



March 2001

**INITIAL ASSESSMENT OF
MODIFICATION PROPOSAL P6**

**Removal of Obligation to Publish
Price Data in the FT**

Prepared By ELEXON Limited

Document Reference

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A DOCUMENT CONTROL

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C DISTRIBUTION

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1 INTRODUCTION

This Report has been prepared by ELEXON Ltd. on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

2 EXECUTIVE SUMMARY

An initial assessment of Modification Proposal P[/] has identified that this proposal has no impact on BSC systems or BSC documents in making the change, beyond the removal of section V4.2.6 of the Code. However, there are some issues that should be considered in progressing the modification, including:

- ❑ a potential impact on any contracts between parties that are indexed to SSP/SBP and which refer to the prices 'as published in the FT'; and
- ❑ arrangements for reporting prices should the BSC Website become unavailable for a period of time.

3 PURPOSE AND SCOPE OF THE REPORT

Section F of the BSC sets out the procedures for progressing proposals to amend the BSC (known as 'Modification Proposals'. These include procedures for proposing, consulting on, developing, evaluating and reporting to the Authority on potential modifications.

The BSC Panel is charged with supervising and implementing the modification procedures. ELEXON provides the secretariat and other advice, support and resource required by the Panel for this purpose. In addition, if a modification to the Code is approved or directed by the Authority, ELEXON is responsible for overseeing the implementation of that amendment (including any consequential changes to systems, procedures and documentation).

When a new proposal to modify the BSC is made, it is the responsibility of the Panel to determine how it should be progressed. Options include submitting the proposal to a Definition Procedure¹, submitting it to an Assessment Procedure², amalgamating the proposal with another proposal³, or proceeding directly to the Report Phase⁴. With a view to assisting the Panel in taking this decision, ELEXON prepares this initial written assessment of the implications of the Modification Proposal as soon as reasonably practicable after the proposal is made⁵. ELEXON endeavours to complete this initial assessment such that it can be reviewed by the Panel at the Panel meeting at which the relevant Modification Proposal is first to be considered.

This initial assessment provides a preliminary view on the following:

- the potential impact of the proposed modification on BSC systems and processes;

¹ see BSC F2.5

² see BSC F2.6

³ see BSC F2.3

⁴ see BSC F2.7

⁵ see BSC F2.1.8

- the potential impact of the proposed modification on other systems and processes used by Parties;
- the potential impact of the proposed modification on the BSC, Code Subsidiary Documents and Core Industry Documents;
- the potential impact of the proposed modification on ELEXON;
- the potential impact of the proposed modification on BSC financial arrangements and budget;
- the potential impact of the proposed modification on BSC Agent contractual arrangements;
- The process and timetable that should be adopted for the progression of the Modification Proposal, in light of its complexity, importance and urgency; and
- Issues that will need to be considered and addressed in progressing the Modification Proposal (including the potential need for impact assessments, consultation and analyses).

It should be noted that, as this document only represents a preliminary assessment of the Modification Proposal, the information contained herein will, in most cases, be superseded by the subsequent analysis and reports produced by the Modification Group to which the Panel assigns the proposal for consideration.

4 DETAILS OF THE MODIFICATION PROPOSAL

A copy of the Modification Proposal form, as submitted by its proposer, can be found at Annex 1 to this report. The form contains the following information provided by the proposer in relation to the proposal⁶:

- the name of the Proposer;
- the name of the representative of the Proposer (and his alternate) who shall represent the Proposer in person;
- a description (in reasonable but not excessive detail) of the issue or defect which the proposed modification seeks to address;
- a description (in reasonable but not excessive detail) of the proposed modification and of its nature and purpose;
- where possible, an indication of those parts of the Code which would require amendment in order to give effect to (and/or would otherwise be affected by) the proposed modification and an indication of the nature of those amendments or effects;
- the reasons why the Proposer believes that the proposed modification would better facilitate achievement of the Applicable BSC Objective(s) as compared with the then current version of the Code;
- where possible, an indication of the impact of the proposed modification on Core Industry Documents; and
- where possible, an indication of the impact of the proposed modification on BSC Systems and on other relevant computer systems and processes used by Parties.

