



Stage 04: Draft Modification Report

What stage is this document in the process?

- 01 Initial Written Assessment
- 02 Definition Procedure
- 03 Assessment Procedure
- ▶ 04 Report Phase

Self-Governance Modification: final decision to be made by the Panel on 12 July 2012

P287 'Allow the BSC Panel to conduct Modification Business via teleconference'

Under the current arrangements, BSC Panel cannot conduct Modification Business via teleconference. This Modification proposes to remove this restriction.

Initially, the Panel recommends:
Approval of the Proposed Modification under the Self-Governance arrangements

Low Impact:
BSC Panel and ELEXON



Any questions?

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About this Document

This document is the P287 Draft Modification Report, updated following the P287 Report Phase Consultation for presentation to the Panel on 12 July 2012. The Panel will consider the recommendations, and agree a final view on whether or not this change should be made.

P287 is being progressed under the Self-Governance arrangements. Unless the Authority decides to intervene, the Panel will determine whether or not P287 is approved for implementation. In accordance with Section F6.4 of the BSC, Parties will then have 15 Working Days to appeal the Panel's decision to the Authority.

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Why Change?

Under the current arrangements, the BSC Panel cannot make decisions on Modification Business via teleconference. Recent events have highlighted that in some circumstances this inflexibility can prove to be an issue.

Solution

The proposed solution would allow the BSC Panel to conduct Modification Business via teleconference, subject to the provision that at least one Panel Member is present at the venue specified for the meeting.

Impacts & Costs

P287 is a Code only change; it would have no effect on ELEXON's activities, BSC Parties and Party Agents, BSC Systems and process, Code Subsidiary Documents or contractual arrangements with service providers.

Implementation

P287 requires only minimal changes to the Code, and if approved will be implemented 1 Working Day after the 15 Working Day Self-Governance Appeal window closes. This window would close on 2 August 2012. Therefore this Modification would be implemented on 3 August 2012.

The Case for Change

The Panel believes that this Modification would better facilitate Applicable BSC Objective (d) and considers it to be self-evident that allowing the Panel to make decisions on Modification Business via teleconference better facilitates the efficiency of the BSC arrangements.

Recommendations

The Panel's unanimous initial view is that P287 Proposed Modification should be approved and that it should be progressed as a Self-Governance Modification Proposal.

Summary of the Change

Under the current arrangements, the BSC Panel cannot make decisions on Modification Business via teleconference. Recent events have highlighted that in some circumstances this inflexibility can prove to be an issue.

What is the Issue?

If the Panel Chairman considers it to be appropriate, a meeting of the Panel can be held via teleconference. However, decisions relating to Modification Business cannot be made at such a meeting, as stated in Section B4.4.7(b) of the BSC. This means that Panel Members are unable to make decisions relating to Modification Business by way of teleconference.

Furthermore, if a situation came about where Modification Business needed to be discussed and too few Panel Members were able to attend the meeting in person, then a decision could not be taken on the Modification Business at that meeting as the Panel would not be deemed quorate. The Panel would therefore have to postpone any decision on the relevant Modification(s) until a later date when there were enough Panel Members present to make the decision. This could have an adverse impact on the progression of any affected Modifications.

Proposed Solution

This Modification proposes to amend Section B4.4.7(b) of the BSC to allow the BSC Panel to make decisions on Modification Business in meetings that are conducted via teleconference. In order for the BSC Panel meeting to conduct Modification Business via teleconference, at least one Member from the Panel must be present at the venue specified for that Panel meeting. This is required in order to keep the openness and transparent environment where anyone can attend these meetings at the specified venue, along with the one required Member, to listen to the discussions.

The current provision where a Panel meeting can only be held by teleconference if it is deemed appropriate by the Panel Chairman will remain unchanged by this Modification. If the Panel Chairman does not deem it appropriate to hold the meeting by teleconference then Panel Members must still attend the meeting in person, as currently.

Legal text

The proposed changes to the legal text can be found in Attachment A.

