**P440 Podcast Script**

Hi I’m Chris Arnold the lead analyst for Modification P440 ‘Enabling Elexon to administer the Capacity Market Advisory Group’ Which was raised by National Grid Electricity System Operator on 10 May 2022 and sent to the Report Phase by the Panel at its meeting on 12 May 2022. In this podcast I’m going to talk you through:

* The issue the modification seeks to address;
* The solution; and
* The expected impacts of P440.

The issue identified in this modification is that the BSC does not currently allow Elexon to undertake administrative activities that would support the Capacity Market Advisory Group which is also known as the CMAG. This does not align to Ofgem’s decision to appoint Elexon to undertake the CMAG administrative activities on its behalf.

The P440 Solution enables Elexon as the BSCCo to conduct the administrative process work for the CMAG, on a not for profit basis, that Ofgem is awarding to Elexon (subject to this Modification) per its decision dated 9 May 2022. Under P440 Elexon will:

* be required by the BSC to create, maintain and operate the CMAG processes in support of the Change Process for the Capacity Market Rules guidance, that Ofgem publishes;
* be accountable to Ofgem rather than the BSC Panel for operating and maintaining (including changing) the CMAG processes; and
* recover its costs for the administrative work from BSC Parties in proportion to their market share through the main funding share.

P440 is a code only change and the costs to implement this Modification are expected to be less than £1000, these are the costs associated with the development of the legal text in Section C.

P440 is not expected to impact the EBGL Article 18 terms and conditions as The draft legal text does not make any changes to any BSC Sections that constitute EBGL Article 18 Terms and Conditions as detailed in the Annex F-2 of the BSC, nor does it extend them. P440 is progressing as a direct to report phase Modification and we do not believe that it meets the Self-Governance criteria as the changes constitute material changes to the BSC’s governance arrangements.

If you’d like to discuss this Modification in more detail you can contact me Chris Arnold on 020 7380 4221 or by e-mailing BSC.Change@Elexon.co.uk