

BSC Modification Proposal Form		At what stage is this document in the process?
P381 Removal of Quarterly Reports		01 Modification 02 Workgroup Report 03 Draft Modification Report 04 Final Modification Report
Purpose of Modification: 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.		
	The Proposer recommends that this Modification should: • be raised by the Panel in accordance with the provisions of Section F2.1.1(d)(i); • be treated as a Self-Governance Modification Proposal; and • be sent directly into the Report Phase This Modification will be presented by the Proposer to the BSC Panel on 14 February 2019. The Panel will consider the Proposer's recommendation and determine how best to progress the Modification.	
	Low Impact: ELEXON as the Balancing and Settlement Code Company (BSCCo)	

Contents		 Any questions?
1 Summary	3	Contact: <i>Faysal Mahad</i>
2 Governance	3	 <i>faysal.mahad@elexon.co.uk</i>
3 Why Change?	5	 020 7380 4375
4 Code Specific Matters	6	Proposer: <i>BSC Panel</i>
5 Solution	6	
6 Impacts & Other Considerations	6	
7 Relevant Objectives	8	Proposer's representative: Claire Kerr
8 Implementation Approach	9	 <i>Claire.Kerr@elexon.co.uk</i>
9 Legal Text	9	 020 7380 4293
10 Recommendations	9	
Timetable		
The Proposer recommends the following timetable:		
IWA presented to Panel	14 February 2019	
Report Phase Consultation	18 February 2019 – 1 March 2019	
Draft Modification Report presented to Panel	14 March 2019	
Self-Governance appeal window	14 March 2019 - 3 April 2019	
Final Modification Report published	18 March 2019	
Implementation Date	27 June 2019 (June 2019 BSC Release)	

1 Summary

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 are not read by BSC Parties or interested third parties, and offer little value because the information presented in the quarterly reports is available to interested parties in other more timely reports. Therefore, the obligation for BSCCo to publish quarterly reports is duplicating information already available to industry; resulting in inefficient use of ELEXON resources and out-dated information being presented to industry.

What is the 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 to give effect to this Modification Proposal can be found in Attachment A to this Proposal Form.

2 Governance

Justification for proposed progression

Self-Governance

We propose to recommend to the Panel that this Modification should be progressed as a Self-Governance Modification as the proposed solution will not have a material effect on the following criteria:

- (i) existing or future electricity consumers;
- (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity;
- (iii) the operation of the national electricity transmission system;
- (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.

Progression Route

We recommend to the Panel that this Modification Proposal proceeds directly to the Report Phase. The rationale for this approach is that the solution has already been defined (to remove the obligation in BSC Section C3.9.1 for BSCCo to be required to produce quarterly reports), 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.

Requested Next Steps

Given that BSC Section F2.2.4 allows the Panel to precede Modifications of a minor or inconsequential nature directly to the Report Phase, the proposer believes this Modification falls into this category and is therefore suitable to be submitted directly to the Report Phase.

3 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?

The quarterly reports have not been viewed on the website for the past 15 months. It is therefore inefficient to separately produce a quarterly report when the information in the quarterly reports is readily available on the BSC Website and updated on a regular basis. Further, information contained within the quarterly report can sometimes be out-of-date by the time the report is published (due to the more timely availability of information elsewhere on the website) 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.

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

1. 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.

2. 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.

3. 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.

4. 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.

4 Code Specific Matters

Technical Skillsets

This Modification is proposed to be progressed directly to the Report Phase, and therefore should not require the formation of a Workgroup under the Assessment Procedure.

Reference Documents

[BSC Section C 'BSCCo and its Subsidiaries'](#)

5 Solution

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, to give effect to this Modification Proposal, can be found in Attachment A.

ELEXON does not currently publish information relating to the Annual Budget anywhere else on the website on a quarterly basis. Therefore, for transparency purposes, 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.

6 Impacts & Other Considerations

Impacts

The proposed change will only impact ELEXON as the BSCCo, who will no longer be required to produce a quarterly report, creating efficiency gains.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

There are no expected impacts on SCRs or other industry change from this Modification. At the time of writing the following SCRs were in the SCR Phase:

- [Targeted Charging Review](#);
- [Electricity Balancing Review](#); and
- [Switching Review](#).

Consumer Impacts

Day to day operation of balancing and settlement will be unaffected so there will be no impacts on consumers.

Environmental Impacts

Day to day operation of balancing and settlement will be unaffected and so there will be no impact on the environment.

7 Relevant 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	Neutral
(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

Applicable BSC Objective (d)

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;
- 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. As the quarterly report can sometimes be out-of-date by the time it is published, it is not consistent with the aforementioned effort by BSCCo of promoting efficiency of the balancing and settlement arrangements.

8 Implementation Approach

If the Panel agrees to raise this Modification, we recommend that it's progressed straight to Report Phase, and be issued for a 10 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 at its meeting on 11 April 2019, under the Self-governance process it will be subject to a 15 Working Day appeal window, which will close on Thursday 4 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 scheduled June 2019 BSC Release.

9 Legal Text

Text Commentary

The legal text required to give effect to this Modification Proposal can be found in Attachment A to this Proposal Form.

10 Recommendations

Proposer's Recommendation to the BSC Panel

The BSC Panel is invited to:

- **RAISE** this proposal in accordance with Section F2.1.1(d)(i);
- **AGREE** that this proposal be sent directly into 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 release)
- **AGREE** the draft legal text; and
- **AGREE** that this proposal be progressed as a Self-Governance Modification Proposal;