

4.5. MP Form

Modification Proposal – BSCP40/03	MP No: P291 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by originator)</i> : REMIT Inside Information Reporting Platform for GB Electricity	
Submission Date <i>(mandatory by originator)</i> : 30th January 2013	
Description of Proposed Modification <i>(mandatory by originator)</i>	
<p>The Regulation on Wholesale Energy Markets Integrity and Transparency (REMIT) is the EU regulation (No 1227/2011) that came into force on 28 December 2011 and is aimed at preventing market abuse in the wholesale energy markets. It establishes a new framework for monitoring of wholesale energy markets and a key requirement is for market participants to publish inside information.</p> <p>The Agency for the Cooperation of Energy Regulators (ACER) recently published the second edition of REMIT Guidance and includes reporting of inside information. Section 6.2 of the guidance ‘Effective public disclosure’ advocates the disclosure of inside information such that it can be ‘disseminated to as wide public as possible’ and also suggests that market participants with inside information should use platforms for disclosing their information if such platforms exist. Whilst National Grid recently launched a REMIT transparency platform for the GB gas market, currently no such mechanism exists for the electricity market.</p> <p>This modification proposes to use the Balancing Mechanism Reporting System (BMRS) as a platform to publish the necessary information to meet the requirements of REMIT inside information reporting for the GB electricity sector, whilst establishing expected standards and methods for input of such data.</p>	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by originator)</i>	
<p>The BMRS has evolved into a reporting tool for GB electricity data, even where this is not directly used in settlement. This combined with ACER’s preference to use existing industry reporting platforms for publication of REMIT inside information, makes the BMRS a logical reporting mechanism for REMIT inside information.</p> <p>The BSC contains requirements of data submitted to, and published by, the Balancing Mechanism Reporting Agent on the BMRS. Therefore, in order to allow REMIT Inside Information Reporting to be published on the BMRS the BSC must be amended.</p>	

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<p>Impact on Code <i>(optional by originator)</i></p> <p>The impacts on the Code will need to be assessed by a Workgroup, but are likely to include:</p> <ul style="list-style-type: none"> • Changes to Section Q to allow BSC Parties (and potentially other parties) to submit details of inside information (as defined under REMIT) for publication. The Workgroup may wish to consider whether it is appropriate to require BSC Parties to submit data; and the extent to which non-BSC Parties should be allowed to submit data. • Changes to Section V to require the BMRS to report data submitted in accordance with Section Q. 	
<p>Impact on Core Industry Documents or System Operator-Transmission Owner Code <i>(optional by originator)</i></p>	
<p>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by originator)</i></p> <p>BMRS</p>	
<p>Impact on other Configurable Items <i>(optional by originator)</i></p>	

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Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by originator)</i>	
<p>In the absence of a central platform, BSC Parties (and others) have to comply with the REMIT requirements by reporting inside information on their own websites (or other reporting channels e.g. social media). This makes it difficult to locate all the information that has been published.</p> <p>Publishing all (or as much as possible) of the inside information reported by UK electricity market participants on a single central platform will:</p> <ul style="list-style-type: none"> • Make it much easier for market participants to locate all the relevant information; and • Align UK practice with the most recent ACER guidance, which expresses a preference for reporting on central platforms where these exist <p>Like most of the other data submitted under Section Q and reported under Section V, REMIT data reported on BMRS will not be used in settlement, but will help facilitate the wholesale electricity trading market by providing near to real-time reporting of market information.</p> <p>An additional benefit of reporting this data under BSC governance is that the BSC Modification process will allow a Workgroup to define the platform requirements to ensure the transparency platform meets the REMIT requirements and ACER Guidance, including aligning with the Guidance for what should be published on the platform and how the platform should operate.</p> <p>We believe this Modification Proposal will meet applicable BSC objective (c) - <i>“The promotion of 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.”</i></p> <p>As publishing the data on a public platform will ensure wholesale inside information is accessible thus enabling effective competition.</p> <p>We also believe that, although the ACER guidance is not legally binding, this Modification Proposal aligns with the spirit of applicable BSC objective (e) - <i>“Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.”</i></p>	
<p>Is there a likely material environmental impact? <i>No</i></p>	
<p>Urgency Recommended: <i>No</i></p>	

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Justification for Urgency Recommendation <i>N/A</i>	
Self-Governance Recommended: No	
Justification for Self-Governance Recommendation: <i>N/A</i>	
Should this Modification Proposal be considered exempt from any ongoing Significant Code Reviews? <i>Yes</i>	
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Attachments: Yes / No <i>(delete as appropriate) (mandatory by originator)</i> If Yes, Title and No. of Pages of Each Attachment:	