

Phase

[Initial Written Assessment](#)[Definition Procedure](#)[Assessment Procedure](#)[Report Phase](#)[Implementation](#)

P352 'Housekeeping changes to BSC Section M'

P352 proposes to make consequential changes to the approved legal text for P345 and to notify the inclusion of previously excluded P307 legal text to resolve minor errors and inconsistencies between the Modifications' intentions and the active legal text.

The Fast Track Self-Governance Appeal Window for P352 closes:

5pm on Friday 2 September 2016

If no appeals are notified by this time, the Panel's decision is final.



The BSC Panel has **approved** P352 as a Fast Track Self-Governance Modification

This Modification not expected to impact any participants.

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About This Document

This is the P352 Fast Track Self-Governance Modification Report, which ELEXON has submitted to the Authority, the Transmission Company and all Balancing and Settlement Code (BSC) Parties.

P352 is a Fast Track Self-Governance Modification, so it does not go to the Authority for decision. The BSC Panel has approved P352 for implementation on 16 September 2016, 10 Working Days following the end of the Fast Track Self-Governance objection window.

In accordance with BSC Section F7.3, Parties have until 5pm on 2 September 2016 to object to the Panel's decision, stating why they do not believe P352 meets the Fast-Track Self-Governance criteria. If no objection is notified by this time, the Panel's decision is final.

There are three 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 proposal form for P352.
- Attachment B contains an extract of the approved redlined changes to the BSC for P352.

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Why Change?

A part of the [P307 'Amendments to Credit Default arrangements'](#) legal text was omitted during implementation and hence requires implementing. Further, there was a minor error in the [P345 'Reducing the CAP change notice period and improving its flexibility'](#) legal text whereby the operational 15 Working Day Credit Assessment Price (CAP) change notice period was mirrored in the BSC instead of the minimum value of 10 Working Days that should have been implemented as per the original Modification intention.

Solution

This Modification will implement the P307 legal text that was omitted during implementation, as well as amending the P345 legal text to correct the minimum CAP change notice period value in the BSC from 15 to 10 Working Days as per the original Modification intention.

Impacts & Costs

There will be no impacts to BSC Parties or Party Agents due to the implementation of P352. The document only implementation costs will equate to one ELEXON man day (£240).

Implementation

Following the BSC Panel raising and approving P352 as Fast Track Self-Governance, P352 is subject to a 15 Working Day objection period, closing on 2 September 2016. The Panel agreed an Implementation Date for P352 of 10 Working Days after the closure of the objection period. Hence, if no objections are received, P352 will be implemented on 16 September 2016.

Decision

The Panel agreed to raise this Modification, that it better facilitates Applicable BSC Objective (d) and agreed to approve it as a Fast Track Self-Governance Modification.

2 Why Change?

Background

P307 was raised by E.ON UK and was implemented on 25 June 2015. This Modification extended the duration of the Query Period that is given to a participant prior to entering Credit Default from a flat 24 hours to a period of at least 24 hours which must include a minimum of five consecutive Business Hours in a single Working Day. As part of P307, the concept of a 'Level 2 Credit Default Cure Period' was removed from the BSC as the new Query Period duration meant this step in the process could never be triggered.

SSE plc raised P345 on 2 June 2016, which proposed to:

- move the CAP change notice period parameter from the BSC to the CAP Review Guidance Document (meaning a Modification would not be required to amend this parameter);
- reduce the CAP change notice period from 20 Working Days to 15 Working Days;
- require that any amendment to the CAP change notice period must be consulted upon and is subject to the agreement of the Panel; and
- introduce a minimum CAP change notice period of 10 Working Days into the BSC (meaning a Modification would be required to reduce the notice period to less than 10 Working Days).

The Panel approved P345 on 14 July 2016 ([Panel 255/08](#)) under Self-Governance. The Self Governance appeal window for P345 closed on 5 August 2016. As no appeals were received P345 will be implemented on 19 August 2016.

What is the issue?

Since the approval of the P345 legal text, it was brought to ELEXON's attention that part of the legal text did not match the original intention of P345.

