

Public

P374 'Aligning the BSC with EBGL change and derogation processes'

Workgroup Meeting 2
24 April 2019

Health & Safety

In case of an emergency

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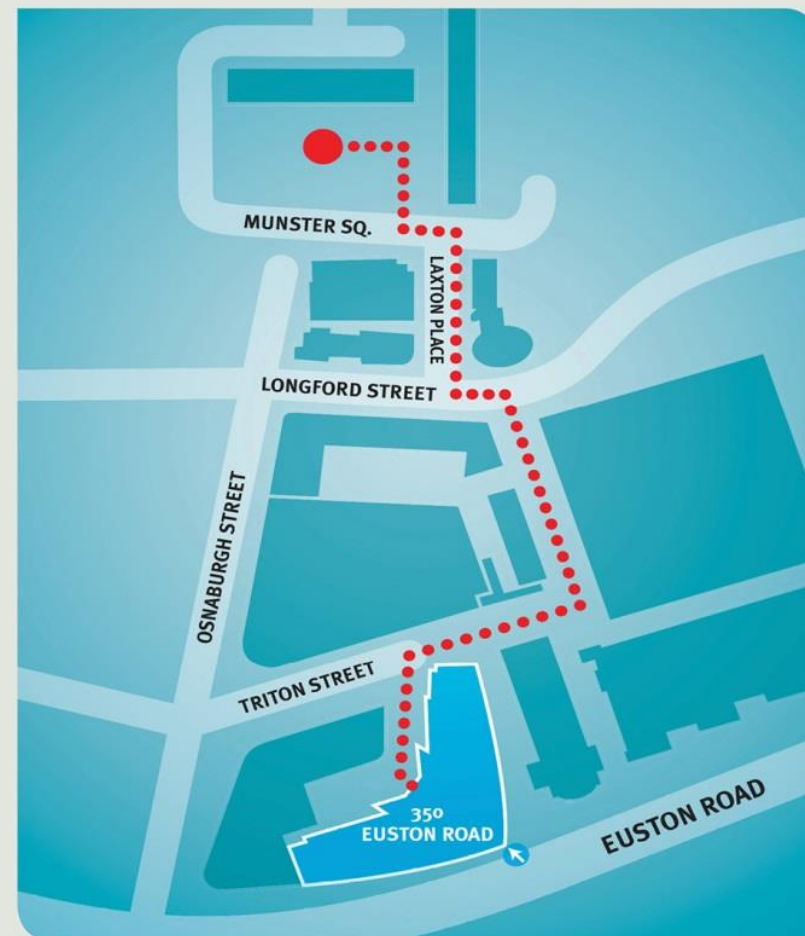
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- Please do not tackle a fire yourself.
- If you hear the alarm, please leave the building immediately.
- Evacuate by the nearest signposted fire exit and walk to the assembly point.
- Please remain with a member of ELEXON staff and await further instructions from a Fire Warden.
- For visitors unable to use stairs, a Fire Warden will guide you to a refuge point and let the fire brigade know where you are.

When evacuating please remember

- Do not use the lifts.
- Do not re-enter the building until the all clear has been given by the Fire Warden or ground floor security.

Our team on reception is here to help you, if you have any questions, please do ask them.



Meeting Agenda

Agenda item	Lead
1. Welcome and meeting objectives	Elliott Harper (Chair)
2. Actions update	Craig Murray
3. BSC Sandbox- worked example	Peter Frampton
4. Proposed Solution	Garth Graham
5. Any Alternative Solution	Aditi Tulpule
6. Legal Text <ul style="list-style-type: none">• Proposed Solution• Alternative Solution	Workgroup
7. Implementation timescales	Workgroup
8. Identifying EBGL mapping within the BSC	Workgroup
9. Applicable BSC Objectives	Craig Murray
10. Self-Governance	Craig Murray
11. Any other items for Consultation	Workgroup
12. Workgroup Terms of Reference	Elliott Harper

Meeting Agenda

Agenda item	Lead
13. Next Steps	Craig Murray
14. A.O.B	Workgroup
15. Meeting close	Elliott Harper

Meeting Objectives

- Discuss actions from the first Workgroup meeting
- Talk through a worked example of the BSC Sandbox process
- Discuss the proposed solution
- Detail any alternative solutions
- Agree the draft legal text subject to any amendments
- Discuss options for highlighting BSC provisions that are mapped to the EBGL
- Determine the implementation timescales for P374
- Agree the next steps for P374



