

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

P387 'Allowing email communications for the BSC Panel Elections process'

This Modification Proposal aims to amend the Balancing and Settlement Code (BSC) Panel Elections process to allow communications between parties via email as well as other methods to be approved by the BSC Panel on a case-by-case basis.

The Self-Governance Appeal Window for P387 closes:

5pm on Thursday 4 July 2019

If no appeals are notified by this time, the Panel's decision is final.



The BSC Panel recommends **approval** of P387

This Modification is expected to impact:

- Trading Parties
- ELEXON as the Balancing and Settlement Code Company (BSCCo)

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About This Document

This is the P387 Final Modification Report, which ELEXON has submitted to the Authority, the Transmission Company and all BSC Parties. It includes a summary of the Panel's full views and the responses to the Panel's Report Phase Consultation.

As P387 is a Self-Governance Modification, it does not get submitted to the Authority for decision. Instead, the Panel approved P387 under Self-Governance.

Parties have until 5pm, Thursday 4 July 2019 to object the Panel's decision, stating why they do not believe P387 meets the Self-Governance criteria (in accordance with BSC Section F Paragraph 6.4). If no objection is received by this time, the Panel's decision is final.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach.
- Attachment A contains the approved legal text to deliver P387.
- Attachment B contains the full responses received to the P387 Report Phase Consultation.



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P387
Final Modification Report

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Why Change?

The current Balancing and Settlement Code (BSC) Panel Elections process is overly restrictive in terms of permissible communication methods. In regards to BSC Section H 'General' Paragraph 9.2.5, ELEXON is required to issue nomination and voting letters via post or fax which is a very time-consuming process and wastes a large amount of paper for Voting Parties and ELEXON. Voting Trading Parties are required to submit nominations and votes via post or fax which is out of date with modern technology.

Solution

The proposed solution is to amend BSC Section H 'General' Paragraph 9.2.5 to allow BSC Panel Election notices, nomination / voting papers etc. to be sent and received via email by both ELEXON and voting Trading Parties during the BSC Panel Elections period. Other forms of communication may be permissible as determined by the Panel from time to time.

Impacts & Costs

Only voting Trading Parties and ELEXON will be impacted by this Modification. This Modification will only require changes to BSC Section H, costing around £360. When the Guidance Note is written for the 2020 Panel Elections, it will need to incorporate this Change. We expect 0.25 days effort to implement the document and process changes, equating to £60.

Implementation

The Panel approved P387 Implementation date as 7 November 2019 as part of the November 2019 BSC Release, as this is the next available Release.

Decision

The Panel unanimously agreed that P387 will better facilitate Applicable BSC Objective (d) and should therefore be approved. The Panel approved P387 as a Self-Governance Modification: the 15 Working Day (WD) appeal window will close on Thursday 4 July 2019.

Background

The BSC Panel plays an important role in helping to ensure that the provisions of the BSC are given effect. It must do so promptly, fairly, economically, efficiently, transparently and in such a manner as will promote effective competition in the generation, supply, sale and purchase of electricity. It assesses Modification Proposals against a defined set of criteria laid out in the Transmission Licence held by National Grid Electricity System Operator (NGESO), determines trading parameters and ensures that BSC Parties comply with the BSC rules.

The BSC Panel consists of:

- A Panel Chairman;
- Up to five persons (Industry Panel Members) appointed by BSC Trading Parties via an election;
- Up to two Panel Members appointed by the Citizens Advice / Citizens Advice Scotland;
- A Panel Member appointed by the National Electricity Transmission System Operator (NETSO);
- Two independent Panel Members appointed by the Panel Chairman; and
- A further Industry Panel Member (if necessary) appointed by the Panel Chairman.

With the exception of the Panel Chairman, Panel Members are appointed for a period of two years (the current Panel Members are serving a term from 1 October 2018 to 30 September 2020). It is the responsibility of ELEXON as the BSCCo to administer the election and appointment of members to the BSC Panel as stated in [BSC Section B 'The Panel'](#) Annex B-2.

The BSC Panel Election Process takes place between June and September every two years. Each BSC Trading Party / trading party group on 20 June of the year of the election may nominate one candidate to stand for election as a BSC Panel Member. Each voting Party may also submit a voting paper for each Energy Account (e.g. Production Energy Account or Consumption Energy Account) that it holds.

