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20th February 2020

Delegation of specified National Grid Electricity System Operator (NGESO) tasks relating to amending EBGL Article 18 Terms and Conditions to the BSCCo and the BSC Panel

Dear Mark and Michael,

NGESO in exercise of its powers under Article 13(1) of Commission Regulation (EU) 2017/2195 (“EBGL”) as the Transmission System Operator (TSO) for Great Britain, makes the following delegation to the Balancing and Settlement Code Company (BSCCo) and the Panel appointed pursuant to Section B of the Balancing and Settlement Code (BSC Panel), as set out below.

NGESO confirms that the BSCCo and the Panel have demonstrated their ability to meet the tasks to be delegated and is satisfied that BSCCo and the Panel can carry out the delegated functions at least as effectively as the TSO. NGESO will agree any ongoing requirements with the BSCCo considered necessary for it to be able to monitor the performance of these delegated tasks.

NGESO also confirms that it is satisfied that appropriate confidentiality arrangements are in place between NGESO and the BSCCo and NGESO and the Panel as required by Article 13(3) of the EBGL.

Background

TSOs are required to develop proposals for terms and conditions related to balancing under Article 18 of the EBGL and submit such proposals to the Gas and Electricity Markets Authority (established by section 1(1) of the Utilities Act 2000) as the relevant authority for Great Britain (“Authority”) for approval pursuant to Article 4 of the EBGL.

Once approved by the Authority, the Art 18 T’s&C’s will be constituted of the sections of the Balancing and Settlement Code (BSC), the Connection and Use of System Code (CUSC), the Grid Code and NGESO Standard Contract Terms.

The delegation made via this letter is necessary to ensure that the process applicable to proposals seeking to amend the Art 18 T’s&C’s as contained within the BSC (“Art 18 T’s&C’s-BSC”) is as closely aligned as possible with the modification process set out in section F of the BSC.

NGESO has raised BSC modification P392 – ‘Amending the BSC change process to incorporate the delegation of NGESO’s tasks under the EBGL to change EBGL Article 18 terms and conditions’ to ensure that the necessary modifications are made to the BSC to effect this delegation.

Delegation

1. NGESO delegates to the BSCCo the following of its tasks under the EBGL which are to be exercised by the BSCCo instead of NGESO in relation to any proposed amendment to Art 18 T's&C's-BSC pursuant to Article 6(3) of the EBGL:

1.1. its tasks under Article 10(1) and Article 10(2) of the EBGL to consult stakeholders, including the Authority, on the draft proposal to amend the Art 18 T's&C's-BSC, for a period of not less than one month;

1.2. its tasks under Article 10(6) of the EBGL to publish the justifications provided to it by the BSC Panel for including or not including the views resulting from the consultation in a timely manner before or simultaneously with the publication of the proposal to amend the Art 18 T's&C's-BSC; and

1.3 its task of publishing the amendments to the EBGL Art 18 T's&C's-BSC in accordance with EBGL Article 12(3)(g).

2. NGESO delegates to the BSC Panel the following of its tasks under the EBGL which are to be exercised by the BSC Panel instead of NGESO in relation to any proposed amendment to Art 18 T's&C's-BSC pursuant to Article 6(3) of the EBGL.

2.1. its tasks under Article 10(6) of the EBGL to:

a. duly consider the views of stakeholders resulting from the consultations undertaken on the draft proposal seeking to amend the Art 18 T's&C's-BSC in accordance with paragraphs 2 to 5 of Article 10 of the EBGL, prior to its submission to the Authority for regulatory approval; and

b. provide a sound justification for including or not including the views resulting from the consultation pursuant to paragraph 2.1(a) above for the purposes of publication to the BSCCo at the same time as submission of the proposal seeking to amend the Art 18 T's&C's-BSC to the Authority for approval (where the Panel has taken the decision to submit the proposal seeking amendment of Art 18 T's&C's-BSC, to the Authority for approval).

2.2. its tasks under Article 4 to submit the draft proposal amending Art 18 T's&C's-BSC to the Authority for approval in accordance with Article 37 of Directive 2009/72/EC within the respective deadlines set out in the EBGL.

2.3 its task under article 6(1) of the EBGL to submit a proposal for amended terms and conditions where required by the Authority in order for the Authority to approve the proposed amendment to Art 18 T's&C's-BSC submitted pursuant to Article 6(3) of the EBGL.

The above delegations shall take effect on the implementation date of BSC modification P392.

Acknowledgement

Please acknowledge receipt of this letter confirming that you accept the nature and extent of your delegated authority.

Yours sincerely,



Colm Murphy

Electricity Market Change Delivery Manager

on behalf of NGESO