

Responses from P28 Assessment Report Consultation

Representations were received from the following parties:

No	Company	File Number
1.	BP Gas Marketing Ltd	P28_ASS_001
2.	TXU Europe Energy Trading Ltd	P28_ASS_002
3.	British Energy	P28_ASS_003
4.	Powergen UK plc	P28_ASS_004
5.	Utility Link	P28_ASS_005
6.	SEEBOARD plc	P28_ASS_006
7.	Western Power Distribution	P28_ASS_007
8.	Southern Electric	P28_ASS_008
9.	BGT	P28_ASS_009
10.	Innogy	P28_ASS_010
11.	Scottish Power	P28_ASS_011
12.	London Electricity	P28_ASS_012
13.	Amerada Hess Gas Ltd	P28_ASS_013
14.	Dynegy	P28_ASS_014
15.	Edission Mission Energy	P28_ASS_015

P28_ASS_001 – BP Gas Marketing Ltd

Name:	Mark Simons
Company:	BP Gas Marketing Ltd
Other companies represented:	
Contact details:	0207 579 7593

CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

[Please type your answer here] We believe that the consolidated proposal better facilitates the BSC objective of “promoting efficiency in the implementation and administration of the balancing and settlement arrangements. As we have seen over the last five months, the modifications process is too slow and too bureaucratic and the implementation of P28 will go some way to solving these problems.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

[Please type your answer here] Modification would be better facilitated by a specific modification.

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views [Please type your answers in the column below]
1) Panel;	
a) All non-confidential Panel business to be held in open session	
b) Any Panel Member to be able to invite comment from the floor	
2) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	
3) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence, no indemnity	Modification proposers must be invited to the relevant modification group meetings. Impartiality is not something that has been regularly demonstrated in the modification meetings I have attended, however it does have a role to play in more controversial modifications, whose merits may not be immediately identified by the majority of the specific modification groups.
d) ELEXON to be responsible to the	

Panel for delivery of reports etc.	
4) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	
b) Only one mandatory consultation	
c) Panel recommendation to be made after consultation	
d) Content of report to OFGEM is unchanged	
e) Urgent Modification arrangements unchanged	

Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.

[Please type your answer here] No

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

[Please type your answer here] Impact of any such changes would be minimal, but clear documentation of the changes and their implementation dates would be necessary at least 14 days prior to implementation.

P28_ASS_002 – TXU Europe Energy Trading Ltd

Name:	Nicola Lea
Company:	TXU Europe Energy Trading Ltd
Other companies represented:	TXU Europe Energy Trading BV; TXU Energi Ltd (formerly Eastern Electricity Ltd); Eastern Energy Ltd; Norweb Energi Ltd; TXU Europe Drakelow Ltd; TXU Europe High Marnham Ltd; TXU Europe Ironbridge Ltd; TXU Europe West Burton Ltd; Anglian Power Generators Ltd; Peterborough Power Ltd; TXU Europe Merchant Generation Ltd; Citigen; Shotton CHP Ltd.
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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

Yes, implementation of P28 will create a more efficient process, allowing for better planning and use of time as more than one proposal will be able to be discussed at regularly held meetings. It will also allow issues to be discussed prior to modifications being raised, therefore ensuring that proposals that go to the Panel are better developed, allowing more to proceed directly to the Report Phase.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

No

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views [Please type your answers in the column below]
5) Panel;	
a) All non-confidential Panel business to be held in open session	Agree
b) Any Panel Member to be able to invite comment from the floor	Agree – it is important that the Panel is able to receive all information and views, particularly where there have been last minute changes to modification reports.
6) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	Agree
7) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	Agree
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	Agree – this will allow better developed proposals to be put forward and may result in more modifications proceeding directly to the report phase. Parties should endeavour to place issues on standing group agendas prior to raising modification proposals.
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence, no indemnity	Agree – Participants should be able to represent their companies at such meetings.
d) ELEXON to be responsible to the	Agree

Panel for delivery of reports etc.	
8) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	Agree – the current process is time-consuming and can be repetitive
b) Only one mandatory consultation	Agree – this should take place at the report stage
c) Panel recommendation to be made after consultation	Agree – we have never quite understood how the Panel could make a recommendation prior to receiving the views of Parties
d) Content of report to OFGEM is unchanged	Agree
e) Urgent Modification arrangements unchanged	Agree – although parties should try to raise issues through standing groups prior to raising urgent modification proposals.

Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.

No

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

No impact and no notice required

In addition to the response sent earlier, it would be helpful if any Change Proposals that are linked to modification proposals could be published with the modification documentation on the elxon website. This would be far more efficient and allow a more co-ordinated approach - it would also mean that there is less danger of missing CPC deadlines.

Regards

Nikki Lea

TXU Europe Energy Trading Ltd.

P28_ASS_003 – British Energy

British Energy does not support the changes set out in this modification proposal. A mere six months into NETA is far too early to be considering such significant changes to governance. The existing arrangements should be given the chance to operate and bed-in.

Regarding the specifics of the Modification Groups consolidated proposals we have the following comments:

- * Panel

All parties are given a fair opportunity to set out their arguments in favour or against a particular modification at various stages in the consultation process. Given this we do not see any benefit in allowing Panel members the opportunity to invite representations from the floor. This approach smacks of a 'free-for-all-approach' where those who shout loudest about the merits of their case might have an opportunity to gain advantage. We see no benefit to BSC objectives through such a change.

We agree that all non-confidential business should be conducted in open session.

- * Panel Committees Openness

The TDC and PAB should continue as now given the confidential nature of their deliberations. Indeed given the dispute specific nature of their work it is difficult to envisage much of their business being judged suitable for open sessions. We see no difficulty in allowing observers to attend ISG or SVG providing any contribution is at the specific request of the chair and is material to the specific issue.

- * Standing Groups

The concept of standing groups seems particularly ill defined. If issues are modification specific the specifically appointed modification group can deal with them. If not then surely it falls within the ToR of either ISG or SVG. The concept of standing groups seems to have been borrowed from CUSC where circumstances are different. In essence ISG and SVG are the standing groups.

We further believe that modification groups are already open to parties (on request to the chair) so the opportunity to attend already exists. We do not support the concept of non-core membership of such important groups. The modifications groups need a core membership with the requisite skills and experience to adequately evaluate and understand what are quite often complex proposals.

* Modification Process

One area where change might be appropriate is at the initiation stage. We believe the hurdle for submission of a modification proposal is too low. Proposers should be required to define in much greater detail their proposal, possibly being required to produce the equivalent of the definition report. As things stand the process is open to abuse as ill defined and poorly thought through proposals can be submitted leaving the burden of creating a workable change to the rest of the industry.

We do not accept the need to truncate the consultation process and replacement of the present definition and assessment phases by one. If modifications need to be rapidly implemented then the urgent modification route is open to all Proposers. We believe it is far better to take the time to get the modification proposal properly defined assessed and implemented rather than rush into a poorly thought out change which will inevitably lead to further tinkering and loss of market confidence. If change is judged necessary it should be against a longer period of NETA experience.

P28_ASS_004 – Powergen UK plc

Final Consultation on Modification Proposal P28 – Review of Modification Group and Panel Procedures

Thank you for giving Powergen UK plc ('Powergen') the opportunity to respond to the Final Consultation on P28 issued on the 12th September. Powergen provides this response on behalf of itself and the following BSC Parties: Powergen Energy plc, Diamond Power Generation Limited, and Cottam Development Centre Limited.

Although Elexon manages the BSC modification process well, we fully support this proposal. It is timely in light of the high number of modifications to the BSC that have been raised in the last six months, and in the way it will ensure a more flexible process to manage the dynamic nature of the industry.

- Standing groups to discuss related modifications should alleviate the pressures of numerous workgroups, and could include areas such as Balancing Mechanism, Notifications, Credit Cover.
- Reducing the number of reports by combining the Definition and Assessment Phases will reduce the administrative burden on Elexon and ensure that discussions are not repeated. Elexon should also ensure that all changes to a modification report are made at the same time, with changes possibly highlighted, so that multiple versions are not sent out to BSC parties.
- Holding meetings in open session will ensure that all interested parties, who are usually also relevant parties, will have access to commercially important information. This should also include losing the distinction between experts and non-experts, as the dynamic nature of the industry will mean these parties will change.

