

# Assessment Procedure Consultation Responses

## P390 'Allowing extensions to ELEXON's business and activities, subject to additional conditions'



### Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

This Assessment Procedure Consultation was issued on 10 February 2020, with responses invited by 2 March 2020.

### Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
Smartest Energy	1/0	Supplier
E.ON Energy Solutions Ltd	1/1	Supplier, Supplier Agent
National Grid ESO	1/0	System Operator
Npower group	1/1	Supplier, Supplier Agent
Association for Decentralised Energy	0/1	Trade Body (150 members, including aggregators and suppliers)
TMA Data Management Ltd	0/1	Supplier Agent (HHDC, HHDA, NHHDC and NHHDA)

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Question 1: Do you agree with the Workgroup that the P390 solution should not include a dedicated Panel approval mechanism for expansions to ELEXON's role?

## Summary

Yes	No	Neutral/No Comment	Other
6	0	0	0

## Responses

Respondent	Response	Rationale
Smartest Energy	Yes	The proposed solution provides sufficient opportunity for feedback that a dedicated Panel approval mechanism is not necessary.
E.ON	Yes	The Panel having the opportunity to respond to the consultation eliminates the requirement for them to need to have an approval mechanism.
National Grid ESO	Yes	As per the Workgroup discussion, NG ESO's preference is for Panel to have the power to veto tender bids. However, given there was no appetite within the Workgroup for an alternate of this nature we are comfortable with the proposed P390 solution which incorporates a 10 Working Day consultation, open to all interested parties and the BSC Panel. Should other Industry participant responses indicate a similar preference for Panel to have a stronger role in the process, then it may be worth revisiting a dedicated Panel approval mechanism as part of the solution.
Npower	Yes	However a controlled approval mechanism would still be required.
Association for Decentralised Energy	Yes	The consultation, along with other elements of the solution, provides sufficient opportunity for feedback that a dedicated Panel approval mechanism is unnecessary.  The proposed approach also offers an opportunity for a wider cross-section of industry to provide their views.
TMA Data Management Ltd	Yes	We agree with the workgroup only because the Authority has the final say.

Question 2: Do you agree with the Workgroup's initial unanimous view that P390 does better facilitate the Applicable BSC Objectives than the current baseline?

## Summary

Yes	No	Neutral/No Comment	Other
5	1	0	0

## Responses

Respondent	Response	Rationale
Smartest Energy	Yes	P390 better facilitates Objectives (c) and (d) than the baseline
E.ON	Yes	None provided
National Grid ESO	Yes	We consider that P390 better facilitates Objective (d) since it delivers process and time efficiencies compared with the current practice of using the Modification Change process to seek approval to tender for additional business activities.
Npower	Yes	Yes, we agree that P390 better facilitates Objectives C and D as referenced in the consultation document.
Association for Decentralised Energy	Yes	P390 better facilitates Objectives (c) and (d) than the baseline.
TMA Data Management Ltd	No	P390 has no impact on Applicable BSC Objectives,

### Question 3: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P390?

#### Summary

Yes	No	Neutral/No Comment	Other
5	1	0	0

#### Responses

Respondent	Response	Rationale
Smartest Energy	Yes	The draft legal text would appear to deliver the intention of P390
E.ON	Yes	None provided
National Grid ESO	Yes	We agree that the draft legal text delivers the intention of P390 and is consistent with the associated Business Requirements and solution development.
Npower	Yes	None provided
Association for Decentralised Energy	Yes	The draft legal text appears to deliver the intention on P390.
TMA Data Management Ltd	No	<p>We agree that the draft legal text delivers the intention of P390, however, we would like an extension of the principle that "ELEXON's BSC role should not give it any undue competitive advantage in a contestable activity" as discussed in more details in our response to question 9.</p> <p>We also want a reduction of the amount Elexon is allowed to use per bid as well as a justification of the £100K cap as a standard amount spent on a bid.</p> <p>The term "budget" needs to be clarified. Is it 1% of the overall Elexon budget or the Operational budget only? 1% of the overall budget for 2020 is £530 000 and 1% of the operational budget is £199 000. Both of which provide a significant amount of money for Elexon to pursue diversification at the cost of BSC Parties if the bid is unsuccessful, which is in itself a very significant and unfair advantage on commercial set ups.</p>

