

## P460 ‘Amend the responsibility to propose and consult on a MHHS Migration Plan’

To change responsibility for proposing, consulting on and obtaining approval of the Market-wide Half Hourly Settlement (MHHS) Migration Plan from BSCCo to the Market-wide Half Hourly Settlement Programme (MHHSPP).

This Report Phase Consultation for P460 closes:

**5pm on Tuesday 29 August 2023**

The Panel may not be able to consider late responses.



The BSC Panel initially recommends **approval** of P460



The BSC Panel **does not** believe P460 impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- All BSC Parties

## E L E X O N

### Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

P460

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14 August 2023

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## About This Document

You can find the definitions of the terms and acronyms used in this document in the [BSC Glossary](#)<sup>1</sup>.

This is the P460 Draft Modification Report, which Elexon is issuing for industry consultation on the BSC Panel's behalf. It contains the Panel's provisional recommendations on P460. The Panel will consider all consultation responses at its meeting on 14 September 2023, when it will agree a final recommendation to the Authority on whether or not the change should be made.

There are 4 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 P460 Proposal Form.
- Attachment B contains the draft redlined changes to the BSC for P460.
- 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.



### Contact

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### Not sure where to start?

We suggest reading the following sections:

- Have 5 minutes? Read section 1
- Have longer? Read all sections and the annexes and attachments.

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<sup>1</sup> <https://www.elexon.co.uk/glossary/?show=all>

## Why Change?

[BSC Section C 'BSCCo and its Subsidiaries'](#)<sup>2</sup> states that BSCCo has a responsibility to propose, consult on and obtain approval for a MHHS Migration Plan. However, responsibility for Migration activities sits with the MHHS System Integration (SI) function. Therefore it would be a more efficient use of resource for the MHHSP to create, consult on and obtain approval for the migration plan.

## Solution

Move the MHHS Migration plan requirements in BSC section C12.11.3 from BSCCo responsibility to the SI responsibility in section C12.8. Update Sections C12.11.1 and C12.2.14 to reflect the change.

## Impacts & Costs

We expect costs to implement this Modification to be low (<£1k) as it is a document only change. We also do not anticipate any costs or impacts for BSC Parties. Any possible further costs and impacts will be evaluated as part of this Report Phase Consultation Procedure.

## Implementation

This Modification is anticipated to be a document only change and not incur any system or process changes for Elexon or Market Participants. As such it is recommended the Modification is implemented as soon as reasonably practical to provide clarity to all Market Participants on who will manage the MHHS Migration Plan. Therefore, an Implementation Date of **5 Working Days following Authority decision** is recommended.

## Recommendation

The BSC Panel initially recommends to the Authority:

- That P460 be **approved**;
- That P460 **does not** impact the EBGL Article 18 terms and conditions held within the BSC;
- An Implementation Date for P460 of:
  - **5 Workings Days** following Authority Decision; and
- The draft Legal Text for P460.

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<sup>2</sup> <https://bscdocs.elexon.co.uk/bsc/bsc-section-c-bscco-and-its-subsidiaries>



## Desired outcomes

Allow the MHHSP to propose, consult on and obtain approval for the MHHS Migration Plan, thus promoting the most efficient use of resource.

### Proposed solution

Move the MHHS Migration plan requirements in BSC section C12.11.3 from BSCCo responsibility to the SI responsibility in section C12.8. Update Sections C12.11.1 and C12.2.14 to reflect the change.

### Benefits

The following benefit should be realised by implementing this Modification:

- **Resource Efficiency:** The MHHS SI has responsibility for Migration activities within the MHHSP and this is reflected in the resourcing of both BSCCo and the MHHSP, including the [business separation arrangements](#)<sup>4</sup> in place. Given these arrangements, moving the responsibility to MHHSP to draft the migration plan will provide greater efficiency of resource.

### Legal text

Updates to BSC Section will be made as detailed in the Proposed Solution section of this document. Attachment contains a copy of the draft Legal Text.

#### Report Phase Consultation Questions

Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P460?

*Please provide your rationale.*

The Panel invites you to give your views using the response form in Attachment C

<sup>4</sup> <https://www.mhhsprogramme.co.uk/uploads/8ddf8017-6805-4599-a8cc-1fa8e0233aa0/MHHS-Business Separation Plan V2.0 - 4 April 2023.pdf>

### Estimated costs of P460

Elxon do not anticipate any costs for BSC Parties, however costs will be confirmed during the Report Phase Consultation. However, for those roles we believe will be impacted, we have indicated in the impacts section 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

Implementation cost estimates			
Organisation	Item	Implementation (£)	Comment
Elxon	Systems	0	
	Documents	<1k	Document only change to BSC Section C
	Other	0	
NGESO	Systems	0	None anticipated
	Other	0	
Industry	Systems & processes	0	None anticipated, however this view will be confirmed via the Report Phase Consultation
<b>Total</b>		<1k	

On-going cost estimates		
Organisation	Implementation (£)	Comment
Elxon	-	
NGESO	-	
Industry	-	
<b>Total</b>	-	No ongoing costs anticipated.

## P460 impacts

Impact on BSC Parties and Party Agents		
Party/Party Agent	Impact	Estimated cost
All BSC Parties	No implementation or on-going costs are anticipated for any Parties.  It is anticipated this Modification will have a minor positive impact on all BSC Parties by clarifying that the MHHSP will create, consult on and obtain approval for the MHHS migration plan.	N/A

Impact on the NETSO	
Impact	Estimated cost
No impacts anticipated	N/A

Impact on BSCCo		
Area of Elexon	Impact	Estimated cost
Elexon	Minor impact to implement BSC document changes that confirm the MHHSP will create, consult on and obtain approval for the MHHS migration plan.  Positive impact on Elexon resource assigned to non MHHS Migration Plan workload.	N/A

Impact on BSC Settlement Risks	
No impacts on Settlement Risks are anticipated or identified. However, this will be confirmed through the Report Phase Consultation.	

