

## P400 'BSC Panel Modification Business via Video/ Teleconference'

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



The BSC Panel initially recommends **approval** of P400

This Modification is expected to impact:

- The BSC Panel
- ELEXON as the BSCCo

### Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

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## Contact

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**Jason Jackson**

020 7380 4187

jason.jackson@elexon.co.uk

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## About This Document

This is the P400 Draft Modification Report, which ELEXON will present to the Panel at its meeting on 12 March 2020. It includes the responses received to the Report Phase Consultation on the Panel's initial recommendations. The Panel will consider all responses, and will agree a final recommendation on whether the change should be made.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach.
- Attachment A contains the draft redlined changes to the BSC for P400.
- Attachment B contains the full responses received to the Panel's Report Phase Consultation.

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## Why Change?

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.

## 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 & Costs

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

The costs to implement P400 are expected to be £480 (2 days effort) to amend the BSC and update internal ELEXON documents.

## 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

The **majority of the Panel initially believe** that P400 better facilitates Applicable BSC Objective d – ‘promoting efficiency in the implementation of the balancing and settlement arrangement’, and **should therefore be approved**. The Panel has sent P400 directly to the Report Phase and initially believe it should be treated as a Self-Governance Modification Proposal (Panel decision, rather than Ofgem).

### **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.

### 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.

## 4 Impacts & Costs

ELEXON does not anticipate any impact of this Modification beyond the BSC Panel or ELEXON in its role as the BSCCo.

### Estimated central implementation costs of P400

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 remotely as this is already a service we offer and use.

### Indicative industry costs of P400

ELEXON does not anticipate any additional cost to industry.

### P400 impacts

#### Impact on BSC Parties and Party Agents

Party/Party Agent	No Impact
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#### Impact on Transmission Company

No Impact
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#### Impact on BSCCo

ELEXON - Panel & Committee Support	Minor amendments to working practices as part of implementation.
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#### Impact on BSC Settlement Risks

No Impact
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#### Impact on BSC Systems and process

BSC System/Process	No Impact
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#### Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	No Impact
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#### Impact on Code

Section B	Amendments required to B4.3.1, B4.4.7 and B4.5.2
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#### Impact on Code Subsidiary Documents

CSDs	No Impact
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#### 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 6 March 2020. Ofgem confirmed the exemption on 12 March 2020.

#### 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.

## 5 Implementation

The BSC Panel initially agreed an Implementation Date of **25 June 2020**, as part of the scheduled BSC Release. This is the next available Release.

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.

P400 Progression Timetable	
Event	Date
Presented Initial Written Assessment to Panel	13 Feb 20
Report Phase Consultation (14 WDs) Undertaken	18 Feb 20 – 6 Mar 20
Present Draft Modification Report to Panel (late paper)	12 Mar 20
Issue Final Modification Report to Authority	16 Mar 20





The request to raise this Modification was presented to the BSC Panel at its meeting on 13 February 2020 ([Panel 299/04](#)). The Panel agreed to raise this Modification in accordance with Section F2.1.1(d)(i). The Panel initially agreed by majority with the recommendations set out in Section 7 of this paper.

The Panel agreed to submit P400 straight to the Report Phase as the proposed 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.

### Panel discussion on the pros and cons of the proposal

A Panel Member expressed their concerns over losing the value inherent in holding face to face meeting of the BSC Panel. The Panel Member noted that excellent video conferencing facilities existed, which could provide an adequate substitute but could be very expensive. The Member had concerns that this Modification could erode the good levels of debate and interaction that the Panel has. He also believed the circumstances where the Panel would need to meet remotely should be exceptional (e.g. travel disruption), whereas this proposal made no such distinction.

The Panel Member noted that they had confidence that the current BSC Panel Chair, who decides whether to allow Panel Members to dial in, and the current composition of BSC Panel Members would endeavour to attend meetings in person and preserve the value of face to face discussions and ensure the robustness of BSC Panel decision making; however this solution would be enduring and so would need to be carefully considered.

The Panel agreed that meetings held face to face are more effective and are the preferred method of conducting Modification business.

