

## P381 'Removal of Quarterly Reports'

This Modification proposes to remove Section C3.9.1 of the BSC in respect of 'quarterly reports'. Currently, the quarterly reports are not viewed by market participants, as the information is made readily available in a timelier and accessible manner elsewhere on the BSC Website. Therefore, the current quarterly reports process utilises ELEXON resource that could be better used adding greater value for our customers.

This Report Phase Consultation for P381 closes:

**5pm on 4 March 2019**

The Panel may not be able to consider late responses.



The BSC Panel initially recommends **approval** of P381

This Modification is expected to impact:

- ELEXON as the Balancing and Settlement Code Company (BSCCo)



### Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation



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**Contact**

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## About This Document

This is the P381 Draft Modification Report, which ELEXON is issuing for industry consultation on the BSC Panel's behalf. It contains the Panel's provisional recommendations on P381. The Panel will consider all consultation responses at its meeting on 14 March 2019, where it will agree on whether or not the change should be made under Self-Governance.

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach.
- Attachment A contains the draft redlined changes to the BSC for P381.
- Attachment B contains the specific questions on which the Panel seeks your views. Please use this form to provide your responses to these questions, and to record any further views/comments you wish the Panel to consider.
- Attachment C contains the P381 Proposal Form.

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## Why Change?

Currently, under [BSC Section C 'BSCCo and Its Subsidiaries, Reporting and Information for BSCCo'](#) 3.9.1, ELEXON is required to provide to the Panel, BSC Parties and the Authority, quarterly reports. However, the quarterly reports are not read by BSC Parties or interested third parties, and offer little value because the information presented in the quarterly reports is available to interested parties in other timelier reports. Therefore, the obligation for BSCCo to publish quarterly reports is duplicating information already available to industry; resulting in inefficient use of ELEXON resources and out-dated information being presented to industry.

## Solution

This Modification proposes to remove the obligation in BSC Section C3.9.1 for BSCCo to be required to produce quarterly reports. The proposed changes to the BSC to give effect to this Modification Proposal can be found in Attachment A to this Proposal Form.

## Impacts & Costs

The proposed change will only impact ELEXON as the BSCCo, who will no longer be required to produce a quarterly report, creating efficiency gains.

## Implementation

If approved, P381 will be implemented on 27 June 2019, as part of June 2019 BSC Release.

## Panel's Initial Recommendation

At its meeting on [14 February 2019 \(287/05\)](#), the BSC Panel unanimously initially determined that P381 would better facilitate BSC Objective (d) and so should be **approved**. It also unanimously agreed that P381 should be progressed as a Self-Governance Modification and should be sent directly to Report Phase.

## 2 Why Change?

### Background

On 14 June 2018, the BSC Panel was presented with a paper 'BSC Simplification Opportunities (279/12)'. The Paper highlighted areas where the BSC arrangements could be simplified. The Panel welcomed further areas for simplification, particularly where the Code could be seen to be overly prescriptive or burdensome. This was on the basis of benefit for both market participants and ELEXON as the BSCCo.

On 10 January 2019, ELEXON presented the BSC Panel with a further opportunity to simplify the BSC arrangements, relating to the removal of quarterly reports. The Panel endorsed the initiative on grounds that ELEXON resource would be best invested in other areas of operating and improving the BSC framework. The request to raise the Modification was presented to the BSC Panel at its meeting on 14 February 2019, which subsequently formed the Initial Written Assessment (IWA) once the Panel raised P381 in accordance with BSC Section F 'Modification Procedures' F2.1.1(d)(i).

### What is the issue?

Currently, under BSC Section C 3.9.1, ELEXON is required to provide to the Panel, BSC Parties and the Authority quarterly reports. However, the quarterly reports have not been viewed on the BSC Website for the past 15 months; other reports published by ELEXON are being viewed by industry regularly.

The Annual BSC Report, which is required under [BSC Section B 'The Panel' 6.1 'Establishment of Panel, Annual Report'](#) covers the same content as the quarterly report and has been visited 434 times since 23 June 2018. It is therefore inefficient to separately produce a quarterly report when the information in the quarterly reports is readily available on the Website and updated on a more regular basis. Further, information contained within the quarterly report can sometimes be out-of-date by the time the report is published as ELEXON aims to continuously update its webpages; this resource could be better spent on other areas and is therefore not efficient to be invested on duplication.

