

CP Assessment Report

CP1425 'Consequential changes to BSCP201 following EMR'

ELEXON



Committee

BSC Panel

Recommendation

Approve

Implementation Date

26 February 2015
(February 2015 Release)



Any questions?

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About This Document

This document is the Change Proposal (CP) Assessment Report for CP1425 which ELEXON will present to the BSC Panel for approval at its meeting on 15 January 2015.

There are two parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach.
- Attachment A contains the proposed redlined changes to deliver the CP1425 solution.

1 Why Change?

Background

As part of the Electricity Market Reform (EMR) program the Government introduced two key components to these reforms that impact the BSC. These are:

- Contracts for Difference (CFD), which are designed to act as an incentive for investment in new low-carbon electricity generation; and
- the Capacity Market (CM), designed to ensure sufficient and reliable capacity when there is not enough electricity on the Transmission System.

These mechanisms are designed to deliver greener energy and reliable supplies, at the lowest possible cost.

What is the issue?

Consequential changes to the BSC and its Code Subsidiary Documents (CSDs) to support the EMR arrangements were directed by the Secretary of State on 1 August 2014 ([Other Regulatory Decision \(ORD\) 005](#)).

As part of this direction, minor changes were made to [BSC Section G 'Contingencies'](#) requiring the newly appointed CM Settlement Service Providers to be informed by the BSCCo of certain Black Start events. This required corresponding changes to [BSCP201 'Black Start and Fuel Security Contingency Provisions and Claims Processes'](#). Unfortunately, these changes were not identified at the time and did not form part of the direction.

Proposed solution

[CP1425 'Consequential changes to BSCP201 following EMR'](#) proposes to make consequential changes to BSCP201 to reflect the changes made to BSC Section G by the EMR direction.

This CP involves amending the current provisions so that where BSCCo is currently required to notify all Parties of specific events and information during a Black Start, BSCCo will also be required to notify any CM Settlement Services Provider.

Proposer's rationale

As EMR Settlement Ltd (a wholly owned subsidiary of ELEXON Ltd) is currently appointed as the CM Settlement Services Provider, the provisions in practice simply require one part of ELEXON to notify another of certain Black Start events. Amending BSCP201 will ensure that it aligns with the BSC and will reduce any potential for confusion if, in the future, another organisation fulfils the role of either CM Services Provider or BSCCo.

Since this change is a direct result of ORD005, and has no material impact (since it aligns Code Subsidiary Documents (CSDs) with the BSC, which takes precedence) CP1425 can be treated as a Housekeeping change.

Proposed redlining

The proposed redlined changes to deliver the CP1425 solution can be found in Attachment A.

3 Impacts and Costs

Central impacts and costs

Central impacts

CP1425 will require an update to BSCP201 to implement the proposed solution. The proposed changes can be found in Attachment A. No system changes will be required for this CP.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none">BSCP201	<ul style="list-style-type: none"><i>None</i>

Central costs

The central implementation costs for CP1425 will be approximately £240 (one ELEXON man day) for ELEXON to implement the relevant document changes.

BSC Party & Party Agent impacts and costs

CP1425 will not impact any BSC Parties or Party Agents as this is a consequential update to BSCP201 following the effective changes made to BSC Section G under ORD005.

CP1425 is a housekeeping change and therefore does not require a CP Consultation as there are no impacts or costs on participants to implement the changes.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
<i>None</i>	<i>N/A</i>

4 Implementation Approach

Recommended Implementation Date

CP1425 is proposed for implementation on **26 February 2015** as part of the February 2015 BSC Systems Release, as this is the next available release. In the interim, the inconsistency has no practical impact. This is because the BSC takes precedence over BSCPs (in accordance with [BSC Section H 'General'](#) 1.5), and the Capacity Market Settlement arrangements will not begin operations until 1 October 2016.

As CP1425 is a housekeeping CP, no CP Consultation is required to seek industry views

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5 Recommendations

We invite you to:

- **APPROVE** the proposed changes to BSCP201 for CP1425; and
- **APPROVE** CP1425 for implementation on **26 February 2015** as part of the February 2015 Release.

Appendix 1: Glossary & References

Acronyms

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

Glossary of Defined Terms	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCCo	BSC Company (<i>ELEXON</i>)
BSCP	BSC Procedure
CFD	Contracts for Difference
CM	Capacity Market
CP	Change Proposal
CSD	Code Subsidiary Document
EMR	Electricity Market Reform
ORD	Other Regulatory Direction

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
2	ORD005 page on the ELEXON website	http://www.elexon.co.uk/ord/ord005-electricity-market-reform/
2, 4	BSC Sections page on the ELEXON website	http://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/
2	BSCPs page on the ELEXON website	http://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/
3	CP1425 page on the ELEXON website	http://www.elexon.co.uk/change-proposal/cp1425/