P469 ‘Credit Default Refusal and Rejection Period Modification’

This Modification seeks to delay the Refusal and Rejection Period for Energy Contract Volume Notifications (ECVN).

Elexon recommends P469 is progressed to the Assessment Procedure for an assessment by a Workgroup

Elexon does not consider it likely that P469 will impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Trading Parties
- Generators
- Energy Contract Volume Aggregation Agent (ECVAA)

ELEXON

Phase

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

Contents

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 Initial Written Assessment (IWA), which Elexon will present to the Panel on 14 March 2024. The Panel will consider the recommendations and agree how to progress P469.

There are three parts to this document:

- This is the main document. It provides details of the Modification Proposal, an assessment of the potential impacts and a recommendation of how the Modification should progress, including the Workgroup's proposed membership and Terms of Reference.
- Attachment A contains the P469 Proposal Form.
- Attachment B contains the draft redlined changes to the BSC for P469.

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

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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.

1 Summary

Why change?

At the moment, Energy Contract Volume Notifications (ECVNs), including those previously submitted and accepted, can be refused and rejected without prior notice to third parties involved in the trade.

If an ECVN is submitted during a Credit Default Refusal Period, the notification is refused and the trade invalidated. However, in that trade, Party B may not know that Party A entered Level 2 Credit Default until the contract they believed confirmed is refused.

In many scenarios, the amount of time that Party B has to revert a trade and find new trading parties to deliveries is between one second to one hours (depending on the contract being rejected or refused). Often, this tight timeframe makes arranging a new trade unfeasible.

This Modification follows on from discussions held as part of Issue 106 'Review of BSC Credit Cover Arrangements'[2] which made a recommendation that a Modification be raised to modify the Credit Default process by delaying the rejection/refusal of any ECVNs & MVRNs after a Party has entered authorised Level 2 Default.

Solution

The proposed solution, for discussion by an industry Workgroup, is to delay the Refusal and Rejection of ECVNs both to four Settlement Periods (ECVNs refused at the start of Settlement Period J+4 instead of Period J, and rejected at J+4 instead of J+3).

Impacts and costs

We expect P469 to impact:

- Trading Parties; and
- Generators

Costs will be assessed during the Assessment Procedure. However, we expect this change to represent a parameter change and testing for Elexon's ECVAA system.

We are not expecting this Modification to impact:

- National Grid ESO (NGESO);
- EBGL Article 18 Terms and Conditions; and
- Market Half Hourly Settlement Programme (MHHSP)

Implementation

It is proposed that this Modification should be implemented as soon as reasonable possible, subject to the time required for the service provider to modify a parameter in the ECVAA and perform testing.

What is Credit Default?

The Credit Default processes are triggered when a Party's CCP exceeds a number of thresholds. **The Level 1 Credit Default** process is triggered when the CCP exceeds 80% and **the Level 2 Credit Default** process is triggered when the CCP exceeds 90%. The Party must reduce the Credit Cover percentage below 80% by the end of the query period to resolve the Credit Default.

[2] https://www.elexon.co.uk/smg-issue/issue-106/

An appropriate implementation date will be confirmed during the Assessment Procedure. However, one option that will be assessed is the possibility of an implementation 5 Working Days after Authority Decision as part of a special release.

Recommendation

The Panel is invited to agree that P469 is submitted to the Assessment Procedure for assessment by a Workgroup.

2 Why Change?

What is the issue?

There is a risk for all Balancing and Settlement Code (BSC) Parties from the possibility that ECVNs and Metered Volume Reallocation Notifications (MVRNs), including those previously submitted and accepted, can be refused and rejected with limited notice to counter-parties involved in the trade.

To illustrate this, consider the following example - at 13:31, three events occur simultaneously:

- Party A entering Level 2 Credit Default is published on the Balancing Mechanism Reporting Service (BMRS).
- Party A agrees to sell 1 MWh of energy to Party B for delivery in Settlement Period (SP) 29.
- The ECVN representing this trade is sent to the Energy Contract Volume Allocation Agent (ECVAA).