### What information is published in the quarterly report?

BSCCo currently publishes the following content, which is then replicated in the quarterly reports:

#### Business review

- Key successes – information is included in the ELEXON Report which is presented to the [BSC Panel](#) on a monthly basis.
- Improving the customer experience – information is available on our '[News and Events](#)' area of the website.
- Developing our services - information is available on various parts of our website e.g. [news](#), [ELEXON Circulars](#), [About the Industry](#) and via [Newscast](#).
- Settlement Reform and support for Ofgem projects: information is also available on various parts of our website (all of the above).

- Industry consultations: information is available on the [Industry Insights](#) and [ELEXON response to Industry Consultations](#) pages of our website.

### **Operational updates of the Balancing and Settlement Code arrangements**

- Monthly Headline reports are available on the [Committees and Groups](#) and [BSC Panel](#) pages of our website.

### **Governance and Change**

- Information on Modifications, Change Proposals (CPs) and BSC Issues are available on the [Change](#) pages of our website and presented to the Panel in the Change Report each month

### **BSC Panel and Committee activity**

- All information relating to the BSC Panel is available on the [BSC Panel](#) page of our website.
- All information relating to the four main sub-Committees (Imbalance Settlement Group (ISG), Supplier Volume Allocation Group (SVG), Performance Assurance Board (PAB) and Trading Disputes Committee (TDC) is available on the [Committees and Groups](#) pages of our Website.

### Proposed solution

This Modification proposes to remove the obligation in BSC Section C3.9.1 for BSCCo to be required to produce quarterly reports. The proposed changes to the BSC necessary to deliver the solution to this Modification Proposal can be found in Attachment A.

ELEXON does not currently publish information relating to the Annual Budget anywhere else on the website on a quarterly basis. Therefore, for transparency, we propose that a quarterly report in relation to finances will still be created and published under the [ELEXON Governance and Financial Reports](#) area. However, we do not believe this requires addition in the legal text. Publishing this information on a quarterly basis will be timelier than the existing quarterly reports.

### Applicable BSC Objectives (Proposer views)

The Proposer believes that this Modification Proposal will better facilitate Applicable BSC Objective (d) by:

- Removing an obligation to duplicate and publish information already available on the website will enable BSCCo resources to be used in a more efficient manner; promoting efficiency in the implementation of the balancing and settlement arrangements;
- The quarterly report can sometimes be out-of-date by the time it is published, due to the internal efforts required to compile information in the quarterly report format. The BSCCo strives to update its webpages as frequently as possible; therefore, giving interested parties access to the latest information relating to balancing and settlement arrangements. The time saved by BSCCo, if the obligation to publish this information is removed, can be sent on further promoting efficiency in the implementation of the balancing and settlement arrangements.



#### 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 administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

(g) Compliance with the Transmission Losses Principle

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#### Report Phase Consultation Question

Do you agree with the Panel that the redlined change to the BSC deliver the intention of P381?

The Panel invites you to give your views using the response form in Attachment B

### Estimated central implementation costs of P381

As BSCCo, ELEXON will be required to implement the new legal text, but there will not be any impact on BSC Central Systems, as this is a document only change that removes internal processes from our working practises.

As a single document requires updating to deliver the solution to this Modification Proposal, the central implementation costs will be £240, one ELEXON Working Day of effort. We also estimate that the removal of the quarterly report will save ELEXON approximately 14 Working Days per year, which equates to approximately £3360 per year.

### Indicative industry costs of P381

We do not anticipate there to be any market participant impacts or costs arising from the implementation of the solution to this Modification Proposal, which we seek to confirm through this P381 Report Phase Consultation.

### P381 impacts

Impact on BSC Parties and Party Agents	
Party/Party Agent	Impact
BSC Parties/Party Agents	No implementation impact anticipated.

Impact on Transmission Company	
No impact identified.	

Impact on BSCCo	
Area of ELEXON	Impact
Various teams across the business that currently contribute to the quarterly report.	Various teams will no longer be required to provide the information for the quarterly report, others will no longer be required to collect the necessary information and publish it.

Impact on BSC Systems and process	
BSC System/Process	Impact
None	No implementation impacts anticipated.

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Impact
No impact identified.	

