

## Overview of the Modification Procedures

November 2011. Version 4.0

---

This document covers:

- The overall governance of the Modification process
- How industry members can participate in the Modification process
- What the various stages of the Modification procedures are.



If you have any questions on the modification process, please email [modifications@elexon.co.uk](mailto:modifications@elexon.co.uk) or call our switchboard on 020 7380 4100.

### What can be Changed using the Modification Process?

The Modification process can be used to change any part of the Balancing and Settlement Code (BSC). Any associated Code Subsidiary Documents (including Balancing and Settlement Code Procedures, Metering Codes of Practice and similar) may also be impacted and amended by a Modification to the BSC.

Changes that impact only Code Subsidiary Documents without requiring changes to the BSC are progressed using the Change Proposal (CP) process. An overview of the CP process can be found on the [ELEXON website](#).

### Who Governs the Modification Procedures?

The BSC Panel supervises and implements the Modification Procedures. ELEXON provides the advice, support and resources required by the BSC Panel for this purpose. In addition, if a modification to the BSC is approved, ELEXON oversees the implementation of that amendment (including any changes to systems, procedures and subsidiary documentation).

In certain, limited, circumstances the BSC Panel decides on whether the BSC should be changed. In the majority of cases the Authority makes the final decision on whether the BSC should be changed and gives consent where it believes that the change would better achieve the Applicable BSC Objectives. These are set out in Condition C3 of National Grid's Transmission Licence and are listed below<sup>1</sup>:

- The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence
- The efficient, economic and co-ordinated operation of the GB Transmission System
- 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
- The promotion of efficiency in the implementation and administration of the balancing and settlement arrangements.



Visit our website:  
[www.elexon.co.uk](http://www.elexon.co.uk)

---

<sup>1</sup> Where a modification is likely to have a material impact on greenhouse gas emissions then the evaluation in respect of the Applicable BSC Objective(s) shall include an assessment of the quantifiable impact on greenhouse gas emissions.

Approved Modification Proposals are normally implemented as part of a BSC Systems Release. A BSC Systems Release is a project to develop, test and implement a group of approved changes to BSC Systems, processes and documentation. It will usually include a combination of Approved Modifications and CPs.

## How Can Industry Members Participate in the Modification Process?

There are a number of ways that industry members can participate in the modification process.

### Workgroups

The Panel establishes Workgroups to consider Modification Proposals (and Standing Modification Group Issues) depending on the specific subject areas concerned.

A Workgroup consists of:

- Industry experts who have qualified to act as Workgroup members
- A member appointed by the proposing BSC Party<sup>2</sup> (the Proposer)
- A Transmission Company representative
- ELEXON employees as appropriate (e.g. Lead Analyst, Workgroup Chairman, Lawyer, Design Authority representative and/or technical specialist).

A representative from the Authority may attend and participate. Workgroup meetings are open, so any interested parties may attend and participate in discussion, but anyone present as an attendee will not have the ability to vote when the Workgroup determines its recommendations.

Most Modification Proposals are submitted to a Workgroup for Assessment (though they can go to a Workgroup for Definition as well, or go directly to Report, with no Workgroup required – see ‘How Are Modification Proposals Progressed?’ on [page 4](#)). Industry experts who volunteer to participate in the assessment of a Modification Proposal are expected to act independently and be part of the Workgroup for the lifetime of that proposal. Details on how to volunteer for a Workgroup is on the [Volunteering for Groups and Committees](#) section of the ELEXON website.

### Consultation

All Modification Proposals are issued for consultation with a broad range of interested parties. Those proposals that are being assessed by a Workgroup will be issued for consultation at least once during their Assessment phase. The Workgroup and the BSC Panel will then consider the responses received when making their recommendations.

---

<sup>2</sup> A Proposer may appoint an ELEXON employee as a member of the Workgroup. They shall act as an impartial representative of the Proposer’s views and does not have voting rights.

In addition, each Modification Proposal will be issued for consultation during its Report Phase. This allows industry members an opportunity to comment on the initial recommendation of the BSC Panel and review the redlined legal text which would be applied to the BSC should the proposal be approved. All consultation responses are included in the relevant Definition, Assessment and Modification Reports and these views are critical in assisting the BSC Panel and the Authority to reach recommendations and decisions.