Powergen welcome the level of discussion that has been undertaken on this proposal, and we are hopeful of a seamless implementation of most, if not all, of the proposed changes. Please also find attached Attachment 3 – Response Pro Forma, which gives a brief summary of our position.

Yours Sincerely

Jane Butterfield
Strategy & Regulation
Powergen Energy plc
Diamond Power Generation Limited
Cottam Development Centre Limited

Name:	Jane Butterfield
Company:	Powergen
Other companies represented:	Diamond Power Generation Ltd, Cottam Development Centre Ltd
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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

Powergen supports the consolidated proposal. There has been widespread criticism of a process that is complex and at times impenetrable. This proposal will help to streamline and "democratise" this process and will ensure all interested BSC parties are kept informed of all relevant mods and meetings.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

The initiatives as described in the Code do not go far enough in their scope for achieving the aims of the P28 workgroup and wider community of interested

BSC parties. To achieve the changes Powergen feel are necessary, a BSC mod is necessary.

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views [Please type your answers in the column below]
9) Panel;	
a) All non-confidential Panel business to be held in open session	Yes
b) Any Panel Member to be able to invite comment from the floor	Yes
10) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	Yes
11) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	Yes
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	Yes
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence, no indemnity	Yes
d) ELEXON to be responsible to the	Yes

Panel for delivery of reports etc.	
12) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	Yes
b) Only one mandatory consultation	Yes
c) Panel recommendation to be made after consultation	Yes
d) Content of report to OFGEM is unchanged	Yes
e) Urgent Modification arrangements unchanged	Yes

Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.

It might be worth considering allowing only one mod at a time on a specific area of the BSC, to avoid "contingent" mods and confusion.

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

Would streamline our processes. We have not identified any impact on our systems. We would be able to implement this mod at very short notice - 1 month

P28_ASS_005 – Utility Link

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Other companies represented:	
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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

No. While supporting the right of Parties to attend meetings, allowing comment from the floor will slow the process of meetings down. If one attendee is allowed to speak, then all attendees should be allowed to speak. Times this by the number of BSC parties, and each item of business could take a full day. This is not efficient. With the exception of urgent business, participation should be by committee members only, and parties should comment via the established written responses arrangement

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

Yes. Meetings should be open except where confidential business is being discussed. Where the Panel or sub-committee feel that a particular written response merits inviting the responder to discuss their response at the meeting this should be done. This would however require the committee to see the actual responses and not Exelon's summary of them.

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views [Please type your answers in the column below]
13) Panel;	
a) All non-confidential Panel business to be held in open session	Agree
b) Any Panel Member to be able to invite comment from the floor	By a prior invitation based on written responses which would merit further clarification or discussion.
14) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	Agree
15) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	Agree
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	Agree
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence, no indemnity	Dis-agree. Would allow modifications to be structured to favour those parties which can afford resources to attend these meetings, or who are London based (assuming most if not all meetings will be in London).
d) ELEXON to be responsible to the	Agree

Panel for delivery of reports etc.	
16) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	Agree
b) Only one mandatory consultation	Agree
c) Panel recommendation to be made after consultation	Agree
d) Content of report to OFGEM is unchanged	Agree
e) Urgent Modification arrangements unchanged	Agree

<p>Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.</p>

IMPACT OF THE PROPOSED MODIFICATION

<p>Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?</p>
<p>Would need to recruit additional resources to attend every Panel, SVG, ISG and modification group. Would require 6 months notice. If meetings are not open to the floor then no impact.</p>

P28_ASS_006 – SEEBOARD plc

Name:	Dave Morton
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Other companies represented:	
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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

We do not feel that this consolidated proposal better achieves BSC Objectives. As a total package these proposals could lead to an inefficient administration of processes. These proposals will also bias these operations towards parties with sufficient resources to attend open meetings removing the impartiality of operations and potentially leading to a situation where parties are disadvantaged.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

Yes, prior to making code changes the current scope allowed within the BSC to manage modifications and associated groups needs to be examined. One area of particular concern being the use of both modifications process and change proposal circulars to manage a modification, depending upon its stage within its lifecycle. These should be managed solely under modifications procedures with changes made to Elexon procedures to enable this complete end to end management of modifications. For example, recently two different versions of CPC 048 were received. One regarding a modification proposal and the other a baseline report from SVG. In order to keep all details of modifications separate we should not use change proposal circulars for any assessment or

consultation on a modification. This could require a change to BSCP40 but we feel modifications should be kept apart from other changes.

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?

Element of Proposal	Your Views [Please type your answers in the column below]
17) Panel;	
a) All non-confidential Panel business to be held in open session	We feel that current arrangements for BSC Panel are adequate and no change is required to make non-confidential business open. BSC Panel allows parties to attend non-confidential business parts of meeting. Provided that this is not withdrawn we do not see that making a code change is necessary.
b) Any Panel Member to be able to invite comment from the floor	We feel that this could lead to problems in running BSC Panel effectively and as such a change is not warranted.
18) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	We do not see any need for these committees to be amended at this time.
19) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	This part of this modification should be taken forward. However, we should seek to minimise the number of standing groups into those areas felt by industry to be key.
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	This would be a sensible step for groups to take but in their current form we do not feel modification groups are able to function in this way. As such this change should be taken forward.
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence,	We are totally against this change, as it will lead to a situation where only major players shape the market. This will reduce competition and we believe this change to be totally at odds with BSC objectives. If members of these groups cannot operate impartially then they should remove themselves from these groups. By maintaining current methods and ensuring group members are indemnified there is a greater likelihood that an

no indemnity	unbiased modification process is maintained.
d) ELEXON to be responsible to the Panel for delivery of reports etc.	This would be a sensible step to maintain a consistent look and feel to all modification group reports.
20) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	There is no need for this change as current arrangements mean that not all stages need to be followed. As such a proposal could go straight to an assessment stage that would cover same areas as a new evaluation procedure. By leaving these unchanged a high level of flexibility to handle modifications is available to be used as required, depending upon modification's complexity.
b) Only one mandatory consultation	As a minimum only one mandatory consultation is required and again there seems to be no need for a change. Making this change could reduce flexibility available.
c) Panel recommendation to be made after consultation	Do not see any need for a change in this area, again it would seem to remove flexibility of current arrangements.
d) Content of report to OFGEM is unchanged	Agree.
e) Urgent Modification arrangements unchanged	Agree.

Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.
As we stated in our initial response to this proposal we do not feel that major change is required to current proposals. Prior to making BSC changes we need to determine how current process can be manipulated to achieve those changes indicated above that we feel are required to current process.

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

There are no system changes required for this modification. Internal processes would need to be modified to handle amended processes, it is not felt that this would take more than 10 days to accomplish.

P28_ASS_007 – Western Power Distribution

Name:	Bob Westlake
Company:	Western Power Distribution
Other companies represented:	Western Power Distribution (South West) plc and Western Power Distribution (South Wales) plc
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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

There will be more reliance on the Panel to ensure that due procedure is followed in an impartial way. The proposal may allow items to slip through the net simply due to volume of business.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

Smaller Parties, or Parties such as Distributors with specific interests will be disadvantaged if Panel Committees are not subject to impartiality. Costs for these Parties will therefore increase. They will have to increase attendance.

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views [Please type your answers in the column below]
21) Panel;	The place for Partisan views is during consultation, not within Modification Group discussions.
a) All non-confidential Panel business to be held in open session	
b) Any Panel Member to be able to invite comment from the floor	
22) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	
23) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence, no indemnity	
d) ELEXON to be responsible to the	

Panel for delivery of reports etc.	
24) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	
b) Only one mandatory consultation	
c) Panel recommendation to be made after consultation	
d) Content of report to OFGEM is unchanged	
e) Urgent Modification arrangements unchanged	

Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.

