‘Enabling Elexon to support the (currently in draft) Electricity Support Payments and Levy Regulations 2024’

This Modification seeks to allow Elexon to act as EII Support Payment Administrator and EII Levy Administrator for the Department of Business and Trade’s (DBT) Electricity Support Payment Scheme (ESP) Scheme, if appointed to those roles by the DBT.

- Elexon recommends the Low Carbon Contracts Company (LCCC) is designated a Third Party Proposer for the attached Modification Proposal
- Elexon recommends the Modification is progressed directly to the Report Phase with an initial recommendation to approve
- Elexon does not consider that this Modification Proposal impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Elexon

ELEXON

Phase

- Initial Written Assessment
- Definition Procedure
- Assessment Procedure
- Report Phase
- Implementation

© Elexon Limited 2024

Contents

1 Summary 3
2 Designation Request 6
3 Why Change? 7
4 Solution 9
5 Impacts and costs 11
6 Proposed Progression 15
7 Recommendations 17

About This Document

You can find the definitions of the terms and acronyms used in this document in the BSC Glossary[1].

This document is an assessment of a request by a non-BSC Party to be designated by the BSC Panel to raise a specific Modification Proposal.

It is also an Initial Written Assessment (IWA) for that Modification Proposal, which Elexon will present to the Panel on 8 February 2024. The Panel will consider the recommendations and decide whether to designate the Third Party Applicant and if so, agree how to progress the Modification Proposal.

There are four parts to this document:

- This is the main document. It provides details of the designation request and Modification Proposal, an assessment of the potential impacts and a recommendation on designation and on how the Modification should progress.
- Attachment A contains the Designation Request Form.
- Attachment B contains the Modification Proposal Form.
- Attachment C contains the draft redlined changes to the BSC for this Modification.

[1] https://www.elexon.co.uk/glossary/?show=all

Contact

Ivar Macsween

020 7380 4270

BSC.change@elexon.co.uk

Ivar.macsween@elexon.co.uk

Not sure where to start?

We suggest reading the following sections:

- Have 5 minutes? Read section 1
- Have 15 minutes? Read sections 1, 4, 5 and 6
- Have 30 minutes? Read all sections
- Have longer? Read all sections and the annexes and attachments.

© Elexon Limited 2024

1 Summary

Why does a non-BSC Party want to raise a BSC Modification?

The Low Carbons Contracts Company (LCCC), the Third Party Applicant, believes that the proposed Modification to the BSC has no direct relevance or impact to the core BSC activities and as such, interest from BSC Parties may be limited.

LCCC's interest in this results from its close relationship with government, with Elexon (through Electricity Market Reform Settlement Limited (EMRS)) and its role in other government payment schemes which have been facilitated through the BSC.

Therefore, the applicant has requested to be designated as the Proposer believing this to be the most efficient route and avoids the need to burden a BSC Party with the responsibility of being a Proposer.

LCCC has previously sought and been granted designation as a Third Party Proposer to raise previous Modification Proposal P435 'Enabling EMRS to undertake preparatory work for potential future settlement services to LCCC'[2], which was approved by Ofgem on 14 April 2022, and implemented on 25 April 2022.

Why change?

To increase investment in Energy Intensive Industries (EIIs), the government (via the Department of Business and Trade) will be implementing a measure for which relevant legislation is being drafted to compensate EIIs for a portion of their network charging costs[3], with funding for the compensation raised through an EII Support Levy (ESL) on licensed UK electricity Suppliers.

Elexon expects that it will be asked to perform separate and distinct roles as the EII Levy Administrator (collecting monies from Suppliers to support the scheme) and EII Support Payments Administrator (administering the EII Support Payment).

The activities Elexon or its subsidiaries are permitted to undertake are outlined in BSC Section C 'BSSCo and its Subsidiaries'[4] and a Modification to Elexon's vires is required setting out the responsibilities or not, that the Panel and Panel Committees will have in respect of Elexon's functions as Scheme Administrator.

Solution

This Modification seeks to modify the BSC to enable Elexon and its subsidiaries to support the (currently in draft) Electricity Support Payments and Levy Regulations 2024[5].