Impact on Code	
Code Section	Impact
BSC Section C3.9.1	Removal of "BSCCo is required to provide to the Panel, BSC Parties and the Authority, quarterly reports (in such detail and such form as shall be agreed between BSCCo and the Panel), on matters which are covered by the Annual BSC Report under Section B6.1"

Impact on Code Subsidiary Documents	
CSD	Impact
No impacts identified.	

Impact on other Configurable Items	
Configurable Item	Impact
No impacts identified.	

Impact on Core Industry Documents and other documents	
Document	Impact
Ancillary Services Agreements	No impact on any other Core Industry Documents, or other documents identified.
Connection and Use of System Code	
Data Transfer Services Agreement	
Distribution Code	
Distribution Connection and Use of System Agreement	
Grid Code	
Master Registration Agreement	
Supplemental Agreements	
System Operator-Transmission Owner Code	

### Impact on Core Industry Documents and other documents

Document	Impact
Transmission Licence	
Use of Interconnector Agreement	

### Impact on a Significant Code Review (SCR) or other significant industry change projects

We requested SCR exemption for P381 from Ofgem as the Authority on 6 February 2019. At the BSC Panel meeting on the 14 February 2019, the Authority representative confirmed that P381 was not in the scope of any open SCRs, and should therefore be considered SCR exempt.

### Impact on Consumers

The day to day operation of Balancing and Settlement would remain unaffected so there would be no direct cost to consumers.

### Impact on Environment

As a document-only change, we do not expect the proposed Modification will incur any environmental impacts.

### Other Impacts

Item impacted	Impact
None identified.	

### Report Phase Consultation Question

Will P381 impact your organisation?

*If 'Yes', please provide a description of the impact(s) and any activities which you will need to undertake between the Panel's approval of P381 and the P381 Implementation Date (including any necessary changes to your systems, documents and processes).*

Will your organisation incur any costs in implementing P381?

*If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs. Please also state whether it makes any difference to these costs whether P381 is implemented as part of or outside of a normal BSC Release.*

The Panel invites you to give your views using the response form in Attachment B



### What are the Self-Governance criteria?

A proposal 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

### Proposed Implementation Date

It is proposed that this Modification is implemented on **27 June 2019** as part of the scheduled June 2019 BSC Release. This will ensure that the Modification is implemented in a manner that allows the benefits arising from this Modification Proposal to be realised at the earliest opportunity.

If the Panel approves the Draft Modification Report, it will be subject to a 15 Working Day appeal window, which will close on Wednesday 3 April 2019. If an appeal is received, the implementation of the Modification will be suspended and the appeal tabled at the next available Panel meeting. However, if no appeals are received, the Panel will be advised and the Modification will be implemented on **27 June 2019** as part of the June 2019 scheduled BSC Release.

### Self-Governance

This Modification should be determined under Self-Governance as it does not have a material impact on the Self-Governance criteria.

#### Report Phase Consultation Questions

Do you agree with the Panel's recommended Implementation Date?

Do you agree with the Panel's initial view that P381 should be treated as a Self-Governance Modification?

The Panel invites you to give your views using the response form in Attachment B

## 6 Panel's Initial Discussions

The request to raise this Modification was presented to the BSC Panel at its meeting on 14 February 2019 ([Panel 287/05](#)), which subsequently formed the Initial Written Assessment (IWA) once the Panel raised P381 in accordance with BSC Section F 'Modification Procedures' F2.1.1(d)(i)). The Panel unanimously initially agreed with all recommendations as set out in Section 7 of this paper.

A Panel Member queried whether there was a need to continue to publish the quarterly report relating to finance, as outlined in the Proposed solution for P381. The Panel agreed that this information should still be published for transparency purposes, but recommended that ELEXON monitor their readership on the BSC website to ensure that information published remains relevant for market participants.

Another Panel Member queried whether the previously published quarterly reports will still be available on the ELEXON Website. ELEXON confirmed that all previous versions of the quarterly report will still be available on the ELEXON webpages for 12 months but that these would then be archived. However, customers would still be able to access these previous versions via the search facility even when they have been archived.

A Panel Member expressed support for the Modification and queried whether there were similar prescriptive obligations in the BSC which could be removed or simplified to make the Code as efficient as possible. ELEXON confirmed that it continuously seeks to find opportunities to make the Code more efficient for both market participants and ELEXON as the BSCCo. As per previous Panel meetings, ELEXON noted it would present further BSC Simplification Opportunities as and when improvement opportunities to the current arrangements are identified.

