

## 'Removal of Quarterly Reports'

This Modification proposes to remove Section C3.9.1 of the BSC in respect of 'quarterly reports'. Currently, the quarterly reports are not viewed by market participants, as the information is made readily available in a more timely and accessible manner elsewhere on the BSC website. Therefore, the current quarterly reports process utilises ELEXON resource that could be better used adding greater value for our customers.



ELEXON recommends the Panel to raise the attached Modification Proposal in accordance with the provisions of Section F2.1.1(d)(i).



ELEXON recommends this proposal is progressed directly to the Report Phase with an initial recommendation to approve.

This Modification is expected to impact:

- ELEXON as the Balancing and Settlement Code Company (BSCCo)

### Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

## Contents

|          |  |           |
|----------|--|-----------|
| <b>1</b> | <b>Why Change?</b>                           | <b>3</b>  |
| <b>2</b> | <b>Solution</b>                              | <b>5</b>  |
| <b>3</b> | <b>Proposed Progression</b>                  | <b>6</b>  |
| <b>4</b> | <b>Costs and Impacts</b>                     | <b>7</b>  |
| <b>5</b> | <b>Recommendations</b>                       | <b>10</b> |
|          | <b>Appendix 1: Glossary &amp; References</b> | <b>11</b> |

## About This Document

This document is a recommendation to the Panel to raise a Modification Proposal (Attachment A) in accordance with BSC Section F 'Modification Procedures' 2.1.1(d)(i). ELEXON will present this paper to the BSC Panel on 14 February 2019. If the Panel agree to raise the Modification Proposal, this document will form its Initial Written Assessment (IWA) and the Proposal Form will be updated and published on the ELEXON Website accordingly.

There are three parts to this document:

- This is the main document. It provides details of the Modification Proposal, an assessment of the potential impacts and a recommendation of how the Modification should progress, including the Workgroup's proposed membership and Terms of Reference.
- Attachment A contains the Proposal Form.
- Attachment B contains the draft redlined changes to the BSC for this Modification.



---

### Contact

**Faysal Mahad**

020 7380 4375

[faysal.mahad@elexon.co.uk](mailto:faysal.mahad@elexon.co.uk)



---

287/05

---

Initial Written Assessment

---

7 February 2019

---

Version 1.0

---

Page 2 of 12

---

© ELEXON Limited 2019

# 1 Why Change?

## Background

On 14 June 2018, the Panel was presented with a paper 'BSC Simplification Opportunities (279/12)'. The Paper highlighted areas where the BSC arrangements could be simplified. The Panel welcomed further areas for simplification, particularly where the Code could be seen to be overly prescriptive or burdensome. This was on the basis of benefit for both market participants and ELEXON as the BSCCo.

## What is the issue?

Currently, under [BSC Section C 'BSCCo and Its Subsidiaries, Reporting and Information for BSCCo' 3.9.1](#), ELEXON is required to provide to the Panel, BSC Parties and the Authority quarterly reports. However, the quarterly reports have not been viewed on the BSC Website for the past 15 months. Other reports published by ELEXON are being viewed by industry.

The Annual BSC Report, which is required under Section B6.1 'Establishment of Panel, Annual Report' covers the same content as the quarterly report and has been visited 434 times since 23 June 2018. It is therefore inefficient to separately produce a quarterly report when the information in the quarterly reports is readily available on the website and updated on a more regular basis. Further, information contained within the quarterly report can sometimes be out-of-date by the time the report is published as ELEXON aims to continuously update its webpages; this resource could be better spent on other areas and is therefore not efficient to be invested on duplication.

## What information is published in the quarterly report?

BSCCo publishes the following content which is then also published in the quarterly report:

### Business review

- Key successes – information is included in the ELEXON Report which is presented to the [BSC Panel](#) on a monthly basis.
- Improving the customer experience – information is available on our '[News and Events](#)' area of the website.
- Developing our services - information is available on various parts of our website e.g. [news](#), [ELEXON Circulars](#), [About the Industry](#) and via [Newscast](#).
- Settlement Reform and support for Ofgem projects: information is also available on various parts of our website (all of the above).
- Industry consultations: information is available on the [Industry Insights](#) and [ELEXON response to Industry Consultations](#) pages of our website.

