

### Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

## P456 'Enable Elexon to procure ancillary Technology Services for use by BSC Agents'

P456 will remove barriers in BSC Section E that would prevent Elexon updating BSC Agent contracts to enable them to use Technology Services, such as cloud services, procured by Elexon.

This should reduce costs for BSC Parties and provide Elexon greater flexibility for the management of cloud platforms.



Elexon **does not** believe P456 impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

P456 is expected to impact:

- All BSC Parties

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## About This Document

You can find the definitions of the terms and acronyms used in this document in the [BSC Glossary](#)<sup>1</sup>.

This document is Elexon's P456 Interim Assessment Report to the BSC Panel. We will present this report to the Panel at its meeting on 14 September 2023. We are presenting this interim Assessment Report to recommend to the Panel that P456 is submitted directly to the Report Phase. Not enough Workgroup members have come forward to form a quorate Workgroup and we believe no further assessment is needed. Should the Panel agree, we will subsequently issue the Report Phase Consultation for a 10 Working Days (WDs) consultation.

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. It also contains the Terms of Reference and Elexon views against them.
- Attachment A contains the P456 Proposal Form.
- Attachment B contains the draft redlined changes to the BSC for P456.



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### Not sure where to start?

We suggest reading the following sections:

- Have 5 minutes? Read section 1
- Have 15 minutes? Read sections 1 and 7
- Have 30 minutes? Read all except section 6
- Have longer? Read all sections and the annexes and attachments.

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<sup>1</sup> <https://www.elexon.co.uk/glossary/?show=all>

## Why have we prepared an Interim Assessment Report?

We have prepared an Interim Assessment Report to ask the Panel to submit P456 to the Report Phase. To date, we have only had two Workgroup Members come forward, despite significant advertisement along with targeted engagement with well-known industry participants, to invite further membership.

Elexon highlighted the difficulty of quoracy to the BSC Panel at two Panel meetings on 13 July, and then on 10 August 2023. At the August meeting, the Panel indicated that P456 should move to the Report Phase at the next Panel meeting on 14 September 2023 if quoracy for the Workgroup could not be reached and there are no objections from Industry.

We notified industry of our intention to ask the Panel to submit P456 to the Report Phase on 14 September and invited comments and objections to this proposal. This was communicated in Newscast and via the BSC Change mailing list on 21 August 2023. No representations have been received.

We believe it appropriate for P456 to be submitted to the Report Phase as:

- There has been a lack of interest from industry and it has not been possible for form a quorate<sup>2</sup> Workgroup;
- The solution has been fully worked up. The proposed legal text can be found in Attachment B;
- We have provided our views on the Terms of Reference set by the Panel in this report; and
- We will be able to consult, including on the Terms of Reference, to gather industry views on P456 in the Report Phase. This should help to inform the Panel views on whether the proposal should be approved or rejected.

## Why Change?

The implementation of [Elexon Kinnect](#)<sup>3</sup> will change the underlying technology and systems used to deliver BSC Agent services. Elexon are therefore reviewing the contracts with these BSC Agents in order to reflect these technology changes, and to ensure they continue to meet the needs of BSC Parties.

The issue that P456 seeks to resolve is to allow Elexon flexibility to enter into contracts directly with Technology Service Providers for ancillary Technology Services, such as cloud services, and, consequently, relieve the relevant BSC Agent (but not the Technology Service Provider) of responsibility for the ancillary Technology Services [where Elexon has entered into contract(s) directly with Technology Service providers].

## Solution

Update [BSC Section E 'BSC Agents'](#) to clearly state that BSC Agents may be required to deliver their services using Technology Services, such as cloud computing, procured for them by BSCCo. This solution would also need to recognise that, for services that Elexon procures directly from a Technology Service provider (e.g. cloud services) rather than via a

<sup>2</sup> Workgroups shall comprise at least five members, as per [Section F 'Modification Procedures'](#) 2.4.4

<sup>3</sup> <https://www.elexon.co.uk/about/about-elexon/foundation-programme-2018/>

BSC Agent, the BSC Agent would no longer be contractually responsible for these specific services to the extent they were beyond its reasonable control.