Implementing the solution to this Modification will require changes to BSC Section C 'BSCCo and its Subsidiaries' to extend the vires for Elexon. The amendment would allow Elexon to undertake a new non-BSC related function, acting as EII Support Payment Administrator and EII Levy Administrator for the ESP scheme.

Modification Proposals Submitted by Third Party Proposers

Aside from BSC Parties, a proposal to modify the BSC may be made by third parties if they are so designated by the BSC Panel as eligible to do so. The BSC Panel consider the application, including the rationale for requesting designation, and determine whether to accept an application. If successful, the third party is considered the Proposer and the Modification proceeds as per the process for any other kind of Proposer. Where the Panel declines to accept an application, the applicant may appeal the decision of the Panel to the Authority.

Energy Intensive Industries

Energy Intensive Industries, as listed by UK government guidance, include coal mining, steel production, chemical production, engineering, brick making, quarrying, leather tanning, and meat processing. It also includes the manufacturing of certain items ranging from wallpaper to electronic components

[2] https://www.elexon.co.uk/mod-proposal/p435/
[3] https://www.gov.uk/government/publications/energy-security-bill-factsheets/energy-security-bill-factsheet-network-charging-compensation-scheme-for-energy-intensive-industries
[4] https://bscdocs.elexon.co.uk/bsc/bsc-section-c-bscco-and-its-subsidiaries
[5] https://www.legislation.gov.uk/ukdsi/2024/9780348256710/pdfs/ukdsi_9780348256710_en.pdf

© Elexon Limited 2024

The proposed BSC Modification will describe and limit Elexon's role and functions by reference to the (currently in draft) Energy Intensive Industry Electricity Support Payments and Levy Regulations 2024 ("the Regulation"). The intention of referencing out to the Regulation, which will hold the detailed rights and obligations relating to the ESP Support Payment Scheme, is to ensure consistency and prevent divergence between obligations set out in the Regulation and the BSC. This also ensures that the government has appropriate control over the Scheme and hold the risks as the scheme owner. Additionally, not all BSC Parties will be party to the scheme.

Impacts and costs

No direct impact on BSC Parties or Agents is expected. Suppliers (as BSC Parties) will not be directly impacted by this Modification as an enabling change to Elexon's vires that is limited to enabling support of the expected ESP Scheme.

An update to BSC Section C is required and implementation costs are expected to be less than £1k to make the required changes. The ring-fencing of risks and liabilities between BSCCo and EMRS will not be impacted by this change. The Modification Proposal will not require any changes to the BSC systems and ongoing costs for Elexon are expected to be low, associated with maintaining ongoing reporting and administration of the ESP Scheme.

Cost Estimates			
Organisation	Implementation (£)	On-going (£)	Impacts
Elexon	1k	Low	Updates to 1 BSC Sections, plus additional ongoing resource to support the scheme (estimated at 1 FTE)
Industry	None	0	No expected costs for this Modification. The ESP Scheme is expected to be funded through a charge on licenced electricity suppliers and, by extension, their customers. The draft regulation provides the Secretary of State with the enabling powers to, through secondary legislation, implement and modify a charge, however this does not form part of this BSC Modification, which only seeks to allow Elexon to operate the scheme.
Total	Low	Low	

Implementation

The Proposer has suggested that this Modification is implemented 5 Working Days (WDs) following an Ofgem decision to approve this Modification.

© Elexon Limited 2024

Recommendation

Designate LCCC to raise the attached Modification Proposal and progress it directly to Report Phase Consultation, for decision by Ofgem (not Self-Governance).

© Elexon Limited 2024

How does the designation process work?

This is the fourth designation request we have received following the implementation of P370 'Allow the Panel to designate non-BSC Parties to raise Modification'[6] in April 2019. We therefore think it is beneficial to include a brief summary of the process.

Non-BSC Parties can ask the Panel to designate them to raise a specific Modification Proposal. Industry are notified of a designation request in advance of the Panel meeting where the Panel will decide whether or not to designate. The request is presented to the Panel, along with the proposed modification.

