

'Allowing email communications for the BSC Panel Elections process'

This Modification Proposal aims to amend the Balancing and Settlement Code (BSC) Panel Elections process to allow communications between parties via email as well as other methods to be approved by the BSC Panel on a case-by-case basis.



ELEXON recommends the Panel to raise the attached Modification Proposal in accordance with the provisions of Section F 2.1.1(d)(i)



ELEXON recommends that this proposed Modification is progressed directly to the Report Phase with an initial recommendation to approve

This Modification is expected to impact:

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

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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 9 May 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.
- Attachment A contains the Proposal Form for the proposed Modification.
- Attachment B contains the draft redlined changes to the BSC for this proposed Modification.



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1 Why Change?

Background

The BSC Panel plays an important role in helping to ensure that the provisions of the BSC are given effect. It must do so promptly, fairly, economically, efficiently, transparently and in such a manner as will promote effective competition in the generation, supply, sale and purchase of electricity. It assesses Modification Proposals against a defined set of criteria laid out in the Transmission Licence held by National Grid Electricity System Operator (NGESO), determines trading parameters and ensures that BSC Parties comply with the BSC rules.

The BSC Panel consists of:

- A Panel Chairman appointed by the Authority (Ofgem);
- Up to five persons (Industry Panel Members) appointed by BSC Trading Parties via an election;
- Up to two Panel Members appointed by the Citizens Advice / Citizens Advice Scotland;
- A Panel Member appointed by the National Electricity Transmission System Operator (NETSO);
- Two independent Panel Members appointed by the Panel Chairman; and
- A further Industry Panel Member (if necessary) appointed by the Panel Chairman.

With the exception of the Panel Chairman, Panel Members are appointed for a period of two years (the current Panel Members are serving a term from 1 October 2018 to 30 September 2020). It is the responsibility of ELEXON as the BSCCo to administer the election and appointment of members to the BSC Panel as stated in [BSC Section B 'The Panel'](#) Annex B-2.

The BSC Panel Election Process takes place between June and September every two years. Each BSC Trading Party / trading party group on 20 June of the year of the election may nominate one candidate to stand for election as a BSC Panel Member. Each voting Party may also submit a voting paper for each Energy Account (e.g. Production Energy Account or Consumption Energy Account) that it holds.

On 20 June in the year of the election, Trading Parties are to inform the ELEXON Election Coordinator by post or fax if any of their contacts, trading party group configurations or lead Trading Parties are incorrect for the purpose of voting. ELEXON as the BSCCo will then use this information to update the [Voting Share Register](#), the list that details those who are entitled to vote.

ELEXON will then write to all eligible parties on the Voting Share Register via post or fax to seek nominations. Each voting Trading Party will cast up to three preference votes on each voting paper that they will subsequently send back to ELEXON via post or fax. ELEXON will then circulate via post / fax the list of candidates, their biographies and a set of voting papers to both individual Trading Parties and the lead Trading Party of each trading party group. Respondents may then submit their hard-copy votes in person or via post / fax with the Election Results being announced in September.

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What is the issue?

The most pressing issue is the time-consuming nature of the Panel Elections process which requires numerous Working Days of effort for both voting Parties and ELEXON to complete and manage effectively. The effort and time ELEXON and Trading Parties spend using post / fax is not resource efficient which could be mitigated by the use of email. The current process of requiring communication via fax or post for the panel election process could be acting as a potential barrier for participation and is unnecessary in today's age where electronic communication is well established and trusted.

As both Trading Parties and ELEXON are obligated by the BSC to send papers and notices via post or fax, a very large amount of paper is used and unnecessary delays are caused throughout each stage of the Panel Elections process. This was seen last year where postage cost of around 800 letters was approximately £560 for both the nomination and voting stages. The paper cost on top of this was around £181.



What are the Applicable BSC Objectives?

- (a) The efficient discharge by the NGESO 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

Proposed solution

This Modification proposes to allow the provisions relating to email in BSC Section H 9.2 to apply to the BSC Panel Elections process. This would allow all notices and papers sent during the BSC Panel Election process to be sent via email, as well as via the standard options of post or fax. A designated email address for Panel Elections already exists but all eligible Trading Parties would need to be made aware of this new email option.

Enabling email communications will benefit all Trading Parties involved in the BSC Panel Elections process due to its more efficient and cost-effective nature than bulk-posting of election materials. ELEXON will also benefit from the implementation of this Modification as the speed of communications and the receipt of nominations and votes will greatly increase. Voting Trading Parties will benefit from being able to more easily participate in the voting process (if they are not constrained to communicating with ELEXON by post or fax).

Electronic copies of all communications would automatically be saved on the ELEXON system, making the vote counting process more efficient and streamlined. This would greatly reduce the number of Working Days of effort required from ELEXON to administer the Panel Elections process.

We have also stated in the draft legal text that the BSC Panel may, at its discretion, approve the use of other forms of communication to allow for future innovation, which could further streamline the BSC Panel Elections process. At the time of writing, ELEXON's intention is to use email and there are no other plans for alternative electronic methods to be used.

