

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

▶ 04 Report Phase

P313 'Required Housekeeping Changes to Implement P295 and EMR'

This Modification proposes minor changes to BSC Section V to correct a discrepancy between the P295 legal text that will be implemented on 16 December 2014 and the EMR legal text changes directed and implemented on 1 August 2014.

The Fast Track Self-Governance Objection Window for P313 closes:

5pm on Friday 5 September 2014

If no objections are received by this time, the Panel's decision is final.



The BSC Panel has **approved** P313 as a Fast Track Self-Governance Modification

This Modification is expected to impact:

- ELEXON

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Any questions?

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About This Document

This is the P313 Fast Track Self-Governance Modification Report, which ELEXON has submitted to the Authority, the Transmission Company and all BSC Parties.

P313 is a Fast Track Self-Governance Modification, so it does not go to the Authority for decision. The BSC Panel has approved P313 for implementation on 16 December 2014.

In accordance with BSC Section F7.3, Parties have until 5 September 2014 to object to the Panel's decision, stating why they do not believe P313 meets the Fast-Track Self-Governance criteria. If no objection is raised by this time, the Panel's decision is final.

There are two parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits, drawbacks and implementation approach. It also summarises the Panel's key views on the Modification.
- Attachment A contains the approved redlined changes to the BSC for P313.

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Why Change?

The P295 solution is due to be implemented on 16 December 2014 and introduces a new section 5 into BSC Section V. The EMR legal text changes were directed and implemented on 1 August 2014 and also introduced a new section 5 into BSC Section V. This means that when P295 is implemented on 16 December 2014 the new section 5 introduced by EMR will be overwritten by the section 5 introduced by P295.

Solution

This Modification proposes changes to resolve conflicts between the EMR legal text and the P295 legal text.

Impacts & Costs

This Modification will not impact BSC Parties, Party Agents or the Transmission Company. It only ensures the correct implementation of both P295 and EMR.

Implementation

The Panel has agreed an Implementation Date of 16 December 2014.

Decision

The Panel has unanimously agreed to raise and approve P313 as a Fast Track Self-Governance Modification.

2 Why Change?

Background

P295

Modification Proposal [P295¹ 'Submission and publication of Transparency regulation data via the BMRS'](#) has been approved for implementation on 16 December 2014. P295 requires changes to the Balancing Mechanism Reporting Service (BMRS) and BSC Sections Q and V to enable the reporting and forwarding of required Transparency regulation data.

When P295 was approved by the Authority on 22 January 2014, the BSC legal text changes for the Modification were drafted against Section Q v22.0 and Section V v26.0.

Electricity Market Reform

As part of the [Electricity Market Reform](#) (EMR) program the Government introduced two new mechanisms, Contracts for Difference (CFD) and the Capacity Market (CM). CFDs are designed as an incentive for investment in new low-carbon electricity generation. The CM is designed to ensure sufficient and reliable capacity when there is not enough electricity available on the Transmission System.

Consequential changes were required to the BSC and its Code Subsidiary Documents (CSDs) to support the EMR arrangements. Details of all the required changes directed on 1 August 2014 can be found on the [Other Regulatory Decision \(ORD\) 5 'Electricity Market Reform'](#) page of the ELEXON website.

What is the issue?

The P295 solution is due to be implemented on 16 December 2014 and introduces a new section 5 into BSC Section V. The EMR legal text changes were directed and implemented on 1 August 2014 and also introduced a new section 5 into BSC Section V.

Since P295 was progressed before EMR was directed by the Secretary of State, it was not possible to consider the P295 solution when drafting the required BSC changes for EMR. This means that when P295 is implemented on 16 December 2014 the new section 5 introduced by EMR will be overwritten by the section 5 introduced by P295.

¹ Further information about P295 can be found on the [P295](#) page of the ELEXON website.



Proposed solution

This Modification proposes changes to resolve conflicts between the EMR legal text and the P295 legal text. The following amendment will be made to the legal text changes due to be introduced by P295:

- BSC Section V – the new 'section 5' that will be introduced by P295 on 16 December 2014 will be changed to 'section 6'.

Amending section 5 under the P295 solution will ensure that the section introduced by EMR will not be overwritten once P295 is implemented.

There will be no changes to the approved P295 or EMR wording, except where the removal or addition of words like 'and' are required (i.e. for addition or removal of bullet points) as well as changes to table and paragraph numbers.