A Panel Member suggested that good quality video conferencing had become more affordable and effective in their experience. A Panel Member suggested that implementing P400 could help to ensure that the BSC Panel was a more inclusive forum. The Panel Member noted that it would not be possible to know which market participants were being excluded without implementing such a Modification.

The National Grid Electricity System Operator (NGESO) Panel Member noted that a similar arrangement was already in place for the Connection and Use of System (CUSC) Panel and that it worked effectively.

The BSC Panel further discussed the value of face to face meetings with respect to robust decision making versus the benefits of enabling Panel Members to attend BSC Panel meetings remotely.

A Panel Member noted that travel for business was not sustainable to meet net zero and that the BSC Panel should be moving with the times.

The BSC Panel agreed that the benefits outweighed the dis-benefits of P400 and that it should be progressed. However it was agreed that clear expectations should be set out in a formal set of guidelines indicating that BSC Panel Members should wherever practicable attend BSC Panel Meetings in person.

### 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

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## Panel initial views against the Applicable BSC Objectives

The majority of the Panel agreed with ELEXON 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.

P400 will also potentially facilitate the involvement of a wider range of BSC Parties in BSC Panel business, thereby better aligning to the BSC Panel Objectives, particularly Objective (c) "that the Code is given effect without undue discrimination between Parties or classes of Party".

## Panel initial views on Self-Governance

The Panel initially believe P400 should be progressed as a Self-Governance Modification Proposal and not sent to Ofgem for decision. While this Modification would change the Code's governance arrangements it is not a material change. 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.

## 7 Report Phase Consultation Responses

This section summarises the two responses to the Panel's Report Phase Consultation on its initial recommendations. You can find the full responses in Attachment B.

Summary of P400 Report Phase Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Panel's initial recommendation that P400 should be approved?	2	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P400?	2	0	0	0
Do you agree with the Panel's recommended Implementation Date?	2	0	0	0
Do you agree with the Panel's initial view that P400 should be treated as a Self-Governance Modification?	2	0	0	0
Do you have any further comments on P400?	0	2	0	0

### Concerns over Confidentiality

One of the two respondents, while supportive of the Modification had concerns over how ELEXON would ensure that the confidentiality of the closed session of BSC Panel meetings is maintained. ELEXON contacted the respondent to assure them that ELEXON would be updating its internal processes following this change to ensure that two separate teleconferences are created for each BSC Panel meeting and that the confidential teleconference details would only be shared with the appropriate parties. Thereby ensuring that only authorized persons are able to dial into the closed session of the BSC Panel. ELEXON's video/teleconference facilities also provide information with respect to the number of callers dialled in at a given time.

### Implementation Date

The other of the two respondents, while also supportive of the Modification felt that it should be possible to implement the change ahead of the June 2020 BSC release given the limited material impacts of the change.

In consideration of this response, we have reviewed the upcoming delivery of changes. The earliest we would recommend implementing P400 is 15 Working Days after the end of the Self-Governance window, on 1 April 2020. This is to allow time to implement approved changes by 21 April 2020. It would be more efficient to implement P400 in the June 2020 Release, but implementing sooner will bring the P400 benefits forward, which may become important in light of current Coronavirus (COVID-19) concerns.

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## 8 Recommendations

We invite the Panel to:

- **AGREE** that P400:
  - **DOES** better facilitate Applicable BSC Objective (d);
- **DETERMINE** (in the absence of any Authority direction) that P400 is a Self-Governance Modification Proposal;
- **APPROVE** P400;
- **APPROVE** an Implementation Date of:
  - 25 June 2020
- **APPROVE** the draft legal text; and
- **APPROVE** the P400 Modification Report.

## Appendix 1: Glossary & References

### Acronyms

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

Acronyms	
BSC	Balancing & Settlement Code
BSCCo	Balancing & Settlement Code Company
CUSC	Connection and Use of System Code
NGESO	National Grid Electricity System Operator
SCR	Significant Code Review
URL	Uniform Resource Locator
WDs	Working Days

External Links		
Page(s)	Description	URL
9	<a href="#">P400 IWA Panel 299/04</a>	<a href="https://www.elexon.co.uk/meeting/bsc-panel-299/">https://www.elexon.co.uk/meeting/bsc-panel-299/</a>