










BSC Modification Proposal Form		At what stage is this document in the process?
<h1>Correction to P376 Legal Text</h1>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<p>Purpose of Modification:</p> <p>This Modification is required to correct an error contained within the approved legal drafting for P376. This Proposal will amend the approved P376 legal text to align with the intent of the P376 solution. It will ensure that Virtual Lead Parties (VLPs) do not need to submit the status of Metering System Identifier (MSID) pairs contained within secondary Balancing Mechanism (BM) Units that do not use the baselining methodology introduced in the P376 solution.</p>		
<p>Does this Modification impact any of the European Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions held within the BSC?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		
	<p>The Proposer recommends that this Modification should:</p> <ul style="list-style-type: none"> Be raised by the Panel in accordance with F2.1.1(d)(i) Submitted straight to the Report Phase as a Self-Governance Modification Proposal <p>This Modification will be presented by Elexon to the BSC Panel on 11 November 2021. The Panel will consider Elexon's recommendation and determine whether to raise the modification and progress it as a Self-Governance Modification.</p>	
	<p>High Impact:</p> <p>None</p>	
	<p>Medium Impact:</p> <p>None</p>	
	<p>Low Impact:</p> <p>Virtual Lead Parties (VLPs)</p>	

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Timetable			Proposer: BSC Panel
The Proposer recommends the following timetable:			Proposer's representative: Lawrence Jones Elexon
Modification raised by BSC Panel	11 November 2021		
Report Phase Consultation	16 November 2021 – 30 November 2021		BSC.change@elexon.co.uk
Presentation of Draft Modification Report to Panel	09 December 2021		
Self-Governance Objection Window Closes	04 January 2022		020 7380 4221
Implementation Date	23 February 2023		

1 Why Change?

What is the issue?

Modification [P376 'Utilising a Baseline Methodology to set Physical Notifications for Settlement of Applicable Balancing Services'](#) seeks to allow a VLP with a Secondary BM Unit to use a baselining methodology to determine the expected energy flows for an MSID Pair in the calculation of Non-Delivery Charges and Delivered Volumes. This Modification was recommended for approval by the BSC Panel at its meeting on 13 May 2021 and was subsequently approved for implementation in February 2023 by Ofgem on 6 August 2021.

The Ofgem decision letter for P376 detailed an unintentional error in Section S of the BSC legal drafting which inadvertently places new requirements on VLPs that do not wish to use the baselining methodology detailed in the P376 solution. The P376 solution intends to ensure that only VLPs that wish to use the baselining methodology are required to register the 'Inactive' status of an MSID pair in a BM Unit that has been registered as a 'Baselined BM Unit'.

Under the current approved P376 solution, VLPs with BM Units that have not been registered as a 'Baselined BM Unit' would be required to specify the 'Inactive' status of a non-baselined BM Unit. It is Elxon's view that this new requirement was not intended, is expected to increase both system development costs associated with P376 as well as on-going operational costs for VLPs. This current requirement is not necessary, adds no value and does not better facilitate any of the Applicable BSC Objectives. The Proposer of P376 agrees that allowing non-baselined BM Units would cause a problem and suggested disallowing this functionality.

Desired outcomes

This Modification seeks to remove the inefficient requirement for VLPs that do not wish to use the baselining methodology to specify the inactive status of MSID pairs within non-baselined BM units.

2 Solution

Proposed Solution

This Modification moves BSC Section S 10.1.3A (i) in the approved P376 legal text to Section 10.1.3A and updates the reference to this Section in 10.1.3B. This will ensure that the 'Inactive' status of an MSID pair will only need to be specified by VLPs in baselined BM units. The new legal text is given below:

[P375] [P376] [123-B] 10.1.3 For the purposes of the Code, "**BM Unit MSID Pair Data**" shall contain the following:

- (a) in relation to an MSID Pair, the GSP Group in which the Import Metering System and (where applicable) Export Metering System are located;
- (b) the MSID of the Import Metering System;
- (c) the MSID of the associated Export Metering System (where applicable);

- (d) the date from when, subject to paragraph 10.1.4, the Lead Party wishes such Half Hourly Metering System(s) to be allocated to such BM Unit for the purposes of providing Balancing Services;
 - (e) a Customer Consent Flag for the MSID of the Import Metering System setting out:
 - (i) the date from when the Customer Consent Flag is to be effective; and
 - (ii) the date to when the Customer Consent Flag is to be effective;
 - (f) a Customer Consent Flag for the MSID of the Export Metering System setting out:
 - (i) the date from when the Customer Consent Flag is to be effective; and
 - (ii) the date to when the Customer Consent Flag is to be effective;
 - (g) the identification number of the relevant BM Unit and;
 - (h) an Indicator detailing whether the MSID Pair is:
 - (i) to be allocated to the BM Unit, and is not an Associated MSID Pair for any AMSID Pair;
 - (ii) not to be allocated to the BM Unit, and is an Associated MSID Pair of an AMSID Pair which is to be allocated to the BM Unit in accordance with paragraph 10.1A; or
 - (iii) to be allocated to the BM Unit, and is an Associated MSID Pair for an AMSID Pair which is to be used in Asset Differencing in accordance with paragraph 10.1A.
- ~~(i) in relation to a BM Unit MSID Pair Data submitted for a Secondary BM Unit, whether the MSID Pair is to be treated as Inactive, and the effective dates, from and to, in calendar days giving the period when the MSID Pair should be treated as Inactive.~~