In considering the application, the Panel may:

- before designating a person as a Third Party Proposer, conduct such consultation with Parties and interested third parties as it considers necessary;
- refuse to accept an application for designation as a Third Party Proposer, in which case we shall provide the Third Party Applicant with the Panel's reasons for such refusal and notify industry of the decision; and
- approve the request, in which case the Third Party Proposer shall be treated as a Proposer under Section F 'Modification Procedures'[7] of the BSC, and we shall notify industry of the decision.

BSC Parties and the applicant may appeal the Panel decision to Ofgem.

EMR settlement services

These are services provided to the Capacity Market which involves the management of settlement of payments, on behalf of the Electricity Settlement Company (ESC).

P370 'Allow the Panel to designate non-BSC Parties to raise Modifications'

P370 moved the body responsible for designating non-BSC Parties to be able to raise Modification Proposals from Ofgem to the BSC Panel. On the 27 March 2019, the Authority approved the P370 Alternative Modification Proposal, which allows a route of appeal to Ofgem.

Designation Request

The designation request was submitted by LCCC on 1 February 2024 and can be found in Attachment A.

Rationale for requesting designation as a Third Party Proposer

The Applicant believes the proposed modification to the BSC has no direct relevance or impact to the core BSC activities and as such, interest from BSC Parties may be limited.

Therefore, they have requested to be designated a Third Party Proposer to raise the attached Modification Proposal. The applicant believes this is the most efficient route to progress this change and avoids the need to burden a BSC Party with the responsibility of being a Proposer of a Modification Proposal.

The Applicant argues that they are best placed to raise and progress the change because of its close relationship with government, with Elexon (through Electricity Market Reform Settlement Limited (EMRS)) and its role in other government payment schemes which have been facilitated through the BSC.

[6] https://www.elexon.co.uk/mod-proposal/p370/
[7] https://bscdocs.elexon.co.uk/bsc/bsc-section-f-modification-procedures

© Elexon Limited 2024

3 Why Change?

What is the issue?

EIIs are large energy users (for example engineering, mining, steel, and meat processing sites) for whom standing charges related to network use such as the Distributed Use of System Charges can represent a significant impact to their overall energy bill.

In order to incentivise investment in the British EIIs and thereby make them more competitive across Europe, two measures have been put in place:

- 85% - 100% subsidy for Feed in Tariffs, Renewables Obligations and Contracts for Difference for existing EII; and
- Full exemptions from EII for Capacity Market (CM) levy costs

To further increase investment, the government (via the Department of Business and Trade) will be implementing a third measure for which relevant legislation is being drafted to compensate EIIs for a portion of their network costs[8]. The funding for the compensation will be raised through an EII Support Levy (ESL) which will be raised on licensed UK electricity Suppliers and will provide EIIs with relief on a portion of their network charging costs.

However, the activities Elexon or its subsidiaries are permitted to undertake are outlined in BSC Section C 'BSSCo and its Subsidiaries' and a Modification to Elexon's vires is required setting out the responsibilities or not, that the Panel and Panel Committees will have in respect of Elexon's functions as Scheme Administrator.

Background

ESP Scheme Administrator Role

Elexon expects that it will be asked to perform separate and distinct roles as the EII Levy Administrator (collecting monies from Suppliers to support the scheme) and EII Support Payments Administrator (administering the EII Support Payment).

The administration of the ESP Scheme will require the development of new calculation and payment systems that will utilise BSC data, but will not amend existing BSC Central Systems. The proposed system solution involves information extracted from the Supplier Volume Allocation Agent (SVAA).

How will the ESP Scheme be delivered?

Responsibility for delivering the EII Support Payment Administrator and EII Levy Administrator roles would lie with Elexon (rather than EMRS), but we anticipate making use of systems developed by EMRS to operate EMR Settlement. EMRS is a wholly owned subsidiary of Elexon, and these arrangements will be in accordance with the managed services agreement that sets out the arrangement for the provision of shared services and resources between Elexon and EMRS. In addition, a licence will be in place between LCCC and Elexon, enabling Elexon to utilise, for this scheme, systems that have been developed to operate EMR settlement. Both, the shared services and the licence will allow Elexon to carry out the processes that enable EIIs to be compensated, supplier payments

[8] https://www.gov.uk/government/publications/energy-security-bill-factsheets/energy-security-bill-factsheet-network-charging-compensation-scheme-for-energy-intensive-industries

© Elexon Limited 2024

to be calculated and settled corresponding to each supplier's market share, with Elexon providing Supplier demand data to calculate their market share, in order to compensate EIIs.