## Question 4: Do you agree with the Workgroup's recommended Implementation Date?

### Summary

Yes	No	Neutral/No Comment	Other
6	0	0	0

### Responses

Respondent	Response	Rationale
Smartest Energy	Yes	Having discussed the solution within the Workgroup, SmartestEnergy believes the proposed Implementation Date is feasible.
E.ON	Yes	None provided
National Grid ESO	Yes	We agree with the recommended Implementation approach and consider it appropriate given the change is to process and no system changes are required.
Npower	Yes	None provided
Association for Decentralised Energy	Yes	None provided
TMA Data Management Ltd	Yes	We agree with the 5 WD after the Authority's decision implementation timescales.

Question 5: Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P390 which would better facilitate the Applicable BSC Objectives?

## Summary

Yes	No	Neutral/No Comment	Other
4	1	1	0

## Responses

Respondent	Response	Rationale
Smartest Energy	Yes	SmartestEnergy does not believe that any of the other potential Alternative Modifications within the scope would better facilitate the Applicable BSC Objectives
E.ON	Yes	None provided
National Grid ESO	Yes	As per our response to Question 1, NG ESO's preference would be for Panel to have the power of veto over Board decision on tendering opportunities but as noted there was no appetite among Workgroup members to pursue an Alternative Modification; this might be revisited, should Industry responses express a similar view.
Npower	Neutral	None provided
Association for Decentralised Energy	Yes	Having discussed a number of variations and options within the Workgroup, the ADE believes that none of the other potential Alternative Modifications within scope would better facilitate the Objectives.
TMA Data Management Ltd	No	We do not believe that P390 has any impact on the Applicable BSC Objectives We fail to see how Elexon branching out in Transport would be of any help to BSC parties and the delivery of the applicable BSC objectives.

## Question 6: Will P390 impact your organisation?

### Summary

Yes	No	Neutral/No Comment	Other
0	6	0	0

### Responses

Respondent	Response	Rationale
Smartest Energy	No	None provided
E.ON	No	None provided
National Grid ESO	No	None provided
Npower	No	None provided
Association for Decentralised Energy	No	None provided
TMA Data Management Ltd	No	None provided

## Question 7: Will your organisation incur any costs in implementing P390?

### Summary

Yes	No	Neutral/No Comment	Other
0	6	0	0

### Responses

Respondent	Response	Rationale
Smartest Energy	No	None provided
E.ON	No	None provided
National Grid ESO	No	None provided
Npower	No	None provided
Association for Decentralised Energy	No	None provided
TMA Data Management Ltd	No	None provided



## Question 8: How long (from the point of approval) would you need to implement P390?

### Summary

Lead times identified	No Lead times identified
0	6

### Responses

Respondent	Response
Smartest Energy	No lead time identified
E.ON	No lead time identified
National Grid ESO	No lead time identified
Npower	No lead time identified
Association for Decentralised Energy	No lead time identified
TMA Data Management Ltd	0 days.

## Question 9: Do you have any further comments on P390?

### Summary

Yes	No
2	4

### Responses

Respondent	Response
Smartest Energy	No
E.ON	No
National Grid ESO	No
Npower	Npower is supportive of Elexon engaging in additional activities and providing its expertise to a wider part of the market. This must be carried out in a controlled manner and not negatively impact its existing settlement or EMR roles.
Association for Decentralised Energy	No
TMA Data Management Ltd	<p>The principle that "ELEXON's BSC role should not give it any undue competitive advantage in a contestable activity " is an absolutely critical principle and P390 could not go forward without it.</p> <p>We would like to see an extension of this principle in order to protect Elexon and BSC Parties, whereby the BSC activities and any industry support activities undertaken by Elexon cannot provide any potential for conflict of interest, even if the activity is not contestable.</p> <p>As an example of such potential conflict of interest, we would like to cite Elexon chairing the DWG and now the CCDG and AWG whilst the centralisation of DA activities is considered. As the outcome of those groups' work will heavily influence the decision of the Authority and that Elexon would benefit from gaining the centralised DA activities, a suitable level of separation should be maintained. We would like P390 to address this issue for the future.</p>

