

INITIAL WRITTEN ASSESSMENT for Modification Proposal P133

Facility to permit BSCCo to undertake the role of the Profile Administrator

Prepared by: ELEXON¹ Limited

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This document has been distributed in accordance with Section F2.1.10² of the Balancing and Settlement Code.

RECOMMENDATIONS

On the basis of the initial assessment BSCCo recommends that the Panel:

- **NOTE the results of the Initial Written Assessment;**
- **DETERMINE that Modification Proposal P133 should be submitted to the Assessment Procedure in accordance with F2.7 of the Code;**
- **AGREE the Assessment Procedure timetable such that an Assessment Report should be completed and submitted to the Panel for consideration at its meeting of 11 September 2003;**
- **DETERMINE that the Assessment Procedure should be undertaken by a new Modification Group made up of members of the Governance Standing Modification Group and the Volume Allocation Standing Modification Group; and**
- **AGREE any refinement to the Modification Group Terms of Reference.**

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¹ ELEXON Ltd currently fulfils the role of the Balancing and Settlement Code Company ('BSCCo'), pursuant to Annex X-1 of the Balancing and Settlement Code.

² The current version of the Balancing and Settlement Code can be found at www.elexon.co.uk/ta/bscrel_docs/bsc_code.html

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SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as BSACo has been able to assess the following parties/documents have been initially identified as being potentially impacted by Modification Proposal P133.

Parties		Sections of the BSC		Code Subsidiary Documents	
Suppliers	<input type="checkbox"/>	A	<input type="checkbox"/>	BSC Procedures	<input type="checkbox"/>
Generators	<input type="checkbox"/>	B	<input type="checkbox"/>	Codes of Practice	<input type="checkbox"/>
Licence Exemptable Generators	<input type="checkbox"/>	C	<input checked="" type="checkbox"/>	BSC Service Descriptions	<input type="checkbox"/>
Transmission Company	<input type="checkbox"/>	D	<input type="checkbox"/>	Service Lines	<input type="checkbox"/>
Interconnector	<input type="checkbox"/>	E	<input checked="" type="checkbox"/>	Data Catalogues	<input type="checkbox"/>
Distribution System Operators	<input type="checkbox"/>	F	<input type="checkbox"/>	Communication Requirements Documents	<input type="checkbox"/>
Party Agents					
Data Aggregators	<input type="checkbox"/>	G	<input type="checkbox"/>	Reporting Catalogue	<input type="checkbox"/>
Data Collectors	<input type="checkbox"/>	H	<input type="checkbox"/>	MIDS	<input type="checkbox"/>
Meter Operator Agents	<input type="checkbox"/>	J	<input type="checkbox"/>	Core Industry Documents	
ECVNA	<input type="checkbox"/>	K	<input type="checkbox"/>	Grid Code	<input type="checkbox"/>
MVRNA	<input type="checkbox"/>	L	<input type="checkbox"/>	Supplemental Agreements	<input type="checkbox"/>
BSC Agents					
SAA	<input type="checkbox"/>	M	<input type="checkbox"/>	Ancillary Services Agreements	<input type="checkbox"/>
FAA	<input type="checkbox"/>	N	<input type="checkbox"/>	Master Registration Agreement	<input type="checkbox"/>
BMRA	<input type="checkbox"/>	O	<input type="checkbox"/>	Data Transfer Services Agreement	<input type="checkbox"/>
ECVAA	<input type="checkbox"/>	P	<input type="checkbox"/>	British Grid Systems Agreement	<input type="checkbox"/>
CDCA	<input type="checkbox"/>	Q	<input type="checkbox"/>	Use of Interconnector Agreement	<input type="checkbox"/>
TAA	<input type="checkbox"/>	R	<input type="checkbox"/>	Settlement Agreement for Scotland	<input type="checkbox"/>
CRA	<input type="checkbox"/>	S	<input checked="" type="checkbox"/>	Distribution Codes	<input type="checkbox"/>
Teleswitch Agent	<input type="checkbox"/>	T	<input type="checkbox"/>	Distribution Use of System Agreements	<input type="checkbox"/>
SVAA	<input type="checkbox"/>	U	<input type="checkbox"/>	Distribution Connection Agreements	<input type="checkbox"/>
BSC Auditor	<input type="checkbox"/>	V	<input type="checkbox"/>	BSACo	
Profile Administrator	<input checked="" type="checkbox"/>	W	<input type="checkbox"/>	Internal Working Procedures	<input checked="" type="checkbox"/>
Certification Agent	<input type="checkbox"/>	X	<input checked="" type="checkbox"/>	Other Documents	
MIDP	<input type="checkbox"/>			Transmission Licence	<input type="checkbox"/>
TFLA	<input type="checkbox"/>				
Other Agents					
SMRA	<input type="checkbox"/>	Estimated cost for progressing P133 through Modification Procedures		£ 4,000 + 40 ELEXON man days	
Data Transmission Provider	<input type="checkbox"/>				