4 Impacts & Costs

Costs

Implementation costs	
ELEXON effort	1 man day, equating to approximately £240
Service Provider costs	None
Total costs	Approximately £240

Impacts

The Proposed Solution is a Code only change, and would amend the BSC as sent out in the draft legal text in Attachment A. Its implementation would have no effect on ELEXON's activities, BSC Parties and Party Agents, BSC Systems and processes, Code Subsidiary Documents or the contractual arrangements without service providers.

Impact on Code	
Code section	Potential impact
Section B	Change will be required to implement the solution. The proposed changes can be found in Attachment A.

Impact on BSC Parties and Party Agents	
None	

Impact on Transmission Company	
None	

Impact on ELEXON	
Low impact on ELEXON – ELEXON would manage the implementation project.	

5 Implementation

Implementation Approach

This Modification Proposal will only require changes to the Code. As such, the Panel recommends that it is implemented 1 Working Day after the 15 day Self-Governance Appeal window has closed. This window would close on 2 August 2012 and so this Modification would be implemented on 3 August 2012.

6 The Case for Change

Justification against the Applicable BSC Objectives

The Panel believes that P287 better facilitates the achievement of BSC Objective (d), "Promoting efficiency in the implementation and administration of the balancing and settlement arrangements".

The Panel believes it is self-evident that allowing the BCS Panel to conduct Modification Business via teleconference better facilitates efficiency, by allowing Panel Members to take a more efficient approach to making decisions on Modification Business where it is deemed appropriate.

Panel's consideration of the Modification Proposal

One Panel Member had concerns about allowing Modification Business to be discussed via teleconference, and requested that there be guidance as to what circumstances Panel meetings would be conducted in this manner. It was noted that Panel can already discuss non-Modification Business via teleconference at the Chairman's discretion and that P287 would allow for consistency. The Panel agreed that the changes to the Code should not be overly prescriptive, and that it should be left to the Chairman and the Panel to decide this between them.

The Panel also considered how frequently Panel meetings could be conducted via teleconference if P287 was approved. The Panel Chairman noted that Panel meetings would only be held via teleconference in extreme circumstances, like an ad-hoc meeting convened at shorter notice or the upcoming Olympics. The Panel agreed that meetings conducted face to face would continue to be normal practice.

The Panel noted that, under the current arrangements, Panel Members can dial into a Panel meeting to discuss Modification Business. However, these Panel Members would not be able to vote on this business. The Panel noted that Panel Members can send an Alternate if they were unable to attend a meeting, and that these Alternates would be able to vote in their place at the meeting.

The Panel agreed with the proposed Implementation Date and the legal text.

Direct to Report Phase

F2.2.4 of the Code states that the Panel may progress a Modification straight to the Report Phase if the Panel's recommendation on the Modification would generally be considered to be self-evident.

The Panel unanimously agreed that P287 should proceed directly to the Report Phase. All Panel Members believe it is self-evident that allowing the Panel to make decisions on Modification Business via teleconference, where appropriate, would allow for more flexibility in extreme circumstance and better facilitates the efficiency of the BSC arrangements.

Self-Governance

The Panel unanimously agreed that P287 meets the Self-Governance Criteria set out in Annex X-1 of the Code, and therefore agreed that it should progress as a Self-Governance Modification Proposal.

This Modification Proposal would only impact ELEXON and the BSC Panel, and has no impact on BSC Parties. There will be no material changes to BSC Panel meetings in allowing Modification Business to be discussed via teleconference in the manner proposed, as it would still be possible for other people to attend the meeting and listen to the discussions, thereby maintaining the current transparency of Panel meetings. ELEXON submitted to the Authority, on the Panel's behalf, a Self-Governance Statement detailing why the Panel believes P287 satisfies the Self-Governance Criteria and that the Panel intends to decide whether to approve



Self-Governance Criteria

(a) it is unlikely to have a material effect on:

(i) existing or future consumers;

(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity;

(iii) the operation of the national electricity transmission system;

(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(v) the BSC's governance procedures or modification procedures; and

(b) it is unlikely to discriminate between different classes of BSC parties.