### Section F2.2.11

The Panel may decide at any time to stop a Definition Procedure and/or an Assessment Procedure and proceed, in either case, directly to the Report Phase, in which case the Proposer's right to withdraw or vary their Modification Proposal shall lapse.

This solution is specifically targeted at ancillary Technology Services that are similar to the sorts of Technology Services that Elexon already procures and which are not core BSC Agent services that are required to deliver Settlement.

## Impacts & Costs

We expect Elexon costs to implement P456 to be low (<£1k) as it is a document only change. We also do not anticipate any costs or impacts for BSC Parties, rather it should bring cost savings for BSC Parties, although we will seek to confirm this via a Report Phase Consultation, subject to the BSC Panel agreeing that P456 moves to Report Phase.

Costs Estimates			
Organisation	Implementation (£)	On-going (£)	Impacts
Elexon	<1k	0	BSC Section E 'BSC Agents'
NGESO	0	0	N/A
Industry	0	0	N/A
<b>Total</b>	<b>&lt;1k</b>	<b>0</b>	

## Implementation

P456 is anticipated to be a document only change and not incur any system or process changes for Elexon or Market Participants. As such, it is recommended P456 is implemented as soon as reasonably practical to allow Elexon to procure Technology Services directly, if they choose to, and to prevent any avoidable costs being passed on to BSC Parties.

Therefore an initial **Implementation Date of 16 Working Days (WD) after Panel decision is recommended**, if the Panel considers P456 to meet the Self-Governance criteria. If the Panel do not agree with Elexon that P456 meets the Self-Governance criteria, an implementation date of 5WDs after Authority decision is recommended.

## Recommendation

Elexon believes P456 will better facilitate Applicable BSC Objective (d)<sup>4</sup> as allowing Elexon to procure Technology Services on behalf of BSC Agents maximises value for money.

There has been no objection from industry on P456 moving to Report Phase, therefore, Elexon invite the Panel to submit P456 from the Assessment Phase to the Report Phase. BSC [Section F 'Modification Procedures' 2.2.11<sup>5</sup>](#) allows the Panel to submit a Modification directly to the Report Phase at any time during the Assessment Phase.

If the Panel agree, we will issue the Report Phase Consultation on 18 September 2023 for 10 Working Days (WDs).

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<sup>4</sup>(d): Promoting efficiency in the implementation of the balancing and settlement arrangements

<sup>5</sup> <https://bscdocs.elexon.co.uk/bsc/bsc-section-f-modification-procedures#section-f-2-2.1>

### What is the issue?

As set out in its [2023/24 business plan](#), Elexon will, within the next eighteen months complete the roll out of its new platform, Elexon Kinnect. As a cloud-based platform, Kinnect is flexible, scalable and adaptable so that it can support the changing needs of our customers, and replace the ageing systems that are increasingly unsuitable.

The implementation of Elexon Kinnect will change the underlying technology and systems used to deliver BSC Agent services. Elexon is therefore reviewing the contracts with these BSC Agents in order to reflect these technology changes, and to ensure they continue to meet the needs of BSC Parties. Elexon is also reviewing whether any of the changes they may want to make to BSC Agent contracts require a Modification to BSC Section E ('BSC Agents'), as this sets out the framework within which Elexon enters into BSC Agent contracts.

BSC Agent services (as specified through the BSC and the [BSC Service Descriptions](#)<sup>6</sup>) are largely technology agnostic (e.g. provided the Settlement Administration Agent (SAA) is calculating Trading Charges in accordance with the rules set out in the Code, the Code doesn't specify the technology to be used in these processes). However, there are some BSC Agent obligations, which are ancillary to their core Settlement obligations, where the underlying technology is relevant. An example of this is the requirement for BSC Agents to retain Settlement data. Currently, this is being met by BSC Agents retaining Settlement data in on premises servers. This is relevant to Elexon Kinnect in that, in order to meet the requirement to retain Settlement data on a cloud-based platform, the BSC Agent would need to have a sub-contract<sup>7</sup> in place with a cloud service provider.

