

BSC Panel Chair  
Elexon  
350 Euston Road  
London  
NW1 3AW

BY EMAIL TO:

[PanelSecretary@elexon.co.uk](mailto:PanelSecretary@elexon.co.uk)

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

Direct Dial: 020 7901 3907

Email: [switchingprogramme@ofgem.gov.uk](mailto:switchingprogramme@ofgem.gov.uk)

Date: 2 February 2022

Dear colleague,

**Switching Significant Code Review: Authority Led SCR Modification Proposal pursuant to Section F5.3A (Authority Led SCR Modification) of the Balancing and Settlement Code**

We refer to our update<sup>1</sup> published on 31 January 2022, which sets out the proposed process for the suite of industry code modification proposals now being raised by the Gas and Electricity Markets Authority (the Authority)<sup>2</sup> pursuant to its Switching Significant Code Review (SCR)<sup>3</sup>.

**DIRECTION PURSUANT TO BSC SECTION F5.3A**

**Pursuant to and in accordance with Section F5.3A.1 of the Balancing and Settlement Code (the Code), and pursuant to the Switching SCR, the Authority hereby submits the enclosed Authority Led SCR Modification Proposal<sup>4</sup> for an Authority Led SCR Modification<sup>5</sup> to the Code Panel.**

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<sup>1</sup> Link [here](#) to the update

<sup>2</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

<sup>3</sup> Link [here](#) to the Launch Statement for the Switching SCR

<sup>4</sup> As defined by the Code

<sup>5</sup> As defined by the Code

In line with the Authority's SCR guidance<sup>6</sup>, we have worked with code administrators and stakeholders on all of the Authority-led code modification proposals related to this SCR. Whilst we consider that there has already been thorough consultation outside of the processes set out in the Code in relation to this Authority Led SCR Modification Proposal, including through the Switching Programme Regulatory Design User Group (RDUG), we have been working with colleagues in BSCCo to coordinate the procedures for consideration of this Authority Led SCR Modification Proposal and those procedures shall include a further 28 day consultation carried out by the BSCCo.

Please ensure that the enclosed Authority Led SCR Modification Proposal is published on the Code's website.

### **Next steps**

We note that paragraph F5.3A.2 of the Code states that, in response to an Authority Led SCR Modification Proposal, the Code Panel shall prepare an Authority Led SCR Modification Report. Under the terms of that paragraph, that Report shall include, *inter alia*, "(d) a timetable for implementation of the Authority Led SCR Modification, including the date with effect from which such modification could take effect." Under the terms of paragraph F5.3A.6 of the Code, the timetable for completion of the procedural steps for an Authority Led SCR Modification, shall be set by the Authority in its sole discretion.

Accordingly, the Authority hereby sets the following timetable for completion by the Code Panel of the procedural steps for this Authority Led SCR Modification:

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<sup>6</sup> Link [here](#) to the Authority's SCR guidance

<b>Provision</b>	<b>Procedural step</b>	<b>Deadline for completion</b>
F2.1.2(l), F5.3A.7 and Article 10 of UK Electricity Balancing Guideline (UK EBGL)	Consultation on Authority Led SCR Modification Proposal	16 February to 16 March 2022
F5.3A.3	Submission of Authority Led SCR Modification Report by the Code Panel to the Authority	14 April 2022
F.3A.4 and F2.7A.1	If required - Authority requiring any revision and re-submission of the Authority Led SCR Modification Report	To be determined in the event that this procedural step is required

Paragraph F5.3A.5 of the Code states that the timetable referred to in paragraph F5.3A.2(d) for implementation of any modification shall be set by the Authority. We will advise on this in due course. As you are aware, if the Authority decides to approve this Authority Led SCR Modification then implementation will need to take place in time for the CSS Go-Live Date. With reference to the Retail Energy Code (REC) Transition Schedule, the CSS Go-Live Date will be designated by the Gas and Electricity Markets Authority, and is currently expected to be 18 July 2022.

### **UK Guideline on Electricity Balancing (UK EBGL)<sup>7</sup>**

We note that paragraph F2.1.2 of the Code provides that a modification proposal made pursuant to paragraph 2.1.1 of the Code – which includes modification proposals made by the Authority in respect of an SCR<sup>8</sup> - shall be submitted in writing in accordance with BSCP40, and shall contain *inter alia* “(l) where possible, an indication of whether the Modification Proposal seeks to amend the EBGL Article 18 terms and conditions”. We understand that this Authority Led SCR Modification Proposal engages the requirement under Article 10 of the UK EBGL for consultation of stakeholders, including the Authority. Accordingly, a consultation of no less than one month has been factored in to the timetable which we have set above.

<sup>7</sup> Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing as retained in domestic law following the UK’s withdrawal from the European Union (UK EBGL)

<sup>8</sup> Paragraph 2.1.1(h) of the Code

## Decision stage

As set out in our update<sup>9</sup>, and following discussions with colleagues in the code bodies, we will be submitting all Authority-led proposals in relation to the Switching SCR to the panels of all relevant industry codes at slightly different times in order to align with the specific panel meetings being targeted for each code. This means that there will not be a single date for Authority decisions on all of the Authority-led modification proposals under the Switching SCR.

Our target date for decision in relation to this Authority Led SCR Modification Proposal is end-April 2022, although we will endeavour to issue a decision as soon as possible following our receipt of the Authority Led SCR Modification Report.

This is an Authority-led end-to-end SCR. We will confirm when we have made our final decision and the Switching SCR has ended. We will only end the SCR at the point that we are confident that no further code changes are required for the Switching Programme.

Finally, we would like to once again extend our thanks to Elexon for their support in developing the legal text for the SCR modification proposals on the timelines that have been required by the programme.



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**Nicola Garland,  
Head of Delivery, Switching Programme  
Duly authorised on behalf of the  
Gas and Electricity Markets Authority**

**2 February 2022**

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<sup>9</sup> Link [here](#) to the update