However, the Credit Default Refusal Period starts earlier, at 13:30 as the ECVAA – the Submission Deadline for SP J. Consequently, the ECVN sent to the ECVAA (by the ECVN Agent (ECVNA)) at 13:59 is refused because it falls within the Credit Default Refusal Period. Thus, the trade between Party A and Party B, which they believed was confirmed, is invalidated.

This refusal impacts Party B, particularly if it lacks sufficient time to arrange a new trade before the Submission Deadline, coinciding with the start of the SP 29 from 14:00 – 14:30. For instance, to trade for delivery in SP 29, the deadline for ECVN submission is 14:00. Since Party A entered Level 2 Credit Default and traded with Party B at 13:59, Party B has only one second to arrange an alternative trade.

In this scenario, the Credit Default Rejection Period begins at 15:00:00 BST. Before this, Parties A and B have completed trades and successfully submitted notifications accepted by the ECVAA for deliveries in Settlement Periods 31 (15:00 – 15:30) and 32 (15:30 – 16:00).

If Party A does not resolve its Level 2 Credit Default, the previously accepted ECVNs for SP 31 will be rejected at 15:00:00 BST, and those for SP 32 at 15:30:00 BST.

Currently, Parties A and B can agree that if either enters Level 2 Credit Default, they may request to reverse the ECVNs whose submission deadlines are yet to occur. This arrangement helps avoid last-minute ECVN rejections and the resulting exposure to Trading Charges. However, the current Credit Default Refusal Periods provide insufficient time for reversing a trade and submitting a new ECVN to Elexon.

For example, if a trade is reversed, Party B has until the start of the Credit Default Rejection Period (15:00:00 BST) to arrange a new trade. Given that the time in the example is 13:59:59 BST, Party B has only one hour to find a new trading partner for deliveries in SPs 31 and 32. Often, this tight timeframe makes arranging a new trade unfeasible.

Alongside this modification, Elexon has raised Issue 110 'Modernising ECVN/MVRN submission and acknowledgement processes'[3] on 11 January 2024 to review how ECVN are currently submitted and to find potential ways to improve the system.

Background

What are ECVNs and MVRNs?

Parties are required to notify the BSC systems of their contract positions to enable Energy Imbalance Volumes to be calculated. This is done by submitting notifications to the Energy Contract Volume Aggregation Agent (ECVAA). Notifications are submitted in relation to the relevant Party's Production and/or Consumption Energy Accounts.

There are two types of notification:

1. ECVNs which notify the ECVAA of the volumes of energy bought and sold between two Energy Accounts. These Energy Accounts could belong to separate Parties or could both belong to the same Party;

2. MVRNs which notify the ECVAA that the energy flowing to or from a particular BM Unit is to be allocated to one or more different Party's Energy Accounts for the purposes of Energy Imbalance calculations. (This must be from Production Account to Production Account or Consumption Account to Consumption Account).

These notifications are submitted on behalf of Parties by Notification Agents, appointed by the Parties specifically for this purpose, and known as Energy Contract Volume Notification Agents (ECVNAs) and Metered Volume Reallocation Notification Agents (MVRNAs) respectively.

Further background

ECVNs can be refused and rejected after being previously submitted and accepted. This happens when one of the Parties involved enters Level 2 Credit Default, which means its Credit Cover Percentage (CCP) becomes greater than 90%. As a consequence, a notice is published on BMRS, and Volume Notifications are refused and/or rejected as follows:

- Any ECVNs or Metered Volume Reallocation Notifications (MVRNs) that are submitted and which would increase (or not decrease) Energy Indebtedness at any point in the future will be refused; and

- Any ECVNs or MVRNs that have been previously notified and which increase Energy Indebtedness for the upcoming Settlement Period will be rejected on a Settlement Period by Settlement Period basis, and the counter-parties to the notification are informed by the ECVAA.

