of Credit Assessment Price to apply at different times during such period;

(c) ~~the Panel~~BSCCo shall not during such period determine a revised value of Credit Assessment Price other than pursuant to paragraph 4.4.1.

4.4.3 Where the Secretary of State gives a direction to ~~the Panel~~BSCCo under paragraph 4.4.1, BSCCo shall send a copy of such direction to all Parties as soon as possible after receiving the same.

4.4.4 For the avoidance of doubt, a direction under paragraph 4.4.1 may be given by the Secretary of State on more than one occasion (in relation to the same circumstances giving rise to the application of this paragraph 4) and whether or not during the period specified in an earlier such direction.

5. RECOVERY OF EXCEPTIONAL COSTS BY GENERATORS

5.1 Interpretation

5.1.1 In this paragraph the terms "Auditors", "Exceptional Cost", "Generation Business", "Generator", "Licence Holders" and "Security Period" shall have the meanings ascribed to those terms in the Fuel Security Code and the term "Claimant Customer" shall have the meaning ascribed to the term "Customer" in the Fuel Security Code.

5.2 Applications For Recovery Of Exceptional Costs

5.2.1 Where a Generator is or has been subject to a direction given by the Secretary of State under section 34 or section 35 of the Act and it considers that it has incurred Exceptional Costs in

relation to a BM Unit in anticipation of or during a Security Period, the Lead Party in relation to that BM Unit may apply to ~~the Panel~~BSCCo for a determination that, in the opinion of ~~the Panel~~BSCCo:

(a) the Generator has incurred Exceptional Costs in carrying on its Generation Business as a result of a direction or directions given by the Secretary of State (whether in anticipation of or during a Security Period) under section 34 or section 35 of the Act; and

(b) the Generator should receive compensation in respect of those Exceptional Costs:

(i) in the sum specified by the Generator in accordance with paragraph 5.4.1; or

(ii) in such other sum as ~~the Panel~~BSCCo deems appropriate.

5.3 Timeframe For Applications

5.3.1 An application under paragraph 5.2.1 must be made within sixty days (or such longer period as ~~the Panel~~BSCCo may in any case approve) after:

(a) the end of the period which begins with the date on which a direction under section 34(4)(b) of the Act is given by the Secretary of State and ends on:

(i) such later date of commencement of a Security Period as may be specified in that direction; or

(ii) in the case of an application for an interim payment of compensation in respect of Exceptional Costs incurred, such later date as is specified in that application where such application is made before the end of the Security Period; or

(b) the end of the Security Period;

as the case may be during which the Exceptional Costs which are the subject of the application were incurred.

5.3.2 Double recovery of costs by Generators is not permitted.

5.3.3 The procedure for submitting an application for Exceptional Costs (including the written statement and any additional information in support of the application submitted under paragraph 5.4) shall be as set out in the relevant BSCP. ~~The Panel~~BSCCo may determine any additional procedural requirements in relation to the progress and procedure of an application for Exceptional Costs.

5.4 Statement and Evidence in Support of Application

5.4.1 The Lead Party shall enclose with its application under paragraph 5.2.1 a written statement (signed by a director of the relevant Generator) of the circumstances in which that Generator considers that it has incurred Exceptional Costs and the amount of the Exceptional Costs which that Generator considers that it has incurred and the Lead Party shall provide a copy of any such application to the Authority.

5.4.2 The Lead Party may submit to ~~the Panel~~BSCCo with its application for Exceptional Costs under paragraph 5.2.1 any additional information or explanation in support of its application under paragraph 5.2.1.

5.5 Provision Of Assistance To ~~The Panel~~BSCCo

5.5.1 The Lead Party shall obtain and supply to ~~the Panel~~BSCCo any information or explanation (and shall provide such other assistance) as ~~the Panel~~BSCCo may from time to time request for the purpose of disposing of an application under paragraph 5.2.1.

5.6 Auditor's Statement

5.6.1 If required to do so by ~~the Panel~~BSCCo, the Lead Party shall, within such period as ~~the Panel~~BSCCo may reasonably stipulate, submit a statement signed by:

(a) the Lead Party's Auditors; and

(b) where the Exceptional Costs which are the subject of the application under paragraph 5.2.1 relate to a BM Unit comprising the premises of a Claimant Customer and include costs incurred by that Claimant Customer, the Claimant Customer's Auditors

to the effect that the Generator's estimate of Exceptional Costs has been prepared on a basis which is both fair, complete and reasonable and consistent with the definition of the term Exceptional Cost.

5.7 Discussions With The Authority

5.7.1 If required to do so by the Authority, ~~the Panel~~BSCCo will discuss with the Authority any determinations to be made under paragraph 5.2.1 and, in making any such determinations, shall take account of any guidance given by the Authority.

5.8 Mechanism For Recovery

5.8.1 When ~~the Panel~~BSCCo has made a determination under paragraph 5.2.1, it shall notify the Lead Party of the determination, and that proportion of the Exceptional Costs allowed by ~~the Panel~~BSCCo shall be settled as a charge upon Suppliers in a manner to be determined by the Authority.

6. VALIDATION AND CORRECTION OF TRADING CHARGES RELATING TO NETWORK GAS SUPPLY EMERGENCY ACCEPTANCES

6.1 General

6.1.1 This paragraph 6 will apply whenever Network Gas Supply Emergency Acceptance(s) are issued pursuant to Section Q5.1.3(c).

