





BSC Modification Proposal Form		At what stage is this document in the process?
<h1>Request to Raise Modification</h1> <p>Mod Title: 'Reflecting NCER Rules in the BSC'</p>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<p><b>Purpose of Modification:</b></p> <p>This Modification will update the BSC to ensure it accurately reflects the BSC provisions constituting the network code on electricity emergency and restoration (NCER) Rules in the mapping for EBGL Article 18 Terms and Conditions.</p>		
<p><b>Does this Modification impact the Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions?</b></p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		
	<p>Elxon recommends that this Modification should:</p> <ul style="list-style-type: none"> <li>be treated as a Fast Track Self-Governance Modification Proposal;</li> </ul> <p>This Modification will be presented by Elxon to the BSC Panel at its meeting in July 2021. The Panel will consider Elxon's recommendations and determine whether to raise it and progress it as a Fast Track Self-Governance Modification.</p>	
	<p>High Impact: n/a</p>	
	<p>Medium Impact: n/a</p>	
	<p>Low Impact:</p> <p>BSC Parties engaging in the BSC Modifications process</p> <p>Interested third parties engaging in the BSC Modifications process</p>	

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## Timetable

### The Proposer recommends the following timetable:

Initial Written Assessment presented to Panel	8 July 2021
Fast Track Self-Governance Objection Period	8 – 29 July 2021
Implementation Date	5 August 2021



Any questions?

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Proposer:

BSC Panel

Proposer's representative:

N/A



N/A



N/A

# 1 Why Change?

## What is the issue?

[P392 'Amending BSC Change Process for EBGL Article 18'](#) introduced Section F Annex F-2 to the BSC on 25 June 2020 as part of the June 2020 BSC Release. Annex F-2 maps the requirements of [Commission Regulation \(EU\) 2017/2195 \(Electricity Balancing Guideline – EBGL\) Article 18](#) to the approved EBGL Article 18 terms and conditions contained within the BSC.

Annex F-2 gives guidance as to which provisions in the BSC also constitute EBGL Article 18 terms and conditions and hence which BSC Modifications should be subject to an extended change process (incorporating a one month Report Phase Consultation) – as required by EBGL Article 10 and detailed in the P392 Modification Report.

On 11 June 2021 the NCER Rules were [approved by Ofgem](#) under Article 4 of [Commission Regulation \(EU\) 2017/2196 establishing a network code on electricity emergency and restoration \(the NCER\)](#). As a result of this approval, the existing BSC provisions that form NCER Rules as approved, now also constitute EBGL Article 18 terms and conditions (in accordance with Article 18(2) of the EBGL). Therefore, BSC Modifications affecting NCER Rules will be subject to an EBGL compliant change process. To clearly inform Market Participants which change process should be used when developing Modifications, the BSC requires amendments to ensure NCER and EBGL rules, terms and conditions are accurately reflected. In particular, Annex F-2 requires updates so that the mapping continues to give an accurate reflection of which BSC provisions constitute EBGL Article 18 terms and conditions. Section F should also be amended as necessary to incorporate reference to the NCER into the EBGL change process, and definitions in Annex X-1 should be amended to incorporate references to the NCER.

# 2 Solution

## Proposed Solution

This Modification will update [Section F 'Modification Procedures' Annex F-2](#) to reflect the incorporation of BSC provisions constituting the approved NCER Rules into the BSC mapping of the Article 18 terms and conditions. [BSC Section F](#) and [Section X Annex X-1 'General Glossary'](#) will also be updated to reflect these changes and include a new definition of the NCER.

## Benefits

Ensuring the Annex F-2 mapping is accurate will help Market Participants understand the EBGL impact of proposed BSC Modifications and the proposed governance around making such changes, including timescales.

### 3 Relevant 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	Positive
(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 administrating 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

This Modification will positively impact objective (d) as it will assist those engaging in the BSC change process have clarity on whether a Modification will be required to undergo the additional steps involved in the EBGL change process (e.g. a consultation of one calendar month).

We note that this Modification does not directly impact compliance, as the Annex F-2 mapping is used to show which BSC provisions constitute Article 18 terms and conditions. If this Modification were not implemented, the EBGL change process would still apply, but it would not be clear for market participants that it would apply. Therefore, this Modification is neutral against all other Applicable BSC Objectives.

## 4 Potential Impacts

### Impacts on Core Industry Documents

Impacted Core Industry Documents			
<input type="checkbox"/> Ancillary Services Document	<input type="checkbox"/> Connection and Use of System Code	<input type="checkbox"/> Data Transfer Services Agreement	<input type="checkbox"/> Use of Interconnector Agreement
<input type="checkbox"/> Master Registration Agreement	<input type="checkbox"/> Distribution Connection and Use of System Agreement	<input type="checkbox"/> System Operator Transmission Owner Code	<input type="checkbox"/> Supplemental Agreements
<input type="checkbox"/> Distribution Code	<input type="checkbox"/> Grid Code	<input type="checkbox"/> Transmission License	<input type="checkbox"/> Other (please specify)

None anticipated.

### Impacts on BSC Systems

Impacted Systems				
<input type="checkbox"/> CRA	<input type="checkbox"/> CDCA	<input type="checkbox"/> PARMS	<input type="checkbox"/> SAA	<input type="checkbox"/> BMRS
<input type="checkbox"/> EAC/AA	<input type="checkbox"/> FAA	<input type="checkbox"/> TAAMT	<input type="checkbox"/> NHHDA	<input type="checkbox"/> SVAA
<input type="checkbox"/> ECVA	<input type="checkbox"/> ECVA Web Service	<input type="checkbox"/> ELEXON Portal	<input type="checkbox"/> Other (Please specify)	

None anticipated.