[P376] [123-B] 10.1.3A BM Unit MSID Pair Data submitted by a Lead Party in relation to a Baselined BM Unit shall also contain the following information:

- (a) whether the MSID Pair is to be classified as a Baselined MSID Pair;
- (b) where the MSID Pair is to be classified as a Baselined MSID Pair, the Baselining Methodology that applies;
- (c) the date from which items (a) and (b) are to become effective; and
- (d) ~~whether the MSID Pair is to be treated as Inactive, and the effective dates, from and to, in calendar days giving the period when the MSID Pair should be treated as Inactive.~~

[P376] [123-B] 10.1.3B Where a Lead Party does not wish for actual and expected volumes for MSID Pairs allocated to their Secondary BM Unit(s) to be used in Settlement, it may identify the MSID Pairs as “Inactive” for the purposes of paragraph 10.1.3A~~(di)~~.

Benefits

This Modification is expected to reduce costs associated with:

- The system development of P376; and

- The on-going operational costs associated with VLPs specifying the 'Inactive' status of MSID pairs in non-baselined BM Units.

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

As this Modification will remove the unnecessary requirement on VLPs to specify the 'Inactive' status of MSID pairs in non-baselined BM Units Elexon believes that this will increase operational efficiency, reduce P376 system development costs and thus will better facilitate Applicable BSC Objective d).

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"/> Retail Energy Code	<input type="checkbox"/> Transmission License	<input type="checkbox"/> System Operator Transmission Owner Code	<input type="checkbox"/> Supplemental Agreements
<input type="checkbox"/> Distribution Code	<input type="checkbox"/> Grid Code	<input checked="" type="checkbox"/> None	

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"/> ECVAA	<input type="checkbox"/> ECVAA Web Service	<input type="checkbox"/> Elexon Portal	<input checked="" type="checkbox"/> None	

As the Modification seeks to deliver the original intent of P376 we do not expect this Modification to impact any BSC systems above what is specified in the P376 Solution. This Modification is a Code only Modification. The P376 system development has not yet started and we expect this Modification to be approved or rejected in sufficient time for the outcome to be included in the system development.

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 checked="" type="checkbox"/> Virtual Lead Party	<input type="checkbox"/> Other (Please specify)

VLPs will not need to specify the 'Inactive' status of MSID pairs in non-baselined BM Units if this Modification is approved.

Impacts on consumers and the environment

Impact of the Modification on consumer benefit areas:	
Consumer benefit area	Identified impact
Improved safety and reliability	Neutral
Lower bills than would otherwise be the case	Neutral
Reduced environmental damage	Neutral
Improved quality of service	Neutral
Benefits for society as a whole	Neutral

This Modification makes a small but important correction to the P376 solution. It therefore has no material impact on the environment or consumers.

Legal Text Changes

This Modification moves BSC Section S 10.1.3A (i) in the approved P376 legal text to Section 10.1.3A and updates the reference to this Section in 10.1.3B. This will ensure that the 'Inactive' status of an MSID pair will only need to be specified by VLPs in baselined BM units.

5 Governance

Self-Governance

<input type="checkbox"/> Not Self-Governance – 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 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	
<input checked="" type="checkbox"/> Self-Governance – A Modification that, if implemented:	
Does not materially impact on any of the Self-Governance criteria provided above	

As this Modification seeks to rectify an unintended consequence of the P376 approved redlining and does not materially impact any of the Self-Governance criteria above Elexon believes that this Modification should be progressed as a Self-Governance Modification.

Progression route

<input type="checkbox"/> Submit to assessment by a Workgroup – A Modification Proposal which:	
does not meet any criteria to progress via any other route.	
<input checked="" type="checkbox"/> Direct to Report Phase – A Modification Proposal whose solution is typically:	
<input type="checkbox"/> of a minor or inconsequential nature	<input checked="" type="checkbox"/> deemed self-evident
<input type="checkbox"/> 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:	
<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 type="checkbox"/> updating out of date references to other documents or paragraphs
<input type="checkbox"/> Urgent – 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	

This Modification should be progressed straight to the Report Phase. The solution is fully developed, self-evident and expected by Ofgem. Participants will have an opportunity to comment on the proposal via the Report phase Consultation.

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 held within the BSC?

This Modification will not impact the EBGL Article 18 terms and conditions as BSC Sections S 10.1.3 and S 10.1.3A are not specified in the mapping given in Section F Annex F-2. We also do not believe the proposed amendment extends or impacts the Article 18 terms and conditions.

Implementation approach

To avoid the unintended consequences associated with implementing the current P376 solution Elexon believes that the Implementation Date for this Modification should be aligned with Implementation Date for P376 which is the 23 February 2023, as part of the Standard February 2023 Release.