Urgent Modification Consultation

P446 'Energy Price Guarantee Scheme for domestic customers'

This Modification seeks to enable Elexon (BSCCo) to implement and administer the payment scheme for Suppliers as part of the Government's Energy Price Guarantee scheme for domestic electricity customers. This Modification intends to implement an arrangement to provide subsidy payments to Suppliers that would be proportionate to consumption for domestic customers. The intention of the subsidy would be to reduce consumer tariffs in light of the recent rises in energy costs.

This consultation for P446 closes:

5pm on **Wednesday 21 September 2022**

The Panel may not be able to consider late responses.

The BSC Panel initially recommends **approval** of P446.

Ofgem have designated P446 as an Urgent Modification Proposal

The BSC Panel **does not** believe that P446 impacts the European Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions held within the BSC.

This Modification is expected to impact:

- Suppliers
- BSCCo

ELEXON

Phase

Proposal

Consultation

Draft Report

Final Report

Implementation

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About This Document

Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read section 1
- Have 15 mins? Read sections 1, 6 and 7
- Have 30 mins? Read all sections
- Have longer? Read all sections and the annexes and attachments

This is the P446 Urgent Modification Consultation, which Elexon is issuing for industry comment on the BSC Panel's behalf. It contains the Panel's provisional recommendations on P446. The Panel will consider all consultation responses at an urgent Panel meeting on 22 September 2022, when it will agree a final recommendation to the Authority on whether or not the change should be made.

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 P446.
- Attachment B contains the P446 Modification Proposal Form.
- Attachment C 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.

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1 Summary

Why Change?

As a result of the concerns surrounding the increases in European energy prices, the Government has proposed the Energy Price Guarantee (EPG) Scheme for domestic customers. The intention of the scheme is to secure reductions in the electricity bills of domestic consumers in Great Britain. It is proposed that Elexon act as the EPG Scheme Administrator. However, the activities that Elexon are permitted to undertake are outlined in the BSC currently do not include provisions for administering such a scheme.

Solution

The proposed solution involves expanding Elexon's vires to include the administration of the EPG Scheme. The proposed legal text describes Elexon's role and functions as Scheme Administrator by reference to the more detailed Scheme Document, established by the Secretary of State. The administration of the scheme will require the development of calculation and payment systems that will utilise BSC data.

The case for Urgency

Ofgem granted P446 'urgent status'[1] on 14 September 2022 as they are satisfied it is related to a current issue that if not urgently addressed may cause a significant commercial impact upon Parties and consumers, in accordance with its urgency criteria[2]. The Proposer, National Grid Electricity System Operator (NGESO), requested P446 be treated urgently. The Panel agreed and recommended to Ofgem that P446 be treated urgently at an urgent Panel meeting on 13 September 2022.

Impacts & Costs

Costs Estimates (per annum)			
Organisation	Implementation	On-going	Impacts
Elexon	<£53k	<£500k	Updates to three BSC Sections, development of EPG systems, and the ongoing administration of the EPG scheme.
Industry	£0	£0	No expected costs for the implementation of P446 or the on-going operation of the EPG.
Total	**<£53k**	**<500k**	

[1] https://www.elexon.co.uk/mod-proposal/P446/
[2] https://www.ofgem.gov.uk/publications/ofgem-guidance-code-modification-urgency-criteria-0

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Implementation

The Panel recommended P446 be implemented **1WD following Authority decision**, as part of a special BSC Release. This will ensure the Modification is implemented as soon as possible, as it is required in order for Elexon to administer the EPG Scheme which has a start date of 1 October 2022.

Recommendation

The Panel initially recommends that P446 should be **approved** as it better facilitates Applicable BSC Objective (c) and (d).

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2 Why Change?

What is the issue?

European energy prices have increased dramatically, following the ending of lockdown and the gas crisis initiated by Russia's invasion of Ukraine. On 26 August 2022 Ofgem announced[3] that the energy price cap will increase to £3,549 per year for a typical household gas and electricity bill in Britain from October. Further rises are expected in the future and, as we approach winter, there are concerns over the wellbeing of those who may not be able to afford energy costs.