Energy Contract Volumes and Metered Volume Reallocations that increase Energy Indebtedness are those which represent the sale of energy by one Trading Party to another Trading Party, and make the first Trading Party's Account Energy Imbalance Volume shorter. If an ECVN or MVRN represents the sale of energy in any Settlement Period, it is refused.

For previously notified ECVNs and MVRNs, the Energy Contract Volumes or Metered Volume Reallocations are rejected one Settlement Period at a time. However, rather than

[3] https://www.elexon.co.uk/smg-issue/issue110/

reject these for the Settlement Period for which the Submission Deadline has just elapsed, they are rejected for three Settlement Periods later. This gives the counter-party, who will otherwise be left short by the cancellation of a Volume Allocation in their favour, a limited time in which to re-contract with a different, non-defaulting Trading Party. Yet, that limited time is currently insufficient to actually re-contract. Therefore, this Modification aims to extend that period.

Issue 106 'Review of BSC Credit Cover Arrangements'

The Russian invasion of Ukraine caused significant disruptions in the global energy market, leading to increased volatility in energy prices. Additionally, the aftermath of the COVID-19 pandemic resulted in many participants in the energy market, particularly Suppliers, defaulting on their obligations as a result of extreme system prices. This accumulation of debt, totalling around £70 million over the last five years, raised concerns about the adequacy of Credit to protect the market from Supplier failures without imposing excessive burdens on market participants.

To address these issues, the Credit Committee proposed a review that would explore diverse perspectives and consider both incremental changes and more substantial revisions to Credit arrangements. Elexon initiated Issue 106 'Review of BSC Credit Cover Arrangements' on January 13, 2023, with the goal of re-evaluating the objectives of Credit Cover arrangements and assessing their effectiveness. The review aimed to identify areas for improvement through a comprehensive end-to-end evaluation, including compliance and its implications.

The initial scope of Issue 106 encompassed three main areas of inquiry:

- the necessity for Credit Cover and an examination of current arrangements and their pain points;
- the calculation of Indebtedness and the appropriate methods for lodging Credit; and
- considerations related to compliance, enforcement and risk mitigation.

Discussions held as part of Issue 106

During Issue 106, Elexon presented an analysis that looked at genuine instances of Level 2 Credit Default during a 12 months-period and what the impact would be in each scenario if rejection of ECVNs were delayed by one SP.

As the proposal is to delay the rejection of ECVNs by a further Settlement Period (ECVNs rejected at J+4 instead of J+3), the impact depends on how many ECVNs are submitted on J+3 after the party has been declared in Level 2 Default. ECVN volume at J+3 would no longer be rejected and would be 'permitted' to enter Settlement within the Credit calculation.

A theoretical example was also looked at during Issue 106, using the maximum ECVN volume seen for a tier 1 supplier. This provided a view on what the maximum impact would likely be on the BSC if the rejection of this ECVN was delayed.

The table below shows genuine instances of Level 2 Credit Default between Dec 2022 and Dec 2023, and what impact would be in each scenario if rejection of ECVNs were delayed by one SP.

The Analysis from Issue 106 indicated that:

- Three out five instances of Credit Default were during bank holiday periods where the ratio between the number of Credit Assessment Energy Indebtedness (CEI), Metered Energy Indebtedness (MEI) and Actual Energy Indebtedness (AEI) days vary within the credit calculation.
- None of the Defaults were as a result of Section H SoLR[4] events, and hence as a result of a Party failing or trading at 100% imbalance and subject to high system prices.
- Two Parties had no ECVN volumes rejected on J+3 as they either had no net contracted volumes which increased the energy indebtedness, or no net contracted volumes at all.

