

# Assessment Procedure Consultation Responses



## Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

## P392 'Amending the BSC Change process to incorporate the delegation of NGESO's powers and obligations under the EBGL to change EBGL Article 18 Terms and Conditions'

This Assessment Procedure Consultation was issued on 02 March 2020, with responses invited by 13 March 2020.

### Consultation Respondents

Respondent	Role(s) Represented
The Association for Decentralised Energy (ADE)	Trade Association
Drax	Generator, Supplier
National Grid ESO (NGESO)	Transmission Company
RWE Supply and Trading GmbH (RWE)	Generator, Supplier, Interconnector User, ECVNA, MVRNA

P392  
Assessment Consultation  
Responses

17 March 2020

Version 1.0

Page 1 of 10

© ELEXON Limited 2020

Question 1: Do you agree with the Workgroup's initial unanimous view that P392 does better facilitate the Applicable BSC Objectives than the current baseline?

## Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

## Responses

Respondent	Response	Rationale
ADE	Yes	P392 better facilitates Objectives (a), (d) and (e), for the reasons outlined in the consultation.
Drax	Yes	We agree that the delegation of tasks to the Panel could be considered as more efficient than the baseline situation of the ESO undertaking the EBGL obligations. This would satisfy relevant condition (a). We also agree that relevant objectives (c) and (e) are marginally positive on the basis that once the delegations are accepted the BSC will need to maintain efficient processes (c) and be compliant with the relevant aspects of EBGL (e).
NGESO	Yes	NGESO believes P392 better facilitates BSC objectives a), d) & e) - by enhancing the BSC code modification process to incorporate aspects that fulfil the criteria of the Electricity Balancing Guideline (EBGL), it allows compliance with the EBGL change process while keeping changes to the BSC code modification procedures to a minimum.
RWE	Yes	The modification will ensure GB compliance with the EBGL and therefore better meets Objective (e).

## Question 2: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P392?

### Summary

Yes	No	Neutral/No Comment	Other
3	1	0	0

### Responses

Respondent	Response	Rationale
ADE	Yes	The draft legal text appears to deliver the intention of P392.
Drax	No	The Legal text did not completely match our expectations. There is no explicit reference to the Article 3 provision and the recitals that an EBGL proposal will need assessment against. In this respect the legal text does not reflect the discussions in section 6 of the consultation document. Importantly the Art5(5) provision that is referenced in section 6 of the report - "that a proposal to amend the Article 18 terms and conditions should include "a description of [the] expected impact on the objective [of the EBGL]" – relates only to the proposal, not the criteria that the panel and workgroup will have to assess the proposal against. The text above does not appear to be included in the draft legal text accompanying this consultation. We recommend that the legal text is revised to reflect the outcome of the workgroup and reference the provisions under Art 3. This is necessary as any Art 18 changes must be assessed against EBGL recitals and relevant objectives under Art 3 of EBGL to ensure appropriate compliance with the obligations that have been transferred.
NGESO	Yes	The legal text as drafted has taken into account the discussions held within the workgroup and offers a solution that ensures compliance with EBGL while also offering clarity and minimal process change to stakeholders for modifications that would affect article 18 of the EBGL. NGESO feels it's important to note that the intent in EBGL of setting out some steps for a change process was not to be particularly prescriptive but to bring all member states up to a minimum standard of engagement and consultation which is broadly already fulfilled in GB. The intent of P392, to align the current BSC

Respondent	Response	Rationale
		modification process with the EBGL change process, is fulfilled by the draft legal text.
RWE	Yes	-

### Question 3: Do you agree with the Workgroup's recommended Implementation Date?

#### Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

#### Responses

Respondent	Response	Rationale
ADE	Yes	-
Drax	Yes	This is achievable as the changes necessary are to legal text and the Panel taking over the ESO obligations under EBGL.
NGESO	Yes	NGESO agrees with the recommended implementation date, this allows time to complete the appropriate BSC modification process steps for this modification while also meeting the implementation date required by Ofgem.
RWE	Yes	The modification should align with the delegation of functions by the NRA under the EBGL.

