Modification Proposal – BSCP40/03

MP No: 318

(mandatory by BSCCo)

Title of Modification Proposal (mandatory by originator):

Change of Party ID/Company Number Through Enabling Assignment

Submission Date (mandatory by originator):

26 February 2015

Description of Proposed Modification (mandatory by originator)

This modification seeks to enable a BSC Party to change its Party ID and/or its Company Number without going through the full Market Exit and Market Entry procedures, where this change is of an administrative nature only and does not reflect any changes in the company's abilities to discharge its obligations under the BSC.

This would be achieved through a change to Section H 9.1 that deals with assignment. The BSC currently does not allow a Party to assign and/or transfer any of its rights or obligations under the Code or the Framework Agreement (except in very specific circumstances relating to its rights over receivables).

The proposal would introduce the ability of a Party to assign its rights and obligations under the BSC with the prior written agreement of the BSC Panel. The Panel would confirm on behalf of BSC Parties that, having considered relevant information from the Party concerned, it is content to allow the assignment to take place. Such consent not to be unreasonably withheld.

An assignment facility has precedent in other industry codes and will promote efficiency in the implementation of the balancing and settlement arrangements.

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

When a Party accedes to the BSC the Party ID and the Company Number of the acceding Party become linked. Then, if a BSC Party wishes to change its Company Number or its Party ID it is required to go through the Market Exit process and qualify again through the Market Entry process. If a company wishes to change its name it can do so, but only if the Company Number remains the same.

There is currently no route for a BSC Party to make administrative changes to the Party ID or Company Number without going through the full Market Exit and Market Entry processes.

An example of where this restriction is an issue for BSC Parties is where a new company has been established and had transferred to it, with Ofgem's approval, its electricity supply licence. The rationale for the transfer is a legitimate business reason that has met the tests applied by the regulator. The new company has a different Company Number, but is from the perspective of the BSC the same Party.

The current requirement is both disproportionate and unnecessary as in this case there have been no

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changes to the Party's ability to discharge its responsibilities under the BSC. It places unnecessary costs and delays on the BSC Party and it is a waste of BSC resources for what should be a purely administrative change.

The BSC should therefore include provisions to make such administrative changes without the requirement for the full Market Entry process that apply to genuine new entrants. The facility to enable such an assignment is already a part of other industry codes. For example, the DCUSA (Section 60 *Miscellaneous*, paragraph 10) states that "No Party may assign any of its rights under this Agreement without the prior written consent of the other Parties, such consent not to be unreasonably withheld."

Introduction of a similar provision into the BSC is a straightforward means to achieve this administrative change. BSC Parties need to be assured that there have been no material changes to the Party whose Party ID and/or Company Number has been changed and it is proposed that they would delegate the approval to the BSC Panel which would confirm this on their behalf.

This modification seeks that the provision would be applied only where it is clearly evident that there is no material change to the BSC Party. Hence it is proposed that this is a self-governance proposal. It does not seek to propose wider changes to the Qualification process for existing or new Parties.

Impact on Code (optional by originator)

Section H General

Impact on Core Industry Documents or System Operator-Transmission Owner Code (optional by originator)

TBC

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

TBC

Impact on other Configurable Items (optional by originator)

TBC

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

The BSC Applicable Objectives that would be facilitated is:

d) Promoting efficiency in the implementation of the balancing and settlement arrangements

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The modification would introduce a method to make administrative or housekeeping changes to Party ID/Company Number; the BSC is currently silent on this issue.

It would remove the need for a Party to go through a time-consuming and costly process where there is no benefit to the operation or integrity of the balancing and settlement arrangements. The current requirement is unnecessarily bureaucratic and puts a barrier to companies that wish to make such changes for administrative purposes.

Is there a likely material environmental impact? (optional by originator)

No

Urgency Recommended: Yes / No (delete as appropriate) (optional by originator)

Justification for Urgency Recommendation (mandatory by originator if recommending progression as an Urgent Modification Proposal)

N/A

Self-Governance Recommended: Yes / **No** (delete as appropriate) (optional by originator)

Justification for Self-Governance Recommendation (mandatory by originator if recommending progression as Self-Governance Modification Proposal)

The proposal will have no material impact on existing or future consumers, competition, transmission system operation, wider market/network management issues or Code procedures, and does not discriminate between different classes of Parties.

Fast Track Self-Governance Recommended: Yes / No (delete as appropriate) (optional by originator)

Justification for Fast Track Self-Governance Recommendation (mandatory by originator if recommending progression as Fast Track Self-Governance Modification Proposal)

N/A

Should this Modification Proposal be considered exempt from any ongoing Significant Code Reviews? (optional by originator in order to assist the Panel decide whether a Modification Proposal should undergo a SCR Suitability Assessment)

N/A - no ongoing SCR.

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Attachments: Yes / No (delete as appropriate) (mandatory by originator)	
If Yes, Title and No. of Pages of Each Attachment: N/A	