Party Type	Date entered Credit Default	Reason for Credit Breach/Default	Length of Default (Hours)	Length of Default in Settlement Periods	Impacted Volume (MWh)	Value of Impact (£)	How the Default was resolved
Non-Physical Trader / Interconnector User	29 December 2022	Breach occurred between Christmas and New Year holiday periods	22.5	46	0.15 MWh	16	Party lodged additional Credit Collateral to clear Default
Supplier	31 December 2022	Breach occurred during the New Year holiday period	82.5	164	8 MWh	840	Party lodged additional Credit Collateral to clear Default
Wind Farm Generator	A April 2023	Breach occurred before the Easter bank holiday period	2	4	Party had not yet contracted volumes		Party Cleared the Default by naturally reducing its indebtedness position
Non-Physical Trader / Interconnector User	12 April 2023	Breach occurred during the Easter holiday period	9.5	19	Party had not yet contracted volumes		Party lodged additional Credit Collateral to clear Default
Non-Physical Trader	24 August 2023	General Credit Breach over 80% indebtedness	7.5	15	12 MWh	1260	Party lodged additional Credit Collateral to clear Default

[4] https://bscdocs.elexon.co.uk/bsc/bsc-section-h-general

The examples indicate that the risks of P469 negatively impacting the BSC should be minor as Elexon classes material impacts in Settlement at a minimum of £3000 and none of the examples exceed the materiality level deemed to be of significant value.

Desired outcomes

The desired outcome is to make trading easier and more practical for parties affected by the default.

3 Solution

Proposed solution

P469 proposal seeks to delay the Credit Default Refusal and Rejection Periods. This change would give parties a two-hour window from the Level 2 Credit Default notification until the time when any ECVN related to the defaulting party are rejected.

To implement the proposed Solution, this Modification aims to change BSC Section M, 3.3.3 a (i)[5] from:

‘(i) the “Credit Default Refusal Period" is the period from the Submission Deadline for Settlement **Period J** until the Submission Deadline for the Settlement Period after the first subsequent Settlement Period in relation to which the Credit Cover Percentage for the Imbalance Party becomes not greater than ninety (90) per cent (%)’

to:

‘(i) the “Credit Default Refusal Period” is the period from the Submission Deadline for Settlement **Period J+4** until the Submission Deadline for the Settlement Period after the first subsequent Settlement Period in relation to which the Credit Cover Percentage for the Imbalance Party becomes not greater than ninety (90) per cent (%)’

And to modify BSC Section M, 3.3.3 a (ii) from:

‘(ii) the “Credit Default Rejection Period" is the period from the Submission Deadline for Settlement **Period J+3** until the Submission Deadline for the third Settlement Period after the first subsequent Settlement Period in relation to which the Credit Cover Percentage for the Imbalance Party becomes not greater than ninety (90) per cent (%)'

to:

‘(ii) the “Credit Default Rejection Period” is the period from the Submission Deadline for Settlement **Period J+4** until the Submission Deadline for the third Settlement Period after the first subsequent Settlement Period in relation to which the Credit Cover Percentage (CCP) for the Imbalance Party becomes not greater than ninety (90) per cent (%)’.

Credit Cover Percentage

The Credit Cover Percentage (CCP) is the Energy Indebtedness divided by the Energy Credit Cover, as a percentage.

Benefits

By adding an hour and a half to the Credit Default Refusal Period and half an hour to the Credit Default Rejection Period, P469 will allow sufficient time to enable Party B to trade-out its positions with Party A, which entered into Credit Default and to enter into new trades with another Party so that Party B avoids being exposed to Trading Charges as a consequence of Party A entering Level 2 Credit Default.

This benefit is most obviously realised at CCPs where it allows this risk to be managed operationally, rather than through additional collateral requirements. CCPs, like ECC, have regulatory requirements to apply margin on this risk of Credit Default. The change would completely negate the risk since the CCP would be able to trade out the position of Party A.

[5] https://bscdocs.elexon.co.uk/bsc/bsc-section-m-credit-cover-and-credit-default

After an analysis presented during Issue 106, it was demonstrated that this extra Settlement Periods does not extend Party A indebtedness, which could present a risk for all the remaining if Party A's debt is mutualised.