On 20 June in the year of the election, Trading Parties are to inform the ELEXON Election Coordinator by post or fax if any of their contacts, trading party group configurations or lead Trading Parties are incorrect for the purpose of voting. ELEXON as the BSCCo will then use this information to update the [Voting Share Register](#), the list that details those who are entitled to vote.

ELEXON will then write to all eligible parties on the Voting Share Register via post or fax to seek nominations. ELEXON will then circulate via post / fax the list of candidates, their biographies and a set of voting papers to both individual Trading Parties and the lead Trading Party of each trading party group. Each voting Trading Party will cast up to three preference votes on each voting paper that they will subsequently send back to ELEXON via post or fax. Respondents may then submit their hard-copy votes in person or via post / fax with the Election Results being announced in September.

What is the issue?

The most pressing issue is the time-consuming nature of the Panel Elections process which requires numerous Working Days of effort for both voting Parties and ELEXON to complete and manage effectively. The effort and time ELEXON and Trading Parties spend using post / fax is not resource efficient which could be mitigated by the use of email. The current process of requiring communication via fax or post for the panel election process could be acting as a potential barrier for participation and is unnecessary in today's age where electronic communication is well established and trusted.

As both Trading Parties and ELEXON are obligated by the BSC to send papers and notices via post or fax, a very large amount of paper is used and unnecessary delays are caused throughout each stage of the Panel Elections process. This was seen last year where postage cost of around 800 letters was approximately £560 for both the nomination and voting stages. The paper cost on top of this was around £181.

Approved solution

This Modification will allow the provisions relating to email in BSC Section H 9.2 to apply to the BSC Panel Elections process. This would allow all notices and papers sent during the BSC Panel Election process to be sent via email, as well as via the standard options of post or fax. A designated email address for Panel Elections already exists but all eligible Trading Parties would need to be made aware of this new email option.

Enabling email communications will benefit all Trading Parties involved in the BSC Panel Elections process due to its more efficient and cost-effective nature than bulk-posting of election materials. ELEXON will also benefit from the implementation of this Modification as the speed of communications and the receipt of nominations and votes will greatly increase. Voting Trading Parties will benefit from being able to more easily participate in the voting process (if they are not constrained to communicating with ELEXON by post or fax).

Electronic copies of all communications would automatically be saved on the ELEXON system, making the vote counting process more efficient and streamlined. This would greatly reduce the number of Working Days of effort required from ELEXON to administer the Panel Elections process.

We have also stated in the draft legal text that the BSC Panel may, at its discretion, approve the use of other forms of communication to allow for future innovation, which could further streamline the BSC Panel Elections process. At the time of writing, ELEXON's intention is to use email and there are no other plans for alternative electronic methods to be used.

Legal Text

The approved legal text can be found in Attachment A.

Applicable BSC Objectives

The Proposer believes this Modification would better facilitate Applicable BSC Objectives (d).

Applicable BSC Objective (d)

This Modification will make the Panel Elections more cost and time-efficient for voting Trading Parties and ELEXON.

Estimated central implementation costs of P382

We will be required to implement the new legal text, but there will not be any impact on BSC Central Systems. The implementation costs to deliver the solution to this Modification Proposal, will be approximately £420, at 1.75 Working Days effort. This is inclusive of changes to BSC Section H, guidance document and process changes.

We do not anticipate there to be any market participant costs arising from the implementation of the solution to P387.

Impact on BSC Parties and Party Agents

Party/Party Agent	Potential Impact
Trading Parties	Trading Parties will need to be made aware of the new email communication method available to them during the Panel Elections process. If approved this proposal will enable Parties to communicate for the Panel Election process via email, including voting.

Impact on the National Electricity Transmission System Operator (NETSO)

No impact identified.

Impact on BSCCo

Area of ELEXON	Potential Impact
Committee Support	ELEXON will need to communicate to eligible Trading Parties the details of the Panel Elections designated mailbox which should be continuously monitored for new votes and nomination papers. The Panel Elections Local Working Instructions (LWI) will also need updating.

Impact on BSC Systems and processes

BSC System/Process	Potential Impact
BSC Panel Elections Process	Nomination / voting papers and all communications relating the BSC Panel Elections Process will be sent and received by ELEXON and Trading Parties via email.

Impact on Code

Code Section	Potential Impact
BSC Section H	Section H 9.2.5 shall be amended to allow BSC Panel Election notices, nomination and voting papers to be transmitted via email as well as other communication methods if approved by the BSC Panel.

