

**Phase**

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

## 'BSC Panel Modification Business via Video/Teleconference'

Allow the BSC Panel to make decisions on Modifications Business via tele/video conference.



ELEXON recommends that the Panel raise this Modification in line with F2.1.1(d)(i)



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

This Modification is expected to impact:

- The BSC Panel; and
- BSCCo.

299/04

Initial Written Assessment  
BSC Panel Modification  
Business via  
Video/Teleconference

13 February 2020

Version 1.0

Page 1 of 10

© ELEXON Limited 2020

## Contents

<b>1</b>	<b>Summary</b>	<b>3</b>
<b>2</b>	<b>Why Change?</b>	<b>4</b>
<b>3</b>	<b>Solution</b>	<b>5</b>
<b>4</b>	<b>Proposed Progression</b>	<b>7</b>
<b>5</b>	<b>Likely Impacts</b>	<b>8</b>
<b>6</b>	<b>Recommendations</b>	<b>9</b>
	<b>Appendix 1: Glossary &amp; References</b>	<b>10</b>



---

### Contact

**Jason Jackson**

020 7380 4187

[bsc.change@elexon.co.uk](mailto:bsc.change@elexon.co.uk)

[jason.jackson@elexon.co.uk](mailto:jason.jackson@elexon.co.uk)



## About This Document

This document is an Initial Written Assessment (IWA), which ELEXON will present to the Panel on 13 February 2020. The Panel will consider the recommendations and agree whether to raise this Modification and, if so, how to progress it.

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 associated Proposal Form.
- Attachment B contains the draft proposed legal text.

299/04

Initial Written Assessment  
BSC Panel Modification  
Business via  
Video/Teleconference  
13 February 2020

Version 1.0

Page 2 of 10

© ELEXON Limited 2020

# 1 Summary

## What is the issue?

Currently, paragraph 4.4.7 of BSC Section B explicitly prevents the Panel from conducting Modification Business by tele/video conference except in the case of Urgent Modification Proposals. This is overly restrictive and could, in the event that a quorum of Panel Members or their Alternates cannot physically attend a Panel meeting, could delay or halt the progression of BSC Change.

## What is the proposed solution?

Amend BSC Section B4.4 in order to allow the BSC Panel to make decisions on Modifications Business via tele/video conference. A clear expectation should be set that wherever practicable BSC Panel Members will still be expected to physically attend Panel meetings.

## Impacts and Costs

Impacts will be minimal and limited to the BSC Panel and ELEXON in its role as the BSCCo.

Costs - 2 day FTE, equating to approximately £480

## Implementation

It is proposed to implement this Proposal on 25 June 2020, as part of the June 2020 Scheduled BSC Release. This is the next available Release.

## Recommendation

ELEXON recommends under Section F2.1.1(d)(i), that this Modification is **raised by the Panel** and progressed **directly to the Report Phase** as a **Self-Governance** modification Proposal. ELEXON believe this Modification better facilitates Applicable BSC Objective (d) – “Promoting efficiency in the implementation of the balancing and settlement arrangements”.

## 2 Why Change?

### **Making Determinations over Mods Business**

Historically BSC Panel meetings were widely attended in person by industry members and stakeholders. It was believed that in order to ensure that ELEXON's Change processes are operated in an open and transparent manner, determinations on Modification business should be made in person by Panel Members.

As time has moved on technology has greatly improved and with mounting pressures on industry members', including Panel Members, time conducting meetings by video/teleconference has become a more widely accepted practice. It is ELEXON's view that the transparency and openness of BSC Panel meetings can be maintained irrespective of meetings being conducted in person rather than by video/teleconference provided that any interested party or industry stakeholder is able to attend meetings of the BSC Panel remotely. This is supported by the significant improvement in technology since the current arrangements were put in place.

### **The Value of Conducting Meetings in Person**

The value of conducting BSC Panel meetings in person has been noted by the BSC Panel and the expectation will be set that this remains the norm.

### **What is the issue?**

Currently, paragraph 4.4.7 of BSC Section B explicitly prevents the Panel from conducting Modification Business by tele/video conference except in the case of Urgent Modification Proposals. This is in line with historic practices and was originally considered as a measure to ensure that transparency and openness of BSC Panel discussions. This is however overly restrictive and is not necessary to ensure that BSC Panel meetings and the decision making process over BSC Change remain open and transparent. This restrictiveness could also, in the event that a quorum of Panel Members or their Alternates cannot physically attend a Panel meeting, could have a negative impact on the progression of BSC Change, as you will lose the continuity of having Panel Members having heard previous meetings discussions.

### 3 Solution

#### Proposed solution

Amend BSC Section B4.4 in order to allow the BSC Panel to make decisions on Modifications Business via tele/video conference, while setting clear expectations that wherever practicable BSC Panel Members will still be expected to physically attend Panel meetings.

By being more flexible about how Panel Members engage with Modification Business, BSC Changes will be more likely to benefit from the consideration of a greater number of Panel Members with relevant experience.

