

Draft MODIFICATION REPORT for Modification Proposal P221 'Amendments to the BSC to reflect the revised Fuel Security Code (FSC)'

Prepared by: ELEXON¹ on behalf of the BSC Panel

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This document has been distributed in accordance with Section F2.1.10 of the Balancing and Settlement Code.²

Proposed Modification P221 seeks to amend the BSC to reflect the changes made to the Fuel Security Code (FSC), as designated on 22 October 2007.

No Alternative Modification has been developed.

BSC PANEL'S RECOMMENDATIONS

Having considered and taken into due account the contents of the P221 draft Modification Report, the BSC Panel recommends:

- **that Proposed Modification P221 should be made;**
- **an Implementation Date for Proposed Modification P221 of 1 Working Day after an Authority decision;**
- **the proposed text for modifying the Code, as set out in the Modification Report.**

¹ ELEXON Ltd fulfils the role of the Balancing and Settlement Code Company ('BSCCo').

² The current version of the Code can be found at <http://www.elexon.co.uk/bscrelateddocs/BSC/default.aspx>

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SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as BSCCo has been able to assess, the following parties/documents would be impacted by P221.

Please note that this table represents a summary of the full impact assessment results contained in Appendix 4.

Parties	Sections of the BSC	Code Subsidiary Documents
Distribution System Operators <input type="checkbox"/>	A <input type="checkbox"/>	BSC Procedures <input type="checkbox"/>
Generators <input checked="" type="checkbox"/>	B <input type="checkbox"/>	Codes of Practice <input type="checkbox"/>
Interconnectors <input checked="" type="checkbox"/>	C <input type="checkbox"/>	BSC Service Descriptions <input type="checkbox"/>
Licence Exemptable Generators <input type="checkbox"/>	D <input type="checkbox"/>	Party Service Lines <input type="checkbox"/>
Non-Physical Traders <input checked="" type="checkbox"/>	E <input type="checkbox"/>	Data Catalogues <input type="checkbox"/>
Suppliers <input checked="" type="checkbox"/>	F <input type="checkbox"/>	Communication Requirements Documents <input type="checkbox"/>
Transmission Company <input checked="" type="checkbox"/>	G <input checked="" type="checkbox"/>	Reporting Catalogue <input type="checkbox"/>
Party Agents	H <input type="checkbox"/>	Core Industry Documents
Data Aggregators <input type="checkbox"/>	I <input type="checkbox"/>	Ancillary Services Agreement <input type="checkbox"/>
Data Collectors <input type="checkbox"/>	J <input type="checkbox"/>	British Grid Systems Agreement <input type="checkbox"/>
Meter Administrators <input type="checkbox"/>	K <input type="checkbox"/>	Data Transfer Services Agreement <input type="checkbox"/>
Meter Operator Agents <input type="checkbox"/>	L <input type="checkbox"/>	Distribution Code <input type="checkbox"/>
ECVNA <input type="checkbox"/>	M <input type="checkbox"/>	Distribution Connection and Use of System Agreement <input type="checkbox"/>
MVRNA <input type="checkbox"/>	N <input type="checkbox"/>	Grid Code <input type="checkbox"/>
BSC Agents	O <input type="checkbox"/>	Master Registration Agreement <input type="checkbox"/>
SAA <input type="checkbox"/>	P <input type="checkbox"/>	Supplemental Agreements <input type="checkbox"/>
FAA <input type="checkbox"/>	Q <input type="checkbox"/>	Use of Interconnector Agreement <input type="checkbox"/>
BMRA <input type="checkbox"/>	R <input type="checkbox"/>	BSCCo
ECVAA <input type="checkbox"/>	S <input type="checkbox"/>	Internal Working Procedures <input type="checkbox"/>
CDCA <input type="checkbox"/>	T <input type="checkbox"/>	BSC Panel/Panel Committees
TAA <input type="checkbox"/>	U <input type="checkbox"/>	Working Practices <input type="checkbox"/>
CRA <input type="checkbox"/>	V <input type="checkbox"/>	Other
SVAA <input type="checkbox"/>	W <input type="checkbox"/>	Market Index Data Provider <input type="checkbox"/>
Teleswitch Agent <input type="checkbox"/>	X <input checked="" type="checkbox"/>	Market Index Definition Statement <input type="checkbox"/>
BSC Auditor <input type="checkbox"/>		System Operator-Transmission Owner Code <input type="checkbox"/>
Profile Administrator <input type="checkbox"/>		Transmission Licence <input type="checkbox"/>
Certification Agent <input type="checkbox"/>		
Other Agents		
Supplier Meter Registration Agent <input type="checkbox"/>		
Unmetered Supplies Operator <input type="checkbox"/>		
Data Transfer Service Provider <input type="checkbox"/>		