### Operational updates of the Balancing and Settlement Code arrangements

- Monthly Headline reports are available on the [Committees and Groups](#) and [BSC Panel](#) pages of our website.

287/05

Initial Written Assessment

7 February 2019

Version 1.0

Page 3 of 12

© ELEXON Limited 2019

## Governance and Change

- Information on Modifications, Change Proposals (CPs) and BSC Issues are available on the [Change](#) pages of our website and presented to the Panel in the Change Report each month

## BSC Panel and Committee activity

- All information relating to the BSC Panel is available on the [BSC Panel](#) page of our website.
- All information relating to the four main sub-Committees (Imbalance Settlement Group (ISG), Supplier Volume Allocation Group (SVG), Performance Assurance Board (PAB) and Trading Disputes Committee (TDC) is available on the [Committees and Groups](#) pages of our website.

287/05

---

Initial Written Assessment

---

7 February 2019

---

Version 1.0

---

Page 4 of 12

---

© ELEXON Limited 2019

### Proposed solution

This Modification proposes to remove the obligation in BSC Section C3.9.1 for BSCCo to be required to produce quarterly reports. The proposed changes to the BSC necessary to deliver the solution to this Modification Proposal can be found in Attachment B.

ELEXON does not currently publish information relating to the Annual Budget anywhere else on the website on a quarterly basis. Therefore, for transparency, we propose that a quarterly report in relation to finances will still be created and published under the [ELEXON Governance and Financial Reports](#) area. However, we do not believe this requires addition in the legal text. Publishing this information on a quarterly basis will be timelier than the existing quarterly reports.

### Applicable BSC Objectives

The Proposer believes that this Modification Proposal will better facilitate Applicable BSC Objective (d) by:

- Removing an obligation to duplicate and publish information already available on the website will enable BSCCo resources to be used in a more efficient manner; promoting efficiency in the implementation of the balancing and settlement arrangements;
- The quarterly report can sometimes be out-of-date by the time it is published, due to the internal efforts required to compile information in the quarterly report format. The BSCCo strives to update its webpages as frequently as possible; therefore, giving interested parties access to the latest information relating to balancing and settlement arrangements. The time saved by BSCCo, if the obligation to publish this information is removed, can be sent on further promoting efficiency in the implementation of the balancing and settlement arrangements.

### Implementation approach

It is proposed that this Modification is implemented on **27 June 2019** as part of the scheduled June 2019 BSC Release following closure of the Self-Governance appeal window. This will ensure that the Modification is implemented as soon as possible to prevent BSCCo having to produce a report that is not read by its customers.



#### What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(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

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(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]

(f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

(g) Compliance with the Transmission Losses Principle

287/05

Initial Written Assessment

7 February 2019

Version 1.0

Page 5 of 12

© ELEXON Limited 2019



#### Next steps

We recommend that the proposed Modification progresses directly to the Report Phase. This is because the solution to this Modification is self-evident and there is little value in submitting the Modification into the Assessment Procedure for further development of the solution. To the best of our knowledge, there are no other solutions that would create the same positive efficiencies as per the solution to this proposal.

If the Panel agrees to raise this Modification, we recommend that it's progressed straight to Report Phase, and be issued for a 15 Working Day (WD) consultation, with the Draft Modification report being presented to the Panel on 14 March 2019.

If the Panel approve the Draft Modification Report it will be subject to a 15 Working Day appeal window, which will close on Wednesday 3 April 2019. If an appeal is received, the implementation of the Modification will be suspended and the appeal tabled at the next available Panel meeting. However, if no appeals are received, the Panel will be advised and the Modification will be implemented on 27 June 2019 as part of the June 2019 scheduled BSC Release.

#### Self-Governance

This Modification should be progressed as a Self-Governance Modification as it will not have a material effect on the Self-Governance criteria.