This proposal completely overturns the BSC Governance and we do not support it. It is far too early, there is insufficient experience to support such a major change.

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

Instead we would support a review proposing minor changes only.

P28_ASS_008 – Southern Electric

P28 - Review of Modification Procedures

This response is presented on behalf of Southern Electric, Scottish and Southern Energy, Keadby Generation Limited and SSE Energy Supply Limited.

Background

SSE supports the work on this Modification Proposal. We believe significant changes are required to modification arrangements to improve efficiency. We made a number of comments in response to the Definition Report dated 17 August 2001 and many of these comments still stand. For clarity I have summarised our current views below:

Forward Planning

We still believe one of the biggest failings of the current arrangements is the lack of forward planning and “blue sky thinking”. We believe there is a need for an annual plan covering aspects of market arrangements that need to be reviewed and consulted on in order of priority. We believe it would be more efficient if issues were identified earlier and considered as part of the “bigger picture” in this way, rather than as isolated ad hoc modification proposal. Such work could be progressed through ISG and / or the Standing Groups.

Modification Procedures

There is significant scope for streamlining current modification procedures. Initial Written Assessment and Definition Reports sometimes add very little additional value. Better use could be made of each stage in the process if more detail and analysis were included in reports at an early stage, particularly in relation to implementation costs, timescales and expected benefits.

Provisions exist under the BSC to refuse to accept modification proposals if they fail to provide a reasonable description of the issue or defect which they seek to address or a description of the proposed modification. These powers should be exercised more stringently to speed up the process. They would not require change to the BSC.

Significant improvements are required in terms of the timing and circulation of reports. There is often insufficient time for Parties to review details, consult or carry out their own analysis.

Clarification is required in relation to concerns regarding effective and implementation dates. We agree that it should be possible to bring forward implementation dates. We also believe that in some cases it should be appropriate to have an effective date from the date the modification is raised.

We agree that it should be possible to give priority to alternative proposals without having to raise a new Modification Proposal, providing the proposer is in agreement and the consensus from all other Parties following consultation is in support of this move. We believe this would improve efficiency and avoid some of the confusion and duplication created when there is more than one Modification Proposal being progressed on similar or related issues.

We support the suggestion that there should be an obligation on the Panel to undertake further consultation if there is a material change in the proposal or alternative from when Parties were originally consulted.

Authority Decisions

If deemed necessary by the Panel in the report to the Authority, we agree the Authority should be required to give views or rulings on specific elements of the Modification Proposal rather than the Modification Proposal in its entirety. This would be particularly helpful where the recommendation is to reject but with a view to raising an alternative proposal.

We believe it would be helpful if more guidance or input was given by Ofgem representatives at an early stage, either through Working Group meetings which they attend or Modification Reports.

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Modification Meetings

SSE agrees there are potential benefits associated with elements of Panel, Modification, ISG and SVG meetings being held as open sessions. The main benefits are improved transparency in the process, broader discussion and understanding of issues. However, for open sessions to be effective they must be well managed to ensure they don't become talking shops, ensure all Parties are given equal opportunity to contribute and decisions or progress is not delayed. We believe it is essential that there is always one person appointed to manage such meetings and invitations to comment must be directed through that person i.e a Chairperson. We do not support the proposal that all Panel Members should be able to invite comments from the floor.

It is essential that opportunity still exists to take written comments. A significant number of participants will not have the time or resource to send representatives to all meetings and it is essential that they are given equal opportunity to participate and that their views are taken in to account.

Modification Groups and Standing Groups

We have significant concerns regarding proposals that Standing Groups and Modification Groups would have no core membership, would be self selecting and would not be required to be impartial. We do not believe this is in the best interest of the market or participants. We believe this would be less efficient than current arrangements. It would detract from the benefit of having standing groups. We believe it is essential that you have people progressing modification proposals who have the appropriate knowledge and expertise, that you have some consistency to ensure previous discussions are not reiterated, that decisions can be made in a timely manner and that there is some consistency between discussions. It is also important that they are impartial and can represent those Parties that don't have the time or resource to attend meetings. We believe open meetings are working relatively well and should alleviate most of the concerns that have been expressed.

We understand the intention is that Standing Groups would deal with modifications in general areas and deal with issues in advance of specific modification proposals but we are unclear how this would fit with the work of the Modification Groups. We would appreciate clarification on respective roles and responsibilities.

We believe responsibility for delivering Modification Reports should lie with the Modification Group or Standing Group and not Elexon. We are concerned that placing such responsibility with Elexon would introduce some conflict of interest. Elexon's role should be to support the Modification or Standing Group.

Note - some recent reports have not been reflective of discussions which have taken place during Modification Group meetings and have not been reflective of views expressed by Parties in response to consultations.

Interaction with Change Control Co-ordinator

There are currently two change processes, one for the Modifications Proposal and the other for Change Proposal Circulars. It is unclear how the two are meant to operate together. For instance details were issued on Modification Proposal P7 under CPC 024. The CPC required a response to the Change Control Co-ordinator but it was issued to the Modifications mailbox. The circulation list for both is often different. Dates for response under the CPC have also been inconsistent with the dates given under the Modification Proposal and there is not relationship between the numbering of Modifications Proposals and CPC's. This adds to the confusion. It would be helpful to have one department managing all aspects of modifications and CPCs. It would also be helpful if respective roles, responsibilities and interactions could be clarified.

General Management Issues

We believe improvements are required to the management of BSC Panel meetings and the Elexon web site. Panel Papers should be available on the web site at least 3 working days before the meeting in order to give Parties time to consider papers. Invitations to provide comments on Modification Reports should be issued at least one week prior to the deadline. Whilst we accept that on occasion there will be a need to issue papers or reports at short notice or submit verbal reports to Panel Meetings this should be the exception.

Beverley Grubb
Market Development
Scottish and Southern Energy

P28_ASS_009 – BGT

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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

We believe the consolidated proposal does better achieve two of the Applicable BSC Objectives: b and d. The current process is cumbersome and paper intensive. Much time in meetings is taken with discussion of whether a modification is being defined or assessed.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

We believe there are some initiatives that could be undertaken to improve the efficiency of the modification process that would not mean a change to the Code. However, these initiatives should be carried out in conjunction with the proposed changes and should not be taken as an alternative to changes to the Code.

Specific initiatives we would suggest:

- When Modifications are deemed to be Urgent a complete package should be issued, including the modification and proposed timetable, not piecemeal as

is the current procedure.

- Streamline modification reports: it would be helpful if the standard parts of the report were published either on the website or as a separate attachment. This would allow only relevant information to appear in the documents circulated and so reduce the volume of paper that Parties have to deal with.

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views
25 Panel;	
a) All non-confidential Panel business to be held in open session	We support this proposal as we believe it will improve the transparency of the process.
b) Any Panel Member to be able to invite comment from the floor	<p>The Chairman would still retain control of the meeting as he/she would have the final say and could stop the discussion if it was not relevant to the matter in hand. This solution also offers a compromise between the current situation, which many Parties consider untenable, and changing the Code to allow anyone to speak at any time. Parties feel strongly about the ability to speak at meetings because there are often experts in the audience who have participated in mod group meetings and who would be able to answer questions the Panel are raising immediately. This is particularly pertinent as Panel members do not generally attend modification groups so are unaware of the full extent of discussion that has taken place, as such there have been cases where the Panel has reopened a debate. Utilising the opportunity to invite Parties to speak would cut down on much debate and reduce the risk that modifications are sent back to workgroups for minor points that could be answered on the spot.</p> <p>Also this is not a <i>requirement</i> on the Panel Chairman or Members to open up the issues to debate, it is simply increasing the expectation that Parties can make material contributions to the debate.</p> <p>It is agreed that any contributions made by Parties must be brief and relevant. The Chairman would still have the opportunity to close down the debate if necessary.</p>
26 Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	<p>Whilst we agree that changes are needed to Panel Committees we are concerned that this element of the proposal does not address the fundamental concerns of the Proposer.</p> <p>We do not believe that at present the operation of Panel Committees is sufficiently transparent. Commercial issues are discussed and recommendations made to which all Parties are not included. Formally opening the</p>