Enabling the BSC Panel to pass determinations on Modifications Business via video/teleconference will also mitigate against the existing, more restrictive arrangements potentially impacting on the progression of BSC Change.

Allowing Panel Members to attend Panel Meetings by video/teleconference could also better facilitate the engagement and participation of smaller, time poor market participants and those based farther afield.

#### Applicable BSC 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	<b>Positive</b>
(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 administering 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

ELEXON believes that the changes to enable the BSC Panel to pass determinations on Modifications Business via video/teleconference will better facilitate the achievement of BSC Objective (d) by mitigating against the existing more restrictive arrangements potentially impacting on the progression of BSC Change.

ELEXON believes that this change will also potentially facilitate the involvement of a wider range of BSC Parties in BSC Panel business, thereby better aligning to the BSC Panel

299/04

Initial Written Assessment  
BSC Panel Modification  
Business via  
Video/Teleconference

13 February 2020

Version 1.0

Page 5 of 10

© ELEXON Limited 2020

Objectives, particularly Objective (c) “that the Code is given effect without undue discrimination between Parties or classes of Party”.

## Implementation approach

It is recommended that this Modification is progressed under **Self-Governance**. While this Modification would change the Code’s governance arrangements it is ELEXON’s view that the change is not material. This is on the basis that the governance around the BSC Panel’s actual decision making processes will remain unchanged; and that conducting meetings by teleconference is now common practice in modern business. On these grounds ELEXON believes that there is strong justification for progressing these changes under **Self-Governance**.

Amendments to the Code and the required amendments to ELEXON’s working practices in respect of BSC Panel attendance will be made from the date of the release this change is included in. It is recommended that this proposed Modification is **implemented on 25 June 2020**, within the June 2020 Scheduled Release, if approved.



### 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.

299/04

-

BSC Panel Modification  
Business via  
Video/Teleconference  
13 February 2020

Version 1.0

Page 6 of 10

© ELEXON Limited 2020

## 4 Proposed Progression

### Next steps

ELEXON proposes that this Modification is progressed **directly to Report Phase** under Self-Governance. The basis for submitting this proposal straight to the Report Phase are that the changes to the BSC are clear, self-evident and the solution has been fully developed. The changes being introduced are relatively minor and would not warrant taking up industry time through the undertaking of an Assessment Procedure.

The Modification will be consulted on with the Industry and the Draft Modification Report will be presented to the BSC Panel at its March 2020 meeting.

### Timetable

Proposed Progression Timetable for this Modification	
Event	Date
Present Initial Written Assessment to Panel	13 Feb 20
Report Phase Consultation (10 WDs)	18 Feb 20 – 2 Mar 20
Present Draft Modification Report to Panel	12 Mar 20
Issue Final Modification Report to Authority	16 Mar 20

## 5 Likely Impacts and Costs

### Estimated central implementation costs

ELEXON's costs to implement this Modification will be approximately £480. This is primarily driven by the need to implement the changes to the BSC and ELEXON's internal processes:

- 1 Working Days effort to amend internal processes and documents: and
- 1 Working Days to implement document changes to the BSC and Code Subsidiary Documents.

We do not anticipate any additional effort to operate Panel meetings via remotely as this is already a service we offer and use.

#### Impact on BSC Parties and Party Agents

Party/Party Agent	No Impact
-------------------	-----------

#### Impact on Transmission Company

No Impact

#### Impact on BSCCo

ELEXON - Panel & Committee Support	Minor amendments to working practices as part of implementation.
------------------------------------	--

#### Impact on Code

Section B	Amendments required to B4.3.1, B4.4.7 and B4.5.2
-----------	--

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

No direct impact expected. We requested SCR exempt this proposal from any of its open SCRs on DATE.

#### Impact on Consumers

No direct impact – if approved, this Proposal will reduce the risk that Modifications are delayed and facilitate continuity of discussions between meetings, which will have an indirect benefit for consumers.

#### Impact on the Environment

No material impact expected.

299/04

Initial Written Assessment  
BSC Panel Modification  
Business via  
Video/Teleconference  
13 February 2020

Version 1.0

Page 8 of 10

© ELEXON Limited 2020



## 6 Recommendations

We invite the Panel to:

- **RAISE** this Modification Proposal in accordance with Section F2.1.1(d)(i);
- **AGREE** that this Modification progresses directly to the Report Phase;
- **AGREE** that this Modification:
  - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** an initial recommendation that this Modification should be **approved**;
- **AGREE** an initial Implementation Date of:
  - 25 June 2020
- **AGREE** the draft legal text;
- **AGREE** an initial view that this Modification should be treated as a Self-Governance Modification; and
- **NOTE** that ELEXON will issue the draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 12 March 2020.

## Appendix 1: Glossary & References

### Acronyms

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

Acronym	
BSC	Balancing & Settlement Code
IWA	Initial Written Assessment

299/04

-

BSC Panel Modification  
Business via  
Video/Teleconference  
13 February 2020

Version 1.0

Page 10 of 10

© ELEXON Limited 2020