

Modification Proposal

MP No: 108
(mandatory by BSCCo)

Title of Modification Proposal (mandatory by proposer):

Modification to enable BSCCo to prepare for the implementation of British Electricity Trading and Transmission Arrangements (BETTA)

Submission Date (mandatory by proposer): 1 November 2002

Description of Proposed Modification (mandatory by proposer):

This proposal seeks to authorise BSCCo to provide or procure assistance to the Gas and Electricity Markets Authority (the Authority) in connection with the development and implementation of BETTA, primarily assistance in:

- identification of the changes to systems and contracts of BSC Agents required to support the implementation of BETTA;
- progression of the above changes so as to support the implementation of BETTA;
- identification of the changes required to the drafting of the BSC and associated Subsidiary Documents in order to support the implementation of BETTA; and
- planning and preparing for the transition (from the existing arrangements in England and Wales and in Scotland) to and introduction of a GB BSC.

The costs incurred by BSCCo in providing assistance to the Authority would be separately identified, but borne by all BSC Parties.

Each area of work must be proposed by BSCCo and approved by the Authority prior to its commencement.

ELEXON would be able to request services from BSC Agents, and use and disclose BSC data and systems for purposes of providing assistance to the Authority.

The scope of ELEXON's activities should be limited to those that are necessary and timely for the effective implementation of the proposed BETTA arrangements and relevant to the proposed GB-wide BSC. BSCCo would not, therefore, be permitted to carry out BETTA related work beyond an appropriate break point (e.g. the appointment of a GB BSCCo).

The BSCCo Board should monitor and control the company's activities and costs and BSCCo should make available to BSC Parties regular reports on the progress and costs of its BETTA activities.

Description of Issue or Defect that Modification Proposal Seeks to Address (mandatory by proposer):

BSCCo is not currently able to undertake any work in relation to preparation for the introduction of a GB-wide BSC under BETTA, as the scope of its activities, resources and services is limited only to those necessary to fulfil its role in relation to balancing and settlement in England and Wales. BSCCo must contribute to BETTA implementation to increase the assurance that the target BETTA implementation date of April 2004 will be met.

Impact on Code (optional by proposer):

Sections C and D

Impact on Core Industry Documents (optional by proposer):

No impact expected.

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Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties (optional by proposer):

No impact expected.

Impact on other Configurable Items (optional by proposer):

No impact expected.

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

This proposal better facilitates the achievement of the Applicable BSC Objective contained in Standard Condition C3.3(e) of NGC's Transmission Licence, namely:

(e) without prejudice to the foregoing objectives and subject to paragraph 3A, the undertaking of work by BSCCo (as defined in the BSC) which is:

- (i) necessary for the timely and effective implementation of the proposed British Electricity Trading and Transmission Arrangements (BETTA); and
- (ii) relevant to the proposed GB wide balancing and settlement code;

and does not prevent BSCCo performing its other functions under the BSC in accordance with its objectives.

3A For the purposes of, and without prejudice to, paragraph 5(a), in order to better facilitate achieving the objective referred to in paragraph 3(e), any modification to the BSC providing for the undertaking of work by BSCCo pursuant to paragraph 3(e) must include express provision that:

- (i) such work is proposed by BSCCo and approved by the Authority prior to its commencement; and
- (ii) the costs of such work as may be carried out by BSCCo shall be identified and recorded separately by BSCCo.

Details of Proposer:

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Details of Representative's Alternate:

Name:

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Attachments: NO

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