





BSC Modification Proposal Form		At what stage is this document in the process?
<h1>P431</h1> <h2>Mod Title: Post Brexit Agreement Updates</h2>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<p>Purpose of Modification:</p> <p>As a result of the UK leaving the EU, Great Britain (GB) is no longer part of the Internal Energy Market and updates are required to the BSC to ensure that the legal text appropriately reflects these changes.</p>		
<p>Is this Modification likely to/Does this Modification impact any of the European Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions held within the BSC?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		
	<p>The Proposer recommends that this Modification should:</p> <ul style="list-style-type: none"> Be treated as a Self-Governance Modification Proposal be sent directly into the Report Phase <p>This Modification will be presented by the Proposer to the BSC Panel on 9 December 2021. The Panel will consider the Proposer's recommendation and determine how best to progress the Modification.</p>	
	<p>High Impact:</p> <p>None</p>	
	<p>Medium Impact:</p> <p>None</p>	
	<p>Low Impact:</p> <p>None</p>	

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Timetable

The Proposer recommends the following timetable:

Modification Raised	02 December 2021
Initial Written Assessment to BSC Panel	09 December 2021
Report Phase Consultation	14 December 2021 – 14 January 2022
Draft Modification report presented to Panel	10 February 2022
Self-Governance Objection Window	10 February 2022 – 3 March 2022
Implementation Date	30 June 2022

1 Why Change?

What is the issue?

The United Kingdom (UK) left the European Union (EU) on 31 January 2020, but the vast majority of energy-related issues remained unaffected until the end of the Implementation Period on 31 December 2020. As a result of leaving the EU, Great Britain (GB) is no longer part of the Internal Energy Market and updates are required to the BSC to ensure it appropriately reflects these changes.

P431 will not directly impact BSC Parties as these updates are only required to reflect changes that have already taken effect by the UK leaving the EU. None of the changes P431 proposes have an impact on the operation of the BSC – they are, essentially, administrative changes only. Due to the very minor impacts associated with this change, and the prioritisation of other Modifications in the change pipeline, this Modification has been raised at this stage rather than immediately after the UK withdrawal from the EU.

Desired outcomes

This Modification seeks to update the BSC to reflect changes required as a result of the UK leaving the Internal Energy Market.

2 Solution

Proposed Solution

The Solution seeks to update the BSC in light of the UK leaving the Internal Energy Market. A summary of the changes required are given in the table below:

Solution Summary	
Section	Change
F 2.1.1 g), F 2.1.10A	To clarify that the Authority and NETSO (Sections F 2.1.1 g) and F 2.1.10A respectively) cannot raise Modifications to the BSC in relation to legally binding decisions of the European Commission where that decision does not impact Retained EU Law for standard modifications
F8.2	To clarify that the Authority cannot raise Authority Directed Modifications Proposals to the BSC in relation to legally binding decisions of the European Commission where that decision does not impact Retained EU Law
N 5.4.3	Removal of reference of Council Directive 77/388/EEC and replacement with part 3 of 'The Value Added Tax (Place of Supply of Goods) Order 2004 as amended by The Value Added Tax (Miscellaneous Amendments and Revocations) (EU Exit) Regulations 2019'

Solution Summary

Section	Change
N 10.1.1	Changing 'European legislation' to 'legislation' in relation to the despatch of Confirmation Notices
Q 6.1B.1	In relation to the NETSO submitting data to the BMRA changing the requirements to that the data submission is that required under the Transparency Regulation and removing direct references to the NETSO, ENTSO-E and EBGL Local Data
Q.1B.2	In relation to Q 6.1B.1 removing the requirements relating to the Guideline on Electricity Balancing and any procedures specified by ENTSO-E.
V 6	Removal of Section 6 which relates to the Submission of Transparency Regulation Data by the BMRA
X-1	Removal of ENTSO-E Definition Amendments to the Electricity Regulation definition Amendments to the Regulation on Wholesale Energy Market Integrity and Transparency or REMIT definition Amendments to the Transparency Regulation Data definition Amendments to the Transparency Regulation definition New Definition of Retained EU Law New Definition of Withdrawal Act

Benefits

The updates will remove any inaccuracies in the BSC that have arisen since leaving the EU.

3 Relevant Objectives

Impact of the Modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence	Neutral
(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System	Neutral
(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	Neutral
(d) Promoting efficiency in the implementation of the balancing and settlement arrangements	Positive
(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]	Positive
(f) Implementing and administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation	Neutral
(g) Compliance with the Transmission Losses Principle	Neutral

There is potential for confusion if the BSC contains defunct references to EU Legislation and bodies. This in turn could lead to reduced efficiency in implementing Balancing and Settlement arrangements. P431 will therefore better facilitate efficiency in the implementation of the BSC under Objective (d).

As this Modification makes updates to the BSC that relate to Energy Regulation (e.g. references to Retained EU Law) we believe that this Modification better facilitates Applicable BSC Objective (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'.