1 DESCRIPTION OF PROPOSED MODIFICATION

1.1 Modification Proposal

The Profile Administrator is currently defined as a BSC Agent within Section E of the Balancing and Settlement Code (the Code). As such, the role of the Profile Administrator cannot be undertaken by any Party, nor is it obvious that the role can be undertaken by BSCL or any of its subsidiary companies.

The services of the Profile Administrator are currently being undertaken by Electricity Association Services Limited (EASL), appointed by ELEXON. EASL has informed ELEXON that as a result of a restructuring process, it intends to cease acting as Profile Administrator during 2003. Although it should be noted that to terminate its agreement with BSCL, EASL must give 6 months if notice in writing is given to BSCL (and provide up to 12 months of defined exit management services if required to do so by BSCL). No such notice has been given as at today's date. However if this notice is not given, BSCL believes that, unless swiftly resolved, a serious and credible threat to the quality of data entering Settlement would exist as it would be difficult to procure a service "off-the-shelf" from an organisation that would be sufficiently independent of Trading Parties and have the relevant expertise to commence service provision quickly.

The data provided by the Profile Administrator is an integral part of the Settlement system. EASL's intention to cease providing the service could mean that it would not be possible to procure, at a reasonable cost, and in a timely manner, an alternative independent service provider with the relevant expertise to undertake the role of the Profile Administrator. An issue exists in that if no service is in place to provide the data, BSCL would be in breach of its obligations under the Code and the Settlement system might be compromised.

P133 is an "enabling" Modification Proposal, intended to give the option to allow BSCL flexibility in the way in which it is able to secure the provision of the Profile Administrator service, without adversely affecting Settlement, by specifically permitting BSCL, or any of its subsidiary companies, to provide a Profile Administrator service itself in the event that a commercial decision to do so is made by the board of BSCL.

1.2 Issues raised by the Modification Proposal

P133 seeks to introduce provisions into the Code that would enable BSCL provide the services currently provided by EASL as Profile Administrator. The progression of P133 through the Modification Procedure will therefore be focused on the principles associated with BSCL providing these services. The flexibility introduced by P133 will then be available to BSCL management when assessing the most appropriate way forward if, and when, any notice of termination of the Profile Administrator service by EASL is provided.

An initial assessment of Modification Proposal P133 has identified the following potential areas of impact and issues which will need to be considered and addressed in processing the Modification Proposal.

- an assessment of the risk to Settlement that would occur if the Profile Administrator service were terminated without an adequate replacement service being in place; and
- an assessment of the impacts to the Code (envisioned to be Sections C, E, S and Annex X1).

These issues are recommended for inclusion in the Modification Group's Terms of Reference.