Following discussion, the BSC Panel unanimously agreed to raise P381 in accordance with BSC Section F2.1.1(d)(i)).

### Applicable BSC Objectives

The Panel members initially unanimously agreed that P381 better facilitates Applicable BSC Objective (d), aligning to the Proposer's recommendation and rationale outlined in section 3 of this paper.

## 7 Recommendations

The BSC Panel **initially** determined:

- That P381 should be treated as a Self-Governance Modification;
- That P381 be **approved**;
- An Implementation Date of:
  - 27 June 2019 as part of the June 2019 BSC Release; and
- That the draft BSC legal text for P381 be **approved**.

### Report Phase Consultation Question

Do you agree with the Panel's initial unanimous recommendation that P381 should be approved?

*Please provide your rationale with reference to the Applicable BSC Objectives.*

Do you have any further comments on P381?

The Panel invites you to give your views using the response form in Attachment B

## Appendix 1: Glossary & References

### Acronyms

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

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCCo	BSC Company
CP	Change Proposal
IWA	Initial Written Assessment
PAB	Performance Assurance Board
ISG	Imbalance Settlement Group
SVG	Supplier Volume Allocation Group
TDC	Trading Disputes Committee

### 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	BSC Section C 'BSCCo and its Subsidiaries'	<a href="https://www.elexon.co.uk/the-bsc/bsc-section-c-bscco-subsidiaries/">https://www.elexon.co.uk/the-bsc/bsc-section-c-bscco-subsidiaries/</a>
3	The BSC Panel 287 page on the ELEXON Website	<a href="https://www.elexon.co.uk/meeting/bsc-panel-287/">https://www.elexon.co.uk/meeting/bsc-panel-287/</a>
4	BSC Panel 279 page on the ELEXON Website	<a href="https://www.elexon.co.uk/documents/groups/panel/2018-meetings/279-june/279-12-bsc-simplification-opportunities/">https://www.elexon.co.uk/documents/groups/panel/2018-meetings/279-june/279-12-bsc-simplification-opportunities/</a>
4	BSC Section B 'The Panel'	<a href="https://www.elexon.co.uk/the-bsc/bsc-section-b-the-panel/">https://www.elexon.co.uk/the-bsc/bsc-section-b-the-panel/</a>
4	BSC Panel Page on ELEXON website	<a href="https://www.elexon.co.uk/group/the-panel/">https://www.elexon.co.uk/group/the-panel/</a>
4	ELEXON News and Events Page	<a href="https://www.elexon.co.uk/news-events/">https://www.elexon.co.uk/news-events/</a>
4	ELEXON Circular: Give Customers BSC operational information	<a href="https://www.elexon.co.uk/news-events/elexon-circulars/">https://www.elexon.co.uk/news-events/elexon-circulars/</a>
4	About the Industry	<a href="https://www.elexon.co.uk/about/">https://www.elexon.co.uk/about/</a>
4	Newscasts: weekly digest of key information on BSC related industry activities	<a href="https://www.elexon.co.uk/news-events/newscasts/">https://www.elexon.co.uk/news-events/newscasts/</a>

External Links		
Page(s)	Description	URL
4	Industry Insights: ELEXON produced articles capturing the significant events or changes within the electricity industry.	<a href="https://www.elexon.co.uk/about/elexon-insights/">https://www.elexon.co.uk/about/elexon-insights/</a>
4	ELEXON monitors and responds to industry-wide consultations	<a href="https://www.elexon.co.uk/about/consultations/industry-insights/">https://www.elexon.co.uk/about/consultations/industry-insights/</a>
4	About ELEXON's Committees & Groups	<a href="https://www.elexon.co.uk/about/elexon-insights/">https://www.elexon.co.uk/about/elexon-insights/</a>
5	About the BSC change process	<a href="https://www.elexon.co.uk/change/">https://www.elexon.co.uk/change/</a>
6	ELEXON governance and finances	<a href="https://www.elexon.co.uk/about/who-we-are/elexon-governance-financial-reports/">https://www.elexon.co.uk/about/who-we-are/elexon-governance-financial-reports/</a>
11	BSC Panel 287 page on the ELEXON Website	<a href="https://www.elexon.co.uk/meeting/bsc-panel-287/">https://www.elexon.co.uk/meeting/bsc-panel-287/</a>