The P345 approved legal text does not introduce the minimum 10 Working Day notice period into the BSC as intended. Instead, the approved legal text mirrors the 15 Working Day operational timescale as stipulated in the CAP guidance document.

ELEXON also identified that one section of the approved P307 legal text was not implemented when the Modification went live. BSC Section M3.4.3(a) contains three references to the now-redundant Level 2 Credit Default Cure Period, the removal of which had been included in the approved P307 legal text. As the omission of these changes was not material to the implementation of the P307 solution, we elected to incorporate these as part of a future Modification. We therefore propose that these changes are picked up as part of this Modification.

3 Solution

Proposed solution

This Modification will amend the approved P345 legal text such that the minimum CAP change notice period is amended from 15 Working Days to 10 Working Days as per the original intention of P345.



What is the CAP?

The Credit Assessment Price (CAP) is a £/MWh value, determined by the Panel following consultation with industry Trading Parties. The value is used to determine the financial value of Trading Parties' Energy Indebtedness.

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This Modification also includes the changes to Section M3.4.3(a) previously approved by the Panel under P307 but which were not subsequently implemented.



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

Legal text

The approved updates to the legal text for P345, along with the updates to P307 legal text noted by the Panel can be found in attachment B.

Applicable BSC Objectives

The Panel agreed that P352 will better facilitate **Applicable BSC Objective (d)** as the rectification of these errors in the legal text against the intention of the original Modifications will ensure the BSC is delivered in the most effective and efficient manner.

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Estimated implementation costs of P352

This Modification is a document only change and there will be no system impacts or impacts on BSC Agents or BSC Parties.

The implementation costs for this Modification will be approximately £240 (one ELEXON Working Day) to implement the relevant document changes.

Implementation Date

The Panel has approved an Implementation Date for P352 of **16 September 2016**, 10 Working Days after the Fast Track Self-Governance objection window closes, if no objections are notified. The 15 Working Day objection window will commence from this notification, closing on 2 September 2016.

In accordance with BSC Section F7.2.2., this Fast Track Self-Governance Modification report, which reflects the Panel's decision to raise and approve P352 as a Fast Track Self-Governance Modification, was published within 1WD and issued to the Authority, the Transmission Company and each BSC Part.



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 Modification

The Panel did not express any specific views on the Modification and unanimously agreed to raise and approve P352 without comment.

The Panel only noted that, whilst it was approving the legal text amendment for P352, as it had previously approved the legal text for P307 that was not implemented, it did not need to re-approve this legal text amendment as it will be implemented as part of P352.

Panel's views on Fast Track

The Panel unanimously agreed that this Modification should be progressed as a Fast Track Self-Governance Modification Proposal

Panel's views on the Applicable BSC Objectives

The Panel unanimously agreed that this Modification better facilitates Applicable BSC Objective (d).



The BSC Panel unanimously agreed:

- To raise Modification P352;
- That P352 should be progressed as a Fast Track Self-Governance Modification;
- That P352 does better facilitate Applicable BSC Objective (d);
- That P352 should be **approved**;
- That P352 should be implemented on **16 September 2016**;
- The BSC legal text for the P345 redlining as part of P352;
- To note the legal text amendment to the P307 redlining as part of P352;
- To note that that ELEXON will issue the Fast Track Modification Report (including the draft BSC legal text), which will then be subject to a 15 Working Day objection period.

What is the Self-Governance Criteria?

A Modification that, if implemented:

(a) is unlikely to have a material effect on:
(i) existing or future electricity consumers; and
(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
(iii) the operation of the national electricity transmission system; and
(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
(v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

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Appendix 1: Glossary & References

Glossary of defined terms

Acronyms and other defined terms used in this document are listed in the table below.

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code
CAP	Credit Assessment Price

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	P307 webpage	https://www.elexon.co.uk/mod-proposal/p307/
3	P345 webpage	https://www.elexon.co.uk/mod-proposal/p345/

Appendix 2: Estimated Progression Effort

The following tables contain the estimated effort in progressing P252:

Assessment Effort	
Participant	Effort (man days)
ELEXON	1
Total	1