The increase in wholesale energy costs could also have wider economic impacts. There has already been an impact on inflation, and the cost of living crisis is expected to cause a recession, as predicted by the Bank of England[4]. It is also possible that the increased energy costs could cause further Supplier failures. Previously, rising wholesale gas costs caused several Suppliers[5] to fail, as the price cap meant they were unable to pass the increasing costs on to customers. With increasing numbers of customers unable to make payments or who may begin to refuse to pay their bills, there are concerns that additional Supplier failures may be triggered.

As a result of these concerns the Government has proposed the Energy Price Guarantee (EPG) Scheme for domestic customers, to secure reductions in the electricity bills of domestic consumers in Great Britain. The intention is for Elexon to act as the EPG Scheme Administrator.

The activities that Elexon are permitted to undertake are outlined in BSC Section C 'BSCCo and its Subsidiaries'[6]. Currently, the activities stipulated in BSC Section C do not include provisions for administering such a scheme.

Urgent Code Modification

An Urgent Code Modification is a Modification Proposal which is linked to an imminent or current issue that, if not urgently addressed, may cause:

- A significant commercial impact on Parties, Consumers or stakeholders;
- A Party to be in breach of any relevant legal requirements; and
- A significant impact on the safety and security of the electricity/and or gas systems.

An urgent BSC Modification must follow a prescribed timetable approved by Ofgem, as described in Section F2.9. This approved timetable can be found in Section 6.

The Proposer and the BSC Panel believe that P446 relates to a current issue that, if unaddressed, will have a significant commercial impact upon Parties and consumers. Specifically, P446 seeks to support Suppliers and consumers through the wholesale energy price increase and associated cost of living crisis.

[3] https://www.ofgem.gov.uk/publications/ofgem-updates-price-cap-level-and-tightens-rules-suppliers
[4] https://www.bankofengland.co.uk/monetary-policy-report/2022/august-2022
[5] https://www.forbes.com/uk/advisor/energy/failed-uk-energy-suppliers-update/
[6] https://www.elexon.co.uk/the-bsc/bsc-section-c-bscco-subsidiaries/

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Desired outcomes

The desired outcome from this Modification is to enable BSCCo to fulfil the role of Scheme Administrator for the Energy Price Guarantee Scheme.

The object of the Scheme is to ensure that consumers' energy bills are lower than they would otherwise be under the current price cap arrangements. The intention is for Suppliers to reduce the tariffs that would otherwise be charged to consumers by the value of the support payments made under the Scheme.

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3 Solution

Proposed Solution

Implementing the solution to this Modification will require changes to BSC Section C 'BSCCo and its Subsidiaries' to extend the vires for Elexon. The amendment would have to allow Elexon to undertake a new non-BSC related function, administering the payment scheme. There will also be an amendment required to Section X Annex X-1 'General Glossary'[7] to include the new defined terms. Following the initial raising of the Modification, the legal text now includes an amendment to Section H 'General'[8] so that, as with other industry schemes and agreements, the EPG Scheme is treated as a 'Nominated Agreement'. This means that if Elexon or Suppliers are required to provide BSC data to the Department for Business, Energy & Industrial Strategy (BEIS), for example, under the scheme, the BSC allows for this. Proposed legal text can be found in Attachment A.

The proposed BSC Modification will describe and limit Elexon's role and functions as Scheme Administrator by reference to the more detailed Scheme Document, to ensure consistency and prevent divergence between obligations set out in the Scheme Document and the BSC. Having the details of the scheme within the Scheme Document, rather than the BSC, ensures that the Government have appropriate control over the scheme and hold the risks as the scheme owner. Additionally, not all BSC Parties will be party to the scheme.

The Scheme Document established by the Secretary of State, which will include the Scheme Agreement, will set out the details of the Energy Price Guarantee Scheme and the obligations of the Scheme parties. Suppliers will need to accede to the Agreement to become a party to the Scheme and to be eligible to receive payments. The Scheme Document will detail the payment calculations, payment timetable and reconciliation processes.

As Elexon will be performing a separate and distinct role as Scheme Administrator, the proposed Modification provides that the Panel and Panel Committees will not have any responsibilities in respect of Elexon's functions as Scheme Administrator.