However, requiring a BSC Agent to procure these cloud-based services on its behalf, may be significantly more expensive than Elexon procuring these services itself. We therefore believe there will be cost savings if Elexon is able to contract directly with Technology Service Providers for ancillary Technology Services.

The issue that P456 seeks to address is to allow Elexon flexibility to enter into these types of arrangements and, consequently, relieve the relevant BSC Agent of appropriate responsibility for the ancillary Technology Services where Elexon has entered into contract(s) directly with Technology Service Providers. The Technology Service Provider will therefore be responsible for the provision of the Technology Service.

Elexon do not believe that this approach will impact risk in that:

- The risk of BSC Agent services being delayed or disrupted due to a failure in the Technology Services will be the same regardless of whether Elexon or a BSC Agent is contracting with a Technology Service Provider for these services;
- It seems likely that BSC Agents would expect their contract with Elexon to mirror any liability exclusions or limitations that they were subject to in their cloud contract. Since Technology Service Providers (e.g. cloud providers) invariably contract on standard terms (so Elexon would contract with them on exactly the

<sup>6</sup> <https://bscdocs.elexon.co.uk/service-descriptions>

<sup>7</sup> From a contractual perspective, the BSC Agent would remain responsible under the BSC, and as between itself and Elexon, for the acts and omissions of its sub-contractors. It will therefore meet its BSC Agent obligations through having a sub-contract in place, even though not actually delivering this service itself.

same terms as the BSC Agent), BSC Parties would gain little if any additional value from Elexon contracting for cloud services through the BSC Agent; and

- Providers of BSC Agent services (both current providers and potential future providers) will not accept liability for failures in Technology Services (such as cloud providers) over which they have limited control. Even if it was possible to negotiate contracts with current and future BSC Agents that include these terms, it would be likely to come with a significant risk premium that would not be cost-effective.

## Desired outcomes

BSC Section E should be amended to:

1. Recognise that, because of the move to host and maintain applications and services on cloud platforms, certain services falling within the scope of BSC Service Descriptions (such as retaining data) may depend on cloud providers (rather than taking place in a data centre controlled and operated by the BSC Agent, as would have been the case twenty-five years ago when BSC Section E was first drafted); and
2. Allow Elexon to amend BSC Agent contracts to recognise that, for services that Elexon procures directly from a Technology Service Provider (e.g. cloud services) rather than via a BSC Agent, the BSC Agent would no longer be contractually responsible for these specific services to the extent they were beyond its reasonable control. The responsibility, and therefore liability, for these services would be with the Technology Services provider.

This solution is specifically targeted at ancillary Technology Services that are similar to the sorts of Technology Services that Elexon already procures and which are not BSC Agent services (e.g. service management, systems development, systems support and maintenance). The solution should be clear that core BSC Agent services that are required to deliver Settlement must continue to be delivered by BSC Agents under the existing Section E arrangements.

These changes are intended to facilitate a model in which Technology Services are procured by Elexon, although still operated day-to-day by BSC Agents. Elexon and BSC Agents will work together to ensure that Technology Services are procured and used in a manner that is robust and consistent with best practice, and that any potential risks to Settlement arising from the use of Technology Services are understood and mitigated.

### Proposed solution

The changes to the BSC to meet the desired outcomes are provided in Attachment B.

The drafted approach amends Section E to accommodate BSC Agents using a Technology Service provider which the BSCCo has appointed for ancillary technology services only. The solution would add new definitions under new paragraphs, Section E 1.2.7(a), (b), (c) and (d) as follows:

- a) **BSC Agent Services** means the services specified in a BSC Service Description or otherwise pursuant to the Code;
- b) **Related Technology Services** means any Technology Services that are, or may be, a BSC Agent Service but which are ancillary to the performance of Settlement processes, assurance services or audit services by a BSC Agent including, inter alia, data retention and help-desk services;
- c) **Technology Services** means technology services and products used by BSCCo in the performance of its functions under the BSC including data and application hosting, service management, systems development, systems support and maintenance, infrastructure management and other related activities;
- d) **Technology Services Provider** means a person, not being a BSC Agent, who provides Technology Services.

