

# CP Assessment Report

## CP1468 'Adoption of a standard template for raising Modifications'

**ELEXON**



### Committee

Imbalance Settlement Group

### Recommendation

Approve

### Implementation Date

3 November 2016  
(November 2016)



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### Contents

<b>1</b>	<b>Why Change?</b>	<b>2</b>
<b>2</b>	<b>Solution</b>	<b>3</b>
<b>3</b>	<b>Impacts and Costs</b>	<b>4</b>
<b>4</b>	<b>Implementation Approach</b>	<b>5</b>
<b>5</b>	<b>Initial Committee Views</b>	<b>6</b>
<b>6</b>	<b>Industry Views</b>	<b>7</b>
<b>7</b>	<b>Recommendations</b>	<b>8</b>
	<b>Appendix 1: Glossary &amp; References</b>	<b>9</b>

### About This Document

This document is the Change Proposal (CP) Assessment Report for CP1468 which ELEXON will present to the Imbalance Settlement Group (ISG) at its meeting on 20 September 2016. The ISG will consider the proposed solution and the responses received to the CP Consultation before making a decision on whether to approve CP1468. This report will also be present to the Supplier Volume Group (SVG) at its meeting on 4 October 2016.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the ISG and SVG's initial views on the proposed changes and the views of respondents to the CP Consultation.
- Attachment A contains the proposed redlined changes to deliver the CP1468 solution.
- Attachment B contains the standard modification template.
- Attachment C contains the full responses received to the CP Consultation.

ISG185/01

CP1468  
CP Assessment Report

20 September 2016

Version 0.1

Page 1 of 9

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# 1 Why Change?

## What is Ofgem's Code Governance Review?

In 2010, Phase 1 of Ofgem's [Code Governance Review](#) (CGR) implemented measures to improve the governance arrangements in three of the main industry codes that underpin the gas and electricity markets (including the Balancing and Settlement Code (BSC)). In 2013, Phase 2 of the CGR extended many of the outcomes to the remaining industry codes.

In May 2015, Ofgem announced its intention to conduct Phase 3 of the review. This was due to concerns that the code governance arrangements may still not be operating in the best interest of consumers. This was particularly in light of significant changes to the industry such as the roll out of smart Meters, the low carbon transition and the European Union (EU) Third Energy Package.

## What is the issue?

Ofgem published its [final proposals for Phase 3 of the CGR](#) in March 2016. These proposals took into account feedback on the initial proposals as well as input from industry and Code Administrators' workshops (which ELEXON attended). One proposal aims to replace the various Modification Proposal templates that are used across the different codes with a standard template. The template in Attachment B was developed with input from the Code Administrators and Ofgem has now instructed that all Code Administrators should adopt it.

Currently, BSC Parties propose Modifications to the BSC using the Modification Proposal form (BSCP40/03) in BSC Procedure (BSCP) 40 '[Change Management](#)'. In order to facilitate the use of the new common template for raising a Modification Proposal, the existing proposal form needs to be replaced.

### Proposed solution

ELEXON raised [CP1468 'Adoption of a standard template for raising Modifications'](#) on 6 July 2016. It proposes to remove the BSC Modification Proposal form (BSCP40/03) from BSCP40. Instead, BSCP40 will refer participants who wish to propose a Modification to the standard proposal form template, which ELEXON will be required to make available on the ELEXON website.

The new template captures all the essential information of the form BSCP40/03 as required by BSC Section F2.1.2 (e.g. the issue, the solution, impacts and relevant Code objectives). The new template also includes additional fields which a Proposer can fill out if they wish to (e.g. implementation and legal text). ELEXON will complete any sections of the form that are left blank by the Proposer or delete them if they are unnecessary.

At this stage, we only propose to remove the existing Modification Proposal form and replace it with the standard template. Participants that wish to raise a CP or an Issue would continue to use the existing BSCP40 forms for these. We will consider the format and use of the CP and Issue forms in light of the review of the Modifications process that we will be conducting later this year (as per the [Panel's Strategic Work Programme](#)).

### Proposer's rationale

Ofgem requires this change.

Ofgem considers that a single, standardised process and template for raising a Modification Proposal under any code would reduce the existing burden on users of needing to be familiar with multiple approaches.

The BSC is already clear on the information that a Proposer must provide when proposing a change (this is set out in BSC Section F2.1.2). Consequently, it is not essential that the specific design of the proposal form be set out in the BSCP itself.

Removing the Modification Proposal form from the BSCP will facilitate efficiency as there will be no need to raise a formal Change Proposal for future changes to the template form. This will simplify any further evolution of the form that may be required to support the continued harmonisation of code change processes and working practices.

### Proposed redlining

The proposed redlined changes to BSCP40 to deliver CP1468 can be found in Attachment A.

### 3 Impacts and Costs

#### Central impacts and costs

This change will require document changes only.

There are no system changes required for this CP and no impact on BSC Agents.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none"><li>BSCP40</li></ul>	<i>None</i>

The central implementation costs for CP1468 will be approximately £240 (one ELEXON man day) to implement the necessary document changes.

#### BSC Party & Party Agent impacts and costs

We do not expect CP1468 to impact any BSC Parties or Party Agents. However, one respondent noted that its staff will need to be trained on the new templates; though this was indicated as no additional cost.