#### Timetable

| Proposed Progression Timetable              |   |
|---|---|
| Event                                       | Date  |
| Present Initial Written Assessment to Panel | 14 February 2019                                  |
| Report Phase Consultation                   | 18 February 2019 – 1 March 2019                   |
| Present Draft Modification Report to Panel  | 14 March 2019                                     |
| End of Self-Governance appeal window        | 3 April 2019                                      |
| Implementation Date                         | 27 June 2019 as part of the June 2019 BSC Release |

#### What is the Self-Governance Criteria?

A Modification that, if implemented:

- (a) is unlikely to have a material effect on:
  - (i) existing or future electricity consumers; and
  - (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
  - (iii) the operation of the national electricity transmission system; and
  - (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
  - (v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

## 4 Costs and Impacts

### Estimated central implementation costs

As the BSCCo, we will be required to implement the new legal text, but there will not be any impact on BSC Central Systems, as this is a document only change that removes internal processes from our working practises.

As a single document requires updating to deliver the solution to this Modification Proposal, the central implementation costs will be £240, one ELEXON Working Day of effort. We also estimate that the removal of the quarterly report will save ELEXON 14 Working Days per year, which equates to approximately £3360 per year.

### Indicative industry costs

We do not anticipate there to be any market participant impacts or costs arising from the implementation of the solution to this Modification Proposal.

### Impacts

| Impact on BSC Parties and Party Agents |                                       |
|--|---------------------------------------|
| Party/Party Agent                      | Potential Impact                      |
| BSC Parties/Party Agents               | No implementation impact anticipated. |

| Impact on Transmission Company |
|--------------------------------|
| No impact identified.          |

| Impact on BSCCo  |  |
|--|--|
| Area of ELEXON   | Potential Impact   |
| Various teams across the business that currently contribute to the quarterly report. | Various teams will no longer be required to provide the information for the quarterly report, others will no longer be required to collect the necessary information and publish it. |

| Impact on BSC Systems and processes |  |
|-------------------------------------|--|
| BSC System/Process                  | Potential Impact                       |
| None                                | No implementation impacts anticipated. |

287/05

Initial Written Assessment

7 February 2019

Version 1.0

Page 7 of 12

© ELEXON Limited 2019

| Impact on BSC Agent/service provider contractual arrangements |                  |
|---|------------------|
| BSC Agent/service provider contract                           | Potential Impact |
| No impact identified.   |                  |

| Impact on Code     |  |
|--------------------|--|
| Code Section       | Potential Impact   |
| BSC Section C3.9.1 | Removal of "BSCCo is required to provide to the Panel, BSC Parties and the Authority, quarterly reports (in such detail and such form as shall be agreed between BSCCo and the Panel), on matters which are covered by the Annual BSC Report under Section B6.1" |

| Impact on Code Subsidiary Documents |                  |
|-------------------------------------|------------------|
| CSD                                 | Potential Impact |
| No impacts identified.              |                  |

| Impact on other Configurable Items |                  |
|------------------------------------|------------------|
| Configurable Item                  | Potential Impact |
| No impacts identified.             |                  |

| Impact on Core Industry Documents and other documents |  |
|---|--|
| Document  | Potential Impact   |
| Ancillary Services Agreements                         | No impact on any other Core Industry Documents, or other documents identified. |
| Connection and Use of System Code                     |  |
| Data Transfer Services Agreement                      |  |
| Distribution Code                                     |  |
| Distribution Connection and Use of System Agreement   |  |
| Grid Code   |  |
| Master Registration Agreement                         |  |
| Supplemental Agreements                               |  |
| System Operator-Transmission Owner Code               |  |



| Impact on Core Industry Documents and other documents |                  |
|---|------------------|
| Document  | Potential Impact |
| Transmission Licence                                  |                  |
| Use of Interconnector Agreement                       |                  |

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

We don't believe that this Modification impacts any ongoing SCR. We requested SCR exemption from the Authority on 6 February 2019.

**Impact on Consumers**

The day to day operation of Balancing and Settlement would remain unaffected so there would be no direct cost to consumers.

