BSC Modification Proposal Form	At what stage is this document in the process?
# Mod Title: Amend the responsibility to propose and consult on a MHHS Migration Plan	01 Modification 02 Workgroup Report 03 Draft Modification Report 04 Final Modification Report

Purpose of Modification:

To change responsibility for proposing, consulting on and obtaining approval of the Market-wide Half Hourly Settlement (MHHS) Migration Plan from BSCCo to the Market-wide Half Hourly Settlement Programme (MHHSP).

Does this Modification impact any of the European Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions held within the BSC?

☐ Yes ☒ No

The Proposer recommends that this Modification should:

- be raised by the Panel in accordance with the provisions of Section F2.1.1(d)(i);
- not be a Self-Governance Modification Proposal; and
- be sent directly into the Report Phase.

This Modification will be presented to the BSC Panel on Thursday 10 August 2023. The Panel will determine whether to raise this proposal, and if so, how best to progress it.

High Impact:

- None

Medium Impact:

- None

Low Impact:

- All BSC Parties

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Timetable

The Proposer recommends the following timetable:

Initial Written Assessment	10 August 2023
Report Phase Consultation	14 August 2023 - 29 August 2023
Draft Modification Report presented to Panel	14 September 2023
Final Modification Report submitted to Authority	21 September 2023

Any questions?

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1 Why Change?

What is the issue?

BSC Section C 'BSCCo and its Subsidiaries'[1] states that BSCCo has a responsibility to propose, consult on and obtain approval for a MHHS Migration Plan. However, responsibility for Migration activities sits with the MHHS System Integration (SI) function. Therefore it would be a more efficient use of resource for the MHHSP to create, consult on and obtain approval for the migration plan.

Background

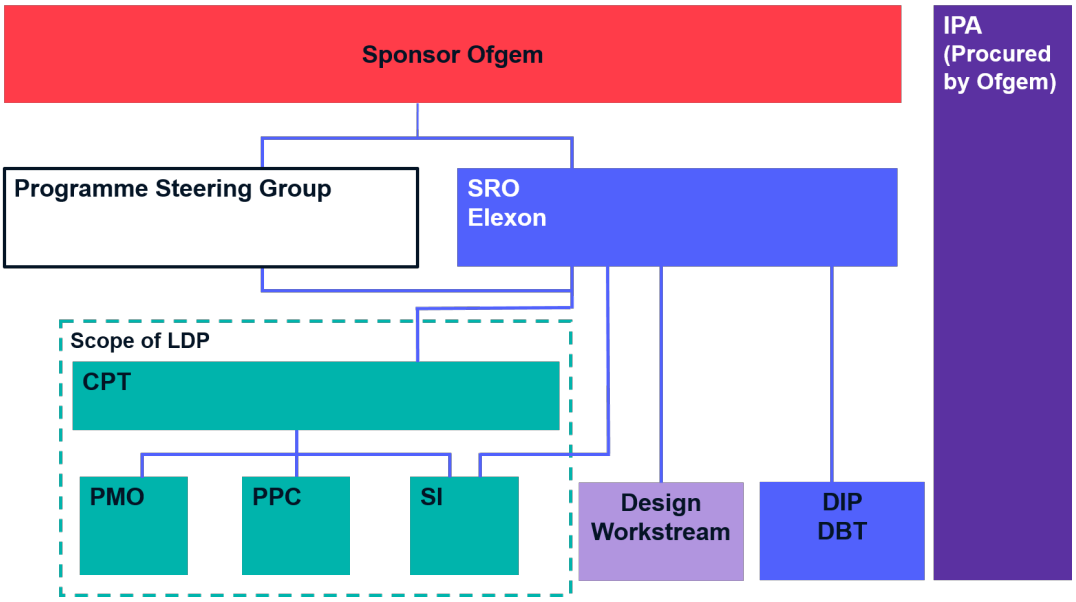
MHHS

MHHS is a reform initiative in the Great Britain (GB) electricity sector that aims to make the process of electricity Settlement more precise by leveraging the capabilities of smart meters. Unlike the current system for retail consumers, where energy usage is estimated based on consumer profiles, smart meters record exact energy usage or export every Half Hour, enabling a more accurate and timely Settlement process. This accuracy is expected to lead to the development of new products and services and deliver significant benefits to consumers, ranging from £1.6bn to £4.5bn between 2021 and 2045. The MHHS programme is overseen by the Office of Gas and Electricity Markets (Ofgem) and managed by Elexon.

MHHS SI

The MHHS SI is responsible for securing the robust and stable integration of the IT Systems to be used by MHHS Participants for the purposes of market-wide, half-hourly Settlement.

The MHHS SI is provided by the Lead Delivery Partner[2] for the MHHSP and its role in the overall programme structure is detailed in the SI box below:



[1] https://bscdocs.elexon.co.uk/bsc/bsc-section-c-bscco-and-its-subsidiaries
[2] https://www.mhhsprogramme.co.uk/programme-information/programme-overview

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Desired outcomes

Allow the MHHSP to propose, consult on and obtain approval for the MHHS Migration Plan. , thus promoting the most efficient use of resource.

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2 Solution

Proposed Solution

Move the MHHS Migration plan requirements in BSC section C12.11.3 from BSCCo responsibility to the SI responsibility in section C12.8. Update Sections C12.11.1 and C12.2.14 to reflect the change.