Actions Update

Craig Murray

Actions from first meeting

1. ELEXON legal team to draft an Alternative proposal in regards to how EBGL Article 62 impacts the BSC
 - To be presented to the Workgroup
2. ELEXON to present a worked through derogation example at the next Workgroup meeting to provide members with clarity on how the BSC Sandbox process will work in practise
 - To be presented to the Workgroup
3. ELEXON and National Grid, with SSE's input, will work to determine how the mapping of the balancing T&C will be highlighted within the BSC and subsidiary documents (if applicable) for market participant clarity
 - To be further discussed by the Workgroup



BSC Sandbox – worked example

Peter Frampton

BSC Sandbox – worked example

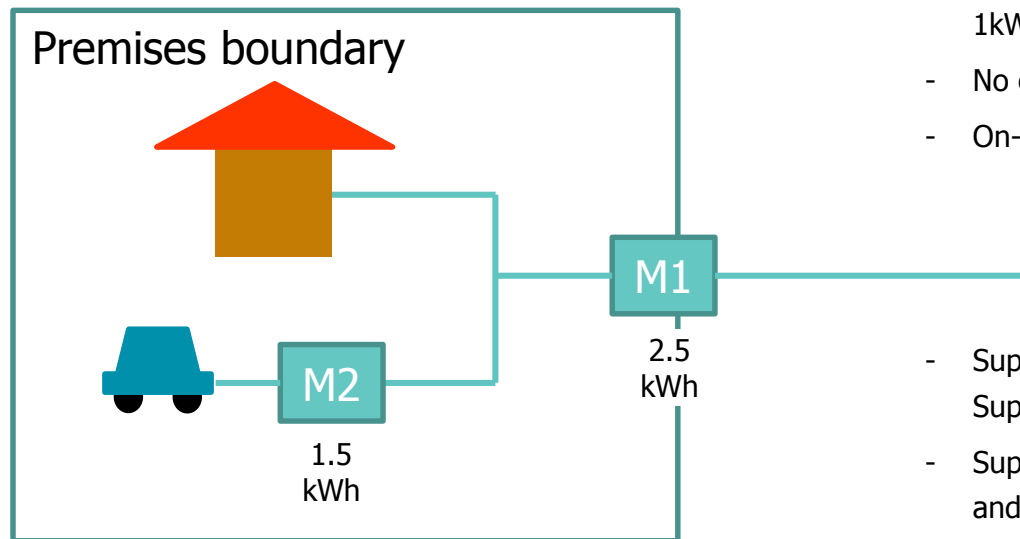
- The BSC sandbox enables Ofgem to grant time & scope limited derogations to specific BSC obligations, for specific parties
- Trial project might wish to explore alternative Supply arrangements, new ways of performing Agent roles etc.
- In this example, we explore a scenario where a Supplier A wishes to Supply an electric vehicle (EV) at a property which is otherwise Supplied by another Supplier B.
- The subject of the trial is the data collection from the measuring device at the EV, and the trial is facilitated by Supplier B's Half-Hourly Data Aggregator (HHDA).

BSC Sandbox – worked example

- In this use case, Supplier A wishes to trial a new method of collecting Settlement data. The outcome will be the same as if they utilised BSCP550 Shared SVA meter arrangements, but the process is slightly different.
- The trial will use a newly developed automated process to collect HH volumes recorded at a MID-approved measuring device located in an EV. These volumes will be netted off the consumer's total consumption at the boundary in the relevant Settlement Periods.
- Supplier B's volumes will be adjusted following the normal BSCP550 process, but Supplier A will not use the Half-Hourly Data Collector (HHDC*) for the premises to notify the (shared) HHDA of the volume adjustments required
- The shared HHDA will instead make the necessary adjustments based on data submitted by Supplier A.

*We assume Supplier B's HHDC is not willing/able to qualify for shared SVA meter arrangements in time to facilitate the trial

BSC Sandbox – worked example



Notes;

- Import only
 - Domestic non-EV consumption implied 1kWh
 - No on-site generation
 - On-site losses not calculated
-
- Supplier A responsible for M2 volumes, Supplier B responsible for M1-M2 volumes
 - Supplier B's HHDC collects data from M1 and submits to Supplier B's HHDA
 - Supplier A collects data from M2 and submits to Supplier B's HHDA
 - Supplier B's HHDA performs re-allocation of volumes between B and A prior to submitting data to Settlement

