

CP1468 'Adoption of a standard template for raising Modifications'



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About This Document

The purpose of this Change Proposal (CP) Consultation for CP1468 is to invite BSC Parties, Party Agents and other interested parties to provide their views on the impacts and the merits of CP1468. The Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) will then consider the consultation responses before making a decision on whether or not to approve CP1468.

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the ISG's and SVG's initial views on the proposed changes.
- Attachment A contains Proposal Form
- Attachment B contains the proposed redlined changes to deliver the CP1468 solution.
- Attachment C contains the Ofgem approved Modification form template
- Attachment D contains the specific questions on which we seek your views. Please use this form to provide your response to these questions, and to record any further views or comments you wish to be considered.

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1 Why Change?

What is Ofgem's Code Governance Review?

In 2010, Phase 1 of Ofgem's [Code Governance Review](#) (CGR) implemented measures to improve the governance arrangements in three of the main industry codes that underpin the gas and electricity markets (including the Balancing and Settlement Code (BSC)). In 2013, Phase 2 of the CGR extended many of the outcomes to the remaining industry codes.

In May 2015, Ofgem announced its intention to conduct Phase 3 of the review. This was due to concerns that the code governance arrangements may still not be operating in the best interest of consumers. This was particularly in light of significant changes to the industry such as the roll out of smart Meters, the low carbon transition and the European Union (EU) Third Energy Package.

What is the issue?

Ofgem published its [final proposals for Phase 3 of the CGR](#) in March 2016. These proposals took into account feedback on the initial proposals as well as input from industry and Code Administrators' workshops (which ELEXON attended). One proposal aims to replace the various Modification Proposal templates that are used across the different codes with a standard template. The template in Attachment C was developed with input from the Code Administrators and Ofgem has now instructed that all Code Administrators should adopt it.

Currently, BSC Parties propose Modifications to the BSC using the Modification Proposal form (BSCP40/03) in BSC Procedure (BSCP) 40 '[Change Management](#)'. In order to facilitate the use of the new common template for raising a Modification Proposal, the existing proposal form needs to be removed from BSCP40 and replaced with a reference to the common template which will be made available on the ELEXON website.

Proposed solution

ELEXON raised [CP1468 'Adoption of a standard template for raising Modifications'](#) on 6 July 2016. It proposes to remove the BSC Modification Proposal form (BSCP40/03) from BSCP40. Instead, BSCP40 will refer participants who wish to propose a Modification to the standard proposal form template, which ELEXON will be required to make available on the BSC Website.

The new template captures all the essential information of the form BSCP40/03 as required by BSC Section F2.1.2 (e.g. the issue, the solution and impacts). The new template also includes additional fields which a Proposer can fill out if they wish to (e.g. implementation, legal text and relevant Code objectives). ELEXON will complete any sections of the form that are left blank by the Proposer or delete them if they are unnecessary.

At this stage, we only propose to remove the existing Modification Proposal form and replace it with the standard template. Participants that wish to raise a CP or an Issue would continue to use the existing BSCP40 forms for these. We will consider the format and use of the CP and Issue forms in light of the review of the Modifications process that we will be conducting later this year (as per the [Panel's Strategic Work Programme](#)).

Proposer's rationale

Ofgem requires this change.

Ofgem considers that a single, standardised process and template for raising a Modification Proposal under any code would reduce the existing burden on users of needing to be familiar with multiple approaches.

The BSC is already clear on the information that a Proposer must provide when proposing a change (this is set out in BSC Section F2.1.2). Consequently, it is not essential that the specific design of the proposal form be set out in the BSCP itself.

Removing the Modification Proposal form from the BSCP will facilitate efficiency as there will be no need to raise a formal Change Proposal for future changes to the template form. This will simplify any further evolution of the form that may be required to support the continued harmonisation of code change processes and working practices.

Proposed redlining

The proposed redlined changes to BSCP40 to deliver CP1468 can be found in Attachment B. The Ofgem approved Modification form template can be found in Attachment C.

CP Consultation Questions

Do you agree with the CP1468 proposed solution?