⁶ See BSC F2.1.2

5 IMPACT ON BSC SYSTEMS AND PROCESSES

| BSC System / Process | Potential Impact of Proposed Modification |
|--|---|
| Registration | No impact. |
| Contract Notification | No impact. |
| Credit Checking | No impact. |
| Balancing Mechanism Activities | No impact. |
| Collection and Aggregation of Metered Data | No impact. |
| Supplier Volume Allocation | No impact. |
| Settlement | No impact. |
| Clearing, Invoicing and Payment | No impact. |
| Reporting | No impact. |
| Dispute Resolution | No impact. |

6 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

| System / Process | Potential Impact of Proposed Modification |
|------------------|---|
| All | No impact. |

7 IMPACT ON DOCUMENTATION

7.1 Impact on Balancing and Settlement Code

| BSC Section | Potential Impact of Proposed Modification |
|---|---|
| A: Parties and Participation | No impact. |
| B: The Panel | No impact. |
| C: BSCCo and its Subsidiaries | No impact. |
| D: BSC Cost Recovery and Participation Charges | No impact. |
| E: BSC Agents | No impact. |
| F: Modification Procedures | No impact. |
| G: Contingencies | No impact. |
| H: General | No impact. |
| I: Not Used | No impact. |
| J: Party Agents | No impact. |
| K: Classification and Registration of Metering Systems and BM Units | No impact. |
| L: Metering | No impact. |
| M: Credit Cover and Credit Default | No impact. |
| N: Clearing, Invoicing and Payment | No impact. |
| O: Communications | No impact. |

| BSC Section | Potential Impact of Proposed Modification |
|---|---|
| P: Energy Contract Volumes and Metered Volume Reallocations | No impact. |
| Q: Balancing Mechanism Activities | No impact. |
| R: Collection and Aggregation of Metered Data from CVA Metering Systems | No impact. |
| S: Supplier Volume Allocation | No impact. |
| S: ANNEX S-1 Performance Levels and Supplier Charges | No impact. |
| S: ANNEX S-2 Supplier Volume Allocation Rules | No impact. |
| T: Settlement and Trading Charges | No impact. |
| U: Provisions Relating to Settlement | No impact. |
| V: Reporting | Removal of section V4.2.6 |
| W: Trading Queries and Trading Disputes | No impact. |
| X: Definitions and Interpretation | No impact. |
| X: ANNEX X-1 General Glossary | No impact. |
| X: ANNEX X-2 Technical Glossary | No impact. |
| Pool Supplement | No impact. |

7.2 Impact on Code Subsidiary Documents

| Code Subsidiary Document | Potential Impact of Proposed Modification |
|--------------------------------------|---|
| BSC Procedures | No impact. |
| Codes of Practice | No impact. |
| BSC Service Descriptions | No impact. |
| Party Service Lines | No impact. |
| Data Catalogues | No impact. |
| Communication Requirements Documents | No impact. |
| Reporting Catalogue | No impact. |

7.3 Impact on Core Industry Documents

| Core Industry Document | Potential Impact of Proposed Modification |
|---------------------------------------|---|
| Grid Code | No impact. |
| MCUSA | No impact. |
| Supplemental Agreements | No impact. |
| Ancillary Services Agreements | No impact. |
| Master Registration Agreement | No impact. |
| Data Transfer Services Agreement | No impact. |
| British Grid Systems Agreement | No impact. |
| Use of Interconnector Agreement | No impact. |
| Pooling and Settlement Agreement | No impact. |
| Settlement Agreement for Scotland | No impact. |
| Distribution Codes | No impact. |
| Distribution Use of System Agreements | No impact. |
| Distribution Connection Agreements | No impact. |

8 IMPACT ON OTHER CONFIGURABLE ITEMS

| Item | Potential Impact of Proposed Modification |
|------|---|
| All | No impact. |

9 IMPACT ON ELEXON

| Area of Business | Potential Impact of Proposed Modification |
|--|---|
| ELEXON Systems | No impact. |
| ELEXON Procedures | No impact. |
| ELEXON Contracts (Excluding BSC Agent Contracts) | No impact. |
| Other (e.g. costs, staffing, etc.) | No impact. |

10 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

No impact.

