

Assessment Procedure Consultation Responses

P413 'Enable Elexon to be the Programme Manager for the implementation of Market wide Half Hourly Settlement'

This Assessment Procedure Consultation was issued on 14 December 2020, with responses invited by 15 January 2021.



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

Respondent	Role(s) Represented
EDF Energy	Generator, Supplier
Scottish Power	Supplier
SSE Energy Supply Limited	Supplier
BUUK Infrastructure	Distributor
SMS Plc	Supplier Agent

P413
Assessment Consultation
Responses

18 January 2021

Version 1.0

Page 1 of 12

© ELEXON Limited 2021

Question 1: Do you agree with the Workgroup's initial view that P413 does better facilitate the Applicable BSC Objectives than the current baseline?

Summary

Yes	No	Neutral/No Comment	Other
4	1	0	0

Responses

Respondent	Response	Rationale
EDF Energy	Yes	We agree with the Workgroup's view that P413 will better facilitate the achievement of Applicable BSC Objective (d) 'Promoting efficiency in the implementation of the balancing and settlement arrangements'.
Scottish Power	Yes	SP agrees it meets relevant objective (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.
SSE Energy Supply Limited	No	We do not agree that P413 better facilitates any of the Applicable BSC Objectives.
BUUK Infrastructure	Yes	The Proposed Modification would better facilitate the Applicable BSC Objectives compared with the current baseline, (d) 'Promoting efficiency in the implementation of the balancing and settlement arrangements.' The proposer outlined 3 outcomes that could occur because of P413 and BUUK believe the Proposed Modification will better facilitate applicable BSC Objective (d) in all three scenarios.
SMS Plc	Yes	Yes, we agree with the Workgroup's initial view that P413 better facilitates BSC Objective (d) 'Promoting efficiency in the implementation and administration of the balancing and settlement arrangements'. We further agree with the neutral views against the remaining objectives.

Question 2: Do you believe the potential Alternative Modification better facilitates the Applicable BSC Objectives than the Proposed Modification:

a) Without adjustment to the General Funding Shares (requirement 14a))

b) With adjustment to General Funding Shares (requirement 14b))

If yes to both, please state which of a) and b) you believe is best an why.

Summary

Yes	No	Neutral/No Comment	Other
1	3	1	0

Responses

Respondent	Response	Rationale
EDF Energy	Yes	We believe that the potential Alternative Modification better facilitates the Applicable BSC Objectives than the Proposed Modification as it will ensure a fairer allocation of the costs associated with the proposed Programme Management function. Suppliers are the Parties that will benefit most directly from this function being in place, it is therefore appropriate that they bear the costs of this function. We support option b) as it is not really fair that Suppliers would become liable for an increased proportion of the costs of default as a result of bearing the costs of the Programme Management function. This additional cost is limited and specific to the MHHS programme, it is not appropriate that Suppliers and their customers should then be exposed to additional risk on top of the additional costs they will already be incurring as a result of P413.
Scottish Power	No	As the accrued benefits of MHHS will be shared by all market participants, it is appropriate that the burden of cost also be more equitably shared.
SSE Energy Supply Limited	No	We do not agree that the Alternative Modification better facilitates any of the Applicable BSC Objectives either with or without adjustment to General Funding Shares.
BUUK Infrastructure	No	N/A

Respondent	Response	Rationale
SMS Plc	No comment	As a non-Party SMS has no comment

Question 3: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P413?

Summary

Yes	No	Neutral/No Comment	Other
4	0	1	0

Responses

Respondent	Response	Rationale
EDF Energy	Yes	We have not identified any issues with the draft legal text.
Scottish Power	No Response	
SSE Energy Supply Limited	Yes	We agree that the draft legal text delivers the intention of P413.
BUUK Infrastructure	Yes	Given the uncertainty over what appointment process Ofgem intends to follow, the drafting has been developed to be as flexible as possible. It allows for transparency to BSC Parties on Elexon's decision to sub-contract, or not sub-contract, any parts of the role. It also includes a stronger requirement on Elexon to co-operate with any replacement provider should Ofgem remove Elexon from the role.
SMS Plc	Yes	We agree that the draft legal text delivers the intention of P413

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

Summary

Yes	No	Neutral/No Comment	Other
4	1	0	0

Responses

Respondent	Response	Rationale
EDF Energy	Yes	We see no reason that the recommended Implementation Date could not be achieved.
Scottish Power	Yes	This is an enabling modification, which will ensure there is no undue delay in establishing and commencing of implantation management service for the MHHS programme.
SSE Energy Supply Limited	No	We do not agree that the modification should be implemented.
BUUK Infrastructure	Yes	Implementing the Proposed Modification as a Code-only change, of 5 WDs after Ofgem approval ensures that there is no undue delay in appointing and establishing MHHS Implementation Management Services, and therefore to the implementation (and benefits) of MHHS.
SMS Plc	Yes	Yes, we agree that implantation should be 5WD post Ofgem's approval and that changes to the FSS should be implemented on the next suitable release date.