4 Potential Impacts

Impacts on Core Industry Documents

Impacted Core Industry Documents			
<input type="checkbox"/> Ancillary Services Document	<input type="checkbox"/> Connection and Use of System Code	<input type="checkbox"/> Data Transfer Services Agreement	<input type="checkbox"/> Use of Interconnector Agreement
<input type="checkbox"/> Retail Energy Code	<input type="checkbox"/> Transmission License	<input type="checkbox"/> System Operator Transmission Owner Code	<input type="checkbox"/> Supplemental Agreements
<input type="checkbox"/> Distribution Code	<input type="checkbox"/> Grid Code	<input type="checkbox"/> Other (please specify)	

No impacts identified.

Impacts on BSC Systems

Impacted Systems				
<input type="checkbox"/> CRA	<input type="checkbox"/> CDCA	<input type="checkbox"/> PARMS	<input type="checkbox"/> SAA	<input type="checkbox"/> BMRS
<input type="checkbox"/> EAC/AA	<input type="checkbox"/> FAA	<input type="checkbox"/> TAAMT	<input type="checkbox"/> NHHDA	<input type="checkbox"/> SVAA
<input type="checkbox"/> ECVA	<input type="checkbox"/> ECVA Web Service	<input type="checkbox"/> Elexon Portal	<input type="checkbox"/> Other (Please specify)	

This Modification is a code only change and so there are no impacts on BSC Systems.

Impacts on BSC Parties

Impacted Parties			
<input type="checkbox"/> Supplier	<input type="checkbox"/> Interconnector User	<input type="checkbox"/> Non Physical Trader	<input type="checkbox"/> Generator
<input type="checkbox"/> Licensed Distribution System Operator	<input type="checkbox"/> National Electricity Transmission System Operator	<input type="checkbox"/> Virtual Lead Party	<input type="checkbox"/> Other (Please specify)

This Modification is not expected to impact BSC Parties.

Impacts on consumers and the environment

Impact of the Modification on consumer benefit areas:	
Consumer benefit area	Identified impact
Improved safety and reliability	Neutral
Lower bills than would otherwise be the case	Neutral
Reduced environmental damage	Neutral
Improved quality of service	Neutral
Benefits for society as a whole	Neutral

This Modification is not expected to impact any customer benefit areas

Legal Text Changes

Changes are required to the sections detailed in the table in section 2 of this Proposal Form. Draft legal text is provided in Attachment A.

5 Governance

Self-Governance

<input type="checkbox"/> Not Self-Governance – A Modification that, if implemented:	
<input type="checkbox"/> materially impacts the Code's governance or modification procedures	<input type="checkbox"/> materially impacts sustainable development, safety or security of supply, or management of market or network emergencies
<input type="checkbox"/> materially impacts competition	<input type="checkbox"/> materially impacts existing or future electricity consumers
<input type="checkbox"/> materially impacts the operation of national electricity Transmission System	<input type="checkbox"/> is likely to discriminate between different classes of Parties
<input type="checkbox"/> involves any amendments to the EBGL Article 18 Terms and Conditions related to Balancing; except to the extent required to correct an error or as a result of a factual change	
<input checked="" type="checkbox"/> Self-Governance – A Modification that, if implemented:	
Does not materially impact on any of the Self-Governance criteria provided above	

This Modification does not materially impact any of the Self-Governance criteria. This Modification does not change any existing obligations on any parties and is required only to clarify existing obligations.

Progression route

<input type="checkbox"/> Submit to assessment by a Workgroup – A Modification Proposal which:	
does not meet any criteria to progress via any other route.	
<input type="checkbox"/> Direct to Report Phase – A Modification Proposal whose solution is typically:	
<input checked="" type="checkbox"/> of a minor or inconsequential nature	<input checked="" type="checkbox"/> deemed self-evident
<input type="checkbox"/> Fast Track Self-Governance – A Modification Proposal which meets the Self-Governance Criteria and:	
is required to correct an error in the Code as a result of a factual change including but not limited to:	
<input type="checkbox"/> updating names or addresses listed in the Code	<input type="checkbox"/> correcting minor typographical errors
<input type="checkbox"/> correcting formatting and consistency errors, such as paragraph numbering	<input type="checkbox"/> updating out of date references to other documents or paragraphs
<input type="checkbox"/> Urgent – A Modification Proposal which is linked to an imminent issue or current issue that if not urgently addressed may cause:	
<input type="checkbox"/> a significant commercial impact on Parties, Consumers or stakeholder(s)	<input type="checkbox"/> a Party to be in breach of any relevant legal requirements.
<input type="checkbox"/> a significant impact on the safety and security of the electricity and/or gas systems	

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No impacts identified. We have requested that Ofgem treat this Modification as SCR exempt on 25 November 2021.

Does this Modification impact any of the EBGL Article 18 Terms and Conditions held within the BSC?

This does not amend any of the EBGL Article 18 Terms and Conditions as per Annex F-2 of the BSC.

Implementation approach

Exelon recommends an Implementation Date for P431 of:

- **30 June 2022** as part of the June 2022 release.

This is the next available Release that this change can practicably be included in.