BSC Sandbox – worked example

- Derogation sought for:
 - Requirement in BSCP 550 to utilise the same HHDC for Shared SVA Metering arrangements, to split in proportion to non-Settlement Meters (rather than netting based on non-Settlement Meters) and to assign losses between Suppliers (which is unnecessary as they are netting from the boundary reading).
 - Requirements in BSC Sections J, S and BSCP502/503 for a qualified HHDC to collect Meter data for Settlement as it relates to M2 readings, and for a HHDA to submit data to Settlement on the basis of data received from a Party's HHDC
- Derogation is valid for:
 - A list of 100 customers already identified and willing to participate in the trial
 - 12 months from the commencement date of the trial
- Any departures from these terms would constitute a breach of BSC obligations
- This would require derogation from part of Section J, which was mapped to the EBGL Article 18 balancing T&Cs in NG's original proposal

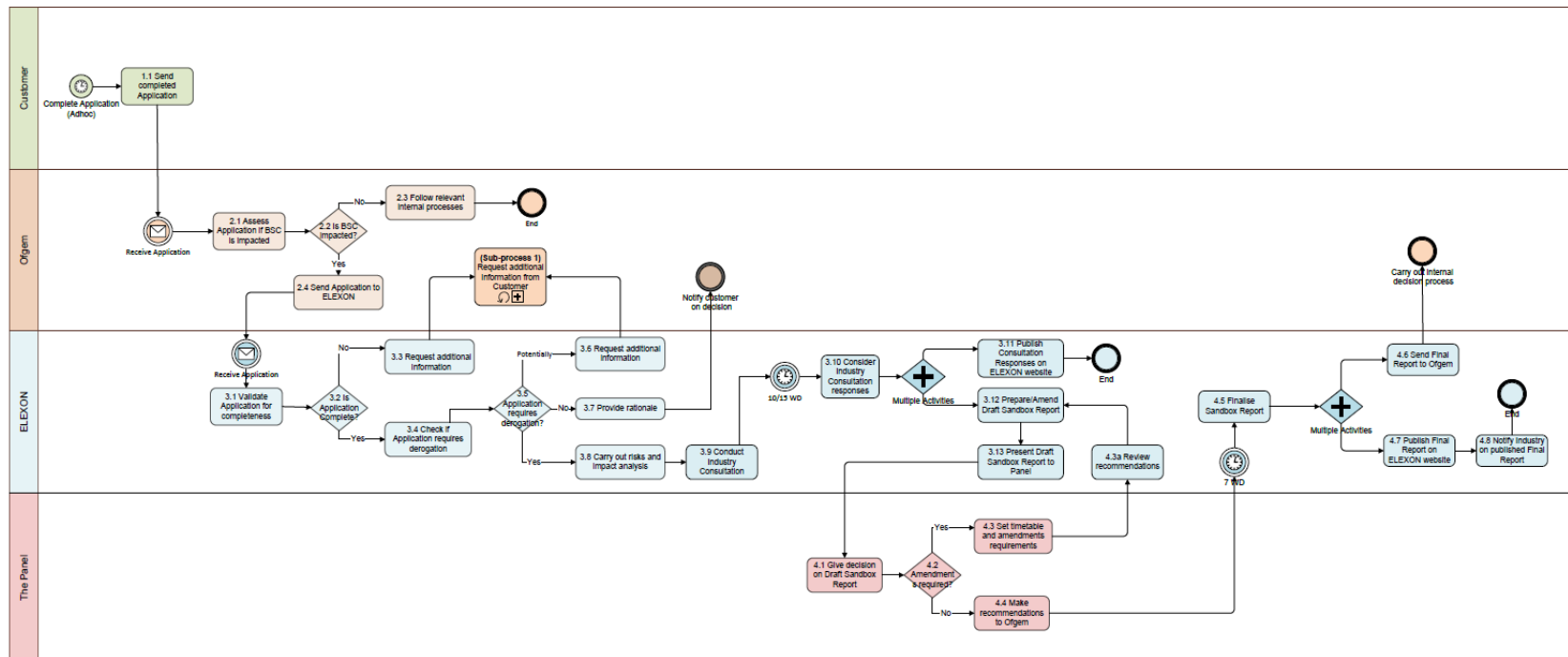
BSC Sandbox – worked example

- In order to obtain the derogation, the Supplier would:
 - Inform Ofgem of the intent to trial these arrangements, outlining in what way they are innovative, beneficial to customers and currently prohibited
 - Work with ELEXON to determine the scope of the derogation, including areas of the Code to be derogated, length, number of customers involved and how the arrangements will be returned to normal once the trial is over
 - Apply to the Panel for recommendation on decision.
- The Panel would then make a recommendation on whether or not the requested derogation should be granted, and if any additional conditions should be applied
- Ofgem would then make a final determination on whether or not to grant the requested derogation, with or without additional conditions applied.