6.1.2 Where this paragraph applies, the Lead Party and Subsidiary Parties of a BM Unit affected by the Network Gas Supply Emergency Acceptance shall take immediate steps to preserve such records as may reasonably be expected to assist ~~the Panel~~BSCCo in performing its duties under paragraph 6.1.3, including:

(a) records relating to the volume of Active Energy bought and/or sold by the Lead Party at the Bid-Offer Acceptance Time for the Network Gas Supply Emergency Acceptance;

(b) records that demonstrate (or may allow ~~the Panel~~BSCCo to infer) which BM Unit(s) the Lead Party would have used to deliver that Active Energy; and

(c) records that demonstrate (or may allow ~~the Panel~~BSCCo to estimate) the Avoidable Costs that the Lead Party incurred or saved as a result of the Network Gas Supply Emergency Acceptance

and shall provide such information in a timely manner to ~~the BSC Panel~~BSCCo upon request.

6.1.3 Where this paragraph applies, ~~the Panel~~BSCCo shall:

(a) validate whether the Trading Charges calculated in relation to each Network Gas Supply Emergency Acceptance can reasonably be regarded as complying with the following principles (the "**Network Gas Supply Emergency Adjustment Principles**"):

(i) that the Network Gas Supply Imbalance Adjustment Volume (QNGSIAij) for each BM Unit 'i' and Settlement Period 'j' is equal to the total volume of Active Energy that:

(1) prior to the Bid-Offer Acceptance Time of the Network Gas Supply Emergency Acceptance the relevant Lead Party or Subsidiary Party intended (or can reasonably be inferred to have intended) should be generated using Generating Unit(s) contained within BM Unit 'i';

(2) could not be generated by those Generating Unit(s) as a result of the Network Gas Supply Emergency Acceptance; and

(3) was subject to agreement(s) that are consistent with the requirements of paragraph 6.1.4, and for which:

(a) prior to the Bid-Offer Acceptance Time of the Network Gas Supply Acceptance the relevant Lead Party or Subsidiary Party agreed with the counterparty the volume of energy to be transferred in relation to Settlement Period 'j',; and/or

(c) had the effect of reducing the generation expected from the affected Generating Unit(s);

(ii) that the Network Gas Supply Total Bid Payment ($TNGSB_i$) payable by the Lead Party equals the net saving in Avoidable Costs as a result of the Acceptance;

(b) determine whether the Trading Charges relating to each Network Gas Supply Emergency Acceptance could be made more consistent with the Network Gas Supply Emergency Adjustment Principle**s** by amending data as follows for purposes of Settlement:

(i) amending the Final Physical Notification Data;

(ii) amending the Bid Price;

(iii) amending the Acceptance Data determined pursuant to Section Q5.3.2B;

(iv) creating Final Physical Notification Data, if none was determined pursuant to Section Q3.2;

(v) creating Bid-Offer Data, if none was submitted pursuant to Section Q4.2; and/or

(vi) creating the Acceptance Data, if none was determined pursuant to Section Q5.3.2B.

6.1.4 The agreements that may be taken into account for the purposes of paragraph 6.1.3(a)(i)(3) are:

(a) agreements by the Lead Party or Subsidiary Party to sell Active Energy in relation to which an Energy Contract Volume Notification was submitted pursuant to section P2.3; and

(b) agreements by the Lead Party to purchase Active Energy from Third Party Generators, provided that the agreement requires the Third Party Generator to pay the Lead Party for quantities of Active Energy that are not delivered at a price which (on average, over the period to which the contract relates) is likely in the opinion of ~~the Panel~~BSCCo to equal or exceed the System Buy Price.

6.1. 5 Where ~~the Panel~~BSCCo determines pursuant to paragraph 6.1.3(b) that an amendment should be made to Settlement data:

(a) ~~The Panel~~BSCCo shall provide the Lead Party and Subsidiary Parties with details of the required amendments, and the reason for making them; and

(b) The amendments shall be included in Settlement in accordance with BSCP18.

6.1. 6 Where a Lead Party or Subsidiary Party disagrees with a decision of ~~the Panel~~BSCCo pursuant to paragraph 6.1.3(b) they may appeal the decision of ~~the Panel~~BSCCo to the Authority and ~~the Panel~~BSCCo shall give effect to any direction of the Authority arising from such appeal.

AMENDMENT RECORD – SECTION G

Section G	Version 17.0	Effective Date: 02 April 2024

Modification Proposal	Decision Date	Implementation Date	Version
P451	22/03/2024	02/04/2024	17.0
P450	12/01/2023	23/02/2023	16.0
P448	07/12/22	23/11/22	15.0
P403 Self-Governance	09/04/20	28/05/20	14.0
P394 Self-Governance	12/12/19	20/02/20	13.0
P369	24/09/18	29/03/19	12.0
ORD005[1]	Secretary of State	01/08/14	11.0
P276	20/07/12	31/03/14	10.0

[1] ORD005 was Directed by the Secretary of State on 1 August 2014

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P451	22/03/2024	02/04/2024	17.0
P450	12/01/2023	23/02/2023	16.0
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P248	05/02/10	12/02/10	9.0
P232	25/06/09	05/11/09	8.0
P231	25/06/09	05/11/09	8.0
P217	16/10/08	05/11/09	7.0
P221	22/02/08	25/02/08	6.0
P208	16/01/07	22/02/07	5.0
P179	09/02/05	23/02/05	4.0
P98	18/08/03	08/11/04	3.0
BETTA		01/09/04	2.0
P37	10/05/02	20/05/02	1.0