Please provide your rationale.

Do you agree that the draft redlining delivers the CP1468 proposed solution?

If 'No', please provide your rationale.

Please record any general comments below and any specific comments in the section further on in this response form.

We invite you to give your views using the response form in Attachment D

3 Impacts and Costs

Central impacts and costs

This change will require document changes only.

There are no system changes required for this CP and no impact on BSC Agents.

Central Impacts	
Document Impacts	System Impacts
BSCP40	<i>None</i>

The central implementation costs for CP1468 will be approximately £240 (one ELEXON man day) to implement the necessary document changes.

BSC Party & Party Agent impacts and costs

We do not expect CP1468 to impact any BSC Parties or Party Agents. Although users will be required to complete a different form than previously when proposing a Modification, this is not expected to impact their experience as the same information is required. The new template includes guidance to explain what is required of a Proposer when completing the form.

In the event that a Proposer submits a Modification Proposal using the old form within three months following implementation of this CP, we will transfer the information to the new template. ELEXON will do this as part of its initial 'critical friend' review. We would then advise the Proposer of the new form and provide the amended form.

CP Consultation Questions
Will CP1468 impact your organisation? <i>If 'Yes', please provide a description of the impact(s) on your organisation and any activities which you will need to undertake between the approval of CP1468 and the CP1468 Implementation Date (including any necessary changes to your systems, documents and processes). Where applicable, please state which of the roles that you operate as will be impacted and any differences in the impacts between each role.</i>
Will your organisation incur any costs in implementing CP1468? <i>If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs.</i>
We invite you to give your views using the response form in Attachment D

4 Implementation Approach

Recommended Implementation Date

We propose to implement CP1468 on **3 November 2016** (as part of the scheduled November 2016 Release).

This is the next Release that this CP can be included in. This is in line with the timetable we submitted to Ofgem for the implementation of the CGR3 proposals, in which we stated this particular change would aim to be implemented in 'Autumn 2016'.

We will make relevant stakeholders aware of this change through appropriate communications such as Newscast.

The Code Administrators intend to review the use of the standard template to assess its impact. We expect this review to be approximately six months following implementation. The current expectation is that if any further changes are required, the Code Administrators will agree them according to Principle 4 of the [Code Administration Code of Practice \(CACoP\)](#). However if anything changes in regard to the governance of the templates, then we will advise the Panel and appropriate Panel committees.

CP Consultation Questions

Do you agree with the proposed implementation approach for CP1468?

Please provide your rationale.

We invite you to give your views using the response form in Attachment D

ISG's initial views

ISG members did not raise any questions or discussion points.

SVG's initial views

An SVG Member queried whether the template had already been finalised. ELEXON advised that it has been finalised and approved by Ofgem. Should any further changes be required, e.g. based on user feedback, these would be discussed amongst the Code Administrators and put to Ofgem according to the CACoP principles.

No other questions or discussion points were raised.

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCP	Balancing and Settlement Code Procedure
CACoP	Code Administration Code of Practice
CGR	Code Governance Review
CP	Change Proposal
CPC	Change Proposal Circular
EU	European Union
ISG	Imbalance Settlement Group
SVG	Supplier Volume Allocation Group

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2	Ofgem's Code Governance Review	https://www.ofgem.gov.uk/licences-codes-and-standards/codes/industry-codes-work/code-governance-review#of-block-views-publications-and-updates-block
2	Ofgem's CGR3 Final Proposals	https://www.ofgem.gov.uk/system/files/docs/2016/03/code_governance_review_phase_3_final_proposals_2.pdf
2	BSCP40 document	https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/2/?show=10&type
3	Change Proposal CP1468	https://www.elexon.co.uk/change-proposal/cp1468/
3	BSC Panel's Strategic Work Plan	https://www.elexon.co.uk/wp-content/uploads/2015/10/34_253_16A_Panel-Strategic-Work-Programme_PUBLIC.pdf
6	Code Administration Code of Practice	https://www.ofgem.gov.uk/sites/default/files/docs/2015/08/proposed_cacop_v.4.0_clean_version_0.pdf

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