11 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

| BSC Agent Contract | Potential Impact of Proposed Modification |
|--|---|
| Logica (BMRA, CRA, CDCA, SAA, ECVAA, TAA(CVA)) | No impact. |
| EPFAL (FAA) | No impact. |
| ESIS (TAA(SVA)) | No impact. |
| Cap Gemini (SVAA) | No impact. |
| PwC (BSC Auditor, Certification Agent) | No impact. |
| EASL (Teleswitch Agent, Profile Administrator) | No impact. |

12 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

If the Panel decides not to proceed directly to the Report Phase in respect of this proposal, it will be necessary to submit the proposal to the Assessment Procedure. ELEXON would invite representations on the proposal. The Panel would be required to establish an appropriate Modification Group to consider the proposal and any representations received on the issue. The group would be tasked with preparing an Assessment Report within timescales that allow it to be reviewed at the Panel meeting of 3 May. The Panel could then decide to proceed to the Report Phase, with the meeting of 31 May being targeted for consideration of the draft report. The report would then be finalised and submitted to the Authority for decision during the week commencing 4 June.

If the Panel agrees to proceed directly to the Report Phase in respect of this proposal, the Panel should make a provisional recommendation on whether the modification should or should not be made. The Panel should also propose an implementation date for the modification. ELEXON will then prepare a Draft Modification Report and issue this for consultation, within timescales that allow the Draft Modification Report and any representations received to be considered at the Panel meeting of 3 May. The Modification Report would then be finalised and submitted to the Authority for decision during the week commencing 7 May.

13 ISSUES

The following issues will need to be considered in progressing this proposal:

- ❑ There may be an impact on any contracts between parties that are indexed to SSP/SBP and which refer to the prices 'as published in the FT'; and
- ❑ It may be necessary to put in place arrangements for reporting prices should the BSC Website become unavailable for a period of time.

It would be appropriate to consult interested parties on these issues.

ANNEX 1 – MODIFICATION PROPOSAL

| | |
|--|---|
| Modification Proposal – F76/01 | MP No: <i>(mandatory by ELEXON)</i> |
| Title of Modification Proposal <i>(mandatory by originator):</i> Removal Of Obligation To Publish Price Data In Ft | |
| Submission Date <i>(mandatory by originator):</i> | |
| Description of Proposed Modification <i>(mandatory by originator):</i> A proposal to remove the obligation on BSCCo to publish System Sell Price and System Buy Price information in the press. It is proposed that the price data should continue to be published on the BSC Website. | |
| Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by originator):</i> This proposal seeks to realise cost savings in the publication of data. The very high cost of daily publication of price data in the press is no longer justified, given the accessibility of the data via the BSC website. | |
| Impact on Code <i>(optional by Originator):</i> This will require the removal of BSC section V4.2.6(a). | |
| Impact on Core Industry Documents <i>(optional by Originator):</i> This proposal will not impact any Core Industry Documents. | |
| Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by originator):</i> This proposal will not have any systems impact. | |
| Impact on other Configurable Items <i>(optional by originator):</i> No impact. | |
| Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by originator):</i> This proposal is justified as it promotes efficiency in the implementation and administration of the balancing and settlement arrangements by greatly reducing costs to participants without any significant reduction in the transparency of price information. | |
| Details of Proposer <i>(mandatory by originator):</i> Name: BSC Panel Organisation: N/A Telephone Number: N/A Email Address: N/A | |

| | |
|--|---|
| Modification Proposal – F76/01 | MP No: <i>(mandatory by ELEXON)</i> |
| | |
| Details of Proposer's Representative <i>(mandatory by originator):</i> | |
| Name: Dorcas Batstone | |
| Organisation: ELEXON | |
| Telephone Number: 020 7380 4114 | |
| Email Address: modifications@elexon.co.uk | |
| Details of Representative's Alternate <i>(mandatory by originator):</i> | |
| Name: Gareth Forrester | |
| Organisation: ELEXON | |
| Telephone Number: 020 7380 4114 | |
| Email Address: modifications@elexon.co.uk | |
| Attachments <i>(mandatory by originator):</i> NO | |
| If Yes, Title and No. of Pages of Each Attachment: | |
| N/A | |

Notes:

1. Sections containing '*(mandatory by originator)*' must be completed by the proposer prior to submission of the form to ELEXON.
2. Press F1 on your keyboard while selecting the shaded area in a section of the form to view guidance notes for the completion of that section.