1 DESCRIPTION OF MODIFICATION

For a full description of the original Modification Proposal as submitted by the BSC Panel ('the Proposer'), and the background to the proposal, please refer to Panel paper 134/07 which constitutes the Initial Written Assessment (IWA) for P221. A copy of this paper can be as by following the link in section 6.2 (Reference 1). P221 seeks only to align the BSC with the FSC and does not seek to develop any further detail on the processes underlying a Fuel Security period that are not further developed within the FSC itself.

1.1 Proposed Modification

P221 seeks to revise the BSC to reflect the changes made to the FSC on 22 October 2007 (Reference 2). As the FSC is a higher legislative document, the BSC should be revised to ensure consistency across the two governance arrangements.

P221 seeks to revise Section G of the Code to align with the following provisions from the FSC:

- Confirming those definitions that shall have the meaning ascribed to the terms in the FSC;
- Creating a process for applications For recovery of Exceptional Costs and setting out the timeframe for such applications;
- Creating Party obligations in assisting the Panel with Exceptional Cost recovery applications; and
- Describing the Panel's interaction with the Authority in processing Exceptional Cost recovery applications.

P221 also updates BSC Section:

- G1.5 to note that revisions to the BSC may arise from future amendments of the arrangements relating to Sections 35, 36 and 96 of the Electricity Act and sections 1 to 4 of the Energy Act 1976.
- X to remove the term 'Generator Compensation Instruction' as the term no longer has meaning under the FSC.

It should be noted that if a Fuel Security period occurs whilst the BSC changes are awaiting amendment, the provisions of the FSC shall take precedence.

2 IMPLEMENTATION APPROACH AND COSTS

2.1 Proposed Modification

As P221 is merely revising the BSC to reflect the FSC there are no costs associated with the change other than BSCCo costs for progressing the Modification and revising the legal text.

a) BSC Agent Impact

No impact.

b) BSC Party and Party Agent Impact

No impact.

c) Transmission Company Impact

No impact.

d) BSCCo Impact

BSCCo will progress the changes and apply the revised text.

3 RATIONALE FOR THE PANEL'S RECOMMENDATIONS

This section summarises the recommendations of the Panel.

3.1 Assessment of Proposed Modification Against Applicable BSC Objectives

The Panel considered the recommendation contained in the draft Modification Proposal that, as well as being obliged to progress a Modification in accordance with Section G of the Code, this Modification will align the provisions of the FSC within the BSC. It was therefore agreed that this Modification better facilitates Applicable Objectives:

- (a) *'The efficient discharge by the licensee of the obligation imposed upon it by this licence';*
- (b) *'The efficient, economic and co-ordinated operation of the GB transmission system';*
- (d) *'Promoting efficiency in the implementation and administration of the balancing and settlement arrangements'.*

It may be possible for further arguments to be constructed against Applicable objectives (a) and (b). *[To be completed after Panel meeting]*

3.2 Implementation Date

As P221 simply seeks to amend to the BSC to reflect the revised FSC the Panel agreed the following recommended implementation approach for P221:

- An Implementation Date for the Proposed Modification of 1 Working Day after an Authority decision

3.3 Legal Text

The draft legal text for P221 has been drafted and reviewed by ELEXON. The text was provided to the Issue 20 Group for information. In accordance with Section G 1.3.5 of the BSC, the draft legal text was provided to both the Authority and the department for Business Enterprise and Regulatory Reform (BERR, formerly the Department for Trade and Industry (DTI)) as part of a pre-Modification consultation exercise. Both bodies have noted no reason why the Modification Proposal and draft legal text should not be submitted to the Modification process for industry consultation. Any revisions to the legal text arising from the Report Phase consultation will be provided to BERR for comment, prior to the final text being submitted to the Authority for their final decision on the Modification Proposal.

4 RATIONALE FOR PANEL'S RECOMMENDATIONS TO THE AUTHORITY

4.1 Results of Report Phase Consultation

To be completed after the Report Phase consultation.

4.2 Panel's Consideration of Draft Modification Report

To be completed after Report Phase consultation.

5.3.1 Report Phase Consultation Responses

To be completed after Report Phase consultation.

5.3.2 Applicable BSC Objectives

To be completed after Report Phase consultation.

5.3.3 Implementation Date

To be completed after Report Phase consultation.

5.3.4 Legal Text

To be completed after Report Phase consultation.