BSC Sandbox Process

- Process for Sandbox applications outlined in CSD 'BSC Sandbox Procedure'

Sandbox Application Process v0.1





Proposed Solution

Garth Graham



P374 Aligning the BSC with the EB GL change process and derogation approach

**Garth Graham, SSE Generation Ltd.
BSC Panel 8th November 2018**

What is the issue (1)?

- **BSC does not reflect the changes introduced by the Electricity Balancing Guideline (EB GL) in respect of derogations and amendments to the terms and conditions related to balancing.**
- **Without this change the BSC will not be in compliance with the EB GL, which could lead parties and the Panel to a misunderstanding when applying the BSC.**

What is the issue (2)?

- Article 18 of EB GL sets out that terms and conditions related to balancing are required.
- These were proposed by the TSO (National Grid) in June 2018.
- TSO proposal sets out the parts of the BSC (and other industry framework documents) that form the terms and conditions related to balancing for GB.

What is the issue (3)?

- Two aspects:
 - Derogations
 - Amending the BSC going forward

What is the issue (4)?

- Article 62(2) of EB GL sets out that a TSO may request a derogation from certain requirements (set out under (a) to (e)).
- However, this does not include Article 18 of EB GL.
- So no BSC Derogation(s) permissible for those parts of the BSC that form the terms and conditions related to balancing.

What is the issue (5)?

- Amendments to the parts of the BSC that form the terms and conditions related to balancing have to follow the EB GL change procedure, set out in Article 6(3) of EB GL (linked to Articles 4, 5 and 10 of EB GL).

What is the proposed solution(1)?

- Amend BSC Derogation arrangement to make clear the parts of the BSC that form the terms and conditions related to balancing - which then cannot be subject to a BSC Derogation, in accordance with EB GL Articles
- Amend BSC change procedure to reflect that changes to certain parts of the BSC will have to go through a revised change process, in accordance with EB GL Articles.

What is the proposed solution(2)?

- **Why not wait? Precedent from recent Grid Code changes relating to requirements arising from Network Codes and Guidelines:-**

National Grid - “Guidance from BEIS and Ofgem was to apply the new EU requirements within the existing GB regulatory frameworks. This would provide accessibility and familiarity to GB parties, as well as putting in place a robust governance route to apply the new requirements in a transparent and proportionate way.”

What is the proposed solution(3)?

- We have provided draft legal text for Section H (10.1) and Section F (1.1.3).

Justification for proposed progression

- Change is not Self-Governance.
- Change is self evident, as it relates to a legal requirement, that progressing to Report Stage is appropriate in this case.
- If sent directly to the Report Phase, should not be treated as Urgent.

Impacts (1)

- Who is impacted
 - BSC Panel;
 - Elexon;
 - TSO;
 - Parties seeking a BSC Derogation against the terms and conditions related to balancing under EB GL Article 18; and
 - Parties seeking change to provisions of the BSC that form part of the terms and conditions related to balancing.

Impacts (2)

- Which processes are impacted
 - BSC Derogation processes.
 - BSC modification processes.
- Which documents are impacted
 - BSC (Section H and Section F).

Applicable objectives (1)

- a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence – **Positive**
- (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] - **Positive**

Applicable objectives (2)

- **Positive for objective (e) by ensuring:-**
 - **BSC compliance with EB GL provisions for derogations and amendments to the NRA (Ofgem) approved terms and conditions related to balancing; and**
 - **Increased transparency for stakeholders by allowing them to easily see, up-front, within the BSC Derogation process those elements of the BSC that cannot be derogated against by virtue of European Law.**

Applicable objectives (3)

- Beneficial to both TSO and ELEXON in providing more clarity and certainty in fulfilling their obligations under EB GL and managing BSC Derogation requests and change proposals, thereby realising benefits under objectives (a) and (d).

Implementation

- **Propose implementation as soon as reasonably practical after an Authority decision.**
- **Note that in the intervening period, prior to implementation, stakeholders will be aware of the EB GL requirements which will prevail.**



Thank you



P374 Aligning the BSC with the EB GL change process and derogation approach

Garth Graham, SSE Generation Ltd.