	<p>meetings would allay concerns that decisions were being made 'behind closed doors'.</p> <p>Also as Panel Committees have been set up to do specific work they are not the appropriate place to discuss 'blue sky' issues or modification proposals.</p>
27) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	<p>By allowing a single group to be responsible for multiple modifications we believe there would be less administration required. It would only require the maintenance of single distribution list for related modifications, ensuring no Party is excluded. Meetings held to consider the modifications should be on a monthly basis, with more frequent meetings if necessary. This would require Elexon to book fewer meeting rooms thus saving money.</p> <p>We believe this proposal would make it easier for companies to resource as there will be fewer meetings and so less demands on peoples' time. This should increase the likelihood of the 'right' people attending and ensure greater participation by all players.</p> <p>The formation of standing groups that consider multiple modifications per session should increase the likelihood of adequate attendance; members will probably have specific interest in at least one of the modifications and therefore have a motive to attend.</p>
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	<p>We support this modification. This approach could have a number of positive affects including, more clearly defined proposals and the opportunity for participants to discuss an issue without having to raise a modification first.</p>
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence, no indemnity	<p>Impartiality: Views of participants of meetings are formed by their experiences in the industry and the companies they work for. It is inevitable that participants will bring some bias to the table and it would be preferable to have this knowledge explicit rather than implicit. An obligation to use all reasonable endeavours to act in the interests of the wider community is a practical proposition, and would be appropriate in the circumstances. Also it isn't necessarily the case that a balanced view is currently presented as there is no</p>

	<p>requirement to ensure that all affected parties are considered by an expert in that area.</p> <p>Exclusion of Parties: The emphasis of the Mod process would remain on the written responses submitted by Parties. Parties would be able to put their views forward in writing at any stage of this process. Also if the Panel felt that the impact of the modification on small players had not been given sufficient consideration then it would be able to direct the Standing Groups to consider that aspect in more detail. Both small and large players should find it easier to cope with regular timetabled Standing Groups rather than a plethora of short notice meetings.</p> <p>Indemnity: Why are modification groups indemnified at present? Also, under the current terms of reference, the mod groups are not closed meetings and therefore people who turn up to the meeting and participate are not indemnified. We support the removal of the indemnity.</p>
d) ELEXON to be responsible to the Panel for delivery of reports etc.	This would not represent a significant practical change compared to the current arrangements. The intention is to formally recognise the nature of the role Elexon fulfil at present.
28) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	We support this change as we believe it will improve the efficiency of the process.
b) Only one mandatory consultation	<p>This would clearly identify the stage at which participants knew their comments would be sent to Ofgem. It would not preclude Parties from sending written representations for consideration throughout the process which would be given an equal weight to comments made in meetings. The written representations made outside the formal consultation would not be included in the final modification report presented to Ofgem.</p> <p>The use of one mandatory consultation does not preclude interim views being sought when deemed appropriate.</p>
c) Panel recommendation to be made after consultation	We support this aspect of the modification, as we believe that any recommendation made prior to consultation is not made with the complete set of arguments before the Panel. Only after consultation can the Panel make a judgement based on the views of Parties.

	It is also possible that a Panel recommendation might unduly influence a Party and even dissuade them from submitting a representation in the belief that a decision has already been made.
d) Content of report to OFGEM is unchanged	We support this aspect of the modification.
e) Urgent Modification arrangements unchanged	We believe the Code should be modified to allow Parties to propose urgency directly to Ofgem.

Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.

Panel minutes should be published to all parties within five working days of the Panel meeting to ensure that affected parties are promptly made aware of all Panel decisions.

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

We do not anticipate the consolidated proposal having significant impact on our systems or processes. The consolidated proposal should improve the overall process and streamline procedures making life easier for all and therefore should be implemented without delay.

P28_ASS_010 – Innogy

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Other companies represented:	Innogy Cogeneration Trading Ltd, Npower Ltd; Npower Northern Ltd, Npower Yorkshire Ltd, npower direct Ltd;
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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

Whilst we welcome the attempts to streamline procedures, it is important that due regard is given to protecting the position of smaller players within the market. The limited operation of the market to date does not demonstrate that the consolidated proposal is necessary to do this.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

Yes – The first resort should be to identify where the current arrangements can address perceived shortcomings in procedures. Particular attention should be given to streamlining the modifications procedures and ensuring the education of smaller players and new market entrants to aid a transparent, liquid market.

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views
29) Panel;	
a) All non-confidential Panel business to be held in open session	We believe that holding the BSC Panel in open session to enable observation of Panel business will aid the education of market participants and add transparency to the governance process. We recognise that some confidential aspects of Panel business would of necessity continue to be considered in closed session.
b) Any Panel Member to be able to invite comment from the floor	This proposal should be removed. The danger in inviting comments from the floor is that larger participants could exert undue and inappropriate influence in the Panel decision making process. Given the presence of Ofgem during the meeting, there is the potential for this to become a lobbying exercise promoting ones views. The process could quickly descend into chaos.
30) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	Please see our comments above regarding Panel operation. We welcome openness of meetings but have serious reservation regarding inviting comments from the floor. We believe that there would be merit in the Panel amending existing procedures to make greater use of the technical expertise within the ISG and SVG.
31) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	Standing Groups are already beginning to emerge to address related modifications. This should be recognised within the BSC.
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	This proposal does not further the BSC Objectives and should be removed. If there is a market defect, that is a Regulatory issue. The Urgent Modification procedure is available to address manifest market faults.
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no	Modification Groups should be open along similar lines to those proposed within our answer to questions 1 & 2. If Modification Groups are no longer impartial there is a danger that those market participants with greater resources, particularly those London-based, will dominate groups. These parties will be able to exert undue

impartiality and, as a consequence, no indemnity	influence to achieve their preferred solution. This does not seem compatible with furthering BSC Objectives. This proposal should be modified.
d) ELEXON to be responsible to the Panel for delivery of reports etc.	We support this proposal.
32) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	This proposal is acceptable.
b) Only one mandatory consultation	If this proposal was to be adopted, we would expect Elexon to provide regular updates to market participants to ensure that all arguments were sufficiently aired such that an informed view could be taken by any market participant.
c) Panel recommendation to be made after consultation	This proposal is acceptable.
d) Content of report to OFGEM is unchanged	This proposal is acceptable.
e) Urgent Modification arrangements unchanged	This proposal is acceptable.

Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.
Please see comments above.

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to
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implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

We believe that there is relatively little impact on systems and processes with modifications in this area.

P28_ASS_011 – Scottish Power

I'm pleased to provide you with the comments from ScottishPower to the Assessment Procedure consultation on Modification P28. These comments appear in the accompanying files, viz.

File_ rp: Opening remarks

File_ r2: the consultation pro forma

File_r3: comments on additional points raised by the Panel and the GMG.

If you have any comments or queries in relation to the attachments, please contact me at the telephone number given above.

Yours sincerely

Abid Sheikh

Opening remarks

In considering our response to this consultation, we have been particularly concerned that the purpose of P28 should be to adopt a 'good governance' model for NETA within the BSC. In determining what constitutes 'good governance', it is insufficient to confine an analysis of P28 to whether it meets the Applicable BSC Objectives in NGC's licence. At the apex of the governance hierarchy in the BSC is the Panel, and so it would also be appropriate to look at the Panel objectives in Section B 1.2 as a guide.

The Panel objectives highlight certain considerations additional to the Applicable BSC Objectives that the Panel must take into account when conducting its business, viz.

- 1) that the BSC is given effect without undue discrimination between Parties or classes of Party (B 1.2.1(c));

- 2) that there is transparency and openness in the conduct of the business of the Panel, subject to express issues of confidentiality affecting all Parties or a class of Parties and duties to third parties owed in that respect (B 1.2.1(e) and B 1.2.2).

These objectives are as pertinent to the discussion of the impact of P28 as the Applicable BSC Objectives because they are included in the benchmark criteria by which Panel and sub-Panel business should be conducted. P28 must, therefore, meet the tests imposed by these criteria as well as the Applicable Objectives.