The Scheme Document and the proposed BSC Modification ensure that Scheme payments are accounted for separately from other BSC Costs and Trading Charges and that BSC Parties are not responsible for funding payments under the Scheme. The Modification does provide for Elexon's administrative and operational costs in undertaking the role of Scheme Administrator to be included as BSC Costs.

The administration of the payment scheme will require the development of new calculation and payment systems that will utilise BSC data, but will not amend existing BSC Central Systems. The proposed system solution involves information extracted from the Supplier Volume Allocation Agent (SVAA).

The non-half hourly (NHH) domestic consumption volumes are calculated using the Estimate of Annual Consumption (EAC) and Annualised Advance (AA) for customers registered to Profile Classes 1 and 2[9], excluding unmetered supplies. The Period Profile Coefficient from D0018 'Daily Profile Data Report' (MM00396) is used to convert the EAC/AA data to Settlement Day volumes.

[7] https://www.elexon.co.uk/the-bsc/bsc-section-x-annex-x-1-general-glossary/
[8] https://www.elexon.co.uk/the-bsc/bsc-section-h-general/
[9] Profile Class 1 relates to Domestic Unrestricted Customers, and Profile Class 2 relates to Domestic Economy Customers.

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The half hourly (HH) domestic consumption volume is recorded by Supplier Market Participant Identifier (MPID) and will be calculated using customers registered with a consumption component class ID of 42 or 45.

The NHH and HH consumption data is aggregated to provide a sum of the daily domestic consumption volumes by Supplier. This is multiplied by a pence/kWh rate specified by the Secretary of State.

Benefits

The benefits of the Modification would primarily be the securing of reductions in the electricity bills of domestic consumers in Great Britain. This would have a positive impact on the wellbeing of consumers as well as on the economy. The Modification would also support Suppliers, reducing the likelihood of Supplier failure during the current wholesale energy price increases, and reducing the burden of Supplier failures on those who remain in the market and would have to pick up any mutualisation costs.

Legal Text Changes

To give effect to P446, amendments are required to:

- BSC Section C 'BSCCo and its Subsidiaries'
- BSC Section X Annex X-1 'General Glossary'
- BSC Section H 'General'

These changes can be seen in the proposed redlining in Attachment A.

Given the urgent timeline for this Modification, the BSC Panel were unable to sufficiently review the legal text prior to the urgent Panel meeting where they first considered P446 and recommended the urgent timeline to the Authority. This means the Panel will review the legal text during this consultation, after which amendments to the draft legal text will be possible.

Assessment Consultation Question
Do you have any comments on the redlined changes to the BSC for P446?
The Panel invites you to give your views using the response form in Attachment C

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4 Applicable BSC Objectives

Impact of the Modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence	Neutral
(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System	Neutral
(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	**Positive**
(d) Promoting efficiency in the implementation of the balancing and settlement arrangements	**Positive**
(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]	Neutral
(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	Neutral
(g) Compliance with the Transmission Losses Principle	Neutral

In the view of the Proposer and majority view of the BSC Panel, this Modification will better facilitate Applicable BSC Objective (c) as it will support the continued operation of Suppliers through the current wholesale energy price crisis. This will facilitate more robust competition when market conditions return closer to normal. Many Suppliers went in to Default previously, with a factor being that the increasing cost of energy could not be passed on to customers due to the price cap, resulting in large mutualisation of failed Supplier debts between those Suppliers who were left in the market. This Modification may help to reduce the number of Supplier failures as a result of a price cap[10] set lower than the costs that the Supplier incurs, at a time of high wholesale electricity prices. The EPG scheme seeks to compensate Suppliers for the reduced tariffs offered to consumers. The implementation of the Modification would also reduce the likelihood of future Supplier failure caused by the non-payment of electricity bills by domestic customers, as the bills to consumers will be more affordable.

Additionally, in the view of the Proposer and the BSC Panel, this Modification will better facilitate Applicable BSC Objective (d) as the Proposer anticipates that there would be a reduced number of expected Supplier failures as a result of this scheme. Supplier defaults are resource intensive for the BSC Panel and for BSCCo, and therefore reduce the efficiency of the balancing and settlement arrangements. If the payment scheme results in fewer defaults then there will be an administrative benefit and lower levels of mutualised costs for other Parties.