Applicable BSC Objectives

The Proposer believes that this Modification Proposal will better facilitate Applicable BSC Objective (d) as greater cost and time-efficiency will be achieved for both Trading Parties and ELEXON.

Implementation approach

It is recommended that this proposed Modification is implemented on **7 November 2019** as part of the scheduled [November 2019 BSC Release](#).

This ensures that this Modification is implemented in good time before the next BSC Panel Election period which will take place from 20 June 2020 to mid-September 2020. It will also ensure that both ELEXON and all parties involved in the Panel Elections process are made aware and prepared in plenty of time for the changes that this Modification entails.

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Proposed progression and justification

This proposed Modification will remove the current constraint to post and fax on the Panel election communications methods. Due to the straightforward nature of this proposal and as the proposed solution is self-evident, we believe that this Modification should be sent directly into the Report Phase. Any assessment by a Workgroup during the Assessment Phase would provide no further benefit in this case. The proposed solution is already fully developed and the proposed changes to the BSC can be found in Attachment B.

Next steps

This Modification should:

- be sent directly into the Report Phase for a 15 Working Day industry consultation over the period 13 May 2019 to 3 June 2019.

Workgroup membership

As it is proposed that this Modification proceeds directly to the Report Phase, a Workgroup will not be convened to develop the solution. However, if the BSC Panel wishes to convene a Workgroup to assess the solution to this proposed Modification, the following Workgroup expertise shall be required:

- Knowledge of the BSC Panel Elections process

Self-Governance

We believe this proposed Modification should progress under Self-Governance arrangements as the solution does not materially impact the Self-Governance Criteria. It will provide efficiencies in the communication methods used for the Panel election process and is of a minor nature.

Timetable

We recommend that this proposed Modification is progressed directly to the Report Phase as a Self-Governance Modification, following the proposed timetable outlined below:

Proposed Progression Timetable for Modification	
Event	Date
Present Initial Written Assessment to Panel	9 May 2019
Report Phase Consultation (15 Working Days)	13 May 2019 – 3 June 2019
Present Draft Modification Report to Panel	13 June 2019
Final Modification Report published	17 June 2019
Self-Governance Appeal Window (15 Working Days)	13 June 2019 – 3 July 2019



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.

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4 Likely Impacts and Costs

We will be required to implement the new legal text, but there will not be any impact on BSC Central Systems. As one document requires updating to deliver the solution to this Modification Proposal, the central implementation costs will be around £360, 1.5 ELEXON Working Days of effort.

Impact on BSC Parties and Party Agents

Party/Party Agent	Potential Impact
Trading Parties	Trading Parties will need to be made aware of the new email communication method available to them during the Panel Elections process. If approved this proposal will enable Parties to communicate for the Panel Election process via email, including voting.

Impact on the National Electricity Transmission System Operator (NETSO)

No impact identified.

Impact on BSCCo

Area of ELEXON	Potential Impact
Committee Support	ELEXON will need to communicate to eligible Trading Parties the details of the Panel Elections designated mailbox which should be continuously monitored for new votes and nomination papers. The Panel Elections Local Working Instructions (LWI) will also need updating.

Impact on BSC Systems and processes

BSC System/Process	Potential Impact
BSC Panel Elections Process	Nomination / voting papers and all communications relating the BSC Panel Elections Process will be sent and received by ELEXON and Trading Parties via email.

Impact on Code

Code Section	Potential Impact
BSC Section H	Section H 9.2.5 shall be amended to allow BSC Panel Election notices, nomination and voting papers to be transmitted via email as well as other communication methods if approved by the BSC Panel.

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

We don't believe that this proposed Modification impacts any ongoing SCR. We requested SCR exemption from the Authority on 1 May 2019.

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Impact on the Environment

This proposed Modification will positively impact the environment by reducing the amount of paper involved in the Panel Elections process.

Other Impacts

Item impacted	Potential Impact
BSC Panel Elections 2020 Guidance Note	The Panel Elections Guidance Note is written with respect to the Elections process that it details (e.g. the previous Guidance Note was written for the 2018 Panel Elections process). When the Guidance Note is written for the 2020 Panel Elections process, it will need to include the changes detailed in this Modification Proposal if approved by the BSC Panel. This will need to be included in all future versions of the BSC Panel Elections Guidance Note.

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5 Recommendations

We invite the Panel to:

- **RAISE** the proposed 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:
 - 7 November 2019 (November 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 Report Phase Consultation, 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 13 June 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	Balancing and Settlement Code Company
IWA	Initial Written Assessment
LWI	Local Working Instructions
NETSO	National Electricity Transmission System Operator
NGESO	National Grid Electricity System Operator
SCR	Significant Code Review

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
2	BSC Section F 'Modification Procedures'	https://www.elexon.co.uk/the-bsc/bsc-section-f-modification-procedures/
3	BSC Section B 'The Panel'	https://www.elexon.co.uk/the-bsc/bsc-section-b-the-panel/
3	Voting Share Register	https://www.elexon.co.uk/about/who-we-are/
5	November 2019 BSC Release	https://www.elexon.co.uk/release/november-2019-bsc-release/