In view of the above remarks, we would provide the following replies to the detailed questions posed in this Assessment Procedure consultation (please see overleaf):

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Other companies represented:	Manweb plc, Emerald Power Generation Ltd
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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

No, as a package, the consolidated proposal does not better achieve either NGC Licence Condition 7A(3)(d): “promoting efficiency in the implementation and administration of the balancing and settlement arrangements” or NGC Licence Condition 7A(3)(c): “promoting effective competition in the generation and supply of electricity...” . There are certain elements of the proposal which would better achieve these BSC Objectives, but others which would impact adversely, particularly in relation to the promotion of efficiency, which is the principal Objective which the proposal intends to achieve. We will elaborate on this in our comments in Question 3. Therefore, and also bearing in mind our opening remarks in relation to the Panel objectives, we do not agree that the consolidated proposal in total improves upon the current arrangements in the BSC in terms of ‘good governance’.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?	
<p>a) We believe that there is a good case for hardwiring certain elements of the consolidated proposal into the current BSC arrangements, as an alternative modification, in order to enhance those arrangements but without the degree of change suggested by the entire consolidated proposal. We do not believe, as suggested by the consultation document, that the evolution of the current procedures would provide a suitable alternative modification to the consolidated proposal. As with our reply to Question 1, we will elaborate upon the elements of the consolidated proposal which we believe will enhance the current arrangements, and provide the constituent elements of an alternative proposal, in Question 3.</p>	
Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views [Please type your answers in the column below]
33) Panel;	
<p>a) All non-confidential Panel business to be held in open session</p>	<p>We support this element of the consolidated proposal. This would, as indicated in our opening remarks, ensure that, as well as the Applicable BSC Objective on promoting competition, the Panel Objective on openness and transparency is met, without compromising another Panel objective of owing a duty of confidentiality to Parties in general or as a group. All Parties would be given the opportunity to attend Panel meetings and understand the Panel's approach to issues of industry-wide consequence other than Modification Proposals. While we recognise that there may be practical difficulties on occasion with accommodating attendees, e.g. the number of attendees wishing to be present or conference call meetings, we would hope that these instances would be kept to a minimum. We agree that this element should be hardwired into the BSC by amendment to Sec. B 4.5.1.</p>
<p>b) Any Panel Member to be able to invite comment from the floor</p>	<p>We support the removal of this element of the proposal. There are great practical difficulties associated with this element.</p>

	<ul style="list-style-type: none"> ▪ There is a risk that the Panel Chairman would not be able to control meetings, so impacting adversely on the efficiency of the process, if either his current discretion to invite comment was removed, or if individual Panel members were able, at any point during a meeting, to call for comments from attendees. ▪ There is a risk that individual Panel members would be lobbied by individual Parties to obtain the right to speak, thereby compromising the impartial aspect of Panel membership. ▪ There is the further issue of how many attendees would be able to speak within the reasonable time constraints of a Panel meeting and whether the exclusion of some would constitute undue discrimination between Parties, which compromises one of the Panel's objectives in conducting its business. ▪ Another issue is what would constitute a material and relevant point made by an attendee if given the right to address the Panel. ▪ There is also the issue of whether attendees would consider that the right to speak at Panel meetings provided a superior right to contribute to the debate of an issue compared to the written consultation process. In that case, there is a real risk of bias in favour of Parties with the resource to attend Panel meetings and London-based Parties. <p>In short, we do not see how the right to speak at Panel meetings, with some of the attendant problems noted above, can possibly be effected, other than by continuing to allow the Panel Chairman the sole discretion to invite comment. This also recognises that the primary source of Parties' views to the Panel should be the written consultation response.</p> <p>The sole exception which we would allow in the case of the right to speak is that the proposer of a modification should be allowed to address the Panel when the Panel is discussing that proposal. We elaborate further on this point in our additional comments.</p>
34) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	We would preface our remarks on this element of the proposal by reaffirming that we would be in favour of ISG being re-established by the Panel as a Standing Group to deal with pricing issues arising out of the operation of the trading arrangements. The SVG, by contrast, has a specific role in respect of Stage 2 trading

	<p>under NETA as a legacy from the Pool and has been delegated various powers of decision by the Panel. We believe that the SVG should continue as a Panel Committee. We note and support the view that PAB and TDC should remain unaffected by this element of the proposal.</p> <p>In respect of meetings of the SVG, our view is similar to that outlined in 1) a) and b) above, viz. that while Parties would have the opportunity to attend for the non-confidential agenda items, there should be no right to speak at these meetings other than at the discretion of the Committee chairman. Our reasoning supporting that view is as outlined in 1) a) and b). We would add that the SVG tends to deal, on the whole, with fairly general operational market issues. Where its decision would have general industry impact, we would expect that matter to be the subject of a written consultation by the SVG or, on its recommendation, by the Panel.</p>
35) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	<p>We support this element of the proposal. We have previously argued, specifically in response to the modification proposals dealing with pricing issues raised to date, that a 'bits and pieces' approach to amendment of the BSC in that general area would lead to inefficiency in the implementation of the trading arrangements. It seems more sensible for a Standing Group to be appointed to consider all the wider relevant issues (so-called 'blue sky' thinking). A wider remit for Standing Groups will ensure that there is a greater focus on all relevant problems and will help to promote efficiency in accordance with the Applicable BSC Objective.</p> <p>While it would be possible for the Panel to establish Standing Groups by using the current process as it applies to Panel Committees (BSC Sec. B 5), we believe that it is necessary to provide separate legal drafting to distinguish the different groups. Standing Groups would also need to be distinguished from Modification Groups appointed by the Panel under BSC Sec. F, whose remit would be limited to specific modifications.</p>
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	<p>We support this element of the proposal. We would expect Standing Groups to have a remit to anticipate potential problems in the trading arrangements by addressing issues on a 'blue sky' basis. We would not support the proposition that Standing Groups are allowed to raise modification proposals in addition to those parties which are currently able to do so, although the Group's discussions may be a catalyst for those parties to raise proposals.</p>
c) All Standing and Modification	In prefacing our comments on this element, we would distinguish Standing/Modification Groups from Panel

<p>Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence, no indemnity</p>	<p>Committees in respect of the extent to which they are open. We believe that Standing/Modification Groups, as opposed to Panel Committees, should be open in respect of attendance and the right to speak. This arrangement has worked well in the context of the current Modifications process. We would distinguish between the more focussed approach to decision-making required by a Panel Committee with delegated powers from the Panel to make decisions and a Standing/Modification Group which should not have similar powers and, therefore, adopt a freer approach to discussing issues. We elaborate further on the power of Standing/Modification Groups to make decisions or recommendations in our additional comments.</p> <p>We do not support this element of the proposal. If Groups were to be open in the way proposed by this question, this would create inefficiencies in the process. There are valid reasons why Standing/Modification Groups should have a core membership of appointed and impartial members.</p> <ul style="list-style-type: none"> ▪ Group membership needs to be a set number to ensure that, procedurally, the Group manages its affairs in an efficient way. This is not possible if the number of participants vary from meeting to meeting and the persons attending similarly vary from meeting to meeting. This lack of continuity would stifle efficient and effective analysis of the issues. Providing ownership of Group issues to a set group would not. ▪ Core membership and appointment need not imply that the Group members are unrepresentative. <ul style="list-style-type: none"> ▪ We would envisage a Group of at least seven members (not the current five) other than those representing NGC, Elexon and OFGEM. ▪ Group meetings would be held on a regular timetabled basis and appointed members would be expected to commit to being available for all Group meetings as part of the appointment. ▪ The Group would be appointed by the Panel which should seek to ensure that the composition of the Group was representative of all industry interests. While small players and new entrants may feel disadvantaged by the current process of appointment to Panel Committees and Modification Groups, we do not agree that self-selection will remove that disadvantage. Rather, it might exacerbate the problem. Attendance at meetings can depend upon either interest in the issues being discussed or whether Parties can resource attendance. If small players know that the Panel has appointed one of their number to the Group, that member would provide a channel for their views into Group
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	<p>discussions. In any case, the openness of Group meetings would not preclude any Party from attending or speaking.</p> <ul style="list-style-type: none"> ▪ We agree that the current process of appointment should continue. It is important that the composition of the Group is representative rather than whether members are appointed or elected. The Panel would be expected to review the composition of the Group from time to time to ensure that all interests were represented or that the Group composition remained appropriate. This would tackle the situation where a Group member had moved jobs or retired from the industry. ▪ We believe that Group members should be impartial. We reiterate that, while Group members could not completely ignore their own backgrounds within the industry, their discussions of issues and the Modifications which might result from them have to be in the context of whether the Applicable BSC Objectives are satisfied. This provides the impartial underpinning to the BSC Modification process. ▪ We agree that the continuation of Group members' impartiality implies that members' indemnities also continue.
d) ELEXON to be responsible to the Panel for delivery of reports etc.	We agree that Elexon should deliver reports to the Panel from Standing/Modification Groups, and that they should fully reflect the debate at Group meetings. The Group members' views would not necessarily be given precedence over any contributions from other attendees as we do not agree that they should provide a recommendation to the Panel, just a full analysis based on the broad range of opinions expressed.
36) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	We agree that the current structure of the Modifications process is too rigid and inflexible. An Evaluation procedure would allow Standing/Modification Groups both a freer rein within the Panel's prescribed timetable to fast track modifications requiring less assessment than others and more effective management of the Group's time. We agree with the outline of the Evaluation process described in the Definition Report.
b) Only one mandatory consultation	We agree that a single mandatory consultation is sufficient when a Modification is considered relatively straightforward in terms of implementation. The consultation should be undertaken once all relevant information has been made available, including cost. Material changes to the proposal or issues which the