Elexon staff who have expertise in EMRS' provision of Settlement Services on behalf of LCCC/ESC and therefore deal with the operational and settlement calculation activities related to EIIs, will support the operation of the ESP scheme.

Elexon may subcontract smaller parts of the services to one of its current service provider, for to enable the use of the portal.

All of the costs incurred by Elexon (as EII Support Payment Administrator and EII Levy Administrator) will be recovered through the EII Levy (in accordance with the Regulations). This Modification will therefore not increase the costs recovered from BSC Parties through the BSC Section D 'BSC Cost Recovery and Participation Charges'[9] Charging Arrangements.

Principally, to enable Elexon to deliver and operate the ESP scheme, the BSC needs to be modified to allow for Elexon to use Supplier Metered Volume data to apportion the total Levy Amount based on Supplier Market Share.

Draft Regulation to be issued by the Secretary of State

The Scheme will be set out in the (currently in draft) Energy Intensive Industry Electricity Support Payments and Levy Regulations 2024 and all rights and obligations will be directly derived from these Regulations binding Elexon in its role as both EII Support Payment Administrator and EII Levy Administrator as well as participating EII certificate holders and licenced Suppliers (the Scheme Participants).

Desired outcomes

This Modification seeks to enable Elexon to implement and operate the ESP scheme, proposed to be established by the Department of Business and Trade and the Secretary of State. It seeks to allow for the appointment of Elexon as the Scheme Administrator and sets out the framework to reflect and incorporate its obligations and rights under the relevant legislation.

[9] https://bscdocs.elexon.co.uk/bsc/bsc-section-d-bsc-cost-recovery-and-participation-charges

© Elexon Limited 2024

4 Solution

Proposed solution

This Modification seeks to modify the BSC to enable Elexon to deliver the ESP Scheme set out in the (currently in draft) Electricity Support Payments and Levy Regulations 2024.

To implement the solution to this Modification, amendments will be required to:

- BSC Section C 'BSCCo and its Subsidiaries' Annex C-1 to expand the scope of Elexon's permitted activities.

The proposed BSC Modification will describe and limit Elexon's role and functions by reference to the (currently in draft) Energy Intensive Industry Electricity Support Payments and Levy Regulations 2024 ("the Regulation").

Implementing the solution to this Modification will require changes to BSC Section C to extend the vires for Elexon. The amendment would allow Elexon to undertake a new non-BSC related function, acting as EII Support Payment Administrator and EII Levy Administrator for the ESP scheme.

The detailed rights and obligations relating to the EII Support Payment Scheme will be set out by the Government in the Regulation. The Secretary of State will appoint Elexon to undertake the ESP scheme functions.

The intention of referencing out to the Regulation is to ensure consistency and prevent divergence between obligations set out in the Regulation and the BSC.

As Elexon will be performing a separate and distinct role as EII Support Payment Scheme Provider performing the role of both EII Support Payment Administrator and EII Levy Administrator, the proposed Modification provides that the Panel and Panel Committees will not have any responsibilities in respect of Elexon's functions as ESP Support Payment Scheme Provider.

Draft legal text for this Modification can be found in Attachment C.

Benefits

The benefits of the Modification would primarily centre around securing reductions in the electricity bills of EII consumers in Great Britain. This would have a positive impact on these businesses and the economy. The benefits of Elexon carrying out this role are that Elexon already has established relationships and are a trusted payment provider within the industry. In addition, the financial systems and contacts Elexon already has in place would allow for the prompt set-up of systems, and reduce costs by re-using systems developed for EMR Settlement.

Applicable BSC Objectives

The Proposer believes the Modification Proposal will better facilitate the achievement of Applicable BSC Objectives (d):

What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(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

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(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]

(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

(g) Compliance with the Transmission Losses Principle

© Elexon Limited 2024

Applicable BSC Objective (d)

The Proposer believes this Modification will better facilitate Applicable BSC Objective (d) as Elexon has a unique position within the electricity industry that means it is best placed and most efficient to provide the assurance of the scheme and to facilitate payments to EIIs. Elexon has existing systems and contacts for banking from the EBR Scheme that will be necessary for the first payments to be made on time under the new arrangements as well as established relationships with all licenced Suppliers under the BSC.

