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| Modification Proposal | MP No: 96 <i>(mandatory by BSCCo)</i> |
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| Title of Modification Proposal <i>(mandatory by proposer):</i> Merger Of Assessment & Definition Phases In The Modification Process | |
| Submission Date <i>(mandatory by proposer):</i> 13 August 2002 | |
| Description of Proposed Modification <i>(mandatory by proposer):</i> <p>The modification procedures should be shortened so that instead of the existing process of a definition stage followed by an assessment stage, each modification will be defined and assessed as one complete stage in working up a modification proposal ready to report to the BSC Panel. The same work would be covered, but in a single process.</p> <p>The modification groups should still be able to recommend that the Panel moves quickly to a report stage if a modification is felt to be unworkable.</p> <p>The timescales for the combined process [say a maximum of 5 months] should still allow for a rigorous examination of a proposal and any necessary analysis that the groups may feel are necessary.</p> <p>Each modification would in future have an Assessment Report and a Final report, though interim updates, or further policy explanation and discussion papers may be produced by the modification group where it is felt necessary.</p> | |
| Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> <p>The existing definition process invariably strays into the assessment of the modification, and by dealing with the two processes together the modification process should become quicker, more efficient and easier to understand. The process would also facilitate more effective consultation, in some cases, by allowing participants to only respond to fully worked up proposals during the modification process.</p> <p>The more compact process will also reduce the quantity of paper work for both Elexon and the participants. Many of the reports undertaken during the modification process are repetitive and very lengthy. A shorter modification process could produce one, more detailed report that would allow participants greater chance to read more detail on all the changes going on in the industry.</p> | |
| Impact on Code <i>(optional by proposer):</i> Change to section F | |
| Impact on Core Industry Documents <i>(optional by proposer):</i> | |
| Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i> none | |
| Impact on other Configurable Items <i>(optional by proposer):</i> none | |

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Justification for Proposed Modification with Reference to Applicable BSC Objectives (mandatory by proposer):

The Applicable BSC Objectives are set out in paragraph 3 of Condition C3 of the Transmission Licence, as follows:

(a) The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence;

NGC, like all other companies, should find it easier to participate in a quicker, more efficient governance process. It should slightly reduce the resources that they have to put into modification groups improving the efficiency of their resource allocation. It should also make it simpler for them to participate in more groups, adding their expertise to the groups to the benefit of the industry as a whole.

(b) The efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System;

No impact.

(c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity;

A more streamlined process of altering the BSC will allow more companies to participate and that will serve to improve the level of competition within the industry. Smaller participants may also feel more able to raise modifications themselves if the process of seeing a modification through is less onerous, which would better facilitate competition by allowing smaller players greater access to the development process.

(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

The current process is confusing and the debates on modifications invariably strays between the assessment and the definition process. By running the two processes together, we should be able to reduce the number of meetings without reducing the rigorous process of ensuring that modifications proposed to the Panel are workable and do better achieve the relevant objectives of the code. The increased efficiency from a more timely process, where we do not have groups reiterating their arguments time and again, will help all participants, and Elexon, by freeing up resources, as well as better facilitating the inclusion of smaller players in the governance process. The more streamlined process should also have the option of having less consultations if appropriate, so that BSC parties do not have to restate their positions on numerous occasions.

A combined process will also reduce the paper work for the industry as a whole. Again this will increase the efficiency of the process by allowing the participants to review one, more detailed report, on modification issues. Smaller participants should also find it easier to keep up with the many changes in the industry if the process can reduce the workload on them.

This modification is supported by - TXU, Williams Energy, UK Electric Power Ltd, Barclays Capital, Campbell Carr Ltd, BOC, and Entergy-Koch Trading Ltd.

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Modification Proposal

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Name:

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Attachments: NO

If Yes, Title and No. of Pages of Each Attachment: