

## Stage 01: Recommendation to raise a Modification Proposal and Initial Written Assessment

# Allow the BSC Panel to conduct Modification Business via teleconference

Under the current arrangements, BSC Panel cannot conduct Modification Business via teleconference. This Modification proposes to remove this restriction.

ELEXON recommends that the Panel:



- Raise the attached Modification Proposal;
- Progress directly to the Report Phase with a provisional view that it should be approved; and
- Progress as a Self-Governance Modification Proposal.



Low Impact:  
BSC Panel and ELEXON

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

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## About this Document

This is a recommendation by ELEXON to the Panel to raise a Modification Proposal. We will present this recommendation to the Panel on 14 June 2012. If the Panel agrees to raise the Modification Proposal, then this document also forms our Initial Written Assessment to the Panel and sets out how we believe the change should be progressed.

The Panel will consider our recommendations and agree whether to raise the Modification Proposal and, if so, how to progress it.

You can find further information in the attached Modification Proposal (Attachment A) and draft BSC legal text (Attachment B).



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### Any questions?

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Contact:  
**Talia Addy**

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[click & insert image](#)

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# 1 Why Change?

## Summary of the Change

Under the current arrangements, the BSC Panel meetings cannot conduct Modification Business via teleconference. Recent events have highlighted that in some circumstances, inflexibility can prove to be an issue

## What's the Issue?

If the Panel Chairman considers it to be appropriate, a meeting of the Panel can be held via teleconference. However, decisions relating to Modification Business cannot be made at such a meeting, as stated in Section F4.4.7(b) of the BSC. This means that Panel Members are unable to make decisions relating to Modification Business by way of teleconference.

Furthermore, if a situation came about where Modification Business is needed to be discussed, and too few Panel Members were able to attend the meeting in person, then a decision could not be taken on the Modification Business at that meeting as the Panel would not be deemed quorate.

The Panel would therefore have to postpone any decision on the relevant Modification(s) until a later date when there were enough Panel Members present in person to make the decision. This could have an adverse impact on the progression of any affected Modifications.

## 2 Solution

### Proposed solution

We recommend that the Panel raises the Modification Proposal in Attachment A, to make a minor change to the BSC in accordance with paragraph F2.1.1(d)(iv) of the code.<sup>1</sup>

This Modification proposes to allow the BSC Panel to make decisions on Modification Business in meetings that are conducted via teleconference. In order for the BSC Panel meeting to conduct Modification Business in this manner, at least one Member from the Panel must be present at the venue specified for that Panel meeting. This is required in order to keep the openness and transparent environment where anyone can attend these meetings at the specified venue, along with the one required Member, to listen to the discussions.

### Applicable BSC Objectives

We believe that the Modification Proposal better facilitates the achievement of BSC Objective (d). We believe it is self-evident that allowing the Panel to make decisions on Modification Business via teleconference better facilitates the efficiency of the BSC arrangements.

By allowing decisions to be made on Modification Business via teleconference, we will not be changing the fundamental makeup of the meeting nor excluding the need for a specified venue. We will be allowing Members to take a more efficient approach to attending these meetings, where deemed appropriate, whilst keeping with the open environment where anyone can attend the meeting along with the one required Panel Member.

### Implementation Approach

If the Panel agree to raise the Modification Proposal it will only require changes to the Code. As such we recommend that it is implemented one working day after the 15 day Self-Governance appeal window has closed. This window would close on 2 August 2012 and so this Modification would therefore be implemented on 3 August 2012.

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<sup>1</sup> F2.1.1(d)(iv) allows the Panel to raise a Modification Proposal on ELEXON's recommendation to rectify manifest errors in, correct minor inconsistencies in, or make other minor consequential changes to the Code.

### 3 Likely Impacts

#### Implementation Costs

Implementation costs	
ELEXON effort	1 man day, equating to approximately £240
Service Provider costs	None
<b>Total costs</b>	<b>Approximately £240</b>

#### Impacts

Impact on BSC Parties and Party Agents
None.

Impact on Transmission Company
None.

Impact on ELEXON
Low impact on ELEXON – ELEXON would manage the implementation project.

Impact on Code	
Code section	Potential impact
Section B	Change will be required to implement the solution. The proposed changes can be found in Attachment B.

## 4 Proposed Progression

### Why directly to Report Phase?

The Panel may progress a Modification straight to the Report Phase where it considers it self-evident that the Modification Proposal better facilitates the Applicable BSC Objectives.

We believe it is self-evident that allowing the Panel to make decisions on Modification Business via teleconference better facilitates the efficiency of the BSC arrangements, as always requiring Panel Members to attend meetings in person to discuss Modification Business is inefficient in light of the technology currently available. This Modification would allow Modification Business to be discussed by the Panel via teleconference where it is deemed appropriate by the Panel Chairman, improving efficiency and thus better facilitating Applicable BSC Objective (d).

We therefore recommend that the Panel determines that this Modification Proposal should proceed directly to the Report Phase.

### Why Self-Governance?

We believe that the Modification Proposal fulfils the Self-Governance Criteria set out in Annex X-1 of the Code. It has no material impact on consumers, competition, the Transmission System or BSC governance.

This Modification Proposal would only impact ELEXON and the BSC Panel, and has no impact on BSC Parties. There will be no material changes to BSC Panel meetings in allowing Modification Business to be discussed via teleconference in the manner proposed, as it would still be possible for other people to attend the meeting and listen to the discussions, thereby maintaining the current transparency of Panel meetings.

### Next steps

If the Panel agrees to raise this Modification Proposal and sends it directly to the Report Phase, we will issue a Draft Modification Report for consultation and present the responses to the Panel at its meeting on 12 July 2012

If the Panel believes that the Modification Proposal does not satisfy the Self-Governance Criteria, the Modification Proposal will progress through the Report Phase as normal (providing the Authority does not issue a contrary direction).

If the Panel agrees that the Modification Proposal should be progressed through the Self-Governance route, then the Panel:

- We will submit a Self-Governance Statement to the Authority on the Panel's behalf at the same time as issuing the Report Phase Consultation;<sup>2</sup>
- Consult with the industry on whether the Modification Proposal should be Self-Governance as part of the Report Phase Consultation;
- Submit any consultation responses on Self-Governance to the Authority on Tuesday 03 July (7 days before the Panel intends to make its decision on whether to approve the Modification Proposal);

<sup>2</sup> This must include the Panel's detailed reasons as to why it believes the Modification Proposal satisfies the Self-Governance Criteria and the date that the Panel intends to make its decision whether to approve the Modification Proposal.



#### Self-Governance Criteria

(a) it is unlikely to have a material effect on:

(i) existing or future consumers;

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity;

(iii) the operation of the national electricity transmission system;

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the BSC's governance procedures or modification procedures; and

(b) it is unlikely to discriminate between different classes of BSC parties.

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## Estimated progression costs

Estimated progression costs based on proposed timetable

ELEXON effort	3 man days, equating to approximately £720
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The ELEXON resource cost is an estimate of how much time and effort it will take us to progress this Modification through the Report Phase. The resource is minimal since the only activities will be considering consultation responses and updating the Draft Modification Report for the Panel's consideration.

Below is our estimate of the cost that will be incurred by the industry in responding to this Modification's Report Phase consultation.

Estimate of total industry assessment costs

Consultation response support	Est #con	Est #resp	Est effort	Est rate	Sub-total
	1	5	0.5	£605	£1,513
<b>Total costs</b>					<b>£1,513</b>

Consultation costs are an estimation of the anticipated industry response to the Report Phase consultation issued to support the recommended Modification and the approximate time and effort spent on responses. The calculation is based upon an anticipated number of 5 responses to the 1 consultation, and assumes each response requires 0.5 man days of industry effort. A standard rate of £605 per man day is applied.

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## 5 Recommendations



We invite the Panel to:

- **RAISE** the Modification Proposal in Attachment A.

With respect to the progression process/timetable:

- **SUBMIT** the Modification Proposal directly to the Report Phase;
- **AGREE** a provisional view that the Modification should be made;
- **AGREE** a provisional Implementation Date of one working day after the Self-Governance appeal window closes;
- **AGREE** the draft legal text in Attachment B; and
- **AGREE** that the Draft Modification Report should be issued for consultation and submitted to the Panel at its meeting on 12 July 2012

With respect to Self-Governance:

- **AGREE** a provisional view that the Modification Proposal meets the Self-Governance Criteria;
- **NOTE** that, if the Panel agrees that the Modification Proposal meets the Self-Governance Criteria, ELEXON will prepare and submit a Self-Governance Statement to the Authority setting out the Panel's reasons for its view;
- **DETERMINE** if the Report Phase Consultation should seek industry views on whether the Modification Proposal meets the Self-Governance Criteria; and
- **NOTE** that the Panel has the ability to change its mind on Self-Governance at its next meeting, and that the Authority has the ability to independently determine that the Modification Proposal is, or is not, a Self-Governance Modification Proposal.

### Report Phase

We recommend that the Panel raises the Modification Proposal, sends it straight to the Report Phase with a view that it should be approved, and progresses it as a Self-Governance Modification Proposal.

## 6 Further Information

You can find more information in:

Attachment **A**: Modification Proposal

Attachment **B**: Draft Legal Text

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