Although users will be required to complete a different form than previously when proposing a Modification, this is not expected to impact their experience as the same information is required. The new template includes guidance to explain what is required of a Proposer when completing the form.

In the event that a Proposer submits a Modification Proposal using the old form within three months following implementation of this CP, we will transfer the information to the new template. ELEXON will do this as part of its initial 'critical friend' review. We would then advise the Proposer of the new form and provide the amended form.

## 4 Implementation Approach

### Recommended Implementation Date

We propose to implement CP1468 on **3 November 2016** (as part of the scheduled November 2016 Release).

This is the next Release that this CP can be included in. This is in line with the timetable we submitted to Ofgem for the implementation of the CGR3 proposals, in which we stated this particular change would aim to be implemented in 'Autumn 2016'.

We will make relevant stakeholders aware of this change through appropriate communications such as Newscast.

The Code Administrators intend to review the use of the standard template to assess its impact. We expect this review to be approximately six months following implementation. The current expectation is that if any further changes are required, the Code Administrators will agree them according to Principle 4 of the [Code Administration Code of Practice \(CACoP\)](#). However if anything changes in regard to the governance of the templates, then we will advise the committee.

### Consultation responses on Implementation Date

All six of the respondents to the consultation agreed with the proposed implementation date.

### ISG's initial views

ISG members did not raise any questions or discussion points.

### SVG's initial views

An SVG Member queried whether the template had already been finalised. ELEXON advised that it has been finalised and approved by Ofgem. Should any further changes be required, e.g. based on user feedback, these would be discussed amongst the Code Administrators and put to Ofgem according to the CACoP principles.

No other questions or discussion points were raised.

This section summarises the responses received to the CP Consultation. You can find the full responses in Attachment C.

Summary of CP1468 CP Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the CP1468 proposed solution?	6	0	0	0
Do you agree that the draft redlining delivers the intent of CP1468?	6	0	0	0
Will CP1468 impact your organisation?	1	5	0	0
Will your organisation incur any costs in implementing CP1468?	0	6	0	0
Do you agree with the proposed implementation approach for CP1468?	6	0	0	0
Do you have any further comments on CP1468?	1	5	0	0

### Comments on the template

Two respondents noted that there are some sections of the template that are more relevant to the gas industry than the electricity industry. We acknowledge these comments and will remove the sections that are not relevant before the form is made live, as well as finalising some specific details such as contact details.

### Impact

As previously noted, one respondent commented that CP1468 would impact them due to the need to train staff on completing the new standard modification template. However, they indicated that there would be no additional cost to implement.

### Redlining

There were no comments on the draft redlining. Therefore it has remained unchanged from the consultation.

## 7 Recommendations

We invite you to:

- **APPROVE** the proposed changes to BSCP40 for CP1468; and
- **APPROVE** CP1468 for implementation on 3 November 2016 as part of the November 2016 Release.
- **NOTE** that CP1468 will also be presented to the SVG on 4 October 2016 for decision.



## Appendix 1: Glossary & References

### Acronyms

Acronyms used in this document are listed in the table below.

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCP	Balancing and Settlement Code Procedure
CACoP	Code Administration Code of Practice
CGR	Code Governance Review
CP	Change Proposal
CPC	Change Proposal Circular
EU	European Union
ISG	Imbalance Settlement Group
SVG	Supplier Volume Allocation Group

### External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2	Ofgem's Code Governance Review	<a href="https://www.ofgem.gov.uk/licences-codes-and-standards/codes/industry-codes-work/code-governance-review#of-block-views-publications-and-updates-block">https://www.ofgem.gov.uk/licences-codes-and-standards/codes/industry-codes-work/code-governance-review#of-block-views-publications-and-updates-block</a>
2	Ofgem's CGR3 Final Proposals	<a href="https://www.ofgem.gov.uk/system/files/docs/2016/03/code_governance_review_phase_3_final_proposals_2.pdf">https://www.ofgem.gov.uk/system/files/docs/2016/03/code_governance_review_phase_3_final_proposals_2.pdf</a>
2	BSCP40 document	<a href="https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/2/?show=10&amp;type">https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/2/?show=10&amp;type</a>
3	Change Proposal CP1468	<a href="https://www.elexon.co.uk/change-proposal/cp1468/">https://www.elexon.co.uk/change-proposal/cp1468/</a>
3	BSC Panel's Strategic Work Plan	<a href="https://www.elexon.co.uk/wp-content/uploads/2015/10/34_253_16A_Panel-Strategic-Work-Programme_PUBLIC.pdf">https://www.elexon.co.uk/wp-content/uploads/2015/10/34_253_16A_Panel-Strategic-Work-Programme_PUBLIC.pdf</a>
5	Code Administration Code of Practice	<a href="https://www.ofgem.gov.uk/sites/default/files/docs/2015/08/proposed_cacop_v.4.0_clean_version_0.pdf">https://www.ofgem.gov.uk/sites/default/files/docs/2015/08/proposed_cacop_v.4.0_clean_version_0.pdf</a>

ISG185/01

CP1468

CP Assessment Report

20 September 2016

Version 0.1

Page 9 of 9

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