### Impacts on BSC Parties

Impacted Parties			
<input type="checkbox"/> Supplier	<input type="checkbox"/> Interconnector User	<input type="checkbox"/> Non Physical Trader	<input type="checkbox"/> Generator
<input type="checkbox"/> Licensed Distribution System Operator	<input type="checkbox"/> National Electricity Transmission System Operator	<input type="checkbox"/> Virtual Lead Party	<input type="checkbox"/> Other (Please specify)

No material impacts anticipated - this change is to ensure accuracy and integrity of guidance provided on which BSC provisions also constitute Article 18 terms and conditions.

BSC Parties, Party Agents and interested third parties may be indirectly impacted positively by the solution to this Modification Proposal due to the more accurate reflection of BSC provisions constituting Article 18 terms and conditions

### Legal Text Changes

Please see attachment B for the full proposed legal text for this Modification.

## 5 Governance

### Self-Governance

<input type="checkbox"/> <b>Not Self-Governance</b> – A Modification that, if implemented:	
<input type="checkbox"/> materially impacts the Code's governance or modification procedures	<input type="checkbox"/> materially impacts sustainable development, safety or security of supply, or management of market or network emergencies
<input type="checkbox"/> materially impacts competition	<input type="checkbox"/> materially impacts existing or future electricity consumers
<input type="checkbox"/> materially impacts the operation of national electricity Transmission System	<input type="checkbox"/> is likely to discriminate between different classes of Parties
<input type="checkbox"/> involves any amendment(s) to the EBGL Article 18 Terms and Conditions related to Balancing; (except to the extent required to correct an error or as a result of a factual change)	
<input checked="" type="checkbox"/> <b>Self-Governance</b> – A Modification that, if implemented:	
Does not materially impact on any of the Self-Governance criteria provided above	

This Modification should be progressed as a Fast Track Self-Governance Modification. The change affects the Annex F-2 mapping, which is provided for guidance only, and makes clear that the EBGL change process and related definitions encompass BSC sections that will form part of the NCER Rules.

This Modification essentially reflects a factual change and updates out of date references to the BSC provisions constituting EBGL Article 18 Terms and Conditions (as defined under the EBGL), which have changed as a result of Ofgem's approval of the NCER Rules. These are minor changes that are consequential to the Ofgem decision to approve the NCER and the legal effect of Article 18(2) of the EBGL. Accordingly, Elexon believes this Modification meets the Fast Track Self-Governance Criteria,

As the NCER Rules form part of the Article 18 terms and conditions now that they have been approved by Ofgem, in accordance with Article 18 paragraph 2 of the EBGL, the Modification does not amend the Article 18 terms and conditions, it only updates the mapping in the BSC to reflect the terms and conditions as approved. The proposals for the NCER Rules, however, did undergo a month long consultation (published by the ESO), as required under the NCER.

<input type="checkbox"/> <b>Submit to assessment by a Workgroup</b> – A Modification Proposal which:	
does not meet any criteria to progress via any other route.	
<input type="checkbox"/> <b>Direct to Report Phase</b> – A Modification Proposal whose solution is typically:	
<input checked="" type="checkbox"/> of a minor or inconsequential nature	<input checked="" type="checkbox"/> deemed self-evident
<input checked="" type="checkbox"/> <b>Fast Track Self-Governance</b> – A Modification Proposal which meets the Self-Governance Criteria and:	
is required to correct an error in the Code or as a result of a factual change including but not limited to:	
<input type="checkbox"/> updating names or addresses listed in the Code	<input type="checkbox"/> correcting minor typographical errors

<input type="checkbox"/> correcting formatting and consistency errors, such as paragraph numbering	<input checked="" type="checkbox"/> updating out of date references to other documents or paragraphs
<input type="checkbox"/> <b>Urgent</b> – A Modification Proposal which is linked to an imminent issue or current issue that if not urgently addressed may cause:	
<input type="checkbox"/> a significant commercial impact on Parties, Consumers or stakeholder(s)	<input type="checkbox"/> a Party to be in breach of any relevant legal requirements.
<input type="checkbox"/> a significant impact on the safety and security of the electricity and/or gas systems	

The Proposer believes that this Modification is self-evident as it is a reflection of the NCER Rules in the BSC. The BSC sections that constitute the NCER Rules have undergone the required consultation set out in the NCER, and now form part of the EBGL Article 18 terms and conditions. As this Modification is only updating out of date references and reflecting factual changes the Proposer believes that this Modification should therefore be progressed as a Fast Track Self-Governance Modification.

### **Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?**

We do not believe this Modification is linked to any open SCRs. Therefore, we request that this Modification be exempt from the SCR process.

### **Does this Modification impact any of the EBGL Article 18 Terms and Conditions related to Balancing held within the BSC?**

This Modification will not impact the EBGL Article 18 terms and conditions as it is simply updating the Annex F-2 mapping to reflect the approved NCER Rules included within those terms and conditions.

### **Does this modification impact on end consumers or the environment?**

Day to day operation of balancing and Settlement will be unaffected so there will be no direct impact on consumers or the environment.

### **Implementation approach**

In order to ensure the accuracy and integrity of guidance provided to market participants this Modification should be implemented as soon as possible.