[10] https://www.gov.uk/government/news/government-announces-energy-price-guarantee-for-families-and-businesses-while-urgently-taking-action-to-reform-broken-energy-market

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5 Impacts & Costs

We are seeking your industry views on impacts and costs as part of this consultation. However, for the roles that the Proposer and Elexon believe will be impacted, we have indicated whether we believe the costs are likely to be high, medium or low based on the following categories:

- High: >£1 million
- Medium: £100-1000k
- Low: <£100k

We invite you to validate and refine these estimates via this consultation.

Estimated implementation costs of P446

Implementation cost estimates			
Organisation	Item	Implementation	Comment
Elexon	Documents	<£3k	Minor changes are required to three BSC Sections to implement this Modification.
	Systems	<£50k	No existing BSC Central System changes required to implement this Modification, but development of new EPG calculation and payment systems will be required.
	Other	£0	
Industry	Systems & processes	£0	There are no expected costs for market participants to implement this Modification.
	Total	**<£53k**	

Estimated on-going costs of P446

On-going annual cost estimates		
Organisation	On-going	Comment
Elexon	<£500k	The ongoing administration of the EPG scheme.
Industry	£0	There are no expected costs for market participants for the on-going operation of the EPG that will be facilitated by this Modification.
Total	**<£500k**	

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P446 impacts

Impact on BSC Parties and Party Agents		
Party/Party Agent	Impact	Estimated impact
Suppliers	This Modification will positively impact Suppliers by compensating them for the reduced tariffs offered to consumers. This Modification will reduce the likelihood of Supplier failure during the current wholesale energy price increases, and reduce the burden of Supplier failures on those who remain in the market and would have to pick up any mutualisation costs.	H

Impact on the NETSO	
Impact	Estimated cost
No impact	N/A

Impact on BSCCo		
Area of Elexon	Impact	Estimated cost
Assurance	Additional assurance techniques will be applied to the II run, including creation of a dashboard for monitoring, as this will be used as part of the EPG scheme calculations and previously was not subject to assurance. Ongoing reporting, updating, and issue resolution.	M
Finance	Development and operation of payment system.	M
Settlement and Invoicing	Development and operation of calculation system.	M

Impact on BSC Settlement Risks
Elexon has not identified any material impacts of this Modification on BSC Settlement Risks, as it will not impact Settlement directly.

Impact on BSC Systems and process	
BSC System/Process	Impact
N/A	No impact

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Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Impact
CGI	Development and operation of the EPG calculation and payment system.
Engage	Development and operation of the EPG calculation and payment system.

Impact on Code	
Code Section	Impact
BSC Section C 'BSCCo and its Subsidiaries'	Changes required to enable BSCCo to act as EPG Scheme Administrator.
BSC Section H 'General'	
BSC Section X Annex X-1 'General Glossary'	

Impact on EBGL Article 18 terms and conditions and objectives
This Modification is not expected to impact or expand the BSC provisions that constitute EBGL Article 18 Terms and Conditions, as described in BSC Section F, Annex F-2[11].

Impact on Code Subsidiary Documents	
CSD	Impact
N/A	No impact

Impact on Core Industry Documents and other documents	
Document	Impact
Ancillary Services Agreements	No impacts identified.
Connection and Use of System Code	
Data Transfer Services Agreement	
Distribution Code	
Distribution Connection and Use of System Agreement	
Grid Code	
Retail Energy Code	

[11] https://www.elexon.co.uk/documents/bsc-codes/bsc-sections/bsc-section-f-modification-procedures/

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Impact on Core Industry Documents and other documents	
Document	Impact
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	

Impact on a Significant Code Review (SCR) or other significant industry change projects
This proposal is not within the scope of an active SCR. On 13 September 2022 we requested to Ofgem that this Proposal be treated as an SCR-Exempt Modification Proposal.