	Group feel require more than one consultation, may give rise to interim consultation(s). We agree that Parties may submit comments at any time during Evaluation and that these need not be regarded as their final views.
c) Panel recommendation to be made after consultation	We agree that the Panel should only recommend after the final consultation. The Panel, like the Parties, would be acting from a position of full knowledge of the issues and could not be accused of either prejudging the outcome of the consultation or influencing any Party's response to it by making an earlier recommendation.
d) Content of report to OFGEM is unchanged	We agree that the content of the report should be as currently provided in the BSC Annex F-1.
e) Urgent Modification arrangements unchanged	We have concerns that the urgent nature of an issue, which gives rise to an Urgent Modification, can sometimes invoke a timetable which expedites the need for more reflective consideration by Parties. While we acknowledge that OFGEM has sole control over the setting of this timetable, we would request that OFGEM consider providing sufficient timescales for Parties to respond.

Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.

There are no further specific changes pertaining to the Modifications process which we would suggest.

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

We know of no impact to our systems which are likely to arise from the implementation of either the consolidated proposal or an identified alternative but we would require a week's notice prior to implementation to update internal processes and procedures.

Additional Points for Consideration

Our comments in respect of the points raised by the Panel are as follows:

- Ability to bring forward implementation dates for modifications – we support this point. This adds flexibility to the process in line with other elements in P28 and, if a software change can be implemented earlier as part of a general software release, there may be cost savings for BSC Parties
- Ability to separately progress alternative modifications – we support this point. This also provides flexibility to the process. Our understanding is based on the alternative proposal achieving broadly the same result as the original modification but in quicker timescales, with resulting benefit to BSC Parties
- Ability for the Authority to ‘cherry pick’ elements of Modification Proposals – we do not support this point. A proposal must be treated as a package, including the timescales for implementation. We would prefer to see multiple alternative proposals to the original rather than allow OFGEM to approve what is effectively a new proposal created from elements within the original and alternative

Our comments in respect of the points raised by the GMG are as follows:

- Material changes to Modifications prior to Authority decision – we support this point. It would be unfair if Parties were expected to hold to a previous view if either implementation dates or costs were significantly different from the time at which they were consulted. Rather than set a materiality ‘threshold’, we agree that the Panel should be obliged to consult again if a number of Parties expressed that view
- Recommendations/decisions by the Standing/Modification Group – we would not support the view that the Group makes a recommendation. The Group should undertake a full analysis of the proposal and any alternatives and present this to the Panel but should not take a view. The Panel may take the work of the Group to be sufficient for it to debate and recommend one of the options or send the analysis back for further work. We view the role of the Group as being to identify issues, debate these, provide a menu of solutions and elicit views. Nor should voting play a part in the work of the Group. There will be a need for consensus on the options provided and underpinning that consensus will be whether an option meets the Applicable BSC Objectives

- Panel 'sponsorship' of Standing/Modification Groups – we agree with this point. The role of the Panel member would not be to participate in the Group but to add to the understanding of Panel members when the relevant issues/proposals are discussed at the Panel
- Proposer's right to attend and speak at Panel meetings – we agree with this point. This right would not provide a greater influence on the Panel's discussions of the proposal
- Appeal by a Party on grounds of the failure of due process – we have no particular comment as this concept was not fleshed out in detail. However, we would urge caution as such a process could be abused by the Party to unnecessarily delay a proposal which it did not favour
- Interaction between proposals – we are unsure whether this necessarily raises a new point. There is already a process to amalgamate proposals where the issues addressed impact in a similar area. We would caution that a proposal should not be linked with another on the basis of the *potential* for impact arising out of one of the options which may be implemented by the other proposal
- Openness of meetings to other than BSC Parties – we are not sure about the level of openness being suggested. We would not disagree that Energywatch or other customer representatives may be invited onto Standing/Modification Groups but there are clearly some limits which need to be specified
- Reimbursement of expenses – as we support Committee and Group members being impartial, we believe that they should be able to claim reasonable expenses as is currently the case
- More than one Alternative Modification – we agree with this point. This would avoid 'cherry picking' of options and ensure a logical consistency to proposed solutions

P28_ASS_012 – London Electricity

P28 First Assessment Phase Consultation

Comments from London Electricity (and all its associated BSC sign-ups)

1. Introduction

On balance we believe the proposals offer some improvement to the achievement of the Applicable BSC Objectives, however we do not advocate adopting all of the suggested changes.

We feel it would be helpful to firstly discuss our view on the present governance arrangements and then to compare with what we believe the consolidated proposals would offer.

The present structure for dealing with Modification Proposals does appear overly mechanistic and at time suffers from duplication of effort in the consultation responses. For example, we will be repeating in this paper some views that we made known in July at the Definition Stage. In addition, its piecemeal approach to developing the Code has shortcomings. However, although somewhat laborious, the present method of processing Modification Proposals does deliver results towards the continuing improvement of the Code, vis a vis its objectives.

We would support the current arrangements as being 'open' and yet there is a strong theme in the proposals, which suggests that the Code's governance needs to be more open. In general we would be happy with an even greater openness. If the proposals are seen to be creating platforms for lobbying, then we would urge that careful consideration be given to how such lobbying might be managed. We would not want to depart from a mechanism that tests if a proposal better achieves the Applicable BSC Objectives. This is discussed in more detail below.

2. London Electricity's views on the generality of the issues and options described in the P28 Definition Report

Before addressing the consultation questions, we feel it would be useful to set out our views on the various aspects of the consolidated proposal.

Openness of the BSC Panel, Modification Groups and Panel Committees

- (a) All non-confidential Panel business to be held in open session.

We believe that some of the Panel's business and views may more appropriately be conducted in a confidential environment. We are happy with the present balance, in which Part 1 of the Panel's meeting is an open session.

- (b) Any Panel Member to be able to invite comment from the floor.
We would be happy with a working understanding at the Panel, where any Panel Member had the freedom to suggest to the Chair that the Panel's understanding of an issue could be improved if 'xx' was asked to speak. However, the Panel's impartiality must not be compromised.
We think it is unnecessary, and possibly detrimental, to formalise this because Parties may take the view that if the Panel is to invite comment from the floor, just because it is convenient, then strictly, it should ask all Trading Parties.
- (c) ISG and SVG to operate in the same way to the Panel.
As the Panel has an open session, we have no difficulty with the same principle being applied to its sub-groups.
- (d) Panel Committees to invite representation from the floor.

