

**Phase**

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

## Request to raise a Modification 'Consequential changes to P272 legal text'

This Modification proposes to make consequential changes to the approved legal text for P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8', to resolve conflicts that exist between it and certain approved Modification.



ELEXON recommends that the Panel raises this Modification and approves it as a Fast Track Self-Governance Modification.

This Modification is not expected to impact any participants.

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## About This Document

This document is a request to raise a Modification and Initial Written Assessment (IWA), which ELEXON will present to the Panel on 14 April 2016. The Panel will consider the recommendations and agree whether to raise and how to progress this Modification.

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.
- Attachment A contains the draft Modification Proposal Form.
- Attachment B contains the draft legal text to deliver this Modification.



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# 1 Why Change?

## Background

Smartest Energy raised [P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'](#) on 20 May 2011, which proposes to make Half Hourly (HH) Settlement mandatory for all Metering Systems within Profile Classes (PCs) 5-8 (where capable metering has been installed). The Authority approved the P272 Alternative Modification on 29 October 2014 for implementation on 1 April 2016.

As part of its recommendation that the [P322 'Alternative Revised Implementation Arrangements for Mandatory Half Hourly Settlement for Profile Classes 5-8'](#) Alternative Modification should be approved, the Panel re-issued its request for a 12-month extension to the Implementation Date on 12 June 2015. Following its decision to approve the P322 Alternative Modification, the Authority approved a 12-month extension to the P272 Implementation Date on 24 June 2015. Therefore, the P272 Implementation Date is 1 April 2017.

## What is the issue?

Since the approval of P272 and the amendment to the Implementation Date to 1 April 2017, two separate but related Modifications have been approved:

- [P320 'Reporting on Profile Classes 5 – 8 Metering Systems after the implementation of P272'](#).
- P322.

One of these has been implemented and the other is to be implemented at the same time as P272. Both of these Modifications amended the requirements of P272. As P272, being implemented at a later date than implemented P322 would overwrite this Modification, there is a conflict that would bring into effect a backing out of P322. Furthermore, as P320 is already backing out aspects of P272, this Modification also includes this approved change for clarity.



### What is the full P272 solution

Requirement 1: All HH capable Metering Systems in Profile Classes 5-8 will be settled HH by 1 April 2016;

Requirement 2: Suppliers will submit their plan for the transition to HH to the Performance Assurance Administrator (PAA);

Requirement 3: HH elective Metering Systems will not be able to revert to Non Half Hourly (NHH);

Requirement 4: 99% of energy will be settled on actual data at First Reconciliation (R1);

Requirement 5: The profiles for PCs 5-8 will be 'frozen';

Requirement 6: Performance Assurance Reporting and Monitoring System (PARMS) Serial SP04 will be expanded to include advanced Meters being settled NHH after 1 April 2016;

Requirement 7: A new PARMS Serial will be created to monitor sites where an advanced Meter has not been installed.

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### Proposed solution

This Modification proposes to make the following changes to the approved P272 legal text such that:

- The amendments to Section L2.2.2 introduced by P272 are replaced by the approved legal text implemented by P322 of Section L. No changes are needed to Section L2.2.2 to implement this.
- The amendments to Section L2.3.3 introduced by P272 are replaced by the approved legal text implemented by P322 of Section L. No changes are needed to Section L2.3.3 to implement this.
- New Section L2.6.1A introduced by P272 is replaced by the approved legal text implemented by P322 of Section L. No changes are needed to Sections L2.6.1A, L2.6.1B or L2.6.2 to implement this.
- The amendments to Section S-1 2.2.8 introduced by P272 are replaced by the approved legal text included in P320. No changes are needed to Section S-1 2.2.8 to implement this.
- Section S-1 2.2.8A introduced by P272 is deleted as set out in P320. No changes are needed to Section S-1 2.2 to implement this.
- New Section L2.4.1A and the amendments to L2.4.2 introduced by P272 are replaced by the approved legal text implemented by P320 of Section S-1. No changes are needed to Sections L2.4.1 or L2.4.2 to implement this.
- The amendments to Section X-1 introduced by P272 are replaced by the approved legal text implemented by P322 of Section X-1. No changes are needed to Section X-1 to implement this.

The full changes can be found in Attachment B.

### Applicable BSC Objectives

We consider that this Modification would better facilitate **Applicable Balancing and Settlement Code (BSC) Objective (d)** as addressing the conflicts and unintended consequences of overwriting approved Modifications would ensure the BSC is delivered in the most effective and efficient manner.



#### 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 administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

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### 3 Proposed Progression

If the Panel agrees to raise the Modification Proposal in Attachment A, it will need to determine how it should be progressed. We believe that this should be progressed as a Fast Track Self-Governance Modification.

The Panel must be unanimous in a decision to progress a Modification as a Fast Track Modification. If any Panel Member disagrees with this approach, then the Modification will need to progress as a standard Modification.