It will also be made clear that Technology Service Providers would not be BSC Agents themselves, hence a change to Section E 1.2.1 to reflect this.

Section E 1.2.8 recognises the potential impact that this will have on BSC Agent contracts by allowing Elexon to relieve the BSC Agent of responsibility for performing services that are being delivered by a Technology Service Provider, and therefore also liability for matters that are beyond the BSC Agent's reasonable control. Instead the Technology Service Provider would pick up responsibility for the provision of this service.

The suggested legal text is drafted so as to relate specifically to ancillary technology services, and would therefore not apply to the Settlement functions performed by the BSC Agents.

### Benefits

It is anticipated there will be significant on-going cost savings for Elexon, and therefore BSC Parties, if Elexon is able to contract directly with Technology Service Providers for ancillary technology services rather than through sub-contracts that are likely to include material mark-ups.

### Alternative solution

Elexon do not believe there to be any alternative solutions that would better meet the desired outcomes and the Applicable BSC Objectives.

### Legal text

The full legal text proposed can be found in Attachment B.

### Estimated costs of P456

Elexon believe that the costs to implement and ongoing operational costs are very low and would cost <£1k overall, although we will seek to confirm this via the Report Phase Consultation. Elexon have broken down costs below.

Implementation costs estimates			
Organisation	Item	Implementation costs (£)	Comment
Elexon	Systems	-	P456 will not impact any Elexon systems.
	Documents	<1k	P456 will be a document only change.
	Other	-	
NGESO	Systems	-	
	Other	-	
Industry	Systems & processes	-	No costs to industry are anticipated.
<b>Total</b>		<1k	

On-going costs estimates		
Organisation	On-going costs (£)	Comment
Elexon	0	There are no anticipated ongoing costs after P456 is implemented, rather it could save Elexon and consequently Parties money.
NGESO	0	
Industry	0	
<b>Total</b>	0	

### P456 impacts

Impact on BSC Parties and Party Agents		
Party/Party Agent	Impact	Estimated cost
All BSC Parties	No implementation or on-going costs are anticipated for any Parties. There are potential cost-savings for BSC parties if P456 is approved and implemented.	N/A

Impact on the NETSO	
Impact	Estimated cost
No impacts anticipated.	N/A

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Impact on BSCCo		
Area of Elexon	Impact	Estimated cost
Elexon	Allow Elexon to contract with Technology Providers directly and more efficiently. If exercised minor contractual changes could be required to the BSC Agent contracts.	N/A

Impact on BSC Settlement Risks
No impacts on Settlement Risks have been identified.

Impact on BSC Systems and process	
BSC System/Process	Impact
None	N/A

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Impact
All BSC Agents	The Modification will not impact existing contractual arrangements but will facilitate potential changes in future contracts.

Impact on Code	
Code Section	Impact
Section E	Introduce new clauses to facilitate a model in which ancillary Technology Services are procured by Elexon, although still operated day-to-day by BSC Agents.

Impact on MHHS
No impacts on MHHS have been identified.

Impact on EBGL Article 18 terms and conditions
None anticipated.

Impact on Code Subsidiary Documents	
CSD	Impact
None	N/A

Impact on other Configurable Items	
Configurable Item	Impact
None	N/A

Impact on Core Industry Documents and other documents	
Document	Impact
Ancillary Services Agreements	No Impact
Connection and Use of System Code	
Data Transfer Services Agreement	
Distribution Code	
Grid Code	
Retail Energy Code	
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	

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

Elexon believe there to be **no impact** on any SCRs or industry change projects. As Ofgem had not notified Elexon that P456 should be treated as a SCR Exempt Modification Proposal, we prepared a SCR Suitability Assessment Report. An SCR Suitability Assessment Report was submitted on 28 June 2023 and is awaiting Ofgem comment. In accordance with BSC Section F, a Modification Proposal shall continue as a SCR Exempt Modification Proposal unless Ofgem determines otherwise.