BSC Panel 13th December 2018 - Update

Update

These slides provide an update to the December BSC Panel meeting and should be read in conjunction with the slides provided for the November BSC Panel meeting (addended for completeness).

Legal Interpretation (1)

- Five options identified.
- Over three months ago SSE raised a series of questions around Option 3 (as well as Options 4 and 5) with Ofgem, National Grid and Elexon.
- No answers so far to those questions.

Legal Interpretation (2)

Option 1 {P374 delivers this}

- Run BSC and EB GL change processes successively
 - Covers risk of non-compliance

Option 2 {P374 delivers this}

- Run EB GL change process in parallel with BSC modification process
 - Covers risk of non-compliance

Legal Interpretation (3)

Option 3 {P374 does not deliver this}

- Existing BSC processes are deemed to meet the EB GL process
 - Who is 'deeming': TSO? NRA?
 - On what EU law basis are they 'deeming'?
 - Is this compatible with the Tempus Cap Mech State Aid judgement (para 99-100)?
 - Issues remain (see below)

Legal Interpretation (4)

Option 4 {P374 does not deliver this}

- Interpret the methodology/terms and conditions referred to in EB GL as the wider framework of documents (not the detailed provisions in, for example, the BSC)
 - No clear legal position that says this is the case

Legal Interpretation (5)

Option 5 {P374 does not deliver this}

- Interpret the Article 10 process as only applying to changes to the methodology/terms and conditions that the TSO/NRA seek to impose on industry
 - No clear legal position that says this is the case

Legal Interpretation (6)

Option 3 - Issues remain (i): Evaluation process

- The BSC consultation(s) considers the Applicable Objectives
- They do not consider the terms and conditions related to balancing
- They are not conducted by the TSO and don't provide sound justification
- They may (in certain circumstances) not lead to a decision by the NRA on the proposed change
- Elexon cannot substitute the national (BSC) procedures for the procedure required by (EU) EBGL

Legal Interpretation (7)

Option 3 – Issues remain (ii): Tempus judgement

99 In the second place, in parallel to the discussions referred to above between the United Kingdom and the Commission, the United Kingdom organised a national public consultation from 10 October to 24 December 2013 relating to the planned capacity market. However, that consultation did not relate to the matter of compatibility of that measure with the applicable rules on State aid. It merely alluded to the requirement of authorisation from the Commission prior to the implementation of the planned measure. *[emphasis added]*

Legal Interpretation (8)

Option 3 – Issues remain (iii): Tempus judgement

100 In that regard, it cannot be held, as is suggested at times by the arguments submitted by the United Kingdom and the Commission, that a national consultation can be treated in the same way as a procedure allowing the interested parties to submit their observations, as would have been the case if the Commission had initiated the formal investigation procedure. In the context of State aid control proceedings, the relevant Member State providing the aid cannot substitute itself for the Commission, which must, as the guardian of the Treaties and in accordance with Article 108 TFEU, examine all projects intending to establish schemes of aid.
[continues on next slide]

Legal Interpretation (9)

Option 3 – Issues remain (iv): Tempus judgement

[continues from previous slide] It is for the Commission, rather than the Member State, where relevant and in the context of the procedure envisaged to that end, to gather all information necessary to allow it to assess the compatibility of the aid. Further, it is to the Commission, rather than to the Member State intending to provide the aid, that the interested parties must submit their observations, if they consider it necessary, in order to allow the Commission to come to a decision with full knowledge of the facts. *[emphasis added]*

Legal Interpretation (10)

Option 3 Issues remain (v): Article 13(1) EBGL

- The TSO can, under EBGL, delegate to a Third Party
- For GB the TSO has not done this so far
- Even if delegated, the tasks of the TSO have to be performed by the Third Party – plus still TSO remains responsible for ensuring compliance

Legal Interpretation (11)

Option 3 Issues (vi): Article 13(1) EBGL

“A TSO may delegate all or part of any tasks with which it is entrusted under this Regulation to one or more third parties in case the third party can carry out the respective function at least as effectively as the delegating TSO. The delegating TSO shall remain responsible for ensuring compliance with the obligations under this Regulation, including ensuring access to information necessary for monitoring by the relevant regulatory authorities in accordance with Article 37 of Directive 2009/72/EC. ” *[emphasis added]*

Legal Text

- Revisions to the draft legal text provided to the Panel in November have been discussed between SSE and Elexon, resulting in amendments which are presented for Panel consideration.