To put this change in context, EPEX SPOT estimated in 2022 that the benefit of removing this risk was to free up to £100m - £150m of financial exposure on a daily basis. The current arrangements harm near-term liquidity through discouraging new market parties and reduced trading activity due to the higher trading costs associated with additional collateral requirements.

Applicable BSC Objectives

The Proposer expects this Modification to have a positive impact on BSC Applicable Objective (c) and (d). The solution facilitates trading, which could increase margins and potentially generate savings to pass through to consumers by reducing collateral requirements through less exposure to Power Exchange.

By reducing the barriers to trading, the Proposer expects an increase in competition, and believes that the change will also boost liquidity through increased trading opportunities (lower collateral requirements) and encourage more participants (and indirectly lower bills).

If Parties have longer to trade out their position, there is less chance of them being imbalanced. This will also mean that they are less exposed, and as such can reduce collateral lodged with the Power Exchanges and with Elexon, freeing up funds.

In terms of efficiency, simplifying the ECVAA rules would make the design simpler and more efficient. Easier Refusal/Rejection rules would make the process more understandable for Parties and provide parties with additional time to assess and determine appropriate action to resolve counter-party imbalance.

Implementation approach

Since the proposed solution depends on a minor system change, the implementation approach will be discussed after receiving confirmation from the Service Provider.

However, one approach that will be explored is the viability of implementation of Five Working Days after Authority Decision as part of a special release. This will be decided upon throughout the Workgroup process.

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

4 Areas to Consider

In this section we highlight areas which we believe the Panel should consider when making its decision on how to progress this Modification Proposal, and which a Workgroup should consider as part of its assessment of P469. We recommend that the areas below form the basis of a Workgroup's Terms of Reference, supplemented with any further areas specified by the Panel.

Areas to consider

The table below summarises the areas we believe a Modification Workgroup should consider as part of its assessment of P469:

Specific Areas to Consider
Does P469 overlap with Issue 110 in terms of implementations regarding changes to ECVAA?
Does P469 give advantage to one class of BSC Party i.e. the Panel Objectives?
Whether there needs to be a caveat for Parties entering a Supplier of Last Resort (SoLR) procedure?
Should the end of the Refusal and Rejection period be amended too?

Standard Areas to Consider
How will P469 impact the BSC Settlement Risks?
What changes are needed to BSC documents, systems and processes to support P469 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?
Are there any Alternative Modifications?
Should P469 be progressed as a Self-Governance Modification?
Does P469 better facilitate the Applicable BSC Objectives than the current baseline?
Does P469 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

5 Likely Impacts and costs

Estimated costs of P469

Costs will be assessed during the Assessment Procedure. 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	Low	This change could represent a parameter change and testing for Elexon's ECVAA system
	Documents	Low	Potential change to Section M
	Other	n/a	
NGESO	Systems	n/a	
	Other	n/a	
Industry	Systems & processes	n/a	
	Total		

We do not anticipate any on-going costs.

P469 Impacts

Impact on BSC Parties and Party Agents		
Party/Party Agent	Potential Impact	Potential cost
Trading Parties	L – implementation impacts are minimal	L
Generators	L – implementation impacts are minimal	L

Impact on the NETSO	
Potential Impact	Potential cost
No impacts anticipated	

Impact on BSCCo		
Area of Elexon	Potential Impact	Potential cost
No impacts anticipated		

Impact on BSC Settlement Risks
No impacts anticipated

Impact on BSC Systems and processes	
BSC System/Process	Potential Impact
ECVAA	A parameter in the ECVAA may need to be changed

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Potential Impact
ECVAA/CGI	L

Impact on Code	
Code Section	Potential Impact
BSC Section M	Section M, 3.3.3 a (i) and (ii) as per redlining attached