**What are the consumer benefit areas?**

- 1) Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?
- 2) Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?
- 3) Will this proposal support:
  - i) new providers and technologies?
  - ii) a move to hydrogen or lower greenhouse gases?
  - iii) the journey toward statutory net-zero targets?
  - iv) decarbonisation?
- 4) Will this change improve the quality of service for some or all end consumers. Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient and effective.
- 5) Are there any other identified changes to society, such as jobs or the economy.

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Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability None identified.	Neutral
2) Lower bills than would otherwise be the case It is anticipated P456 will have a positive effect on all BSC Parties through potential cost savings made by Elexon if they decide to procure their own Technology Services that can be potentially passed on to end consumers.	<b>Positive</b>
3) Reduced environmental damage None identified.	Neutral
4) Improved quality of service None identified.	Neutral
5) Benefits for society as a whole None identified.	Neutral



## Recommended Implementation Date

Elexon recommends an Implementation Date for P456 of:

- 16 Working Days after the Panel decision, as part of a special BSC Release.

If the Panel and Ofgem agree that P456 should be treated as a Self-Governance Modification Proposal, we recommend it is implemented the day after the Self-Governance appeal window closes. This would be 16 WDs after the Panel decision, as the Self-Governance appeal window is 15 WDs after the Panel decision<sup>8</sup>.

If it is decided that P456 does not meet the Self-Governance criteria, then we recommend P456 is implemented 5 WDs after the Authority decision, as this will realise the benefits as soon as possible and no lead time is required to implement.

## Proposed progression plan

### Timeline

We propose the following progression plan if P456 is submitted directly to the Report Phase:

Proposed Progression Timetable	
Event	Date
Present Initial Written Assessment to Panel	8 June 23
Present Interim Report to Panel	14 September 2023
Report Phase Consultation (10 WDs)	18 September 23 – 29 September 23
Present Draft Modification Report to Panel	12 October 23
Issue Final Modification Report to Authority	16 October 23

### Self-governance

Based on the proposed legal text, we believe P456 should be treated as a Self-Governance Modification Proposal. Whilst the proposal does amend the BSC's governance procedures, we do not believe the amendments are material. The solution allows Elexon to procure ancillary Technology Services and relieves the BSC Agent of relevant responsibilities. The risks and liabilities associated with the ancillary Technology Services remain substantially the same, regardless of who has procured it.

### P456 History

We invited the Panel to raise P456 at its meeting on 8 June 2023. We believed, and the Panel agreed, that it would better facilitate Applicable BSC Objective (d), as it would maximise value for money for BSC Parties. We believed that this Modification should

### What is the Self-Governance Criteria?

A Modification that, if implemented:

(a) does not involve any amendments whether in whole or in part to the EBGL Article 18 terms and conditions; except to the extent required to correct an error in the EBGL Article 18 terms and conditions or as a result of a factual change, including but not limited to:

(i) correcting minor typographical errors;

(ii) correcting formatting and consistency errors, such as paragraph numbering; or

(iii) updating out of date references to other documents or paragraphs;

(b) 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.

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<sup>8</sup> See [Section F 6.3.4](#): The Self-Governance Modification Report shall not specify a Self-Governance Implementation Date (if any) earlier than sixteen Business Days after the Panel's determination pursuant to paragraph 6.1.3.

progress to the Assessment Phase to allow for industry input via a Workgroup, allowing industry the opportunity to input on areas such as:

- the proposed solution and Legal text;
- what role (if any) the BSC Panel should have regarding the Modification;
- the Terms of Reference; and
- any further impacts or costs that Elexon had not identified in the IWA.

The Panel agreed with this approach, raising P456 in accordance with Section F2.1.1(d)(i) and submitting it to Assessment Phase.

The initial aim was to hold the first Workgroup in July 2023. However, despite numerous Newscast and BSC Change mailing list emails, posts on both LinkedIn and Twitter, and leveraging Elexon Operational Support Managers (OSMs) only two members signed up. This was raised at the Panel in July 2023, where the possibility of going to Report Phase was discussed. After the July Panel, Elexon continued advertising the need for P456 Workgroup members, plus issued a more targeted email aimed at well-known industry members. Since July 2023, no new voting members have signed up.