### **Impact Assessment**

The Workgroup may also commission impact assessments to evaluate the required changes to industry systems, procedures and documentation. Impact assessments may be requested from BSC Agents, ELEXON, the Transmission Company and other industry members, and both BSC Parties and Party Agents. This enables the group to determine the costs and timescales of implementing the Modification Proposal.

### **How do I Submit a Modification Proposal?**

Modification Proposals can be raised by any BSC Party (other than ELEXON and its subsidiaries), the National Consumer Council, and other representative bodies designated by the Authority. The BSC Panel can also raise Modification Proposals in certain limited circumstances, on the recommendation of:

- The Trading Disputes Committee as a consequence of a Trading Dispute
- The Performance Assurance Board
- ELEXON:
  - To improve efficiency in the implementation and administration of the BSC
  - Following receipt of a change request proposing a change to a Core Industry Document and/or the System Operator-Transmission Owner Code which would have an impact on the BSC
  - Where ELEXON becomes aware of a change in circumstances, since approval of a modification, which would make the implementation of that Approved Modification impossible or significantly more costly than anticipated
  - To rectify manifest errors or correct minor inconsistencies in the BSC.

The form to submit a Modification Proposal, plus guidelines on how to complete it, can be found on the [How to Raise a Change](#) section of the ELEXON website.

## What are Standing Modification Group Issues?

Any party that can raise a Modification Proposal can also submit a Standing Issue for consideration by a Workgroup. A Standing Issue is used to investigate an issue with the BSC and to produce guidance for a consequent Modification Proposal. Standing Issue reports may recommend that a Modification Proposal should be raised to address the identified issue. The BSC Panel itself can raise Standing Issues in certain limited circumstances.

The form used for submitting a Standing Issue can be found on the [How to Raise a Change](#) section of the ELEXON website.

## Can Modification Proposals be Refused?

The BSC Panel may refuse to accept the submission of a Modification Proposal if it believes that the proposal has substantially the same effect as:

- A Modification Proposal awaiting Authority decision
- A Modification Proposal rejected by the Authority within the previous two months.

## How Are Modification Proposals Progressed?

When a Modification Proposal is received by ELEXON, it is circulated to all BSC Parties and published on the [Modifications](#) page of the ELEXON website.

### Initial Written Assessment

ELEXON will produce an Initial Written Assessment (IWA) for presentation at the next meeting of the BSC Panel. The IWA includes a recommended plan for assessing the Modification Proposal setting out the expected costs and timescales of the proposed way forward. After considering the IWA the BSC Panel will decide whether to submit the proposal to the Definition, Assessment or Report phase. The Panel will set a timetable for the progression of the Modification Proposal and will normally set up a Workgroup to consider and develop it. In setting the terms of reference for Workgroups, the Panel will specify the scope and timetable for the assessment of a Modification Proposal, together with the expected level of consultation with interested parties.

The purpose of the Definition, Assessment and Report phases is set out below:

### Definition Procedure

The Modification Proposal may be submitted to a Workgroup for clarification and definition where the BSC Panel needs more information to decide whether to proceed with a detailed evaluation<sup>3</sup>. The Workgroup will produce a Definition Report for consideration by the BSC Panel. This report will either recommend that the Modification Proposal is submitted to the Assessment or the Report phase.

---

<sup>3</sup> It is recommended that parties who are unable to define the solution as part of their proposal raise a Standing Issue before raising a Modification Proposal. Therefore the Definition Procedure is rarely used.

### Assessment Procedure

The Modification Proposal (either directly or following a Definition Procedure) may be submitted to a Workgroup for a detailed assessment and evaluation. An Alternative Modification may also be developed by the group if it thinks the Alternative would better achieve the Applicable BSC Objectives. The Workgroup will produce an Assessment Report for industry consultation and consideration by the BSC Panel. This report will either recommend approval or rejection of the Modification Proposal, with reference to the Applicable BSC Objectives. An Assessment Procedure typically takes three months to complete.