Impact on MHHS
No impacts anticipated

Impact on EBGL Article 18 terms and conditions
No impacts anticipated

Impact on Code Subsidiary Documents	
CSD	Potential Impact
No impacts anticipated	

Impact on other Configurable Items	
Configurable Item	Potential Impact
No impacts anticipated	

Impact on Core Industry Documents and other documents	
Document	Potential Impact
Ancillary Services Agreements	n/a
Connection and Use of System Code	n/a
Data Transfer Services Agreement	n/a
Distribution Code	n/a
Grid Code	n/a
Retail Energy Code	n/a
Supplemental Agreements	n/a
System Operator-Transmission Owner Code	n/a
Transmission Licence	n/a
Use of Interconnector Agreement	n/a

Impact on a Significant Code Review (SCR) or other significant industry change projects
No impacts anticipated, we have requested that Ofgem treat P469 as outside of any open SCRs.

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability	Neutral
2) Lower bills than would otherwise be the case By optimising the way trading is done, costs are reduced potentially generating savings to pass through to consumers.	Positive
3) Reduced environmental damage	Neutral
4) Improved quality of service	Neutral
5) Benefits for society as a whole	Neutral

BSC Parties will have more time to assess and determine appropriate action to resolve a counter-party imbalance. This will reduce the risk of exposure for Power Exchange meaning that they can reduce collateral requirement on their customers.

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?

6 Proposed Progression

Next steps

This Modification should be assessed by a Workgroup and submitted to the Assessment Procedure. However, since the solution was presented and analysed during Issue 106, it is expected that the number of meetings necessary to arrive at a developed solution will be relatively few. However, we do believe a Workgroup is necessary to fully address the Terms of Reference and ensure industry comfort with the proposal.

Workgroup membership

The assessment of this Modification Proposal requires knowledge in:

- Electricity Trading arrangements;
- ECVN and MVRN submission processes and industry practices; and
- Issue 106.

Timetable

The below is a best-case timetable understanding that discussion has been held as part of the Issue 106 process and therefore the process could potentially be truncated. This relies on avoiding all unknowns and risks throughout the process.

Proposed best-case Progression Timetable for P469	
Event	Date
Present Initial Written Assessment to Panel	14 March 2024
Workgroup Meeting	W/C 1 April 2024
Assessment Procedure Consultation (10 WDs)	15 April 2024 – 26 April 2024
Workgroup Meeting	W/C 29 April 2024
Present Assessment Report to Panel	9 May 2024
Report Phase Consultation (15 WDs)	13 May 2024 – 03 June 2024
Present Draft Modification Report to Panel	13 June 2024
Issue Final Modification Report to Authority	13 June 2024

The below is an alternative timetable if we face issues with quoracy, require further engagement from industry via additional Workgroup meetings or face delays on impact assessments.

Proposed Progression Timetable for P469	
Event	Date
Present Initial Written Assessment to Panel	14 March 2024
Workgroup Meeting 1	W/C 15 April 2024
Workgroup Meeting 2 (if required)	W/C 13 May 2024

What is 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.

Proposed Progression Timetable for P469	
Event	Date
Assessment Procedure Consultation (10 WDs)	28 May 2024 – 11 June 2024
Workgroup Meeting 3	W/C 24 June 2024
Present Assessment Report to Panel	11 July 2024
Report Phase Consultation (15 WDs)	15 July 2024 – 30 July 2024
Present Draft Modification Report to Panel	08 August 2024
Issue Final Modification Report to Authority	12 August 2024

In consideration of the need to provide this contingency during a busy period for market participants, Elexon therefore recommend a 5 month Assessment Procedure is granted, although we will endeavour to progress P469 to as quick an Assessment timetable as is possible and appropriate.

7 Recommendations

We invite the Panel to:

- **AGREE** that P469 progresses to the Assessment Procedure;
- **AGREE** the proposed Assessment Procedure timetable;
- **AGREE** the proposed membership for the P469 Workgroup; and
- **AGREE** the Workgroup's Terms of Reference.