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Proposed Modification P287 at its meeting on 12 July 2012.

As part of the P287 Report Phase consultation, the Panel invited the views of industry participants regarding the progression of P287 as a Self-Governance Modification.

8 Report Phase Consultation Responses

The full responses to the P287 Report Phase Consultation are available in Attachment B and on the P287 page of the ELEXON website. We received 5 responses, as summarised in the table below.

Views on the Modification

All of the respondents agreed with the Panel's view that this Modification should be made and that P287 should be implemented 1 Working Day after the 15 day Self-Governance Appeal window has closed.

One respondent commented on the fact that the Draft Modification Report refers to "recent events" and that the statement was lacking detail. We responded to say that the "recent events" refer to the upcoming Olympics which will affect transport links and the ability of Panel members being able to traveling into/out of London. The "recent events" also refer to an upcoming ad-hoc Panel meeting for P284 which some Panel members may not be able to attend due to disruption caused by the Olympics.

Views on Legal Text

All of the respondents agreed that the Legal Text delivers the intent of P287. One respondent highlighted that the Draft Modification Report made a reference to BSC Section F4.4.7(b) instead of B4.4.7(b). We have now corrected the report to reference BSC Section B4.4.7(b).

Views on Self-Governance

All respondents agreed with the Panel's initial view that P287 should be progressed as a Self-Governance Modification. One of the respondents stated that they were unable to comment on Self-Governance as ELEXON had not published the Self-Governance statement that was to be issued to the Authority. We responded to advise that the Self-Governance Statement would be submitted to Ofgem shortly and that once this has been sent it would be published on the ELEXON website.

Summary of P287 Report Phase Consultation Responses			
Question	Yes	No	Neutral/ Other
Do you agree with the Panel's views that the Proposed Modification should be approved?	5	0	0
Do you agree that the draft legal text, in Attachment A, delivers the intention of P287?	5	0	0
Do you agree with the Panel's suggested Implementation Date?	5	0	0
Do you agree with the Panel's view that P287 should be progressed as a Self-Governance Modification Proposal?	4	0	1
Do you have any further comments on P287?	3	2	0

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9 Recommendations

ELEXON invites the Panel to:

- **NOTE** the P287 Draft Modification Report and the Report Phase consultation responses; and
- **DETERMINE** (in the absence of any Authority direction) that P287 is a Self-Governance Modification Proposal.

AND:

If the Panel and/or the Authority determine that P287 is a Self-Governance Modification Proposal, to:

- **APPROVE** P287 with an Implementation date of 1 Working Day after the Self-Governance appeals window¹ (i.e. 3 August 2012);
- **APPROVE** the legal text for Proposed Modification P287;
- **NOTE** that, in accordance with Section F6 of the Code, ELEXON will:
 - Notify the Authority, Transmission Company and Parties of the Panel's decision on the same day as the Panel meeting;
 - Finalise the P287 Self-Governance Report², submit it to the Authority, and copy it to Parties and Panel Members within 3 Working Days; and
 - Copy the Transmission Company's notice to modify the Code to Parties, Panel Members, the Authority and the other interested Parties specified in F1.1.2(b);
- **NOTE** that the appeal window for P287 will close 15 Working Days after ELEXON's notification of the Panel's decision (i.e. 2 August 2012);
- **NOTE** that, if no appeal is raised, P287 will be implemented in accordance with the Panel's determination; and
- **NOTE** that, if an appeal is raised in accordance with F6.4.2 and F6.4.10, the Authority will consider the appeal in accordance with the process set out in Section F6.4.

10 Further Information

More information is available in:

Attachment **A**: Proposed Legal Text

Attachment **B**: Report Phase Consultation Responses

All P287 documentation can be found on the [P287](#) page of the ELEXON website.

¹ A Self-Governance Modification may be appealed within 15 Working Days.

² This Draft Modification Report, updated with the Panel's final discussions and decisions, will form the Self-Governance Report.