Question 4: Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P392 which would better facilitate the Applicable BSC Objectives?

## Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

## Responses

Respondent	Response	Rationale
ADE	Yes	Following the amendment to the proposed solution so that it preserves Proposer ownership, the ADE agrees that no other potential Alternative Modifications within the scope of P392 better facilitate the Applicable BSC Objectives.
Drax	Yes	-
NGESO	Yes	NGESO agrees that there are no other potential Alternative Modifications which would better facilitate the Applicable BSC objectives.
RWE	Yes	We agree that there are no potential alternative modifications.

Question 5: Do you agree that P392 does not meet the Self-Governance Criteria and so should not be progressed as a Self-Governance Modification?

## Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

## Responses

Respondent	Response	Rationale
ADE	Yes	P392 will have a material impact on the Code's Modification procedures.
Drax	Yes	These represent changes to industry governance arrangements that could impact all BSC parties.
NGESO	Yes	This modification, while looking to minimise change to the code modification process related to EBGL, does make changes to that process to the extent that Self-Governance Criteria should not apply and Authority direction should be required. It is also appropriate that the Authority decide where modifications impact on the European network codes.
RWE	Yes	This is complex mod which impacts on the overall BSC governance, therefore it should not be subject to self-governance.

## Question 6: Will P392 impact your organisation?

### Summary

Yes	No	Neutral/No Comment	Other
2	2	0	0

### Responses

Respondent	Response	Comments
ADE	No	-
Drax	Yes	We would imagine that P392 will have an impact at least in the governance of changes to Art 18 T&C.
NGESO	Yes	The introduction of the EBGL bestowed European member states TSOs with several powers, obligations and tasks to undertake in relation to developing a proposal for terms and conditions for balancing. Following Ofgem's decision in October 2019 on the proposal put forward by NGESO, parts of the terms and conditions will reside in sections of the BSC, so to ensure minimal change to the change process for stakeholders, NGESO has delegated some of the relevant tasks to the BSCCo and the BSC Panel. There is a direct impact on NGESO of raising this change, but NGESO believes this is a positive step and in the best interests of the industry and the modification will ensure the change process is aligned with EBGL with minimal disruption for industry stakeholders.
RWE	No	The mod impacts on the BSC governance arrangements and does not directly impact us as a BSC Party. However we note that the BSC is a multiparty agreement. The delegation of tasks from the ESO to the BSC Panel introduces additional administrative complexity to the BSC and potentially increased costs for all parties (albeit that these are relatively small).



## Question 7: Will your organisation incur any costs in implementing P392?

### Summary

Yes	No	Neutral/No Comment	Other
0	4	0	0

### Responses

Respondent	Response	Comments
ADE	No	-
Drax	No	-
NGESO	No	No system changes are required, minor process changes only, as a result costs incurred are negligible.
RWE	No	-

Question 8: Do you agree that all only BSC Modifications impacting Article 18 T's and C's should be subject to the Article 18 EBGL Modification process?

## Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

## Responses

Respondent	Response	Comments
ADE	Yes	Applying the amended Modification process to all BSC Modifications would unjustifiably elongate the process for Modifications that do not impact the Article 18 Terms and Conditions. The only justification for this approach would be if there were little confidence in the ability of a BSC Workgroup to judge whether a Modification would impact Article 18 Terms and Conditions. Given that the Workgroup's recommendation will be based on a wide range of sources (own expertise, industry consultation responses, views from the ESO), this does not seem to be a concern.
Drax	Yes	We agree that only BSC modifications that impact Art18 T&Cs should be subject to the modification process. It would be good practice if the EBGL process for CUSC and Grid Code matched the robust process developed for the BSC.
NGESO	Yes	NGESO believes it would be inefficient to subject all subsequent modifications to include elements of an article 18 change process, so agrees that only those BSC modifications that impact article 18 terms and conditions should be affected by the updated, aligned process.
RWE	Yes	The solution should be limited to the responsibilities delegated to the BSC Panel in respect of the EBGL (as set out in the delegation letter).