Allowing Elexon to undertake this activity will facilitate objective (d) as:

- sharing the fixed costs of Elexon across other activities allows costs to the BSC Parties to be defrayed; and
- any new activity will provide opportunities to staff to work on a wider range of activities, which will help Elexon to retain, attract and develop its people for the benefit of industry.

Implementation approach

The Proposer recommends an Implementation Date for this Modification of:

- 5 Working Days after Authority decision, as part of a special BSC Release

© Elexon Limited 2024

5 Impacts and costs

Estimated costs of this Modification

Costs will be assessed during the Report Phase Consultation. However, for those roles we believe will be impacted, we have indicated in the impacts section whether we believe the costs are likely to be high, medium or low based on the following categories:

- High: >£1 million
- Medium: £100-1000k
- Low: <£100k

Implementation costs estimates			
Organisation	Item	Implementation costs (£)	Comment
Elexon	Systems	None	No systems impacted. The proposed solution involves information extracted from the Supplier Volume Allocation Agent (SVAA).
	Documents	~£1K	Costs related to implementing changes to BSC Section C.
	Other		
NGESO	Systems	N/A	
	Other	N/A	
Industry	Systems & processes	N/A	No expected changes to implement this modification, the ESP Scheme is expected to be funded through a charge on licenced electricity suppliers and, by extension, their customers. The draft regulation provides the Secretary of State with the enabling powers to, through secondary legislation, implement and modify a charge, however this does not form part of this BSC Modification, which only seeks to allow Elexon to operate the scheme.
	Total	Low	

© Elexon Limited 2024

On-going costs estimates			
Organisation	On-going costs (£)	Comment	
Elexon	Low	Estimated 1.0 additional FTE for Elexon to support the scheme.	
NGESO	N/A		
Industry	Low	No expected ongoing changes to implement this modification.	
Total	Low		

Modification Impacts

Impact on BSC Parties and Party Agents	
Party/Party Agent	Potential Impact
Supplier	The ESP Scheme is expected to be funded through a charge on licenced electricity suppliers and, by extension, their customers. The Bill provides the Secretary of State with the enabling powers to, through secondary legislation, implement and modify a charge, however this does not form part of this BSC Modification, which only seeks to allow Elexon to operate the scheme.

Impact on the NETSO	
Potential Impact	Potential cost
No impact expected	N/A

Impact on BSCCo		
Area of Elexon	Potential Impact	Potential cost
EMRS	Receiving the necessary data from BSCCo to enable calculations related to operation of the ESP scheme	L
Finance	Operational impact relating to provision of data to support the scheme, estimated at 1 additional FTE.	L

Impact on BSC Settlement Risks
No impact on BSC Settlement Risks, this change is not expected to impact Settlement.

Impact on BSC Systems and processes	
BSC System/Process	Potential Impact
No impact expected	

© Elexon Limited 2024

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Potential Impact
No impact expected	

Impact on Code	
Code Section	Potential Impact
BSC Section C	Changes to allow Elexon to undertake a new non-BSC related function, acting as EII Support Payment Administrator and EII Levy Administrator for the scheme, describing and limiting Elexon's role and functions

Impact on MHHS
No impact on design or drafting related to implementation of Market Wide Half Hourly Settlement (MHHS)

Impact on EBGL Article 18 terms and conditions
No impact anticipated

Impact on Code Subsidiary Documents	
CSD	Potential Impact
None	

Impact on other Configurable Items	
Configurable Item	Potential Impact
None	

Impact on Core Industry Documents and other documents	
Document	Potential Impact
None anticipated	

Impact on a Significant Code Review (SCR) or other significant industry change projects
No impact anticipated, we have requested that Ofgem class this Modification as exempt from any open SCRs.

What are the consumer benefit areas?

1) Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?

2) Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?