**Impact on the Environment**

As a document-only change, we do not expect the proposed Modification will incur any environmental impacts.

| Other Impacts    |                  |
|------------------|------------------|
| Item impacted    | Potential Impact |
| None identified. |                  |

## 5 Recommendations

We invite the Panel to:

- **RAISE** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(i));
- **AGREE** that the Modification Proposal progresses directly to the Report Phase;
- **AGREE** that the Modification Proposal:
  - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** an initial recommendation that the Modification Proposal should be **approved**;
- **AGREE** an initial Implementation Date of:
  - 27 June 2019 (June 2019 BSC Release)
- **AGREE** the draft legal text;
- **AGREE** an initial view that the Modification Proposal should be treated as a Self-Governance Modification; and
- **NOTE** that ELEXON will, subject to Panel agreement, issue the Draft Modification Report, including the draft BSC legal text, for a 10 Working Day Report Phase Consultation and will present the results to the Panel at its meeting on 14 March 2019.

## Appendix 1: Glossary & References

### Acronyms

Acronyms used in this document are listed in the table below.

| Acronym |                                  |
|---------|----------------------------------|
| Acronym | Definition                       |
| BSC     | Balancing and Settlement Code    |
| BSCCo   | BSC Company                      |
| CP      | Change Proposal                  |
| IWA     | Initial Written Assessment       |
| PAB     | Performance Assurance Board      |
| ISG     | Imbalance Settlement Group       |
| SVG     | Supplier Volume Allocation Group |
| TDC     | Trading Disputes Committee       |

### External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

| External Links |  |   |
|----------------|--|---|
| Page(s)        | Description  | URL   |
| 3              | BSC Section C 'BSCCo and its Subsidiaries'   | <a href="https://www.elexon.co.uk/the-bsc/bsc-section-c-bscco-subsidiaries/">https://www.elexon.co.uk/the-bsc/bsc-section-c-bscco-subsidiaries/</a> |
| 3              | BSC Panel Page   | <a href="https://www.elexon.co.uk/group/the-panel/">https://www.elexon.co.uk/group/the-panel/</a>   |
| 3              | ELEXON News and Events Page  | <a href="https://www.elexon.co.uk/news-events/">https://www.elexon.co.uk/news-events/</a>   |
| 3              | ELEXON Circular: Give Customers BSC operational information  | <a href="https://www.elexon.co.uk/news-events/elexon-circulars/">https://www.elexon.co.uk/news-events/elexon-circulars/</a>                         |
| 3              | About the Industry   | <a href="https://www.elexon.co.uk/about/">https://www.elexon.co.uk/about/</a>   |
| 3              | Newscasts: weekly digest of key information on BSC related industry activities   | <a href="https://www.elexon.co.uk/news-events/newscasts/">https://www.elexon.co.uk/news-events/newscasts/</a>                                       |
| 3              | Industry Insights: ELEXON produced articles capturing the significant events or changes within the electricity industry. | <a href="https://www.elexon.co.uk/about/elexon-insights/">https://www.elexon.co.uk/about/elexon-insights/</a>                                       |
| 3              | ELEXON monitors and responds to industry-wide consultations  | <a href="https://www.elexon.co.uk/about/consultations/industry-insights/">https://www.elexon.co.uk/about/consultations/industry-insights/</a>       |

287/05

Initial Written Assessment

7 February 2019

Version 1.0

Page 11 of 12

© ELEXON Limited 2019

| External Links |                                    |   |
|----------------|------------------------------------|---|
| Page(s)        | Description                        | URL   |
| 3              | About ELEXON's Committees & Groups | <a href="https://www.elexon.co.uk/about/elexon-insights/">https://www.elexon.co.uk/about/elexon-insights/</a>   |
| 3              | About the BSC change process       | <a href="https://www.elexon.co.uk/change/">https://www.elexon.co.uk/change/</a>   |
| 4              | ELEXON governance and finances     | <a href="https://www.elexon.co.uk/about/who-we-are/elexon-governance-financial-reports/">https://www.elexon.co.uk/about/who-we-are/elexon-governance-financial-reports/</a> |

287/05

---

Initial Written Assessment

---

7 February 2019

---

Version 1.0

---

Page 12 of 12

---

© ELEXON Limited 2019