2 INITIAL ASSESSMENT OF IMPACTS OF MODIFICATION PROPOSAL

2.1 Impact on BSC Systems and processes

An initial assessment has been undertaken in respect of all BSC Systems and processes. It should be noted that there are no direct impacts of implementing P133 on the BSC Systems as P133 enables, but does not compel, to undertake the role of the Profile Administrator.

BSCL believes that without P133 there may be a detrimental effect on Settlement were EASL to cease to provide the Profile Administrator service without BSCL having the ability to undertake this role.

2.2 Impact on other systems and processes used by Parties

BSCCo has not identified any impact on systems and processes used by Parties as a result of P133.

2.3 Impact on documentation

2.3.1 Impact on Balancing and Settlement Code

An initial assessment has been undertaken in respect of all Sections of the Code and the following Sections have been identified as potentially being impacted by the Modification Proposal.

Item	Potential Impact of Proposed Modification
Section C	Section C describes the role, powers and functions of BSCCo. As P133 proposes that BSCCo is to be able to undertake a new role then there is an impact here.
Section E	Section E defines the Profile Administrator as a BSC Agent. This will need to change to allow BSCCo to undertake the role.
Section S	Section S defines the role of the Profile Administrator and may be impacted by BSCCo undertaking the role.
Annex X	May require consequential amendments depending on the changes made to the other sections as identified above.

2.3.2 Impact on Code Subsidiary Documents

An initial assessment has been undertaken in respect of all Code Subsidiary Documents and the following documents have been identified as potentially being impacted by the Modification Proposal.

Item	Potential Impact of Proposed Modification
BSCP509	BSCP509 – “Changes to Market Domain Data” - Depending on the legal drafting for P133, an assessment will need to be undertaken to determine whether this will have an impact on the BSCP.
BSCP510	BSCP510 – “The Provision of Sampling Data to the Profile Administrator” - Depending on the legal drafting for P133, an assessment will need to be undertaken to determine whether this will have an impact on the BSCP.

2.4 Impact on Core Industry Documents

An initial assessment has been undertaken in respect of Core Industry Documents and no impacts have been identified.

2.5 Impact on other configurable items

An initial assessment has been undertaken in respect of other configurable items no impacts have been identified.

3 IMPACT ON BSCCO

An initial assessment has been undertaken in respect of BSCCo and the following have been identified as potentially being impacted by the Modification Proposal.

Enabling BSCCo to undertake the role of Profile Administrator as suggested within P133 will have no direct impact on BSCCo systems, procedures, contracts (excluding BSC Agent Contracts), staffing or costs. Were

BSCCo to act as the Profile Administrator there may be impacts at that time which will be assessed by BSCCo management.

An investigation will be undertaken during the Assessment Procedure of whether there are any impacts on BSCCo's Articles of Association.

4 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

Approval of P133 will have no immediate direct impact on BSC Agent Contracts were P134 to be approved. There would be no need to enter into a Profile Administrator Contract if BSCCo provided the service currently provided by the Profile Administrator.

5 RATIONALE FOR BSCCO'S RECOMMENDATIONS TO THE PANEL

BSCCo believes that the potential for BSCCo to take on powers beyond those already provided within the Code will need further assessment by a Modification Group, who will benefit from the views of industry via a consultation in forming its recommendation.

Given that extending the powers of BSCCo is essentially a governance matter, and the fact that the Profile Administrator is a highly specialised service, BSCCo believes that an Assessment Procedure for P133 should be undertaken by a new Modification Group formed from members of the Governance Standing Modification Group and the Volume Allocation Standing Modification Group.

6 PROCESS, TIMETABLE AND COST FOR PROGRESSING THE MODIFICATION PROPOSAL

BSCCo recommends that P133 be submitted to the Assessment Procedure to be undertaken by a new Modification Group formed from the VASMG and the GSGM and that an Assessment Report be prepared for the Panel at its meeting of 11 September 2003.

It is estimated that progressing P133 through the Modification Procedures will incur a cost of no more than £4,000 and use approximately 50 ELEXON Man days. This estimate is based on current information and is subject to change.