Ofgem Response

[place holder]



Thank you



Alternative Solution

Aditi Tulpule

EBGL Derogations and the BSC Sandbox

- EBGL Article 62 provides for a derogation to be granted to a TSO from fulfilling specific obligations under the EBGL Regulations (set out under (a) to (e) of Article 62(2)) – this does not include Article 18
- Article 62 derogation is not available, to a TSO, from the requirement to performing its obligations under Article 18
- Article 18 requires the TSO to develop a proposal regarding the terms and conditions for BSPs and BRPs and sets out what those terms and conditions should contain

EBGL Derogations and the BSC Sandbox

- Key distinction between a **derogation granted under Article 62 of the EBGL Regulations from Article 18 obligations** versus a **derogation granted under section H of the BSC** is that:
 - Article 62 derogation is only available to the TSO in respect of its obligations to propose the terms and conditions for balancing service providers and balance responsible parties (Art 18 T&Cs) to the Authority for approval; whereas derogations under the BSC Sandbox programme will be available to all BSC Parties seeking derogations from specific requirements contained within the BSC, which may include requirements contained in the Art T&C's
- **The ambit of Article 62 therefore does not include derogations which will form the subject matter of derogation requests under the BSC Sandbox programme.**

EBGL Derogations and the BSC Sandbox

- To the extent specific requirements contained in the Art 18 T&Cs are specified in EBGL Regulations, such requirements will constitute Relevant European Legal Requirements and/or Legal Requirements for the purposes of BSC Section H10.4.3 (d) from which derogations will not be possible as such derogations will have no effect under the BSC.
- Therefore a derogation under the BSC Sandbox shall have no effect to the extent that it purports to derogate from BSC Provisions constituting Article 18 terms and conditions where such provisions have been explicitly set out in the EBGL Regulations.
- The wording of section H.10 is therefore compliant with the EBGL Regulations and does not need to be amended as proposed to deliver the intentions of, and address the issues identified by P374

EBGL Change Process (Amendments to Section F)

- The proposed amendment to Section F1.1 does not take into account the fact that the Authority is also entitled to raise amendments to the EBGL T&C's under Article 6 of the EBGL.
- More importantly it seeks to make the Modification of the Code subject to the compliance behaviours of the TSO and the Authority.
- We submit that the obligation to comply with the EBGL requirements lies with the TSO and the Authority
- **It is not, in our view, for the BSC to incorporate provisions that would allow us to refuse to modify the Code, where the TSO has served a signed notice of modification to the Modification Secretary following a direction of the Authority issued pursuant to the Transmission Licence, as set out in BSC Section F1.1.2**

EBGL Change Process

- P374 seeks to establish whether amendments to the BSC as required to be carried out to ensure compliance with the EBGL Regulations
- It is our view that Self-Governance Mods that seek to amend the BSC section constituting the Article 18 terms and conditions (once approved by the Authority) will cease to be compliant with the EBGL Article 10 public consultation requirements
- Self-Governance Criteria should therefore be amended to include wording that will clearly exclude Self-Governance Mods being raised in respect of proposals that seek to amend the Article 18 terms and conditions

EBGL Change Process

- It is our view that the EBGL Regulations place the responsibility to ensure compliance with EBGL obligations upon the TSO and the Authority
- This will continue to be the case at law until such time as those responsibilities are delegated or assigned to the BSCCo by the TSO or the Authority
- National Grid ESO and ELEXON are collaborating to define the process for progressing changes to BSC provisions that are mapped to the Article 18 terms and conditions (currently subject to Authority approval). As it is not currently clear what the eventual solution will be, it would not be appropriate to make amendments to BSC Section F at this time



Legal Text

Workgroup

Proposed Solution

SECTION F: MODIFICATION PROCEDURES (Version 28.0)

1. MODIFICATION OF THE CODE

1.1 Modification

Amend paragraph 1.1.3 to read as follows:

- 1.1.3 Subject to paragraph 2.11.8, a modification of the Code shall take effect from the time and date specified in the notice referred to in paragraphs 1.1.2 and 6.3.3 or, in the absence of any such time and date, from 00:00 hours on the day next following the date of service of such notice to the Modification Secretary (without prejudice to the Implementation Date, the Self-Governance Implementation Date or the Fast Track Self-Governance Implementation Date (as the case may be), if different), except with respect to all Modification Proposals and/or all changes or amendments that relate to any Section of the Code (or any Annex attached to that Section together with any related obligations referred to or created by any Code Subsidiary Document that is associated with those provisions) referenced in Section H10.1.4 and/or listed in Section H10.1.5, in which case the Modification or Change shall not take effect until such time as:

