

Modification Proposal	MP No: 99 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Changes to Accreditation and the PARMS Serials and Standards, resulting from the Performance Assurance Framework (PAF) Review (Phase 1)	
Submission Date <i>(mandatory by proposer):</i> 2 September 2002	
Description of Proposed Modification <i>(mandatory by proposer):</i> <p>This modification proposes amendments to the Code, where appropriate, following the Panel approval of the review of the PAF and the Panel initiated industry consultation on the proposals of the review. The first phase of the PAF Review assessed the following PAF techniques:</p> <ul style="list-style-type: none"> • Entry Processes • Accreditation • PARMS Serials and Standards • Audit (which is not relevant to this Modification Proposal as the Panel has already agreed the changes). <p>It should be noted that most of the change will be to subsidiary documentation to the Code and will be effected through Change Proposals. The changes proposed for Entry Processes can be effected entirely through Change Proposals. The Accreditation and Serials and Standards proposals will however both require minor changes to the Code itself.</p>	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> <p>Following feedback from Market Participants and Ofgem, the BSC Panel established the PAF Project to review all aspects of the techniques outlined above. The purpose of the review was to ensure that the PAF is delivering an appropriate level of assurance across the full range of the BSC trading arrangements in a cost-effective manner.</p>	
Impact on Code <i>(optional by proposer):</i> <p>Accreditation BSC Section J will be impacted, proposed changes are attached as Annex 1.</p> <p>Serials and Standards BSC Section S of the Code will be impacted.</p>	
Impact on Core Industry Documents <i>(optional by proposer):</i> MRA DTC	

Modification Proposal

MP No: 99
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Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties (optional by proposer):

The following systems will change :

- PARMS system;
- SVAA PARMS reporting system;
- Supplier PARMS submission process.

Impact on other Configurable Items (optional by proposer):

Entry Processes

BSCPs 511 and 512 require minor changes

Accreditation

BSCP 531 – requires significant changes

Serials and Standards

BSCPs 533/534/536 will require significant changes

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

The proposed changes will address the following BSC Objectives :

- 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;

Lower barriers to entry will be achieved through simpler, easier to use Accreditation scripts and making the burden of PARMS data less for Suppliers.

There will also be a simpler and cheaper Accreditation process for low risk participants and a clearer more focused PARMS data set, which will be less daunting for the prospective participant.

- Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

The Accreditation tests will be focused on different areas to ensure that the market is adequately protected, but that the tests are simplified, while superfluous PARMS data requirements will be removed and a results orientated approach adopted.

The new Accreditation Checklist will address current data issues. The revised Re-certification process will highlight risks to the market in these areas and ensure that adequate re-testing is performed.

Additions to PARMS data propose to include: Change of Agent flows; CVA MOA issues, Exception reporting and the quality of Supplier flows. All of these areas will contribute to a more contemporary and user-friendly data set.

Both proposals will reduce ongoing cost and effort for participants, although this is coupled with an initial cost.

The proposals would also contribute to producing a complementary and robust PAF, which will give parties assurance on the trading arrangements, in which the parties operate.

Modification Proposal

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Attachments: NO

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