Please see our response at (b) above.
- (e) All Modification Groups are conducted in open session.
We have no difficulty with this, but see our response at (g) for our view on how Modifications Groups should work. Clearly this would give Trading Parties the right to attend and lobby for support. It would remain important that the Modification Group takes due account of written consultation responses.
- (f) Oblige Modification Group Chairmen to invite representation from the floor
This would seem to be a logical consequence of Modification Groups being open. However, we would prefer to see this as a working understanding rather than an obligation.

The constitution and operation of Modification Groups and Panel Committees

- (g) Remove the obligation on Modification Group Members to act impartially.

This strikes right to the core of the present Modifications process and we do not favour it. We would be happy for a Modifications Group to have an open meeting, but apart from that we wish to see a tightening of the way in which Modification Groups are managed. This is because we favour the present concept of impartial experts forming a judgement, having taken full account of written consultation responses and debate at their meetings, on whether the proposal better achieves the Applicable BSC Objectives. We would therefore draw a clear distinction between members of the Modification Groups and those that may wish to lobby them in an open meeting. This would reflect the manner in which the Panel works.

- (h) Abandon the process of Panel appointment of Modification Group and Panel Committee members. It follows from our views above that we would wish to maintain the present arrangements.
- (i) Standing Groups to deal with Modifications in general areas.
To a large extent this is the current working practice. We would not object to a formalisation of this, however, our comment at (g) above, i.e. those proposing a modification, may be less able to come to an impartial view, would pose some difficulty.

Increase the efficiency of the Modification procedures

- (j) Standing Groups to consider issues in advance of them becoming Modification Proposals. This has some attractions, in that it may reduce the number of Modifications entering the process and therefore save significant workload. It may also effectively replace the Definition Stage. To preserve impartiality, it may be necessary to distinguish between a group that puts forward a proposal and one that tests it against the Applicable Objectives of the Code.
- (k) To give the BSC Panel the flexibility to approve an appropriate programme of work in the circumstances of each individual proposal. Given that we have previously presented some of the views expressed here, we would welcome moves to improve the flexibility and efficiency of the process.

3. Specific Consultation Questions in Section 5.

- 1. Do we believe that the consolidated proposal better achieves the applicable BSC Objectives?
On balance we believe the proposals offer some improvement to the achievement of the Applicable BSC Objectives, however we do not advocate adopting all of the suggested changes.

We do not find the present structure ideal, it is cumbersome and tends to take proposals forward in a piecemeal manner. But it has been demonstrated to deliver rule change and probably in a more efficient manner than the Electricity Pool. We believe that if the code can maintain the emphasis on

'execution of a task' whilst adding further opportunity for some open lobbying and preparatory work before formal Modification Proposals are raised, then we would achieve a more efficient process.

2. Initiatives to improve the implementation of the arrangements, stopping short of actually changing the Code rules themselves? To the extent that our comments above favour change, then we would be happy to see these implemented without recourse to changing the Code.
3. Are there any elements of the consolidated proposal that should be changed or removed? We would hope that it is clear from our views expressed in Section 2. Above that there are some elements of the proposal that we would wish to see taken forward, ideally thorough a 'working understanding' approach rather than formal Code changes.
4. What alterations would we make to the consolidated proposal?
In the expression of our views above, we have outlined a departure from the consolidated proposal, ie.
 - To strengthen the intent of the Modification Group, to keep maintain its impartiality, whilst at the same time being open to accept views.
5. Impact on our systems?
The consolidated proposal make no impact on our IT systems and would be readily accommodated within our working practices.

We do hope that the above views are helpful towards improving the governance of the Code.

Liz Anderson

General Manager, Energy Strategy & Regulation
(On behalf of London Electricity,
South Western Electricity, Lenco,
Jade Power & Sutton Bridge Power)

P28_ASS_013 – Amerada Hess Gas Ltd

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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

Yes

I believe it will improve the efficiency and transparency of the Modifications Process, encouraging competition and stimulating a wider understanding of relevant issues.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

No

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views: <i>Where we have not specifically commented, we support the element as written</i>
37) Panel;	
a) All non-confidential Panel business to be held in open session	Whilst acknowledging that some matters require confidential discussion, it is important that clear criteria are used to define when confidentiality is really required
b) Any Panel Member to be able to invite comment from the floor	
38) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	Also very important to ensure that these sub committees adhere to the terms of reference for the committees, which strictly define their vires and the actions they can take in accordance with the code, especially given that the members of these committees are selected rather than elected.
39) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	<p>We strongly support this proposal, believing it will improve the efficiency and transparency of the procedures, assisting participants in evaluating proposals, allowing a wider pool of informed participants to develop and making it easier for smaller player to access.</p> <p>In addition, we believe that this approach will assist in ensuring that potential interactions with other modifications are fully considered to the benefit of the industry.</p>
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	Whilst supporting this point we also believe that the intention is to provide a relevant forum in which issues may be reviewed, this may not actually result in a modification in all cases as with a well informed group, it may be that a process type solution may be found not requiring contractual modification
c) All Standing and Modification Groups to be open, i.e. no core	

membership, self-selecting, no impartiality and, as a consequence, no indemnity	
d) ELEXON to be responsible to the Panel for delivery of reports etc.	
40) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	
b) Only one mandatory consultation	
c) Panel recommendation to be made after consultation	
d) Content of report to OFGEM is unchanged	
e) Urgent Modification arrangements unchanged	

Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.

We believe that a number of the suggestions proposed under sections 6.1 and 6.2 are not only within the scope of this modification proposal as intended, but would also add significant benefit to the package. See Comments below.

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to

implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?
Minor impact only

ADDITIONAL POINTS FOR CONSIDERATION

6.1 – Issues raised by the Panel	
Ability to bring forward implementation dates for modifications	We believe this would be an advantage, however, given that participants will plan system developments to fit in with changes to central systems, if a significant change is proposed, it would be advisable to mandate that Participants' agreement to the change should be obtained before the implementation date is amended.
Separate progression of alternate modifications	We would be willing to support this proposal, providing that the original proposer is also in agreement.
Ability for the Authority to determine in respect of individual elements of modifications (example provided of a particular implementation date with a particular change)	We do not support this element of the proposal. The reason for this is that the Authority has opportunity to be well informed on modification proposals and may contribute to discussions as well as indicating preliminary preferences. With this in mind, if a well balanced and carefully prepared modification is presented as a package, then partial implementation may not achieve the same result. If, however, this element were to be incorporated and implemented, we believe that the Authority should consult on the possible effects of an incomplete modification implementation.

6.2 – New issues raised by the GMG	
Panel obliged to undertake further consultation due to material change	We support this as improving the level of information available to participants so they may make informed representations and decisions
Explicit requirement for the standing group to make a recommendation to the panel on the merits of a proposal where possible	This would seem to be sensible, as the group should have explored relevant issues and such a recommendation may be of assistance to the panel in its deliberations. We would, however, recommend that a short justification for the recommendation should also be offered together with any disadvantages identified.

Panel Members to be invited to attend all groups	This would be welcome, and could provide useful information when the panel comes to deliberation in respect of a proposal
Invitation to proposer to attend and speak at panel meetings where the proposal is to be discussed	We believe this to be of particular importance where decisions in respect of the future course of the modification are being taken, it would also assist the panel in its deliberations
Pre-arrangement of panel agenda to accommodate specific requests to address the panel, or to allow interested parties to appeal to the panel if they believe due process has not been followed.	Both suggestions have merit in their own right and not just as an alternative to the consolidated proposal as suggested in the consultation document, and hence we hope that they will be adopted as part of the proposal
Interaction of a proposal with other modifications	We believe that this consideration should form an integral part of the evaluation process
No reimbursement of expenses	No objection
Consideration to be given to making explicit the possibility that more than one Alternative Modification may be progressed for a given modification proposal.	We agree that such clarity would be beneficial, but we also believe that it should be possible to implement one, more or all of these "alternatives" should such a course of action be desirable.

