

# Report Phase Consultation Responses



## P374 'Aligning the BSC with the EBGL change process and derogation approach'

This Report Phase Consultation was issued on 13 August 2019, with responses invited by 27 August 2019.

### Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

### Consultation Respondents

Respondent	Role(s) Represented
SSE plc	Generator, Supplier, Interconnector User
The Association for Decentralised Energy (ADE)	Trade Association

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3 September 2019

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Version 1.0

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Question 1: Do you agree with the Panel's initial unanimous recommendation that the P374 **Alternative** Modification should be **approved**, and the P374 **Proposed** Modification **rejected**?

## Summary

Yes	No	Neutral/No Comment	Other
1	1	0	0

## Responses

Respondent	Response	Rationale
SSE plc	No	<p>Whilst SSE agree that the Alternative Modification is an incremental improvement compared to the BSC baseline; it does not provide a full solution under our interpretation of the regulations. This is because the Alternative does not deal with provisions limiting the scope of derogations against those elements of the BSC that constitute Article 18 Terms and Conditions (once approved by the NRA).</p> <p>The Alternative does not therefore go far enough in helping to mitigate the risk of inadvertent non-compliance with the EBGL requirements.</p> <p>The Proposed Modification does address both change and derogation aspects of EBGL requirements for Article 18 Terms and Conditions, and therefore provides a more complete solution in our view.</p>
The ADE	Yes	<p>The ADE agrees with the Panel's recommendation. The Alternative Modification better facilitates Applicable BSC Objectives (c) and (d) than the Proposed Modification, while facilitating Objective (e) better than the current baseline and in a manner more beneficial to competition and innovation than the Proposed Modification.</p> <p>The Alternative Modification better facilitates Objective (c) than the Proposed Modification by enabling assessment of BSC derogation requests on a case-by-case basis, thereby promoting competition and innovation in the electricity market. The Proposed Modification risks unnecessarily limiting BSC derogations that could otherwise be approved.</p> <p>Such a limitation is unnecessary because, as outlined in the Consultation, there is a clear "distinction between derogations that can be granted under Article 62 to a TSO and derogations</p>

Respondent	Response	Rationale
		<p>that may be granted to BSC Party under Section H 10.1." The ADE agrees with Elexon's view that BSC derogations under the BSC Sandbox programme do not constitute requests for derogations under EBGL Article 62 and do not cover the same subject matter. The Alternative Modification therefore ensures compliance with the EBGL while providing more scope for competition and innovation than the Proposed Modification.</p> <p>The ADE notes Ofgem's request in their letter of 11 December 2018 that "industry consider how those provisions of the BSC may need to evolve to retain their necessary flexibility and, among others, to remove barriers for new market participants" and believes that the Alternative Modification fulfils this request more effectively than the Proposed Modification.</p>

Question 2: Do you agree with the Panel's initial unanimous view that the redlined changes to the BSC for both the Alternative and Proposed Modifications deliver the intention of P374?

### Summary

Yes	No	Neutral/No Comment	Other
2	0	0	0

### Responses

Respondent	Response	Rationale
SSE plc	Yes	-
The ADE	Yes	-

Question 3: Do you agree with the Panel's recommended Implementation Date for both the Alternative and Proposed Modifications?

### Summary

Yes	No	Neutral/No Comment	Other
2	0	0	0

### Responses

Respondent	Response	Rationale
SSE plc	Yes	Implementation at the earliest opportunity is sensible to help clarify arrangements for Parties and avoid unnecessary confusion/conflict between BSC and EBGL requirements.
The ADE	Yes	-

Question 4: Do you agree with the Panel's initial view that P374 **should not** be treated as a Self-Governance Modification?

### Summary

Yes	No	Neutral/No Comment	Other
2	0	0	0

### Responses

Respondent	Response	Rationale
SSE plc	Yes	The modification if approved will materially impact on the BSC's governance and Modification procedures, thereby failing to meet Self-Governance criterion v); the proposal should therefore be considered by and determined upon by the Authority.
The ADE	Yes	-

## Question 5: Do you have any further comments on P374?

### Summary

Yes	No
0	2

### Responses

Respondent	Response	Rationale
SSE plc	No	-
The ADE	No	-