7 DOCUMENT CONTROL

7.1 Authorities

Version	Date	Author	Reviewer	Change Reference
0.1	02/07/03	Richard Clarke	Graham Webb	Initial Draft
1.0	04/07/03	Richard Clarke	PANEL	For Decision

7.2 References

Ref	Document	Owner	Issue date	Version

Annex 1 Modification Proposal

Modification Proposal – F76/01	MP No: 133 <i>(mandatory by BSCL)</i>
Title of Modification Proposal (<i>mandatory by originator</i>): Facility to permit BSCL to undertake the role of the Profile Administrator	
Submission Date (<i>mandatory by originator</i>): 30 June 2003	
Description of Proposed Modification (<i>mandatory by originator</i>) A Modification to allow BSCL, or any of its subsidiary companies, to undertake the role of the Profile Administrator.	
Description of Issue or Defect that Modification Proposal Seeks to Address (<i>mandatory by originator</i>) The Profile Administrator is currently defined as a BSC Agent within Section E of the Balancing and Settlement Code (the Code). As such, the role of the Profile Administrator cannot be undertaken by any Party, nor BSCL or any of its subsidiary companies. The services of the Profile Administrator are currently being undertaken by Electricity Association Services Limited (EASL), appointed by ELEXON. EASL has informed ELEXON that as a result of a restructuring process, it wishes to cease acting as Profile Administrator during 2003. The earliest EASL can terminate its agreement with BSCL is 6 months from the date notice in writing is given to BSCL (and thereafter they would be required to give up to 12 months of exit management). No such notice has been given as at today's date. If such notice were given, BSCL could tender out the Profile Administrator service but, as far as BSCL is aware, the service cannot easily be purchased "off-the-shelf" elsewhere in a timely manner. The data provided by the Profile Administrator is an integral part of the Settlement system underpinning the non Half Hourly Supplier Volume Allocation calculation. EASL's intention to cease providing the service could mean that it would not be possible to procure, at a reasonable cost, and in a timely manner, an alternative independent service provider with the relevant expertise to undertake the role of the Profile Administrator. An issue exists in that if no service is in place to provide the data, the accuracy of the Settlement system would be compromised and BSCL would be in breach of its obligations under the Code. This Modification Proposal, is therefore intended to allow BSCL flexibility in the way in which it is able to secure the service of the Profile Administrator, by specifically permitting it to assume the Profile Administrator service in the event that a commercial decision to do so is made.	
Impact on Code (<i>optional by Originator</i>) Likely to impact Section C, Section E, Section S and Section X of the Code.	
Impact on Core Industry Documents (<i>optional by Originator</i>)	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties (<i>optional by originator</i>)	

Modification Proposal – F76/01	MP No: 133 <i>(mandatory by BSCCo)</i>
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>) At its meeting on 12 June 2003, the current position with respect to the services provided by the Profile Administrator was outlined to the Panel, and the Panel agreed to raise a Modification Proposal to allow the BSC to be amended to facilitate BSCCo undertaking the role of the Profile Administrator. This proposal is raised in the interests of efficiency of the balancing and settlement arrangements, and thereby fulfils Applicable BSC Objective (d).	
Details of Proposer: Name ...Balancing and Settlement Code Panel Organisation: Telephone Number ...N/A Email Address:	
Details of Proposer's Representative: Name ...Chris Rowell, Modification Secretary Organisation ELEXON Telephone Number 0207 380 4100 Email address: Chris.rowell@elexon.co.uk	
Details of Representative's Alternate: Name ...Richard Clarke Organisation ELEXON Telephone Number 0207 380 4304 Email address Richard.clarke@elexon.co.uk	

Modification Proposal – F76/01	MP No: 133 <i>(mandatory by BSCCo)</i>
Attachments: No <i>(delete as appropriate) (mandatory by originator)</i>	
If Yes, Title and No. of Pages of Each Attachment:	