

**Stage 04: Draft Modification Report**

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

P287 'Allow the BSC Panel to conduct Modification Business via teleconference'

Under the current arrangements, BSC Panel cannot conduct Modification Business via teleconference. This Modification proposes to remove this restriction.

This Report Phase Consultation closes:

5pm on Monday 2 July 2012

The Panel may not be able to consider late responses



The Panel initially recommends:
Approval of the Proposed Modification



Low Impact:
BSC Panel and ELEXON

P287
Draft Modification Report

15 June 2012

Version 0.1

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Any questions?

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About this document:

This document is the Draft Modification Report, which ELEXON will update following the P287 Report Phase Consultation and present to the Panel on 12 July 2012. The Panel will consider the recommendations, and agree a final view on whether or not this change should be made.

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Draft Modification Report

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Why Change?

Under the current arrangements, the BSC Panel cannot make decisions on Modification Business via teleconference. Recent events have highlighted that in some circumstances this inflexibility can prove to be an issue.

Solution

The proposed solution would allow the BSC Panel to conduct Modification Business via teleconference, subject to the provision that at least one Panel Member is present at the venue specified for the meeting.

Impacts & Costs

P287 is a Code only change; it would have no effect on ELEXON's activities, BSC Parties and Party Agents, BSC Systems and process, Code Subsidiary Documents or contractual arrangements with service providers.

Implementation

P287 requires only minimal changes to the Code, and if approved will be implemented 1 Working Day after the 15 Working Day Self-Governance Appeal window closes. This window would close on 2 August 2012. Therefore this Modification would be implemented on 3 August 2012.

The Case for Change

The Panel believes that this Modification would better facilitate Applicable BSC Objective (d) and considers it to be self-evident that allowing the Panel to make decisions on Modification Business via teleconference better facilitates the efficiency of the BSC arrangements.

Recommendations

The Panel's unanimous initial view is that P287 Proposed Modification should be approved and that it should be progressed as a Self-Governance Modification Proposal.

Summary of the Change

Under the current arrangements, the BSC Panel cannot make decisions on Modification Business via teleconference. Recent events have highlighted that in some circumstances this inflexibility can prove to be an issue.

What is the Issue?

If the Panel Chairman considers it to be appropriate, a meeting of the Panel can be held via teleconference. However, decisions relating to Modification Business cannot be made at such a meeting, as stated in Section F4.4.7(b) of the BSC. This means that Panel Members are unable to make decisions relating to Modification Business by way of teleconference.

Furthermore, if a situation came about where Modification Business needed to be discussed and too few Panel Members were able to attend the meeting in person, then a decision could not be taken on the Modification Business at that meeting as the Panel would not be deemed quorate. The Panel would therefore have to postpone any decision on the relevant Modification(s) until a later date when there were enough Panel Members present to make the decision. This could have an adverse impact on the progression of any affected Modifications.

Proposed Solution

This Modification proposes to amend Section F4.4.7(b) of the BSC to allow the BSC Panel to make decisions on Modification Business in meetings that are conducted via teleconference. In order for the BSC Panel meeting to conduct Modification Business via teleconference, at least one Member from the Panel must be present at the venue specified for that Panel meeting. This is required in order to keep the openness and transparent environment where anyone can attend these meetings at the specified venue, along with the one required Member, to listen to the discussions.

The current provision where a Panel meeting can only be held by teleconference if it is deemed appropriate by the Panel Chairman will remain unchanged by this Modification. If the Panel Chairman does not deem it appropriate to hold the meeting by teleconference then Panel Members must still attend the meeting in person, as currently.

Legal text

The proposed changes to the legal text can be found in Attachment A.

Report Phase Consultation Question

Do you agree that the draft legal text, in Attachment A, delivers the intention of P287?

4 Impacts & Costs

Costs

Implementation costs	
ELEXON effort	1 man day, equating to approximately £240
Service Provider costs	None
Total costs	Approximately £240

Impacts

The Proposed Solution is a Code only change, and would amend the BSC as sent out in the draft legal text in Attachment A. Its implementation would have no effect on ELEXON's activities, BSC Parties and Party Agents, BSC Systems and processes, Code Subsidiary Documents or the contractual arrangements without service providers.

Impact on Code	
Code section	Potential impact
Section B	Change will be required to implement the solution. The proposed changes can be found in Attachment A.

