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By email to: PanelSecretary@elexon.co.uk

Date: 14 September 2022

Dear Michael,

Decision on the request to treat BSC Modification P446 'Energy Price Guarantee Scheme for domestic customers' as an Urgent Modification Proposal

BSC Modification Proposal P446 was raised by National Grid ESO on 13 September 2022. The proposal seeks to enable Elexon to implement and act as a scheme administrator for the Government's new Energy Price Guarantee Scheme for domestic electricity consumers. National Grid ESO requested that P446 be treated as an Urgent BSC Modification Proposal.

On 13 September 2022, the BSC Panel requested that Ofgem treat [P446 'Energy Price Guarantee Scheme for domestic customers'](#) as an Urgent Modification Proposal. The BSC Panel considered that P446 should be treated as an Urgent Modification because it believes that P446 is linked to an imminent or current issue that if not urgently addressed may cause significant commercial impact on parties, consumers or other stakeholders.¹

This request followed an Urgent BSC Panel Meeting on 13 September 2022 when the BSC Panel unanimously agreed to this recommendation.

We have decided that BSC Modification P446 should be progressed on an urgent basis for the reasons set out in this letter.

Background

The unprecedented rise in gas prices over the last twelve months has significantly increased energy prices for consumers in Great Britain and across Europe. On 8 September

¹ Ofgem's published [guidance on Code Modification Urgency Criteria \(August 2022\)](#) appears on our website.

2022, the Government announced a new 'Energy Price Guarantee' scheme to start from 1 October 2022. The Energy Price Guarantee (EPG) will limit the price that suppliers can charge consumers for each unit of energy. Above that limit, the Government will pay the cost of the energy.

The proposal

BSC Modification Proposal P446 (the 'Modification') was raised by National Grid ESO (the 'Proposer') on 13 September 2022 to enable Elexon (BSCCo) to act as scheme administrator for the Government's proposed EPG scheme for domestic electricity customers. The Modification will also extend Elexon's vires under the BSC to undertake a new non-Settlement related function administering the EPG scheme. Elexon's role, function and responsibilities as scheme administrator will be described in more detail in a separate EPG Scheme Document.

Request for urgency

At the Urgent Panel Meeting on 13 September 2022, the BSC Panel unanimously requested that Ofgem treat P446 as an Urgent Modification Proposal because it will have a significant commercial impact upon Parties and consumers and is related to an imminent or current issue.²

Our decision on the urgency of P446

In reaching our decision on the urgency of P446 we have considered the details within the P446 proposal form, the justification for urgency, the views of the Panel, and we have assessed the request against the urgency criteria set out in Ofgem's published guidance.

We are satisfied that progressing P446 is related to an imminent or current issue. In particular, the criterion in our guidance that is relevant to our decision on urgency is criterion (a), namely, an imminent issue or a current issue that if not urgently addressed may cause a significant commercial impact on parties, consumers or other stakeholder(s).

In our view, P446 seeks to facilitate the implementation of the EPG scheme. The proposed scheme has a start date of 1 October 2022. If P446 is not addressed under Section F2.9 of the BSC (Urgent Code Modifications) on an urgent basis, and a decision made on whether to facilitate the introduction of the EPG scheme on 1 October 2022, this will have a significant commercial impact on the affordability of energy bills for domestic consumers from 1 October 2022. To allow for the implementation of the EPG Scheme on 1 October 2022, this modification needs to be treated as urgent.

² The imminent issue may be date related.

We therefore agree to the Panel's request to give urgent consideration to P446 in accordance with the urgent timetable proposed by the Panel.

For the avoidance of doubt, in granting this request for urgency, we have made no assessment of the merits of the Modification and nothing in this letter in any way fetters our discretion in respect of this Modification proposal.

Yours sincerely,

Jemma Baker

Deputy Director

Future Retail Markets

Duly authorised on behalf of the Authority