

Modification Proposal – F40/01	MP No: 187 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by originator):</i>	
Introducing the ability for a BSC Party to request urgent status and for it to be considered by the Authority	
Submission Date <i>(mandatory by originator):</i> 4 April 2005	
Description of Proposed Modification <i>(mandatory by originator)</i>	
<p>Section F of the Balancing and Settlement Code (BSC) contains the rules for raising a Modification Proposal. The process allows for BSCCo or the Transmission Company to recommend to the Panel Chairman that a modification proposal should be treated as an urgent modification proposal and for timetable to be expedited. However, there is no explicit formal process for the raising party to request a modification proposal be afforded urgent status. If the raising party asks for it to be treated urgently BSCCo and/or the Transmission Company can choose not to recommend to the Panel Chairman that a proposal be treated as urgent. If the request for urgency is not granted, the proposal is processed in accordance with the normal timeframe which can take up to 6 months to reach the Authority.</p> <p>One of BSCCo's key responsibilities is to "provide support, advice and resources to the BSC governance arrangements" (ELEXON – The Balancing and Settlement Code Company) BGT do not believe that BSCCo having the ability to determine if urgent status is considered by the Authority in instances when the raising party has informed BSCCo that it would like urgent status is consistent with their key responsibilities. Similarly, BGT do not believe it to be appropriate that the Transmission Company should be able to determine whether a modification proposal is considered as urgent by the Authority. BGT believe that the raising party or BSCCo or Transmission Company should have the ability to request urgent status and that decision should ultimately reside wholly with the Authority.</p> <p>BGT note that the Connection Use of System Code (CUSC), SO-TO Code (STC) and the Network Code (NWC) utilise different processes to the BSC when considering a request for urgent status. BGT deem all 3 processes contain elements that are better than the existing BSC baseline, however BGT's preference is for a slight variant of the process adopted by the CUSC and STC.</p> <p>On raising a modification proposal the raising party or BSCCo or the Transmission Company would be able to request urgent status for the proposal. This request would pass to the BSC Panel for consideration in a timely manner facilitated by BSCCo and they would then make a recommendation to the Authority to grant or reject the request. This model varies from that in the CUSC and STC as it ensures that the decision is passed to the Authority whereas the CUSC Panel or the STC Committee can oppose the request for urgency. This proposal is consistent with the NWC model whereby the Authority consider all requests for urgency.</p>	

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Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by originator)</i>	
<p>Section F 2.9 of the BSC fails to provide a formal route for the raising party to request urgency and for that request to be considered by the Authority. The modification is proposing to introduce a process that supports the aforementioned defect.</p> <p>Section F 2.9.1 of the BSC provides the option for BSCCo or the Transmission Company not to recommend to the Panel Chairman that a proposal be treated as an urgent modification proposal. This modification proposal is not seeking to remove that ability but if BSCCo has received a request for urgency from the raising party it will be obliged to present the request to the BSC Panel.</p> <p>Section F 2.9.3 states that if the Panel agrees, or if certain specified criteria are met, the Panel Chairman shall consult with the Authority on the procedure and timetable to be adopted. BGT propose extending that obligation for the Panel or the Panel Chairman to consult with the Authority in all instances, irrespective of the recommendation.</p> <p>BGT also believe there may be some value in clarifying the basis upon which a request for urgency can be granted and this could be considered further by the modification group. Whilst BGT acknowledge that no obligations can be placed upon the Authority via the BSC, the criteria for the Panel supporting the recommendation for urgency could be captured in the BSC or appropriate BSCP. This will improve the transparency of the process and will force a raising party to justify its request against an acknowledged and understood baseline. BGT note the document issued by Ofgem in July 2004 which related to best practice guidance for NWC modification rules. This included a section on 'what is an urgent modification proposal' this would provide valuable guidance to participants on the circumstances under which urgent status can be granted.</p>	
Impact on Code <i>(optional by Originator)</i>	
BGT believe this modification proposal will impact Section F of the BSC as it contains the modification rules.	
Impact on Core Industry Documents <i>(optional by Originator)</i>	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by originator)</i>	
BGT are unaware of any system implications that this modification proposal may have.	
Impact on other Configurable Items <i>(optional by originator)</i>	

Modification Proposal – F40/01**MP No: 187***(mandatory by BSCCo)***Justification for Proposed Modification with Reference to Applicable BSC Objectives** *(mandatory by originator)*

BGT believe this modification proposal will better facilitate Applicable BSC Objective (d) "Promoting efficiency in the implementation and administration of the balancing and settlement arrangements" and to a lesser extent (c) "Promoting effective competition in the generation and supply of electricity and promoting such competition in the sale and purchase of electricity" in the following ways:-

- It will improve the efficiency of the modification process by introducing a process for the raising party to have the ability to formally request urgent status and for that decision to always be considered by the Authority. This should also enhance the transparency of the process by ensuring the industry is made aware of requests for urgent status and the grounds for requesting urgency.
- This should also increase efficiency by ensuring consistency of treatment of proposals e.g. it would prevent a re-occurrence of the situation that arose with P171 and P181, whereby the raising party of P171 sought urgent treatment of the modification proposal, but BSCCo choose not to recommend this to the Panel Chairman. P181 was raised as a related modification and urgency was recommended to the Panel Chairman and the proposal was granted urgent status by the Authority.
- It will also better facilitate competition by ensuring that all requests for urgent status are considered by the Authority. This will enhance perception within the market that if an issue is material to a BSC Party this will be considered by the Authority who will ultimately make the final decision on the modification proposal.

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Attachments: Yes	
Appendix 1 – Process diagram for the treatment of an urgent modification proposal under the current baseline	
Appendix 2 – Process diagram for the treatment of an urgent modification proposal under the proposed baseline	