Impact on BSC Systems and process	
BSC System/Process	Impact
None	N/A

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Impact
None	N/A



Impact on Code	
Code Section	Impact
Section C	Move the MHHS Migration plan requirements in BSC section C12.11.3 from BSCCo responsibility to the SI responsibility in section C12.8. Update Sections C12.11.1 and C12.2.14 to reflect the change.

Impact on MHHS
The MHHS will have responsibility for proposing, consulting on and obtaining approval for the MHHS Migration Plan, however no other impacts are anticipated.

Impact on EBGL Article 18 terms and conditions
No impacts on the EBGL Article 18 terms and conditions are anticipated or identified. However, this will be confirmed through the Report Phase Consultation.

Impact on Code Subsidiary Documents	
CSD	Impact
None	N/A

Impact on other Configurable Items	
Configurable Item	Impact
None	N/A

Impact on Core Industry Documents and other documents	
Document	Impact
Ancillary Services Agreements	No impact
Connection and Use of System Code	
Data Transfer Services Agreement	
Distribution Code	
Grid Code	
Retail Energy Code	
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	

## Impact on Core Industry Documents and other documents

Document	Impact
Use of Interconnector Agreement	

## Impact on a Significant Code Review (SCR) or other significant industry change projects

No. Ofgem have confirmed this is an SCR Exempt Modification.

## Report Phase Consultation Questions

Will P460 impact your organisation?

*If it will impact, please provide a description of the impact(s) and any activities which you will need to undertake between approval and implementation (including any necessary changes to your systems, documents and processes) and any on-going operational impacts. Where applicable, please state any difference in impacts between the proposed solutions.*

How much will it cost your organisation to implement P460?

*If any, please provide details of these costs, how they arise. Please also state whether it makes any difference to these costs whether implemented as part of or outside of a normal BSC Systems Release. Where applicable, please state any difference in costs between the proposed solutions and if applicable, between the different roles.*

What will the ongoing cost of P460 be to your organisation?

*If any, please provide details of these costs, how they arise. Please also state whether it makes any difference to these costs whether P460 is implemented as part of or outside of a normal BSC Systems Release. Where applicable, please state any difference in costs between the proposed solutions and if applicable, between the different roles.*

How long (from the point of approval) would you need to implement P460?

*Please provide an explanation of your required lead time, and which activities are the key drivers behind the timescale. Please also state whether it makes any difference to this lead time whether implemented as part of or outside of a normal BSC Systems Release. Where applicable, please state any difference in lead times between the proposed solutions.*

The Panel invites you to give your views using the response form in Attachment C



## 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.

## Impact of the Modification on the environment and consumer benefit areas:

Consumer benefit area	Identified impact
1) Improved safety and reliability None identified	Neutral
2) Lower bills than would otherwise be the case None identified	Neutral
3) Reduced environmental damage None identified	Neutral
4) Improved quality of service None identified	Neutral
5) Benefits for society as a whole None identified	Neutral

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Other Impacts	
Item impacted	Impact
N/A	N/A

### Recommended Implementation Date

The Panel recommends an Implementation Date for P460 of:

- 5 Working Days after Authority decision, as part of a special BSC Release

This Modification is anticipated to be document only change and not incur any system or process changes for Elexon or Market Participants. As such it is recommended the Modification is implemented as soon as reasonably practical to allow the MHHSP to commence writing the MHHS Migration plan and provide clarity to parties on their requirements. Therefore, an initial Implementation Date of 5 Working Days following Authority decision is recommended.

#### Report Phase Consultation Question

Do you agree with the Panel's recommended Implementation Date?

*Please provide your rationale.*

[The Panel invites you to give your views using the response form in Attachment C](#)

## 6 Panel's Initial Discussions

Elxon presented the Initial Written Assessment for P460 to the BSC Panel at its meeting on 10 August 2023 ([341/04](#)<sup>5</sup>).

The Panel had no comments on P460. The Panel:

- **RAISED** the Modification Proposal in accordance with Section F2.1.1(d) (i);
- **AGREED** P460 progresses directly to the Report Phase;
- **AGREE** that P460:
  - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREED** an initial view that P460 **SHOULD NOT** be treated as a Self-Governance Modification;
- **AGREED** that P460 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- **AGREED** an initial recommendation to the Authority that P460 should be **APPROVED**;
- **AGREED** an initial Implementation Date of:
  - **5 Working Days** following Authority decision;
- **AGREED** the draft Legal Text; and
- **NOTED** that Elxon will issue the Draft Modification Report (including the draft Legal Text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 14 September 2023.

### Report Phase Consultation Questions

Do you agree with the Panel's initial unanimous recommendation that P460 should be approved?

*Please provide your rationale with reference to the Applicable BSC Objectives.*

Do you agree with the Panel's initial view that P460 should not be treated as a Self-Governance Modification?

*Please provide your rationale.*

Do you agree with the Panel's initial consideration that P460 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

*Please provide your rationale.*

The Panel invites you to give your views using the response form in Attachment C

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<sup>5</sup> <https://www.elxon.co.uk/meeting/bsc-panel-341/>

## 7 Recommendations

The BSC Panel initially recommends to the Authority:

- That P460 be **approved**;
- That P460 **does not** impact the EBGL Article 18 terms and conditions held within the BSC;
- An Implementation Date for P460 of:
  - **5 Workings Days** following Authority Decision; and
- The draft Legal Text for P460.