

# Report Phase Consultation Responses

## P358 'Roll over of BSC Seasonal GC/DC'

This Report Phase Consultation was issued on 25 September 2017, with responses invited by 13 October 2017.



### Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

### Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
Drax Power	1/0	Generator
Flow Energy	1/0	Supplier
SSE	3/0	Generator, Supplier & Interconnector User
Smartest Energy	1/0	Supplier
The Renewable Energy Company (Ecotricity)	2/0	Generator & Supplier

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Question 1: Do you agree with the Panel's initial unanimous recommendation that P358 better facilitates Applicable BSC Objective (d)?

## Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

## Responses

Respondent	Response	Rationale
Drax Power	Yes	The implementation of Modification P358 will maintain the improved accuracy of GC/DC submissions by formally allowing the current working process. Furthermore, an administrative burden will be lifted from BSC Parties
Flow Energy	Yes	We agree that the P358 will improve the accuracy of GC/DC submissions and will reduce the administrative burden for Parties submitting GD/DC values.
SSE	Yes	The solution will codify an efficient working practice that maintains improved accuracy of GC/DC values submissions compared to the baseline requirement.  Consequently, exposure to credit default risk is reduced for BSC Parties. Adherence to and forced compliance with the current provisions of the Code would increase the risk of bad debt accruing to Default Funding Parties and result in a worse outcome than the solution adopted in practice.  SSE therefore agrees that the change better facilitates applicable objective (d).
Smartest Energy	Yes	
The Renewable Energy Company (Ecotricity)	Yes	We agree that this shall maintain improved accuracy whilst simultaneously minimising the administrative burden on Parties.

Question 2: Do you agree with the Panel's initial unanimous recommendation that P358 should be approved?

**Summary**

Yes	No	Neutral/No Comment	Other
5	0	0	0

**Responses**

Respondent	Response	Rationale
Drax Energy	Yes	The modification better facilitates the Applicable BSC Objective (d). The current working practice provides a better outcome for BSC Parties and should be implemented in the code.
Flow Energy	Yes	In principle, this modification will improve the CEI error and will subsequently lower the risk of exposure to Default Funding Shares for BSC Parties in the event of payment default.
SSE	Yes	For the reasons set out in answer to Question 1.
Smartest Energy	Yes	
The Renewable Energy Company (Ecotricity)	Yes	This modification certainly improves the efficiency of the balancing and settlement arrangements.

Question 3: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P358?

## Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

## Responses

Respondent	Response	Rationale
Drax Energy	Yes	The redlined changes to the BSC code are necessary in order to implement the solution of P358, they do so in a clear and concise manner.
Flow Energy	Yes	N/A
SSE	Yes	
Smartest Energy	Yes	
The Renewable Energy Company (Ecotricity)	Yes	The redlined changes will deliver the intent of this modification.

## Question 4: Do you agree with the Panel's recommended Implementation Date?

### Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

### Responses

Respondent	Response	Rationale
Drax Energy	Yes	This should give parties sufficient notice and enable Elexon to carry out any changes required.
Flow Energy	Yes	N/A
SSE	Yes	The date proposed strikes an appropriate balance between speed of implementation and efficient management of project costs.
Smartest Energy	Yes	
The Renewable Energy Company (Ecotricity)	Yes	The implementation date is fine due to there being no expected material risk if this isn't implemented before winter 2017.

Question 5: Do you agree with the Panel's initial view that P358 should not be treated as a Self-Governance Modification?

### Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

### Responses

Respondent	Response	Rationale
Drax Energy	Yes	We think this Modification will have an impact on Elexon and BSC party processes, and therefore should not be treated as a Self-Governance Modification.
Flow Energy	Yes	N/A
SSE	Yes	SSE agrees with the Panel that the change will have a material impact on the Code's governance processes by removing a barrier to ELEXON as Code Administrator. P358 should therefore not be progressed as self-governance.
Smartest Energy	Yes	
The Renewable Energy Company (Ecotricity)	Yes	Due to the fact that it doesn't meet the Self-Governance criteria.

## Question 6: Do you have any further comments on P358?

### Summary

Yes	No
1	4

### Responses

Respondent	Response	Rationale
Drax Energy	No	N/A
Flow Energy	No	N/A
SSE	No	
Smartest Energy	Yes	It is not clear to us whether mention of the lower DC limit of 2 Megawatts (MW) in the document is a red herring or not.
The Renewable Energy Company (Ecotricity)	No	