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability	Neutral
2) Lower bills than would otherwise be the case	**Positive**
3) Reduced environmental damage	Neutral
4) Improved quality of service	Neutral
5) Benefits for society as a whole	**Positive**

P446 would enable the implementation of a scheme that will lower consumers' bills by providing a subsidy to Suppliers. This would slow the increase in consumer energy bills in light of the increase in energy cost.

The EPG Scheme that P446 will enable will also have benefits for society as a whole. There will be a significant impact on the wellbeing of consumers, as it will result in lower electricity bills than would otherwise be expected. There are also wider benefits to the economy anticipated, as the cost of living crisis has impacts on inflation and the potential for a recession. Goldman Sachs have predicted that a cap on household energy bills could reduce the peak in inflation to 10.8%, as opposed to the previously predicted 14.8%. The payment scheme that will be facilitated by this Modification would also reduce the likelihood of Supplier failure as a result of the increased wholesale energy prices, which could mean fewer jobs lost as a result of the energy crisis and would avoid non-defaulting Suppliers picking up the default payments of any defaulting Supplier.

What are the consumer benefit areas?

1) Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?

2) Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?

3) Will this proposal support:

i) new providers and technologies?

ii) a move to hydrogen or lower greenhouse gases?

iii) the journey toward statutory net-zero targets?

iv) decarbonisation?

4) Will this change improve the quality of service for some or all end consumers? Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient and effective.

5) Are there any other identified changes to society, such as jobs or the economy?

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Assessment Consultation Questions
Will P446 impact your organisation?
How much will it cost your organisation to implement P446?
What will the ongoing cost of P446 be to your organisation?
The Panel invites you to give your views using the response form in Attachment C

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6 Implementation & Progression Timetable

Recommended Implementation Date

The Panel recommended P446 be implemented **1WD following Authority decision**, as part of a special BSC Release. This will ensure the Modification is implemented as soon as possible, which is required to ensure BSCCo can sign the contract to become the EPG scheme administrator prior to the start of the scheme on 1 October 2022. BEIS intend to have the contracts signed by 24 September 2022.

Assessment Consultation Question
Do you agree with the Panel's recommended Implementation Date?
The Panel invites you to give your views using the response form in Attachment C

Urgent Progression Procedure and Timetable

Ofgem approved the below Progression Procedure and timetable for P446.

Event	Date
Modification presented to Panel	13 September 2022
Submitted to Authority for decision on urgency	13 September 2022
Urgent Modification Consultation (5WD)	14 September 2022 – 21 September 2022
Draft Urgent Modification Report presented to Panel	22 September 2022
Final Urgent Modification Report submitted to Authority	22 September 2022
Modification implemented	1WD after Authority approval

Ofgem granted P446 'urgent status' on 14 September 2022 as they are satisfied it is related to a current issue that if not urgently addressed may cause a significant commercial impact on Parties, Consumers or stakeholders.

The Proposer, National Grid Electricity System Operator (NGESO), requested P446 be treated urgently. The Panel agreed and recommended P446 be treated urgently at an urgent Panel meeting on 13 September 2022.

This Modification is seeking to facilitate the EPG Scheme that will support consumers and Suppliers during the wholesale energy price increase and associated cost of living crisis. The predicted future energy costs mean that many consumers may be unable to afford their energy bills, which could result in widespread hardships and have a significant negative impact on the health and wellbeing of the public, as well as on the economy as a whole. Additionally, failure of consumers to pay bills, or Suppliers being forced to charge below market rate for energy, could result in Supplier failure and significantly disrupt the market. The scheme would also guarantee that Suppliers have money to enable them to make payments to Generators, ensuring the continued efficient operation of the energy market.

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The impending price cap increase on 1 October 2022 is likely to exacerbate these impacts, with estimates that the proposed price cap level of £3,549 in October 2022 will see 9.1m consumers in fuel poverty[12].