Impact on BSC Parties and Party Agents	
None	

Impact on Transmission Company	
None	

Impact on ELEXON	
Low impact on ELEXON – ELEXON would manage the implementation project.	

5 Implementation

Implementation Approach

This Modification Proposal will only require changes to the Code. As such, the Panel recommends that it is implemented 1 Working Day after the 15 day Self-Governance Appeal window has closed. This window would close on 2 August 2012 and so this Modification would be implemented on 3 August 2012.

Report Phase Consultation Question

Do you agree with the Panel's suggested Implementation Date?

6 The Case for Change

Justification against the Applicable BSC Objectives

The Panel believes that P287 better facilitates the achievement of BSC Objective (d), "Promoting efficiency in the implementation and administration of the balancing and settlement arrangements".

The Panel believes it is self-evident that allowing the BCS Panel to conduct Modification Business via teleconference better facilitates efficiency, by allowing Panel Members to take a more efficient approach to making decisions on Modification Business where it is deemed appropriate.

Panel's consideration of the Modification Proposal

One Panel Member had concerns about allowing Modification Business to be discussed via teleconference, and requested that there be guidance as to what circumstances Panel meetings would be conducted in this manner. It was noted that Panel can already discuss non-Modification Business via teleconference at the Chairman's discretion and that P287 would allow for consistency. The Panel agreed that the changes to the Code should not be overly prescriptive, and that it should be left to the Chairman and the Panel to decide this between them.

The Panel also considered how frequently Panel meetings could be conducted via teleconference if P287 was approved. The Panel Chairman noted that Panel meetings would only be held via teleconference in extreme circumstances, like an ad-hoc meeting convened at shorter notice or the upcoming Olympics. The Panel agreed that meetings conducted face to face would continue to be normal practice.

The Panel noted that, under the current arrangements, Panel Members can dial into a Panel meeting to discuss Modification Business. However, these Panel Members would not be able to vote on this business. The Panel noted that Panel Members can send an Alternate if they were unable to attend a meeting, and that these Alternates would be able to vote in their place at the meeting.

The Panel agreed with the proposed Implementation Date and the legal text.

Direct to Report Phase

F2.2.4 of the Code states that the Panel may progress a Modification straight to the Report Phase if the Panel's recommendation on the Modification would generally be considered to be self-evident.

The Panel unanimously agreed that P287 should proceed directly to the Report Phase. All Panel Members believe it is self-evident that allowing the Panel to make decisions on Modification Business via teleconference, where appropriate, would allow for more flexibility in extreme circumstance and better facilitates the efficiency of the BSC arrangements.

Self-Governance

The Panel unanimously agreed that P287 meets the Self-Governance Criteria set out in Annex X-1 of the Code, and therefore agreed that it should progress as a Self-Governance Modification Proposal.

This Modification Proposal would only impact ELEXON and the BSC Panel, and has no impact on BSC Parties. There will be no material changes to BSC Panel meetings in allowing Modification Business to be discussed via teleconference in the manner proposed, as it would still be possible for other people to attend the meeting and listen to the discussions, thereby maintaining the current transparency of Panel meetings.

ELEXON will submit to the Authority, on the Panel's behalf, a Self-Governance Statement detailing why the Panel believes P287 satisfies the Self-Governance Criteria and that the Panel intends to decide whether to approve Proposed Modification P287 at its meeting on 12 July 2012.

As part of the P287 Report Phase consultation, the Panel invites the views of industry participants regarding the progression of P287 as a Self-Governance Modification.

Report Phase Consultation Question

Do you agree with the Panel's view that P287 should be progressed as a Self-Governance Modification Proposal?

8 Recommendations

Having considered the P287 IWA, the Panel provisionally recommends:

- That Proposed Modification P287 should be made;
- That Proposed Modification P287 should be progressed as a Self-Governance Modification Proposal;
- An Implementation Date for Proposed Modification P287 of 1 Working Day after the Self-Governance Appeal window closes; and
- The proposed text for modifying the Code.

Report Phase Consultation Question

Do you agree with the Panel's views that the Proposed Modification should be approved?

9 Further Information

More information is available in:

Attachment **A**: Proposed Legal Text

Attachment **B**: Report Phase Consultation Questions

All P287 documentation can be found on the [P287](#) page of the ELEXON website.