Benefits

The following benefit should be realised by implementing this Modification:

- **Resource Efficiency**: The MHHS SI has responsibility for Migration activities within the MHHSP and this is reflected in the resourcing of both BSCCo and the MHHSP, including the business separation arrangements in place. Given these arrangements, moving the responsibility to MHSP to draft the migration plan will provide greater efficiency of resource.

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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

Applicable BSC Objective (d)

This Modification should better facilitate Applicable BSC Objective (d) 'promoting efficiency in the implementation and administration of the balancing and settlement arrangements' as allowing the MHHSP to draft the MHHS Migration plan will be the most efficient and logical use of resources.

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4 Potential Impacts

Impacts on Core Industry Documents

Impacted Core Industry Documents			
☐Ancillary Services Document	☐Connection and Use of System Code	☐Data Transfer Services Agreement	☐Use of Interconnector Agreement
☐Retail Energy Code	☐ Transmission License	☐System Operator Transmission Owner Code	☐Supplemental Agreements
☐Distribution Code	☐Grid Code	☐ Other (please specify)	☒ None

This Modification is not anticipated to impact any other industry codes.

Impacts on BSC Systems

Impacted Systems				
☐CRA	☐CDCA	☐PARMS	☐SAA	☐BMRS
☐EAC/AA	☐FAA	☐TAAMT	☐NHHDA	☐SVAA
☐ECVAA	☐ECVAA Web Service	☐Elexon Portal	☐Other (Please specify)	☒ None

This Modification is not anticipated to impact any BSC systems.

Impacts on BSC Parties

Impacted Parties			
☒Supplier	☒Interconnector User	☒Non Physical Trader	☒Generator
☒Licensed Distribution System Operator	☒National Electricity Transmission System Operator	☒Virtual Lead Party	☐Other (Please specify)

It is anticipated this Modification will have a minor positive impact on all BSC Parties by clarifying the party who will undertake MHHS Migration Plan activities.

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Impacts on consumers and the environment

Impact of the Modification on consumer benefit areas:	
Consumer benefit area	Identified impact
Improved safety and reliability None identified	Neutral
Lower bills than would otherwise be the case None identified	Neutral
Reduced environmental damage None identified	Neutral
Improved quality of service None identified	Neutral

Legal Text Changes

Updates to move the MHHS Migration plan requirements in BSC section C12.11.3 from BSCCo responsibility to the SI responsibility in section C12.8. Update Sections C12.11.1 and C12.2.14 to reflect the change.

Full Legal Text amendments can be found in Attachment A.

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5 Governance

Self-Governance

☒ **Not Self-Governance –** A Modification that, if implemented:	
☒ materially impacts the Code's governance or modification procedures	☐ materially impacts sustainable development, safety or security of supply, or management of market or network emergencies
☐ materially impacts competition	☐ materially impacts existing or future electricity consumers
☐ materially impacts the operation of national electricity Transmission System	☐ is likely to discriminate between different classes of Parties
☐ involves any amendments 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	
☐ **Self-Governance –** A Modification that, if implemented:	
Does not materially impact on any of the Self-Governance criteria provided above	

Due to this proposed Modification impacting the MHHSP we do not believe this is a candidate for Self-Governance as it materially impacts the Code's governance or modification procedures and so should be passed to Ofgem for final decision.

Progression route

☐ **Submit to assessment by a Workgroup** –:A Modification Proposal which:	
does not meet any criteria to progress via any other route.	
☒ **Direct to Report Phase** – A Modification Proposal whose solution is typically:	
☐ of a minor or inconsequential nature	☒ deemed self-evident
☐ **Fast Track Self-Governance** – A Modification Proposal which meets the Self-Governance Criteria and:	
is required to correct an error in the Code as a result of a factual change including but not limited to:	
☐ updating names or addresses listed in the Code	☐ correcting minor typographical errors
☐ correcting formatting and consistency errors, such as paragraph numbering	☐ updating out of date references to other documents or paragraphs
☐ **Urgent –** A Modification Proposal which is linked to an imminent issue or current issue that if not urgently addressed may cause:	
☐ a significant commercial impact on Parties, Consumers or stakeholder(s)	☐ a Party to be in breach of any relevant legal requirements.
☐ a significant impact on the safety and security of the electricity and/or gas systems	

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Given the MHHSP is responsible for MHHS migration activities the requirement to move the responsibility for drafting the migration plan is self-evident. Furthermore, BSC Parties will get a chance to comment on the change of responsibilities via the Report Phase Consultation.

This Modification does not meet the criteria for Fast Track Self-Governance or Urgency.

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

No. We do not believe this Proposal impacts any open SCRs and believe it should be treated as a SCR Exempt Modification Proposal. Whilst the proposed Modification is linked to the Electricity Settlement Reform SCR we do not believe there are any SCR impacts due to it being self-evident the MHHSP should draft the MHHS Migration plan.

Does this modification impact the code drafting and system development for Market wide Half Hourly Settlement (MHHS), if so, how?

No, we do not believe this impacts the code drafting or MHHS design, although if implemented this change will clarify that MHHSP resource will be required to progress MHHS Migration plan activities.

Does this Modification impact any of the EBGL Article 18 Terms and Conditions held within the BSC?

No. We do not believe this Proposal impacts on the EBGL Article 18 Terms and Conditions held within the BSC, specified in the mapping given in

Implementation approach

This Modification is anticipated to be document only change and not incur any system or process changes for Elexon or Market Participants. As such it is recommended the Modification is implemented as soon as reasonably practical to allow the MHHSP to commence writing the MHHS Migration plan and provide clarity to parties on their requirements. Therefore, an initial Implementation Date of 5 Working Days following Authority decision is recommended.

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