Impact on a Significant Code Review (SCR) or other significant industry change projects

We requested SCR exemption from the Authority on 2 May 2019. On 10 May 2019, the Authority representative confirmed that P387 was not in the scope of any open SCRs, and should therefore be considered SCR exempt.

Impact on the Environment

This proposed Modification will positively impact the environment by reducing the amount of paper involved in the Panel Elections process.

Other Impacts

Item impacted	Potential Impact
BSC Panel Elections 2020 Guidance Note	The Panel Elections Guidance Note is written with respect to the Elections process that it details (e.g. the previous Guidance Note was written for the 2018 Panel Elections process). When the Guidance Note is written for the 2020 Panel Elections process, it will need to include the changes detailed in this Modification Proposal if approved by the BSC Panel. This will need to be included in all future versions of the BSC Panel Elections Guidance Note.

Approved Implementation Date

The Panel approved an Implementation Date for P387 of **7 November 2019**.

Self-Governance

The Proposer and Panel believe that P387 should be determined under Self Governance as it meets the Self-Governance criteria. It does not have a material impact on any of the Self-Governance criteria listed on the previous page. This is because the P387 solution will provide efficiencies in the communication methods used for the Panel Elections process and is of a minor nature.



What are the Self-Governance criteria?

A proposal 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

Panel's initial determinations

The Panel unanimously initially agreed, at its meeting on 9 May 2019:

- That P387 should be treated as a Self-governance Modification;
- That P387 should be approved;
- An implementation Date of:
 - **7 November 2019**; and
- That the draft BSC legal text for P387 be approved.

The Panel made no other comments.

Applicable BSC Objectives

The Panel Members initially unanimously agreed that P387 better facilitates Applicable BSC Objective (d) aligning to the Proposer's recommendation and rationale outlined in section 3 of this paper.

7 Report Phase Consultation Responses

This section summarises the responses to the Panel's Report Phase Consultation on its initial recommendations. You can find the full responses in Attachment B.

P387 was submitted for Report Phase Consultation on 13 May 2019, with responses due by 5pm, Monday 3 June 2019.

We received one consultation response, from Scottish Power, who agreed with the Panel initial recommendations.

The low response rate is consistent with other Modifications, which have little direct impact on participants. The Panel have previously commented that a low response rate should be taken to mean that industry are comfortable with the proposal.

Summary of P387 Report Phase Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Panel's initial unanimous recommendation that P387 should be approved?	1	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P387?	1	0	0	0
Do you agree with the Panel's recommended Implementation Date?	1	0	0	0
Do you have any further comments on P387?	0	1	0	0
Do you agree with the Panel's initial view that P387 should be treated as a Self-Governance Modification?	1	0	0	0

Panel's final determinations

The Panel unanimously agreed on 13 June 2019:

- That P387 should be treated as a Self-governance Modification;
- That P387 should be approved;
- An implementation Date of:
 - 7 November 2019; and
- That the draft BSC legal text for P387 be approved.

The Panel made no other comments.

Applicable BSC Objectives

The Panel Members unanimously agreed that P387 better facilitates Applicable BSC Objective (d) aligning to the Proposer's recommendation and rationale outlined in section 3 of this paper.

The BSC Panel agreed:

- That P387 meets the Self-Governance Criteria;
- That P387 should be **approved**;
- An Implementation Date for P387 of **7 November 2019**; and
- The BSC legal text for P387.

Appendix 1: Glossary & References

Acronyms

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

Acronym	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCCo	Balancing and Settlement Code Company
IWA	Initial Written Assessment
LWI	Local Working Instructions
NETSO	National Electricity Transmission System Operator
NGESO	National Grid Electricity System Operator
SCR	Significant Code Review

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
2	BSC Section F 'Modification Procedures'	https://www.elexon.co.uk/the-bsc/bsc-section-f-modification-procedures/
3	BSC Section B 'The Panel'	https://www.elexon.co.uk/the-bsc/bsc-section-b-the-panel/
3	Voting Share Register	https://www.elexon.co.uk/about/who-we-are/
5	November 2019 BSC Release	https://www.elexon.co.uk/release/november-2019-bsc-release/
10	BSC Panel Meeting – 290	https://www.elexon.co.uk/meeting/bsc-panel-290/