

4.5. MP Form

Modification Proposal – BSCP40/03	MP No: P351 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by originator):</i> Align the BSC with changes to the SCR requirements	
Submission Date <i>(mandatory by originator):</i> 29 July 2016	
Description of Proposed Modification <i>(mandatory by originator)</i> <p>The proposal is to align Section F of the BSC with the changes to Transmission Licence, Standard Licence Condition C3 ‘Balancing and Settlement Code (BSC)’ being proposed by Ofgem. The Standard Licence Condition changes propose three routes under Significant Code Review (SCR) for a Modification to be progressed, with potential allowance to move between the processes.</p> <ol style="list-style-type: none"> 1. Ofgem directs licensee(s) to raise Modification Proposal(s). At the end of the SCR process Ofgem would issue a direction to the relevant licensee(s). This direction may set out high level principles (with the detail to be developed by industry) or more specific, detailed conclusions to be given effect through code change(s). The Modification(s) would follow the standard industry code Modification processes. 2. Ofgem raises Modification Proposal(s). At the end of the SCR process Ofgem would raise a Modification(s) under the relevant code(s), and the Modification(s) would follow the standard industry code Modification processes. 3. Ofgem leads an end-to-end process to develop code Modification(s). The standard industry process would not apply; Ofgem would lead consultation and engagement needed to develop the appropriate code change(s). Ofgem would expect close involvement of the industry; for example, it may establish and lead Workgroups similar to the approach under the standard code Modification processes (but led by Ofgem). <p>This Modification, therefore, seeks to align the BSC with the amended provisions for SCR.</p>	

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Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by originator)</i>	
<p>Ofgem as part of its Code Governance Review Phase 3 (CGR3) has identified changes it requires to the SCR process. It is currently consulting on licence changes. A BSC Modification will be required to align Section F of the BSC with the Transmission Licence and make any necessary amendments to BSCP40.</p>	
Impact on Code <i>(optional by originator)</i>	
BSC Section F needs to be aligned with the Standard Licence Condition C3.	
Impact on Core Industry Documents or System Operator-Transmission Owner Code <i>(optional by originator)</i>	
None expected	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by originator)</i>	
None expected	
Impact on other Configurable Items <i>(optional by originator)</i>	
None expected	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by originator)</i>	
<p>This Proposed Modification will better facilitate:</p> <p>Applicable BSC Objective (a) ‘the efficient discharge by the Transmission Company of the obligations imposed upon the Transmission Licence’ by ensuring that the BSC correctly reflects the conditions under which the Authority can raise or direct the Licensee to raise Modifications relating to electricity regulation.</p> <p>Applicable BSC Objective (d) ‘promoting efficiency in the implementation and administration of the balancing and settlement arrangements’ by ensuring that the BSC accurately reflects the provisions set out in Standard Licence Condition C3 covering the circumstances and processes to be followed in relation to Authority raised Modification Proposals and SCR processes. Therefore ensuring that such Modifications proposals are progressed efficiently and effectively.</p>	
Is there a likely material environmental impact? <i>(optional by originator)</i>	
No	

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Urgency Recommended: / No <i>(delete as appropriate) (optional by originator)</i>	
Justification for Urgency Recommendation <i>(mandatory by originator if recommending progression as an Urgent Modification Proposal)</i> N/A	
Self-Governance Recommended: Yes / <i>(delete as appropriate) (optional by originator)</i>	
Justification for Self-Governance Recommendation <i>(mandatory by originator if recommending progression as Self-Governance Modification Proposal)</i> The creation of this Modification Proposal by the Proposer was directed by Ofgem as part of the CGR3. Although it will impact the governance of the BSC in the changes applied to Section F, these changes will be focussed on the SCR process and have been mandated by the Authority. It is unlikely to have a material effect on: <ul style="list-style-type: none"> • Existing or future electricity customers; • Competition in generation or supply; • The operation of the transmission system; • Security of supply; and it is unlikely to discriminate against different classes of BSC Parties.	
Fast Track Self-Governance Recommended: / No <i>(delete as appropriate) (optional by originator)</i> N/A	
Justification for Fast Track Self-Governance Recommendation <i>(mandatory by originator if recommending progression as Fast Track Self-Governance Modification Proposal)</i> N/A	
Should this Modification Proposal be considered exempt from any ongoing Significant Code Reviews? <i>(optional by originator in order to assist the Panel decide whether a Modification Proposal should undergo a SCR Suitability Assessment)</i> No relevant SCR	

Details of Proposer:

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Attachments: No

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