Question 5: Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?

Summary

Yes	No	Neutral/No Comment	Other
4	1	0	0

Responses

Respondent	Response	Rationale
EDF Energy	Yes	
Scottish Power	Yes	We agree that, due to the nature of the modification, there are no direct risks to settlement. While there could, perhaps, be some potential for the existing ELEXON service provision to be somehow diluted due to the distraction of this new role, as the modification seeks to enable ELEXON to provide a project management service to the Industry as part of the MHHS programme, the effect of having the Balancing & Settlement Code Company at the helm of this programme should actually serve to mitigate the potential for risks to subsequently manifest as issues.
SSE Energy Supply Limited	No	We do not agree that appointing different parties other than Elexon to carry out the project management roles would create the risks mentioned in P413. There is no rationale for the risks stated as there are numerous very capable independent organisations that could carry out the project management functions.
BUUK Infrastructure	Yes	N/A
SMS Plc	Yes	We agree that we are unable to identify any impacted BSC Settlement Risks

Question 6: Do you agree with the Workgroup’s assessment that does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

Summary

Yes	No	Neutral/No Comment	Other
4	0	1	0

Responses

Respondent	Response	Rationale
EDF Energy	Yes	
Scottish Power	No Response	
SSE Energy Supply Limited	Yes	Yes, we agree with this assessment.
BUUK Infrastructure	Yes	We believe the proposed legal text does not impact the existing EBGL/BSC mapping (in Section F Annex F-2) and the Workgroup did not believe it extended the EBGL provisions either.
SMS Plc	Yes	N/A

Question 7: Will P413 impact your organisation?

Summary

Yes	No	Neutral/No Comment	Other
2	3		

Responses

Respondent	Response	Rationale
EDF Energy	Yes	As a Supplier we will incur additional costs as a result of all of the solutions, the costs will obviously be higher under the alternative solutions where all costs would be allocated to Suppliers. As yet the actual level of those costs is as yet unknown.
Scottish Power	Yes	SP anticipate there could be minor impacts to invoicing processing, this will be dependent on Ofgem's chosen solution.
SSE Energy Supply Limited	No	We do not believe that P413 will directly impact our organisation.
BUUK Infrastructure	No	N/A
SMS Plc	No	

Question 9: How much will it cost your organisation to implement P413? What will the ongoing cost of P413 be to your organisation.

Responses

Respondent	Rationale
B	<p>The Programme Manager costs for the implementation of MHHS will need to be met whether ELEXON is awarded the role or not, it would seem unlikely that we will incur any additional costs: always assuming that the tender process is fully competitive.</p> <p>Again, as the Programme Manager costs for the implementation of MHHS will need to be met whether ELEXON is awarded the role or not. However, as this is subject to a competitive tender process, we cannot properly estimate the ongoing operational costs until the value of the contract award is known. Whether P413 is implemented as part of, or outside of, a normal BSC Systems Release is unlikely to make any difference to us.</p>
C	<p>We do not anticipate any significant implementation costs.</p> <p>We do not anticipate any significant ongoing costs over and above those that will be incurred by the cost recovery mechanism.</p>
A	<p>There is no direct cost to implement P413 other than the costs that would be allocated to us as a result of it being implemented.</p> <p>There is no direct cost to implement P413, the only costs are those that would be allocated to us as a result of it being implemented.</p>
E	No response
D	<p>N/A</p> <p>N/A</p>

Question 10: How long (from the point of approval) would you need to implement P413?

Responses

Respondent	Rationale
EDF Energy	No lead time would be required to implement P413.
Scottish Power	No lead time would be required and could be as soon as the authority provides a decision (5 working days).
SSE Energy Supply Limited	We do not require any lead time as the modification would not have any direct impact on our organisation.
BUUK Infrastructure	No
SMS Plc	None

Question 11: Do you have any further comments on P413?

Summary

Yes	No
2	3

Responses

Respondent	Response	Comments
EDF Energy	No	N/A
Scottish Power	Yes	<p>SP believe that appointing Elexon to the role will ensure the best value and lowest risk Implementation for a number of reasons:</p> <ul style="list-style-type: none"> • They have the expertise and would not be reliant on third parties for subject matter experts • They are not-for-profit and in it for the long term • They are incentivised to ensure the most effective and reliable solution as they will have to deliver the resulting operation, so this means they should ask questions of the programme participants. • They have experience of delivering industry change programmes • They have delivered the TOM and are best placed to ensure the solution works and is integrated into industry participants' systems
SSE Energy Supply Limited	Yes	<p>Due to Elexon's key role in the MHHS Project, it is our view that Elexon should not be appointed to any of the programme management roles for MHHS. The roles should be undertaken by independent parties that are not directly involved with delivering large parts of the project to ensure totally independent oversight of the project. Also, BSC parties should not have to cover Elexon's costs in tendering for the project management roles as there is no guarantee of success.</p>
BUUK Infrastructure	No	N/A
SMS Plc	No	