

February 2002

**INITIAL ASSESSMENT OF MODIFICATION
PROPOSAL P65 - AMENDMENT TO THE
REQUIREMENT FOR A MOD PROPOSER'S
REPRESENTATIVE TO ATTEND THE RELEVANT
PANEL MEETING IN CERTAIN CIRCUMSTANCES**

Prepared by ELEXON Limited

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I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
1.0	05/02/02	G Forrester		Final Version

Version	Date	Reviewer	Signature	Responsibility

b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	Energywatch
Core Industry Document Owners	Various

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1 SUMMARY AND RECOMMENDATIONS

Modification Proposal P65 was raised by TXU Europe Energy Trading Ltd on 14 January 2002. The proposal will first be considered by the BSC Panel at its meeting on 14 February 2002.

Modification Proposal P65 seeks to amend the existing provisions of Section F of the BSC such that any representative of the proposer of a Modification Proposal will only be obliged to attend the relevant Panel meeting where the proposal is to be considered at the prior request of the Panel (as opposed to the current mandatory attendance).

An initial assessment of Modification Proposal P65 has identified the following potential areas of impact and issues to be considered:

- The proposal would require an amendment to Section F2.2.2 of the BSC, to include a discretionary power for the Panel to invite the proposer's representative to attend and speak.
- If this change were made, the Panel would need to develop criteria to determine the circumstances under which it would wish to exercise its discretion to require the proposer's representative to attend or otherwise. To date, the Panel has always invited the proposer's representative to present his/her proposal.
- A new procedure would need to be put in place to allow the Panel to correspond and to make this decision in respect of each new Modification Proposal submitted in advance of the relevant meeting at which it is to be considered. This may be impractical and it is likely, therefore, that the Panel would delegate authority to the Panel Chairman to make this decision in each case.

As this is a simple Modification Proposal, it is recommended that P65 should proceed directly to the Report Phase. If the Panel agrees with this way forward, ELEXON will prepare and consult on a draft Modification Report. A summary of interested parties' responses and a revised draft of the report will then be submitted to the Panel meeting on 14 March 2002.

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd. on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

3 DESCRIPTION OF THE MODIFICATION PROPOSAL

Under the existing BSC Modification Procedures set out in Section F of the BSC, the proposer of a new Modification Proposal must nominate a representative (and an alternate representative). That representative is then obliged to attend the Panel meeting at which the proposal is first to be considered and may be invited by the Panel to present the proposal. The relevant provisions are F2.1.2(b) and F2.2.2.

Modification Proposal P65 seeks to amend this arrangement such that the proposer's representative will only be obliged to attend the relevant meeting at the prior request of the Panel (as opposed to the current mandatory attendance). The discretion of the Panel to invite the Proposer's representative to speak would be unaffected. The proposer of P65 believes that this proposal will better facilitate achievement of the Applicable BSC Objective of 'promoting efficiency in the implementation and administration of the balancing and settlement arrangements'.

A copy of the Modification Proposal, as submitted by its proposer, can be found at Annex 1 to this report.

4 IMPACT ON BSC SYSTEMS AND PROCESSES

BSC System / Process	Potential Impact of Proposed Modification
-	No impact identified

5 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

System / Process	Potential Impact of Proposed Modification
-	No impact identified

6 IMPACT ON DOCUMENTATION

6.1 Impact on Balancing and Settlement Code

BSC Section	Potential Impact of Proposed Modification
F: Modification Procedures	The proposal would require an amendment to Section F2.2.2 of the BSC, to include a discretionary power for the Panel to invite the proposer's representative to attend and speak.

6.2 Impact on Code Subsidiary Documents

Code Subsidiary Document	Potential Impact of Proposed Modification
-	No impact identified

6.3 Impact on Core Industry Documents

Core Industry Document	Potential Impact of Proposed Modification
-	No impact identified

7 IMPACT ON OTHER CONFIGURABLE ITEMS

Item	Potential Impact of Proposed Modification
-	No impact identified

8 IMPACT ON ELEXON

Area of Business	Potential Impact of Proposed Modification
ELEXON Procedures	A new procedure would need to be put in place to allow the Panel to correspond and to make this decision in respect of each new Modification Proposal submitted in advance of the relevant meeting at which it is to be considered. This may be impractical and it is likely, therefore, that the Panel would delegate authority to the

	Panel Chairman to make this decision in each case.
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9 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

No impact identified

10 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

BSC Agent Contract	Potential Impact of Proposed Modification
-	No impact identified

11 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

3.1 As this is a simple Modification Proposal, it is recommended that P65 should proceed directly to the Report Phase. If the Panel agrees with this way forward, ELEXON will prepare and consult on a draft Modification Report. A summary of interested parties' responses and a revised draft of the report will then be submitted to the Panel meeting on 14 March 2002.

12 ISSUES

The following issues will need to be considered and addressed in progressing the Modification Proposal:

- If this change were made, the Panel would need to develop criteria to determine the circumstances under which it would wish to exercise its discretion to require the proposer's representative to attend or otherwise. To date, the Panel has always invited the proposer's representative to present his/her proposal.
- A new procedure would need to be put in place to allow the Panel to correspond and to make this decision in respect of each new Modification Proposal submitted in advance of the relevant meeting at which it is to be considered. This may be impractical and it is likely, therefore, that the Panel would delegate authority to the Panel Chairman to make this decision in each case.

ANNEX 1 – MODIFICATION PROPOSAL

Modification Proposal	MP No: 65 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Amendment To The Requirement For A Mod Proposer's Representative To Attend The Relevant Panel Meeting In Certain Circumstances	
Submission Date <i>(mandatory by proposer):</i> 14 January 2002	
Description of Proposed Modification <i>(mandatory by proposer):</i> It is proposed that the Proposer's attendance is only mandatory on the prior request of the Panel. For the avoidance of doubt the proposers representative may attend the relevant meeting and the discretion of the Panel to invite the Proposer's representative to speak would be unaffected.	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> As currently drafted F2.2.2 requires the proposer's representative to attend the Panel meeting at which the Mod proposal is first presented irrespective of whether the Panel wish to discuss the Mod with the Proposer or not.	
Impact on Code <i>(optional by proposer):</i> Change to para F2.2.2	
Impact on Core Industry Documents <i>(optional by proposer):</i> None	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i> None	
Impact on other Configurable Items <i>(optional by proposer):</i>	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i> 7A(d) – promoting efficiency in the implementation and administration of the balancing and settlement arrangements.	
Details of Proposer: Name: Philip Russell Organisation: TXU Europe Energy Trading Ltd Telephone Number: 01473 555 688 Email Address: phil.russell@txu-europe.com	

Modification Proposal	MP No: 65 <i>(mandatory by BSCCo)</i>
Details of Proposer's Representative: Name: Philip Russell Organisation: TXU Europe Energy Trading Ltd Telephone Number: 01473 555 688 Email Address: phil.russell@txu-europe.com	
Details of Representative's Alternate: Name: Nikki Lea Organisation: TXU Europe Energy Trading Ltd Telephone Number: 01473 554 630 Email Address: nikki.lea@txu-europe.com	
Attachments: NO If Yes, Title and No. of Pages of Each Attachment:	