At the August Panel, it was agreed that P456 can move to the Report Phase at the next Panel meeting on 14 September 2023 if quoracy for the Workgroup could not be reached and there are no objections from Industry. A notice was sent to industry "For Action" via Newscast and the BSC Change mailing list on 21 August 2023 to provide any comment or objection to P456 moving to Report Phase. No representations have been received.



As P456 did not form a Workgroup, this document outlines Exelon's views against the specific Terms of Reference (ToR) a) and b), plus standard ToR c) to h) for Panel review.

Term of Reference	Exelon's view
a) What conditions or controls are needed for Exelon to procure Technology Services?	Exelon believes that the conditions and controls already in the BSC are sufficient e.g. the duty to give effect to the BSC as economically and efficiently as is reasonably practicable. In this context, we note that the existing conditions and controls apply to the (non-Agent) technology services that Exelon already procures (i.e. application development, support and maintenance for BSC Agent applications)
b) What impacts there are, if any, on Exelon's liabilities and liability exclusions?	To the extent that a BSC Agent ceases to be responsible for Technology Services, it will no longer be possible for Parties to bring a legal claim against that BSC Agent under the provisions in Section E that extend third party rights to BSC Parties. As per the 'What is the issue' section of this Report, we do not consider this to constitute a significant risk. Any Party that has suffered a loss that was due to the negligence of the Technology Service Provider (and was not a Settlement Error) would therefore have recourse against Exelon (as Technology Service Providers such as Microsoft will not agree to third party rights), and Exelon would pass through any amounts recovered from the Technology Service Provider to BSC Parties.
c) How will this modification impact the BSC Settlement Risks?	This solution will not impact BSC Settlement as it is specifically targeted at ancillary Technology Services that are similar to the sorts of Technology Services that Exelon already procures which are not core BSC Agent services required to deliver Settlement.
d) What changes are needed to BSC documents, systems and processes to support this modification and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?	<p>P456 is a document only change to Section E which will cost &lt;£1k.</p> <p>P456 should be implemented 16WDs after Panel decision, depending on whether the Panel and Ofgem agree that P456 should be treated as Self-Governance. If it is decided that P456 does not meet the Self-Governance criteria, then we recommend P456 is implemented 5 WDs after the Authority decision.</p> <p>The suggested amendments to Section E changes will be consulted on during the report</p>

### 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

(g) Compliance with the Transmission Losses Principle

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	phase consultation. No impact on CSDs have been identified.
e) Are there any Alternative Modifications?	Elexon believe this to be a well confined change to Section E and there are no better Alternative Modifications.
f) Should this modification be progressed as a Self-Governance Modification?	Whilst the proposal does amend the BSC's governance procedures, Elexon do not believe the amendments are material.  The solution allows Elexon to procure ancillary Technology Services and relieves the BSC Agent of relevant responsibilities. The risks and liabilities associated with the ancillary Technology Services remain substantially the same, regardless of who has procured it.
g) Does this modification better facilitate the Applicable BSC Objectives than the current baseline?	Elexon believes P456 will better facilitate Applicable BSC objective (d) as allowing Elexon to procure Technology Services on behalf of BSC Agents maximises value for money.
h) Does this modification impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?	As P456 only impacts Section E, which is not an EBGL related Section as per BSC Annex F-2, P456 does not impact on EBGL, nor does it extend them.

## 7 Recommendations

We invite the Panel to:

- **AGREE** that P456 progresses directly to the Report Phase;
- **AGREE** that P456 does better facilitate Applicable BSC Objective (d);
- **AGREE** an initial view that P456 **SHOULD** be treated as a Self-Governance Modification;
- **AGREE** that P456 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- **AGREE** an initial recommendation that P456 should be **approved**;
- **AGREE** an initial Implementation Date of:
  - 16 WDs after the Panel decision;
- **AGREE** the draft legal text; and
- **NOTE** that Elexon will issue the P456 Draft Modification Report (including the draft Legal Text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 12 October 2023.

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