
















| BSC Modification Proposal From  |  | At what stage is this document in the process?  |
|---|--|---|
| <h1>P353</h1> <p><b>Mod Title:</b> 'Align Section B with the intent of P324'</p>  |  | <div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="border: 1px solid green; border-radius: 5px; padding: 2px; margin-bottom: 5px; background-color: #00a651; color: white;">01 Modification</div> <div style="border: 1px solid blue; border-radius: 5px; padding: 2px; margin-bottom: 5px; background-color: #e6f2ff;">02 Workgroup Report</div> <div style="border: 1px solid purple; border-radius: 5px; padding: 2px; margin-bottom: 5px; background-color: #f2e6ff;">03 Draft Modification Report</div> <div style="border: 1px solid orange; border-radius: 5px; padding: 2px; background-color: #fff9e6;">04 Final Modification Report</div> </div> |
| <p><b>Purpose of Modification:</b></p> <p>This Modification proposes to make consequential changes to the approved legal text for P324 'Review of BSCCo's governance: introducing improved accountability to BSC Parties' to insert redlining missed in Section B 3.1.2 (h)</p> |  |   |
|    | <p><i>Please provide an initial view of the preferred governance route and how you want the Modification to be progressed</i></p> <p>The Proposer recommends that this Modification should: <i>(delete as appropriate)</i></p> <ul style="list-style-type: none"> <li>be treated as a Fast Track Self-Governance Modification Proposal</li> </ul> <p>This Modification will be presented to the BSC Panel on <i>8 December 2016</i> The Panel will consider how best to progress the Modification.</p> |   |
|    | <p>Low Impact:<br/>BSC Panel only</p>  |   |

**Guidance on the use of this template:** *Please complete all sections unless specifically marked for the BSC Change Analyst to complete.*

*Green italic text is provided as guidance and should be removed before submission.*

*The BSC Change Analyst is available to help and support the drafting of any Modifications, including providing guidance on completion of this template and the wider Modification process. For questions and support please contact BSC Change at [bsc.change@elxon.co.uk](mailto:bsc.change@elxon.co.uk).*

| Contents  |                              |  Any questions?    |
|---|------------------------------|---|
| <b>1 Summary</b>  | <b>3</b>                     | Contact:<br>Royston Black   |
| <b>2 Governance</b>   | <b>3</b>                     |  [Insert email]    |
| <b>3 Why Change?</b>  | <b>4</b>                     |  020 7380 4203     |
| <b>4 Code Specific Matters</b>  | <b>4</b>                     | Proposer:<br>BSC Panel  |
| <b>5 Solution</b>   | <b>5</b>                     |  [Insert email]    |
| <b>6 Impacts &amp; Other Considerations</b>   | <b>5</b>                     |  [Insert number]   |
| <b>7 Relevant Objectives</b>  | <b>6</b>                     | Proposer's representative:<br>[Insert name]   |
| <b>8 Implementation Approach</b>  | <b>7</b>                     |  [Insert email]    |
| <b>9 Legal Text</b>   | <b>7</b>                     |  [Insert number] |
| <b>10 Recommendations</b>   | <b>7</b>                     | Other:<br>[Insert name]   |
| <b>Timetable</b>  |                              |  [Insert email]  |
| <i>Please provide Proposer and Proposer Representative contacts and an indicative timetable. The BSC Change Analyst will update the contents and provide any additional Specific Code Contacts. The BSC Change Analyst can provide specific dates based on your Implementation Approach in Section 8.</i> |                              |  [Insert number] |
| <b>The Proposer recommends the following timetable:</b>   |                              | Other:<br>[Insert name]   |
| Initial consideration by Panel  | 8 December 16                |  [Insert email]  |
| Appeal Window   | 9 December 16 – 2 January 17 |  [Insert number] |
| Final Modification Report published   | 3 January 17                 | Other:<br>[Insert name]   |
|   |                              |  [Insert email]  |
|   |                              |  [Insert number] |

# 1 Summary

## What is the issue?

This Modification proposes to make consequential changes to the approved legal text for P324 'Review of BSCCo's governance: introducing improved accountability to BSC Parties' to remove redlining missed in Section B 3.1.2 (h)

## What is the proposed solution?

This Modification proposes to make the following changes to the approved P324 legal text, which will be inserted into Section B 3.1.2 (h):

- approving the Business Strategy prepared by BSCCo for each BSC Year, and revisions to that plan; (This sentence is no longer applicable and needs to be removed)

The full changes proposed under this Modification can be found in Attachment B

# 2 Governance

## Justification for proposed progression Fast Track Self-Governance

We believe that this Modification should be progressed as a Fast Track Self-Governance Modification as it falls within the Self-Governance criteria and Section F2.1.1(d)(iv). An error has been identified in the implementation of P324 in that a line of legal text that should have been removed is still included. This represents a material risk to the BSC that must be amended as soon as possible.

