

## 1 SUMMARY AND RECOMMENDATIONS

### 1.1 Recommendation

Modification Proposal P1 ('the Modification') seeks extension of the definition of ECVAA System Failure to enable the re-submission of Volume Notifications affected by failures of High Grade communication links and proposes that the that extension be made retrospective to market opening – the 27<sup>th</sup> March 2001.

During the Assessment Procedure, the Modification Group ('the Group') developed an Alternative Modification that they believed would better facilitate the Applicable BSC Objectives. The Alternative Modification would extend the re-submission contingency for affected Volume Notifications to failures of Low Grade, as well as High Grade, communication links. In addition, the Alternative Modification would not be made retrospective to market opening.

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Assessment Phase, and the representations received under the Report phase, the BSC Panel recommends to the Authority that:

**The Modification, as submitted, is rejected and the Alternative Modification, as set out in Section 6, is approved and implemented immediately upon such approval.**

### 1.2 Background

The Modification was submitted on the 27<sup>th</sup> March 2001 by OM London Exchange Ltd. ELEXON produced an Initial Written Assessment (IWA) and presented it to the Panel on the 5<sup>th</sup> April 2001. The Panel endorsed ELEXON's recommendation that the Modification be progressed to the Definition Procedure, and requested that a Definition Report be presented at the Panel meeting on the 31<sup>st</sup> May 2001.

The Definition Report was presented to the Panel on the 31<sup>st</sup> May 2001. The Panel endorsed the Modification Group's recommendation to progress the Modification to the Assessment Procedure and that an Assessment Report be presented to the Panel meeting on the 26<sup>th</sup> July.

During the Assessment Procedure, the Group developed an Alternative Modification that they believed would better facilitate the Applicable BSC Objectives in comparison to the original Modification. The Assessment Report was presented to the Panel on the 26<sup>th</sup> July 2001. The Panel endorsed the Group's recommendation that the Modification, as submitted, is rejected and the Alternative Modification is approved and implemented immediately upon such approval.

### 1.3 Rationale for Recommendations

The Panel endorsed the Modification Group's conclusion that the Alternative Modification would better facilitate achievement of the Applicable BSC Objectives as set out in the Transmission Licence, as compared to the current provisions of the BSC and the original Modification. In particular, it would best meet objectives 7A(3)(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* – and 7A(3)(d) – *'promoting efficiency in the implementation and administration of the balancing and settlement arrangements'*. In reaching this conclusion, the Panel took due account of the views of the Proposer, all representations received from interested parties and the views of the Group. This Modification Report should be read in conjunction with the Group's Assessment Report, which forms Attachment 1 to this report.