

Report Phase Consultation Responses

P345 'Reducing the CAP change notice period and improving its flexibility'

This Report Phase Consultation was issued on 13 June 2016, with responses invited by 1 July 2016.



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

| Respondent | No. of Parties/Non-Parties Represented | Role(s) Represented |
|-----------------------------|--|--|
| SmartestEnergy | 1/0 | Supplier |
| Everis obo ScottishPower | 8/0 | Generator, Distributor, Non Physical Trader, ECVNA, MVRNA |
| SSE plc | 6/0 | Generator, Supplier, Interconnector User |

P345
Report Phase Consultation
Responses

7 July 2016

Version 1.0

Page 1 of 6

© ELEXON Limited 2016

Question 1: Do you agree with the Panel's initial unanimous recommendation that P345 should be approved?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 3 | 0 | 0 | 0 |

Responses

| Respondent | Response | Rationale |
|-----------------------------|----------|---|
| SmartestEnergy | Yes | None provided. |
| Everis obo ScottishPower | Yes | We agree with the Panel's views that Objectives c) and d) are better achieved by implementing this Modification. Allowing Parties to manage their lodged credit in a more efficient manner, reducing the financial burden on Parties (where they are over-secured but unable to reduce that security because the CAP value has not yet gone live) is beneficial to Objective c). Similarly, ensuring that Parties are required to lodge additional funds in a timely manner is beneficial to market efficiency (Objective d). |
| SSE plc | Yes | <p>With the introduction of single marginal cash-out prices, and the increased volatility in prices, it is appropriate that the Credit Committee is able to adjust CAP more flexibly to reflect near-term price trends.</p> <p>We therefore continue to believe that this proposal better facilitates applicable objectives c) and d) for the reasons stated in the original proposal.</p> |

Question 2: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P345?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 3 | 0 | 0 | 0 |

Responses

| Respondent | Response | Rationale |
|-----------------------------|----------|----------------|
| SmartestEnergy | Yes | No comment. |
| Everis obo ScottishPower | Yes | None provided. |
| SSE plc | Yes | None provided. |

Question 3: Do you agree with the Panel's recommended Implementation Date?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 3 | 0 | 0 | 0 |

Responses

| Respondent | Response | Rationale |
|-----------------------------|----------|--|
| SmartestEnergy | Yes | None provided. |
| Everis obo ScottishPower | Yes | As a documentation / process change only this should be implemented as soon as possible. |
| SSE plc | Yes | None provided. |

Question 4: Do you agree with the Panel's initial view that P345 should be treated as a Self-Governance Modification?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 3 | 0 | 0 | 0 |

Responses

| Respondent | Response | Rationale |
|-----------------------------|----------|----------------|
| SmartestEnergy | Yes | None provided. |
| Everis obo ScottishPower | Yes | None provided. |
| SSE plc | Yes | None provided. |

Question 5: Do you have any further comments on P345?

Summary

| Yes | No |
|-----|----|
| 1 | 2 |

Responses

| Respondent | Response | Rationale |
|-----------------------------|----------|--|
| SmartestEnergy | No | N/A |
| Everis obo ScottishPower | Yes | While the draft legal text adequately delivers the intention of the Modification, it might provide more clarity for Parties who are less familiar with the Code and CSDs, to provide a pointer to the CAP Review Guidance document within Section M. |
| SSE plc | No | N/A |