### **Not Self-Governance** - A Modification that, if implemented:

*(a) is likely 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 likely to discriminate between different classes of Parties.*

### **OR**

### **Fast Track Self-Governance** - 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;

**OR**

**Urgent - A Modification Proposal which:**

- (i) is linked to an imminent issue or a current issue that if not urgently addressed may cause:
  - (a) a significant commercial impact on Parties, Consumers or stakeholder(s); or
  - (b) a significant impact on the safety and security of the electricity and/or gas systems; or
  - (c) a Party to be in breach of any relevant legal requirements.

Further information about Ofgem's Urgent Criteria can be found in the [Guidance on Code Modification Urgency Criteria](#) document on the Ofgem website.

## Requested Next Steps

This Modification should be:

- a Fast Track Self-Governance Modification Proposal

*Please provide any additional information to support your preferred next steps, such as any critical events driving the timeline.*

Should this Modification be approved as a Fast Track Self-Governance Modification there will be a 15 Working Day objection period in which BSC Parties can raise an objection to the implementation of the Modification. This period will close on Tuesday 3 January 2017. The Modification should be implemented at the soonest point after the appeal window closes.

## 3 Why Change?

### What is the issue?

Following the approval of P324 an error in the implemented Legal Text was identified. Some of the approved redlined changes in Section B 3.1.2 (h) were missed off and therefore not implemented.

A Modification is therefore required to ensure the full set of approved legal text changes for P324 are implemented.

## 4 Code Specific Matters

*Please provide any specialist information (that is Code-specific), such as technical skillsets required and any reference documents.*

### Technical Skillsets

*Provide the required technical skillset that will be required to assess this modification.*

An expert on the BSC code and Legal support

## 5 Solution

### Proposed Solution

This Modification proposes to make the following changes to the approved P324 legal text, which will be inserted into Section B 3.1.2 (h) :

- approving the Business Strategy prepared by BSCCo for each BSC Year, and revisions to that plan;  
(This sentence is no longer applicable and needs to be removed)

The full changes proposed under this Modification can be found in Attachment B.

## 6 Impacts & Other Considerations

### Impacts

*The proposed change only impacts the BSC and the Panel. The change will remove an erroneous line of text within Section B that details a Panel responsibility that no longer applies.*

### **Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?**

No.

## 7 Relevant Objectives

### Impact of the Modification on the Relevant Objectives:

| Relevant Objective   | Identified impact |
|--|-------------------|
| a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence  | Neutral           |
| (b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System   | Neutral           |
| (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            | Neutral           |
| (d) Promoting efficiency in the implementation of the balancing and settlement arrangements  | Positive          |
| (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]                  | Neutral           |
| (f) Implementing and administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation | Neutral           |

*Please explain how this change will positively or negatively impact the Applicable BSC Objectives and concisely explain the rationale.*

Correcting an erroneous piece of legal text within the BSC code will ensure the efficiency in the implementation of the balancing and settlement arrangements

## 8 Implementation Approach

We recommend that this Modification is implemented on 6 January 2017 as a Standalone Release to ensure that the legal text that was missed off when P324 was implemented is introduced as soon as possible to mitigate any issues or unintended consequences.

## 9 Legal Text

### Text Commentary

This Modification proposes to make the following changes to the approved P324 legal text, which will be inserted into Section B 3.1.2 (h) :

- approving the Business Strategy prepared by BSCCo for each BSC Year, and revisions to that plan;  
(This sentence is no longer applicable and needs to be removed)

This will correct the error that was introduced in implementation of approved Modification P324.

## 10 Recommendations

### Proposer's Recommendation to the BSC Panel

The BSC Panel is invited to:

- Raise this Modification;

Should the Panel agree to raise this Modification we invite the Panel to:

- Agree that this Modification be progressed as a Fast Track Self-Governance Modification Proposal];
- Agree that this Modification should be implemented on 6 January 2017 as a Fast Track Self-Governance Modification Proposal.