Proposed Solution

- (a) the Transmission Company has requested an amendment (in accordance with Article 6 of the Guideline on Electricity Balancing) to the terms and conditions related to balancing, determined in accordance with Article 18 of the Guideline on Electricity Balancing, after issuing a public consultation (in accordance with Article 10 of the Guideline on Electricity Balancing); and
- (b) the Authority has approved the amendment to the terms and conditions related to balancing (in accordance with Article 4 and Article 5 of the Guideline on Electricity Balancing) proposed by the Transmission Company.

Insert new paragraph 1.1.3A after 1.1.3 to read as follows

1.1.3A BSCCo shall coordinate with, and assist, the Transmission Company when the Transmission Company is discharging its duties under paragraph 1.1.3(a) and 1.1.3(b).

Proposed Solution

SECTION H: GENERAL (Version 23.0)

10. BSC SANDBOX

10.1 BSC Derogations

Amend paragraph 10.1.1 to read as follows:

- 10.1.1 The Authority may, in accordance with this paragraph 10, grant any person, other than a BSC Company, a derogation from one or more provisions of the Code, except those provisions of the Code referenced in paragraph 10.1.4 and listed in paragraph 10.1.5 from which no derogation may be granted, in which case paragraph 10.4 shall apply (a "BSC Derogation").

Proposed Solution

Insert new paragraph 10.1.2 after 10.1.1 to read as follows:

- 10.1.2 In accordance with Articles 18 and 62 of the Guideline on Electricity Balancing, it is not possible for any derogation to be granted in respect of any of the terms and conditions relating to balancing as notified to the Authority for approval by the Transmission Company (in accordance with Article 5(4)(c) of the Guideline on Electricity Balancing) in its letter of 18th June 2018 (as listed in Annex 1 to that letter, as amended from time to time in accordance with Article 6 of the Guideline on Electricity Balancing).
- 10.1.3 Pursuant to paragraph 10.1.2, no BSC Derogation will be granted to any person in respect of any of the provisions of the Code set out in the Sections of the Code (or any Annex attached to those Sections together with any related obligations referred to or created by any Code Subsidiary Document that is associated with those provisions) referenced in paragraph 10.1.4 or, in respect of any provisions of the Code set out in the Sections of the Code (or any Annex attached to that Section together with any related obligations referred to or created by any Code Subsidiary Document that is associated with those provisions) relating to Project TERRE, listed in paragraph 10.1.5.

Proposed Solution

- 10.1.4 No BSC Derogation may be granted in respect of any provisions of the Code, together with any related obligations referred to or created by any Code Subsidiary Document that is associated with those provisions, in the Sections of the Code (or any Annex attached to those Sections) listed in Annex 1 of the Transmission Company letter of 18th June 2018 (submitted in accordance with Article 5(4)(c) of the Guideline on Electricity Balancing) as amended from time to time in accordance with Article 6 of the Guideline on Electricity Balancing. BSCCo shall place, and maintain going forward, a copy of the up to date list of these Sections of the Code on the website.
- 10.1.5 No BSC Derogation may be granted in respect of any provisions of the Code, together with any related obligations referred to or created by any Code Subsidiary Document that is associated with those provisions, relating to "Project TERRE", first implemented into the Code by Modification Proposal P344, in the following Sections of the Code:

Proposed Solution

(a) Section A;

(b) Section D;

(c) Section H;

(d) Section J;

(e) Section K;

(f) Section M;

(g) Section N;

(h) BSC Section P;

(i) Section Q

(j) Section R;

(k) Section S;

(l) Section S; Annex S-2;

(m) Section T;

(n) Section V;

(o) Section X Annex X-1;

(p) Section X Annex X-2; and

(q) Section Z.

Proposed Solution

SECTION X: DEFINITIONS AND INTERPRETATION

ANNEX X-1: GENERAL GLOSSARY (Version 84.0)

Insert the following new definitions in alphabetical order:

<u>"Guideline on Electricity Balancing":</u>	<u>means Commission Regulation (EU) 2017/2195;</u>
<u>"Project TERRE"</u>	<u>has the meaning given to that term in Section H10.1.5;</u>

Alternative Solution

ANNEX X-1: GENERAL GLOSSARY (Version 84.0)

Insert the following new definitions in alphabetical order:

"Guideline on Electricity Balancing (EBGL)": means Commission Regulation (EU) 2017/219~~5~~2

"EBGL Article 18 terms and conditions" means the Sections of the Code constituting terms and conditions approved by the Authority as the terms and conditions related to balancing pursuant to Article 18 of the EBGL;

"Self- Governance Criteria": means, a proposal that if implemented:

- (i) does not involve any amendments, whether in whole or in part to the EBGL Article 18 terms and conditions;

Should P374 seek to acquire a third-party legal view?