Additional points made in GMG group discussions	
In respect of systems impacts, the point was made in discussion that when requesting the software provider to issue an impact assessment and quotation in respect of a modification, Elexon should request that if necessary two quotes should be provided, one for implementation of a change as part of a larger release and the other for "urgent" implementation. We believe this to be a valuable suggestion which should be adopted.	

P28_ASS_014 – Dynegy

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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

Dynegy believe that the consolidated proposal would better achieve the applicable BSC objectives.

The consolidated proposal that recommends all non-confidential Panel business, ISG and SVG meetings be held in open session, would better facilitate competition in the generation and supply of electricity by enabling BSC parties, including new entrants, by actively encouraging participation in the governance of the BSC. This improves understanding and helps players all put forwarded their views and influence change.

The consolidated proposal also suggests the creation of standing groups that would facilitate the views of a wider audience and would better ensure that the modification directed to the Authority provides pragmatic business solutions for the UK electricity industry as a whole. By making the governance process more open and transparent an increase in the number of knowledgeable people will also improve debate and encourage innovative thinking in looking to increase the efficiency of operation. The proposal will also promote increased efficiency in the implementation and administration of the BSC modification processes based on the experience gained.

Although Dynegy support the consolidated proposal we believe the relevant BSC objective would be better achieved through the additional proposals stated within question 4.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

No – just additions to the existing proposals.

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views [Please type your answers in the column below]
41) Panel;	
a) All non-confidential Panel business to be held in open session	Support
b) Any Panel Member to be able to invite comment from the floor	Support
42) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	Support – but believe at least some of the work of these groups should be moved to the newly created standing work-streams. Dynegy suggest that the Panel considers where work is best done by these groups and where the standing groups would be the more efficient forums. This may have to happen over time as recruiting to these groups becomes more difficult.
43) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	Support – following definition of terms of reference for each group. Would also propose that the number of groups be kept to a minimum. The dates for the groups meetings should, where possible, be set in advance and communicated to the industry well in advance.
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	Support
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence,	Support – open to include non-BSC parties, such as customers. Would also like the BSC to state that Ofgem will attend all meetings of these groups.

no indemnity	
d) ELEXON to be responsible to the Panel for delivery of reports etc.	Is it not Elexon who are responsible for the administration, but it is the group themselves who must report to the Panel. Not sure how this works in practice – or legal drafting, but it is important that Elexon's role as the administrator of the industry is clear.
44) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	Support
b) Only one mandatory consultation	Support
c) Panel recommendation to be made after consultation	Support
d) Content of report to OFGEM is unchanged	Support
e) Urgent Modification arrangements unchanged	Support – but I think we may have changed them a bit by virtue of making the group looking at the modification non-member, self-selecting etc. This may be a point for the legal drafting to review.

<p>Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.</p>
<p>The additional elements that should be considered within the consolidated proposal are described below:</p> <ul style="list-style-type: none"> • A requirement to re-consult when there are any material changes that arise before the final report is submitted to the Authority. • A Panel member to chair the modification group. There are two benefits of such a provision, firstly, it will eliminate the duplication of debate that is undertaken within the Panel at the current time. Secondly, it will provide an element of check and balance upon Elexon's presentation to the Panel that does not presently exist. As a result of a Panel member attending a modification group it is possible to monitor whether the presentation is

reflective of the group's view.

- Modification group meeting should be minuted to allow blue-sky issues to be reported upon and also enables the monitoring of discussion not associated with the particular modification being considered. Although the debate may not be contained within the consultation report, it may rise some important issues for the industry to consider. Given the reduction in reports being made by Elexon under this modification, this should not significantly add to Elexon's workload.
- The proposer should be invited to attend and speak at Panel meetings where the proposal in question is being discussed. It is at the proposer's discretion whether he/she wishes to participant.
- Within this modification, Dynegy would like to propose that any of the options involving the extension of openness of meetings be expanded to all interested parties, rather than BSC parties. This provision shall permit customers to attend.
- The structure and length of reports should also be shortened and reviewed to better facilitate communication and consultation. To this end, some of the standard terms used in the existing reports could perhaps go on the Elexon web-site.
- The Panel should be able to adjust the implementation date of any modification, either forward or backward.
- Ofgem should have the ability to accept both the original modification and the alternative, if they both better facilitate the relevant objectives. To this end, the Panel can also suggest that a modification group can progress both the original and the alternative to different timeframes.

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

No impact upon Dynegy's systems and processes.

P28_ASS_015 – Edission Mission Energy

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CONSOLIDATED PROPOSAL

Q1: Do you believe that the consolidated proposal, as a package, better achieves the Applicable BSC Objectives? If so, which objectives are better achieved and why? If you do not believe that the consolidated proposal better achieves BSC Objectives, please explain why not.

Yes, so long as it is as inclusive as the current way.

POTENTIAL ALTERNATIVES

Q2: Do you believe that initiatives to improve the implementation of the arrangements as currently described in the Code would better achieve the Applicable BSC Objectives than a modification to the current Code rules themselves? Do you have any specific initiatives that you believe should be considered?

Interactions of the proposal in questions with other Modification proposals, in progress at the time, should be explicitly addressed in the relevant report. This should include analysis of the impact of combinations of different proposals.

Q3: Are there any elements of the consolidated proposal that should be changed (or removed), such that an improved proposal emerges?	
Element of Proposal	Your Views [Please type your answers in the column below]
45) Panel;	
a) All non-confidential Panel business to be held in open session	Support
b) Any Panel Member to be able to invite comment from the floor	Support - this will avoid situations where observers could assist the Panel in areas of uncertainty but are unable to do so because they are only there as observers.
46) Panel Committees;	
a) ISG and SVG to operate in the same way to the Panel.	Support
47) Modification Groups;	
a) Standing Groups to deal with Modifications in general areas	It is not terribly clear what the Standing Groups will do that is different to the Panel committees, there is a danger that they will become talking shops attending by the same people that attend the Committees.
b) Standing Groups to consider issues in advance of specific Modification Proposals being raised	Again, what will the powers of the Standing Groups be?
c) All Standing and Modification Groups to be open, i.e. no core membership, self-selecting, no impartiality and, as a consequence, no indemnity	Agree
d) ELEXON to be responsible to the	

Panel for delivery of reports etc.	
48) Modification Procedures;	
a) Evaluation procedure to replace Definition and Assessment	This seems sensible but might result in a single very lengthy document rather than two fairly lengthy ones! More diagrams would help in understanding proposals.
b) Only one mandatory consultation	<p>Whilst the current process is cumbersome, it does at least give participants two chances to respond to the proposals at different stages in their development. If a single mandatory consultation takes place when the evaluation is substantially complete parties that are not represented on the Mod Group or Standing Group must be provided with the facility to contribute to the development of the modification and have their views considered in shaping the modification. To facilitate wider participation, detailed minutes will need to be taken and papers circulated more widely than just the Group membership. This applies especially to smaller participants who may not have the resources to attend all meetings or if parties have long distances to travel.</p> <p>A consultation that takes place when the evaluation is substantially complete, will require effort to define exactly what is required and money to be spent on assessing what the impacts are. All of this effort and expenditure could be wasted if the Authority then rejects the modification</p>
c) Panel recommendation to be made after consultation	Agree, Mod Group attended should still have the opportunity to comment on the Panel recommendation prior to its submission to the Panel.
d) Content of report to OFGEM is unchanged	
e) Urgent Modification arrangements unchanged	Leave unchanged but ensure that sufficient time is allowed for responses to urgent modifications. Agree that this should be a minimum of one week.

<p>Q4: Do you believe that there are changes within the scope of this Modification Proposal, other than those described above, that would better achieve the Applicable BSC Objectives? Please describe these, stating which objectives are better achieved and why.</p>
<p>[Please type your answer here]</p>

IMPACT OF THE PROPOSED MODIFICATION

Q5: What impact would the consolidated proposal have on your systems and processes and what is the minimum notice required to implement such a change? If you have identified an alternative approach, does this alternative impact differently on your systems and processes?

[Please type your answer here]