4.3 Panel's Final Recommendation to the Authority

To be completed after Report Phase consultation.

5 TERMS USED IN THIS DOCUMENT

Other acronyms and defined terms take the meanings defined in Section X of the Code.

Acronym/Term	Definition
BERR	Department for Business Enterprise and Regulatory Reform (formerly the Department of Trade and Industry (DTI))
FSC	Fuel Security Code

6 DOCUMENT CONTROL

6.1 Authorities

Version	Date	Author	Reviewer	Reason for Review
0.1	01/12/07	David Jones	John Lucas/Chris Rowell	For technical/quality review
0.2	13/12/07	BSCCo	BSC Panel	For review
0.3	17/12/07	BSC Panel	BSC Parties and other interested parties	For consultation
0.4	17/01/08	Change Delivery	BSC Panel	For Panel decision
1.0	dd/mm/yy	BSC Panel		For Authority decision

6.2 References

Ref.	Document Title	Owner	Issue Date	Version
1	<a href="http://www.elexon.co.uk/bscpanelandcommittees/pa
nelmeetings/Papers.aspx?category_id=3045&meetin
g_number=134&date=13/12/2007">http://www.elexon.co.uk/bscpanelandcommittees/pa nelmeetings/Papers.aspx?category_id=3045&meetin g_number=134&date=13/12/2007	BSC Panel	07/12/07	1.0
2	<a href="http://www.berr.gov.uk/energy/reliability/downstrea
m/page30313.html">http://www.berr.gov.uk/energy/reliability/downstrea m/page30313.html	BERR	22/10/07	1.0

APPENDIX 1: LEGAL TEXT

Draft legal text for the Proposed Modification is attached as a separate document, Attachment 1.

APPENDIX 2: PROCESS FOLLOWED

Copies of all documents referred to in the table below can be found on the BSC Website at: [insert hyperlink to website page containing all documents relating to the proposal]

Date	Event
13/12/07	Modification Proposal raised by BSC Panel
17/12/07	Draft Modification Report issued for industry consultation
04/01/08	Report Phase consultation responses returned
17/01/08	Draft Modification Report presented to the Panel
dd/mm/yy	Final Modification Report issued to the Authority for decision

ESTIMATED COSTS OF PROGRESSING MODIFICATION PROPOSAL³

Meeting Cost	£ 0
Legal/Expert Cost	£ 0
Impact Assessment Cost	£ 0
ELEXON Resource	12 man days* £ 3,930

These include costs that have been incurred by BSCCo through the preparatory work prior to raising P221 (e.g. through consultation with the Authority/BERR)

APPENDIX 4: RESULTS OF IMPACT ASSESSMENT

As P221 seeks to reflect the provisions of the revised FSC any impacts on Parties do not arise directly from these BSC changes but the changes already made by the FSC.

a) Impact on BSC Systems and Processes

No impact.

b) Impact on BSC Agent Contractual Arrangements

No impact.

³ Clarification of the meanings of the cost terms in this appendix can be found on the BSC Website at the following link: http://www.elexon.co.uk/documents/Change_and_Implementation/Modifications_Process_-_Related_Documents/Clarification_of_Costs_in_Modification_Procedure_Reports.pdf

c) Impact on BSC Parties and Party Agents

No impact.

d) Impact on Transmission Company

No impact.

e) Impact on BSCCo

BSCCo will be responsible for applying and communicating the changes. It is likely that Parties may wish to clarify matters within the FSC guidance as part of a standing issue.

f) Impact on Code

Code Section	Impact of Proposed/Alternative Modification
Section G	<p>Section G 1.5 will be updated to note that revisions to the BSC may arise from future amendments of the arrangements relating to Sections 35, 36 and 96 of the Electricity Act.</p> <p>Section G 5 will be updated to reflect the FSC provisions for recovery of exceptional costs.</p>
Section X	The term 'Generator Compensation Instruction' will be removed from Section X.

A copy of the draft legal text to give effect to these changes can be found in Appendix 1.

g) Impact on Code Subsidiary Documents

No impact.

h) Impact on Core Industry Documents/System Operator-Transmission Owner Code

No impact.

Copies of the full Core Industry Document owner impact assessment responses are attached as a separate document, Attachment [6].

i) Impact on Other Configurable Items

No impact.

j) Impact on BSCCo Memorandum and Articles of Association

No impact.

k) Impact on Governance and Regulatory Framework

No impact.

APPENDIX 5: REPORT PHASE CONSULTATION RESPONSES

[To be attached following Report Phase consultation]