Although P313 will not make any changes to the EMR legal text, ELEXON has discussed this with the Department of Energy and Climate Change (DECC) and it is happy with our approach.

Full details of the proposed changes can be found in Attachment A and on the [P313 page](#) of the ELEXON website.

Impacts and costs

This Modification will not impact BSC Parties, Party Agents or the Transmission Company. It only ensures the correct implementation of both P295 and the EMR arrangements.

The estimated central implementation costs will equate to £240, or one ELEXON man day.

Impact on Code	
Code Section	Potential Impact
Section V	Changes will be required to implement the solution.

ELEXON's view on the Applicable BSC Objectives

ELEXON believes that this Modification would better facilitate the achievement of:

- **Applicable BSC Objective (d)** as making these required housekeeping changes will allow for both P295 and EMR directed changes to be implemented successfully and as intended, promoting efficiency.
- **Applicable BSC Objective (f)** as making these required housekeeping changes will contribute to the implementation and administration of the EMR arrangements.

What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(c) Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

(f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

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Implementation Date

P313 has been approved for implementation on **16 December 2014** (simultaneously with P295) to enable the proposed legal text changes to take precedence over the previously approved P295 legal text.

The 15 Working Day objection window will close on 5 September 2014. If an objection is received, the implementation of the Modification will be suspended and the objection tabled at the next available Panel meeting; which in the case of this Modification would be on 11 September 2014.

If no objections are received, the Panel will be advised and the Modification will be implemented on 16 December 2014.



Panel's views on Fast Track

The proposed changes to BSC Section V under P313 are housekeeping changes only, which are required to enable both P295 and EMR to be implemented successfully and as intended.

The Panel therefore **unanimously** agrees with ELEXON's view that P313 meets the Fast Track Self-Governance Modification criteria.

What is the Fast Track Self-Governance Criteria?

A Modification Proposal which:

(i) if implemented would satisfy the Self-Governance Criteria; and

(ii) falls within the scope of Section F2.1.1(d)(iv) (without limiting the right of any person specified in paragraph 2.1.1 to propose a Fast Track Self-Governance Modification Proposal) and which is required to correct an error in the Code or as a result of a factual change, including but not limited to:

- (a) updating names or addresses listed in the Code;
- (b) correcting minor typographical errors;
- (c) correcting formatting and consistency errors, such as paragraph numbering; or
- (d) updating out of date references to other documents or paragraphs.

Panel's views on the Applicable BSC Objectives

The Panel agreed that this Modification would better facilitate the achievement of:

- **Applicable BSC Objective (d)** as making these required housekeeping changes will allow for both P295 and EMR directed changes to be implemented successfully and as intended, promoting efficiency.
- **Applicable BSC Objective (f)** as making these required housekeeping changes will contribute to the implementation and administration of the EMR arrangements.

Panel's view on the Implementation Date

The Panel agreed with ELEXON's view that P313 should be implemented in line with P295 on **16 December 2014**.



The BSC Panel has unanimously agreed:

- That P313 should be progressed as a Fast Track Self-Governance Modification;
- That P313 should be **approved**;
- An Implementation Date for P313 of **16 December 2014**; and
- The BSC legal text for P313.

Recommendation

The BSC Panel has unanimously approved P313 as a Fast Track Self-Governance Modification.

Appendix 1: Estimated Progression Effort

The following tables contain the estimated effort in progressing P313:

Assessment Effort	
Participant	Effort (man days)
ELEXON	2
Total	2

Appendix 2: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Glossary of Defined Terms	
Acronym	Definition
BMRS	Balancing Mechanism Reporting Service
CFD	Contracts for Difference
CM	Capacity Market
CSD	Code Subsidiary Documents
DECC	Department of Energy and Climate Change
EMR	Electricity Market Reform
ORD	Other Regulatory Decisions

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
3	P295 page of the ELEXON website	http://www.elexon.co.uk/mod-proposal/p295/
3	EMR page of the ELEXON website	http://www.elexon.co.uk/ord/ord005-electricity-market-reform/
3	ORD005 page of the ELEXON website	https://www.gov.uk/government/policies/maintaining-uk-energy-security--2/supporting-pages/electricity-market-reform
5	P313 page of the ELEXON website	http://www.elexon.co.uk/mod-proposal/p313/