### Report Phase

During initial consideration of the IWA, the BSC Panel may submit the Modification Proposal directly to the Report Phase, if it believes that the proposal self evidently better achieves the Applicable BSC Objectives, and if there are no outstanding issues to be discussed. However, this outcome is rare as the majority of Modification Proposals require an Assessment Procedure to consider the implications of the proposal in more detail. Therefore proposals are usually progressed to the Report Phase after consideration of the Assessment Report by the BSC Panel. During the Report Phase the Panel will consult industry on its initial recommendation on whether or not the Modification Proposal better facilitates the Applicable BSC Objectives.

### Recommendations

At the end of the process, a final Modification Report is presented to the Authority, containing the BSC Panel's recommendation on whether the Modification Proposal (or Alternative Modification, as the case may be) should be approved, a view on the appropriate Implementation Date, and a detailed assessment of the Modification Proposal. The Authority will consider the report and publish a decision letter setting out the reasons for its determination. The reports and decision letters for Modification Proposals can be downloaded from the [Modification Proposals](#) section of the ELEXON website. The Report Phase is usually one to two months long.

### Can I Withdraw or Amend My Modification Proposal?

The Proposer of a Modification may, at any time, amend the Proposed Modification solution by informing the Workgroup Chair (this can be verbal), because the Proposed Modification solution is 'owned' entirely by the Proposer. Amendments to the Proposed Modification can only be made where the amended solution continues to address the same issue/defect identified in the Modification Proposal.

An Alternative Modification solution developed by the Workgroup is owned by the Workgroup collectively, and therefore cannot be controlled or withdrawn by the Proposer.

Alternatively, a Proposer may choose to withdraw a Modification Proposal, at any time before the final consideration by the Workgroup. When a Modification Proposal is withdrawn ELEXON will inform all interested parties. Another Party may choose to adopt the proposal within the next five Business Days. An adopted proposal will continue to be processed using the original plan.

Finally, the BSC Panel may direct that a Modification Proposal is withdrawn if it believes that the Proposer is deliberately and persistently disrupting and frustrating the Workgroup.

### What is an Urgent Modification Proposal?

Section F of the BSC contains provision to circumvent the normal Modification Procedures to fit with the urgency of a particular matter. Urgent Modification Proposals may therefore be progressed by a different process and timetable. The Proposer of a Modification Proposal may request urgency when submitting the Modification Proposal form. Alternatively ELEXON and/or the Transmission Company can independently recommend urgency if it has not been requested by the Proposer. When urgency is requested/recommended the BSC Panel Chairman, on behalf of the BSC Panel, will recommend to the Authority whether urgency should be granted. The Authority makes the final decision on urgent status. Following implementation Urgent Modification Proposals may be reviewed, to ascertain whether the change could have been made in an alternative way that would have better achieved the Applicable BSC Objectives.

### Further Information

Further information on this subject is contained in [BSC Section F 'Modification Procedures'](#) which you can download from the ELEXON Website. Section F prescribes the process of submitting proposals for evaluation, consultation and ultimately, decision by the Gas and Electricity Markets Authority.



Your feedback helps us improve our communications. Please email [communications@elexon.co.uk](mailto:communications@elexon.co.uk) if you have any comments on this document or suggestions for other publications.

### Intellectual Property Rights, Copyright and Disclaimer

The copyright and other intellectual property rights in this document are vested in ELEXON or appear with the consent of the copyright owner. These materials are made available for you for the purposes of your participation in the electricity industry. If you have an interest in the electricity industry, you may view, download, copy, distribute, modify, transmit, publish, sell or create derivative works (in whatever format) from this document or in other cases use for personal academic or other non-commercial purposes. All copyright and other proprietary notices contained in the document must be retained on any copy you make.

All other rights of the copyright owner not expressly dealt with above are reserved.

No representation, warranty or guarantee is made that the information in this document is accurate or complete. While care is taken in the collection and provision of this information, ELEXON Limited shall not be liable for any errors, omissions, misstatements or mistakes in any information or damages resulting from the use of this information or action taken in reliance on it.