- Agreed at last Workgroup to reach a decision in light of a worked Sandbox example
- Estimated to take approximately 1 month
- Would it add value?



Implementation timescales

Workgroup

Implementation timescales

- National Grid submitted a proposed Implementation Date of **10 months following approval** of the amended balancing terms and conditions on **4 April 2019**
- Assuming Ofgem approves the proposals, the latest date for implementation is **4 February 2020**
- P374 Implementation Date could align to the Implementation Date for the balancing terms and conditions
- ELEXON previously proposed an Implementation Date of no later than **18 January 2020**
- Original proposal interprets the Implementation Date to be **18 July 2019**



Identifying EBGL mapping within the BSC

Workgroup

Identifying EBGL mapping within the BSC

■ Amended National Grid mapping captures the entirety of:

- Section A (Parties and Participation)
- Section O (Communication under the Code)
- Section U (Provisions relating to Settlement)

■ Proposals capture sub-sections of:


- Section G (3)
- Section H (3, 4.2, 4.7, 4.8, 5.5, 6, 10)
- Section J (3.3, 3.6, 3.7, 3.8)
- Section K (1.2, 2, 3.2, 3.3, 8)
- Section N (2, 6, 8, 12)
- Section P (2, 3)
- Section Q (3, 5.3, 5.6, 6.2, 6.3, 6.4, 7.2)
- Section S (6.2, 6.3, 11)
- Section T (1.14, 3, 4, 4.5)
- Section Z (7)

Identifying EBGL mapping within the BSC

How should clarity be provided for those provisions of the BSC that are mapped to the EBGL?

Some options to consider:

- Guidance Note containing all provisions of the BSC mapped to the EBGL
- Make clear on the website before you open up the relevant BSC Section that it constitutes part of the EBGL
- Make clear underneath the title of each relevant BSC Section that it/parts of it constitute(s) part of the EBGL



Applicable BSC Objectives

Workgroup

Applicable BSC Objectives

- (a) The efficient discharge by the Transmission Company of its Transmission License obligations**
- (b) The efficient, economic and co-ordinated operation of the GB Transmission System
- (c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting competition in the sale and purchase of electricity
- (d) Promoting efficiency in the implementation and administration 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



Self-Governance

Workgroup

Is P374 a Self-Governance Modification?

A proposal that, if implemented:

- a) is unlikely to have a material effect on:
 - existing or future electricity consumers;
 - competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity;
 - the operation of the national electricity transmission system;
 - matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
 - the Code’s governance procedures or modification procedures, and
- b) is unlikely to discriminate between different classes of Parties.



Any other items for Consultation

Workgroup

Any other items for Consultation?

- Do you agree with the Workgroup's view that the Proposed Modification better facilitates the Applicable BSC Objectives than the current baseline?
- Do you agree with the Workgroup's view that the Alternative Modification better facilitates the Applicable BSC Objectives than the current baseline?
- For the Proposed Solution, do you agree with the Workgroup that the draft legal text in Attachment X delivers the intention of P374?
- For the Alternative Solution, do you agree with the Workgroup that the draft legal text in Attachment X delivers the intention of P374?
- Do you agree with the Workgroup's recommended Implementation Date?
- Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P374 which would better facilitate the Applicable BSC Objectives?
- **Any other questions?**



Workgroup Terms of Reference

Craig Murray

Terms of Reference

- How should derogations be treated within the BSC on items related to the balancing terms and conditions?
- How should the balancing terms and conditions be treated within the BSC?
- Is any other information required to better inform a legal position?
- What are the implications of the legal interpretations on the GB market arrangements?
- What is the level of risk that is appropriate to take in regards to the processes and legal interpretations?
- What changes are needed to BSC documents, systems and processes to support P374 and what are the related costs and lead times?
- Are there any Alternative Modifications?
- Should P374 be progressed as a Self-Governance Modification?
- Does P374 better facilitate the Applicable BSC Objectives than the current baseline?



Next Steps



A.O.B

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Thank you

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