#### Progression as a Fast Track Modification

If the Panel unanimously agrees to progress this Modification as a Fast Track Modification, it will need to approve the draft legal text and implementation approach. We will then issue the Fast Track Modification Report (including the approved BSC legal text) to the Authority, the Transmission Company and BSC Parties. Following this, there will be a 15 Working Day objection period in which BSC Parties can raise an objection to the implementation of the Modification. This period will close on 1 July 2016.

If an objection is received, the implementation of the Modification will be suspended and the objection tabled at the Panel meeting on 14 July 2016. The Panel will then need to agree how to progress the Modification as a standard Modification.

If no objections are received, the Panel will be notified and the Modification will be implemented on the agreed Implementation Date (see Section 5).

#### Progression as a standard Modification

If the Panel does not unanimously agree to progress this Modification as a Fast Track Modification, it will need to determine how to progress the Modification, including whether it should be progressed as a Self-Governance Modification.

If the Panel elects to progress this Modification as a standard Modification, we recommend that it progresses this directly to the Report Phase as a Self-Governance Modification. We believe this would be the most appropriate route to follow as this Modification seeks only to address conflicts and unintended consequences of the later implementation of P272 legal text.



#### What is the Fast Track Self-Governance Criteria?

A Modification Proposal which:

- (i) if implemented would satisfy the Self-Governance Criteria; and
- (ii) falls within the scope of Section F2.1.1(d)(iv) (without limiting the right of any person specified in paragraph 2.1.1 to propose a Fast Track Self-Governance Modification Proposal) and which is required to correct an error in the Code or as a result of a factual change, including but not limited to:
  - (a) updating names or addresses listed in the Code;
  - (b) correcting minor typographical errors;
  - (c) correcting formatting and consistency errors, such as paragraph numbering; or
  - (d) updating out of date references to other documents or paragraphs.

#### Proposed Progression Timetable if not progressed as Fast Track Self-Governance

Event	Date
Request to Raise presented to Panel	14 April 2016
Report Phase Consultation (15 Working Days)	15 April 16 – 9 May 2016
Present Draft Modification Report to Panel	9 June 2016
Issue Final Modification Report to Authority (if not Self-Governance)	10 June 2016

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## 4 Likely Impacts

### Central impacts and costs

This Modification will be a document-only change to update four sections of the BSC. There are no system impacts and no impact on BSC Agents.

The central Implementation costs will be approximately £240 (one ELEXON man day) to implement the relevant document changes.

Impact on Code	
Code Section	Potential Impact
Section L	Changes will be required to deliver this Modification. <i>The proposed changes can be found in Attachment B</i>
Section S	
Section S, Annex S-1	
Section X, Annex X-1	

### Participant impacts and costs

This Modification is a Code-only change to clarify the changes that will be introduced by P272, as amended by P320 and P322. It will not have any impacts on any industry participants.



#### What is the Self-Governance Criteria?

A Modification that, if implemented:

(a) 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.

## 5 Implementation approach

### Recommended Implementation date

We recommend that this Modification is implemented on **1 April 2017** as a Standalone Release.

P272 and P320 have been approved for implementation on 1 April 2017. This Modification will address the conflicts in the legal text of P272 with other approved Modifications. We therefore believe it is appropriate that this Modification is implemented at the same time so there conflicts can be corrected immediately upon P272's implementation.

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## 6 Recommendations



We invite the Panel to:

- **RAISE** the Modification Proposal in Attachment A.

If the Panel agrees to raise this Modification then we invite the Panel to:

- **AGREE** that this Modification should be progressed as a Fast Track Self-Governance Modification.
- **AGREE** that this Modification **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** that this Modification should be **approved**;
- **AGREE** an Implementation Date of 1 April 2017;
- **AGREE** the proposed legal text; and
- **NOTE** that ELEXON will issue the Fast Track Modification Report (including the approved BSC legal text), which will then be subject to a 15 Working Day objection period.

### Recommendation

We recommend that the Panel raises this Modification and approved it is as a Fast Track Self-Governance Modification.

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## Appendix 1: Glossary & References

### Acronyms

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

Acronym	
Acronym	Definition
BSC	Balancing and Settlement Code
HH	Half Hourly
IWA	Initial Written Assessment
NHH	Non Half Hourly
PAA	Performance Assurance Administrator
PARMS	Performance Assurance Reporting and Monitoring System
PCs	Profile Classes
R1	First Reconciliation

### 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
3	P272 page on ELEXON website	<a href="https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/">https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/</a>
3	P322 page on ELEXON website	<a href="https://www.elexon.co.uk/mod-proposal/p322/">https://www.elexon.co.uk/mod-proposal/p322/</a>
3	P320 page on ELEXON website	<a href="https://www.elexon.co.uk/mod-proposal/p320/">https://www.elexon.co.uk/mod-proposal/p320/</a>