

## PODCAST TRANSCRIPT: BALANCING AND SETTLEMENT CODE MODIFICATION P394 – REMOVAL OF UNUSED BSC PROVISIONS

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Hi everyone, my name is Callum Chalmers, and I'll be going through Modification P394, which seeks to remove unused provisions from the BSC. This Modification was raised by the BSC Panel on 10 October and will remove around 50 pages of legal text from the Code. The Panel agreed progression straight to the Report Phase due to the self-evident nature of the proposals and the Panel also agreed a self-governance approach; which means a final decision by the BSC panel, instead of by Ofgem.

There are a number of items that have been identified as being expired or unused. The expired provisions, the removal of which is self-explanatory, are:

- Party funded costs, which entitled some parties to recover costs in relation to the 1998 Programme, the New Electricity Trading Arrangements or NETA, support of the British Electricity Trading and Transmission Arrangements or BETTA, and Scottish Operational Run-Off costs;
- NETA funding, which allowed ELEXON to recover costs in relation to NETA implementation;
- BSC Section I which contained Transitional Arrangements for the Implementation of BETTA; and
- The Pool Supplement, which concerned the run-off of settlement under the Pooling and Settlement Agreement at the implementation of the BSC.

There are also a number of unused provisions:

- Dual Notifications; dual notifications were introduced to eliminate the risk of erroneous transactions posed by only one party submitting a notification for a trade. In reality the functionality has never been used.
- Joint BM Units; Joint BM Units were introduced to allow radio teleswitch meters to take part in the Balancing Mechanism. Since implementation, nobody has registered a joint BMU with the Central Registration Agent.
- Quiescent physical notifications; QPNs were introduced to account for non-controllable assets in BM units. However, the Grid Code stipulates that the level of a QPN must be zero, which renders them redundant.
- Manual Credit Qualification; manual credit qualification was introduced to allow net generating BM units to calculate their credit volume using their Final Physical Notification. Since implementation, nobody has been granted, or even applied for, Credit Qualified status.

The Report Phase Consultation is running from 14th October to the 22<sup>nd</sup> November. This is longer than usual consultation window. This is because we are concerned that removing sections might have consequences on pre-existing contractual arrangements. We want to know whether or not you are impacted by the Modification, whether you agree the proposed redlining, and whether you approve of the proposed progression. If you have anything to contribute, please get in touch.