

Modification Proposal – BSCP40/03	MP No: P227
Title of Modification Proposal (<i>mandatory by originator</i>): Extension Of The Definition Of ECVAA Systems to include the centrally provided communications network.	
Submission Date (<i>mandatory by originator</i>): 24th September 2008	
Description of Proposed Modification (<i>mandatory by originator</i>) The definition of the ECVAA systems should be extended to include the centrally provided communications network, and any subsequent failure of any part of the centrally provided components that affects parties ability to submit contract notifications should be considered as an ECVAA system failure. A definition for the revised boundary of the ECVAA system was developed as part of alternative modification P1: “the definition of the ECVAA system would be redefined as the boundary for the High Grade Service to include the router at the participant site but not any source of power for the router. The Party System Boundary for the Low Grade Service would be redefined to include the Internet interface of the Internet Portal by which the ECVAA System is connected to the Internet.”	
Description of Issue or Defect that Modification Proposal Seeks to Address (<i>mandatory by originator</i>) A failure of the centrally provided communications systems is beyond the control of BSC parties, and as such, parties should not be financially disadvantaged if the communications network fails. Furthermore, if parties are unable to make contract notifications, they may choose not to contract forward, thereby increasing overall costs, by requiring the SO to undertake more expensive actions within the balancing mechanism.	
Impact on Code (<i>optional by originator</i>) The impact on the Code would be to require a change to Part P section 5.	
Impact on Core Industry Documents or System Operator-Transmission Owner Code (<i>optional by originator</i>)	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties (<i>optional by originator</i>)	

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Impact on other Configurable Items <i>(optional by originator)</i>	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by originator)</i> <p>This modification is very similar to the alternative modification proposal developed as a result of OM London Exchange submitting modification P1 – “Extension Of The Definition Of ECVAAs Systems Failure For Permitting Post Gate Closure Notification”. The BSC Panel recommended that this alternative be approved. Ofgem rejected both the original and alternative modifications.</p> <p>In their rejection letter Ofgem took the view that the communications service should, in due time, be open to competition, where it is efficient and economic to do so. Provision of competition would allow parties to make their own choice of communications provider and thereby manage their own risk.</p> <p>However, they recognised that, at that time, parties have no choice in provision of communications service provider. They suggested that: “As an interim measure, until competition can be introduced into the provision of the relevant parts of the Communications Services, Ofgem considers that the provisions for ECVAAs System Failures should be extended to the centrally provided elements of the Communications Services as proposed by the Modification Report. Ofgem believes that this would allocate the risks of communication failure more efficiently within the current arrangements.” However, as neither the original or alternative modification had a “sunset clause” within it, they rejected the modification.</p> <p>Since the Ofgem P1 decision letter, the industry has not yet found justification for multiple communication service providers. The industry has just recently chosen to replace the high grade service and this has been procured via a competitive tender. This approach to procurement is expected to be the best outcome in terms of service provision and cost. Duplicating the service would obviously improve the redundancy of the network, but the additional cost to consumers that this would incur is not justified.</p> <p>Nevertheless, in light of Ofgem’s decision on mod P1, the modification assessment group should give due consideration as to whether a ‘sunset clause’ should be included within the modification.</p> <p>This modification therefore furthers Applicable BSC Objectives (b), (the efficient, economic and co-coordinated operation by the licensee of the licensee’s transmission system), and (d), (promoting efficiency in the implementation and administration of the balancing and settlement arrangements).</p>	
Urgency Recommended: No <i>(delete as appropriate) (optional by originator)</i>	

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Justification for Urgency Recommendation <i>(mandatory by originator if recommending progression as an Urgent Modification Proposal)</i>	
Details of Proposer: <i>Name.....Ian Moss.....</i> <i>Organisation.....APX Commodities.....</i> <i>Telephone Number....020 7841 5627.....</i> <i>Email Address.....i.moss@apxgroup.com.....</i>	
Details of Proposer's Representative: <i>Name.....Ian Moss.....</i> <i>Organisation.....APX Commodities.....</i> <i>Telephone Number....020 7841 5627.....</i> <i>Email Address.....i.moss@apxgroup.com.....</i>	
Details of Representative's Alternate: <i>Name.....Frank Thompson.....</i> <i>Organisation..... APX Commodities</i> <i>Telephone Number.....020 7841 5652.....</i> <i>Email address.....f.thompson@apxgroup.com.....</i>	
Attachments: No <i>(delete as appropriate) (mandatory by originator)</i> If Yes, Title and No. of Pages of Each Attachment:	