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Dear Michael,

Ofgem response to the BSC Panel's request to defer the P321 'Publication of Trading Unit Delivery Mode' implementation date from the June to November 2016 Release

On 14 January 2016, the Balancing and Settlement Code (BSC) Panel, requested the Authority's agreement to defer the implementation date of P321¹ from the June BSC systems Release (30 June 2016) to the November Release (3 November 2016). This is in accordance with Section F2.11.8 of the BSC. We have decided to approve this request.

P321 'Publication of Trading Unit Delivery Mode' will result in publication of information on the direction of delivery of Trading Units for each Grid Supply Point Group, in every Settlement Period. The aim is to increase the transparency of the direction of delivery and the availability of the consequent data that drives changes in charges. It was approved as a self-governance modification by the Panel in October 2015, to be implemented through inclusion in the June 2016 release.

However, on 5 January 2016 Elexon requested the BSC Panel to write to Ofgem to defer the implementation of P321 for the following reasons:

- The delay would simplify the June Release at a time when Elexon is undergoing a transfer of service from Elexon's current Application Management and Development (AMD) service provider;
- It reduces a risk on BMRS² Phase 3 delivery which is being developed in parallel;
- It eliminates potential additional costs (in the order of >£100K) which are specific to implementing P321 during this period; and
- It eliminates the potential need to develop changes to old BMRS in the event of any delay to BMRS Phase 3 (Elexon do not wish to consider this given that they ceased any development of old BMRS some time ago).

In requesting agreement from the Authority to defer the implementation of P321, the Panel set out these reasons noting that, while SmartestEnergy Limited, the proposer, does not wish for the implementation to be deferred, there were no other objections to the deferral. The Panel also noted that Elexon will in the meantime investigate if it can publish the same information using a manual process.

¹ <https://www.elexon.co.uk/mod-proposal/p321/>

² Balancing Mechanism Reporting Service.

In addition, the Panel noted that even though P321 was approved as a self-governance modification the only way the implementation date could be deferred is through a request to the Authority, and it is unsure if this aligns with principle of self-governance.

Our decision

In accordance with section F2.11.8 of the BSC, we have decided to agree to an extension of the implementation date of P321 from 30 June 2016 to 3 November 2016. We agree that the reasons provided by the BSC Panel are sufficient justification to warrant this extension. We note that the proposer does not wish the implementation to be deferred. However we also note there are no other objections and the Panel is satisfied with the request. We welcome that Elexon is investigating alternative ways to publish the same information as would be available under P321.

We note the Panel uncertainty as to whether the requirement for an Authority decision in these circumstances is intended, and whether this aligns with the principles of self-governance. We note that, broadly speaking, the aim of self-governance is to provide for modification decisions that do not have a material impact on competition or consumers to be taken by the industry, and not the Authority. We encourage the Panel and industry to review the relevant BSC provisions and consider if any change may be appropriate.

Yours sincerely

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