3) Will this proposal support:

i)new providers and technologies?

ii) a move to hydrogen or lower greenhouse gases?

iii) the journey toward statutory net-zero targets?

iv) decarbonisation?

4) Will this change improve the quality of service for some or all end consumers. Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient and effective.

5) Are there any other identified changes to society, such as jobs or the economy.

© Elexon Limited 2024

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability None identified	Neutral
2) Lower bills than would otherwise be the case This Modification would enable a scheme that will directly lower applicable EII consumers' bills by providing a subsidy. This would result in lower energy bills for this class of consumer than currently faced.	Positive
3) Reduced environmental damage None identified	Neutral
4) Improved quality of service None identified	Neutral
5) Benefits for society as a whole The ESP Scheme incentivises investment in the British EIIs and thereby makes them more competitive across Europe, promoting and protecting jobs and creating an overall positive effect on the economy.	Positive

© Elexon Limited 2024

6 Proposed Progression

In this section we detail the Proposer's request and our recommendations to the proposed Modification's progression, should the Panel agree to designate LCCC to raise the proposal.

Progression

We agree with the Proposer and recommend this proposal progresses to the Report Phase and follows the timetable below.

This is on the basis that the solution for the proposed Modification is fully developed, industry will be consulted on the proposal via a Report Phase Consultation.

The scope of the Modification is limited to enabling Elexon to support the DBT and industry's Energy Intensive Industries' ESP scheme.

The existing ring fencing provisions in the BSC that ensure separation between the BSC arrangements and the EMR arrangements would apply to any such new activities. We do not therefore believe this Modification will benefit from assessment by a Workgroup as the solution is built on established and agreed arrangements and principles and is fully defined in the proposed redlined text.

We therefore recommend, should the Panel agree to designate LCCC to raise this proposal, that it should be submitted for a 10WD Report Phase Consultation before the Draft Modification Report is presented to the Panel at its meeting on 14 March 2024.

EBGL Impact

This change proposed in this Modification will have no impact on the EBGL arrangements. The draft legal text does not make any change to any BSC paragraphs that constitute EBGL Article 18 Terms and Conditions as detailed in the Annex F-2 of the BSC, nor does it extend them.

Self-Governance

Our view is that this Modification should not be progressed as Self-Governance because it does not meet the Self-Governance Criteria. The Modification, if implemented, is expected to impact (b) (i) of the Self-Governance Criteria as it would facilitate government policy that offers material savings for EII consumers.

Next steps

We recommend that this Modification proceeds directly to the Report Phase for a 10 Working Day consultation from 12 February 2024 to 26 February 2024.

Timetable

What are the Self-Governance Criteria?

A Modification that, if implemented:
(a) does not involve any amendments whether in whole or in part to the EBGL Article 18 terms and conditions; except to the extent required to correct an error in the EBGL Article 18 terms and conditions or as a result of a factual change, including but not limited to:
(i) correcting minor typographical errors;
(ii) correcting formatting and consistency errors, such as paragraph numbering; or
(iii) updating out of date references to other documents or paragraphs;
(b) is unlikely to have a material effect on:
(i) existing or future electricity consumers; and
(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
(iii) the operation of the national electricity transmission system; and
(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
(v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

© Elexon Limited 2024

Proposed Progression Timetable	
Event	Date
Designation request and Modification Proposal considered by the Panel	8 February 2024
Report Phase Consultation	12 February 2024 – 26 February 2024
Draft Modification Report presented to Panel	14 March 2024
Final Modification Report submitted to Authority	15 March 2024

© Elexon Limited 2024

7 Recommendations

We invite the Panel to:

- **DESIGNATE** LCCC to raise the attached Modification Proposal;
- **AGREE** that this Modification progresses directly to the Report Phase;
- **AGREE** that this Modification:
    - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** an initial view that this Modification **should not** be treated as a Self-Governance Modification;
- **AGREE** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- **AGREE** an initial recommendation to the Authority that this Modification should be **approved**;
- **AGREE** an initial Implementation Date of:
    - 5 Working Days following Authority approval;
- **AGREE** the draft Legal Text; and
- **NOTE** that Elexon will issue the Draft Modification Report (including the draft Legal Text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 14 March 2024.

© Elexon Limited 2024