[12] https://www.endfuelpoverty.org.uk/about-fuel-poverty/#:~:text=9.1%20million%20%E2%80%93%20The%20estimated%20number,poverty%20from%201%20October%202022

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7 Panel's Initial Discussions

P446 was presented to the Panel at an urgent meeting on 13 September 2022. At this meeting, the Panel unanimously recommended that P446 should be progressed as an urgent Modification and approved. The Panel agreed by majority that P446 would have a positive impact against Applicable BSC Objective (c), and unanimously agreed that it would be positive against Applicable BSC Objective (d), both for the reasons set out by the Proposer in this document. The Panel noted that P446 would not meet the Self-Governance criteria as it is proposing a material amendment to the Codes governance procedures by amending Elexon's vires, as well as materially impacting upon electricity consumers.

Given the urgent timeline for this Modification the BSC Panel did not have time to fully review the legal text prior to the urgent Panel meeting. As a result, the Panel will review and comment upon the legal text during the consultation period, after which amendments to the draft legal text will be possible.

A Panel Member questioned why Elexon had been selected to act as EPG Scheme Administrator, when the Market Stabilisation Charge was administered by the Retail Energy Code Company (RECCo). A spokesperson from BEIS explained that the EPG Scheme will utilise BSC data which Elexon already has access to. Elexon also has existing systems and contacts for banking that will be valuable in setting up the scheme at speed.

The Panel also questioned when the Scheme Document referenced in the proposed legal text would be made available. A spokesperson from BEIS stated that they intended to release a draft of the document to Suppliers on the 14 September 2022 for comment. The Panel requested that Elexon make the Scheme Document available alongside P446 consultation documentation once it becomes publicly available.

A Panel Member questioned whether Suppliers could require Elexon to set off amounts they owed under the BSC against sums Elexon was due to pay them under the EPG, or claim that they weren't in Section H default because Elexon owed them sums under the scheme. Elexon have since confirmed that the Scheme Document deals with this point in order to prevent any contractual right of set off arising and to override any common law rights. As a result, BSC charges (including Trading Charges) need to be treated completely separately from payments under the scheme.

A Panel Member questioned the nature of the payments made by the EPG scheme. If the money was intended as a loan it could have negative impacts upon the market in terms of mutualised costs if Suppliers failed and therefore no longer existed when it was time to pay the money back. BEIS reiterated their pubic position that the money is not intended as a loan and there will be no obligation on Suppliers to repay the money received via the EPG. The intention is to use Suppliers as a vehicle to provide savings to consumers.

Some Panel Members questioned the rationale against the Applicable BSC Objectives, as they felt it was an obligation from the Government and so perhaps it would be more appropriate against Applicable BSC Objective (a) which relates to obligations imposed upon the Transmission Company by the Transmission Licence. Elexon commented that the Modification is intended to support Suppliers through a potential systematic risk that could result in the majority of Suppliers going out of business. A Panel Member commented that while that may be the case, they still felt that P446 was market intervention and not intended to support competition and was therefore not in the spirit intended for BSC Objective (c).

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Assessment Consultation Questions
Do you agree with the Panel's initial unanimous recommendation that P446 should be approved?
Do you agree with the Panel's initial view that P446 should not be treated as a Self-Governance Modification?
Do you agree with the Panel's initial view that P446 does not impact the EBGL Article 18 Terms and Conditions related to balancing held within the BSC?
The Panel invites you to give your views using the response form in Attachment C

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8 Recommendations

The BSC Panel initially (unless otherwise stated, recommendations were unanimous):

- **RECOMMENDED** to the Authority that this Modification should be treated as an Urgent Modification Proposal;
- **AGREED** the Urgent progression timetable for recommendation to the Authority;
- **AGREED** that P446:
    - **DOES** better facilitate Applicable BSC Objective (c) by majority;
    - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREED** that P446 **DOES NOT** impact the EBGL Article 18 Terms and Conditions related to balancing held within the BSC;
- **AGREED** an initial recommendation that P446 should be **approved**;
- **AGREE** an initial Implementation Date of:
    - +1 Working Day after Authority Decision;
- **AGREED** the draft redlined text in Attachment A be submitted to consultation;
- **AGREED** an initial view that this Modification should **not** be treated as a Self-Governance Modification; and
- **NOTED** that Elexon will issue the Urgent Draft Modification Report (including the draft BSC legal text) for a consultation of 5 Working Days (subject to an Ofgem decision in urgency) and will present the results to the Panel at its meeting 1WD following the closure of the consultation.

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