

Sara Vaughan  
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18 October 2024

Dear Sara,

**Decision on the BSC Panel's recommendation for BSC Modification P482 'Allow Elexon to more flexibly split BSC Agent services and to put in place appropriate contracts for the delivery of MHHS' to be treated as an Urgent Modification Proposal**

On 7 October 2024, Ofgem issued a decision to reject BSC modification proposal P471.<sup>1</sup> Following that decision, at the BSC Panel meeting on 10 October 2024, the BSC Panel (the Panel) raised BSC modification proposal P482.<sup>2</sup> Following the Panel meeting, Ofgem received a request that P482 be treated as an urgent modification proposal.<sup>3</sup>

This letter sets out our decision that P482 should be progressed on an urgent basis.

**Background**

P482 proposes to remove, temporarily, the requirement for Elexon to procure competitively the BSC Agents who will be delivering the new Supplier Volume Allocation Agent (SVAA) arrangements required for delivery of market-wide half-hourly settlement (MHHS). Under the proposal, any non-competitive procurement for this purpose would require the Panel's agreement. P482 also proposes to provide Elexon with the flexibility to appoint multiple service providers to deliver a single BSC Service Description without necessarily having to

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<sup>1</sup> For details see [Decision to reject BSC Code Modification P471 | Ofgem](#).

<sup>2</sup> See Elexon's website [P482 Allow Elexon to more flexibly split BSC Agent services and to put in place appropriate contracts for the delivery of MHHS - Elexon BSC](#) for the paperwork relating to this modification proposal.

<sup>3</sup> References to the "Authority", "Ofgem", "we", and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

go through the process of reconfiguring the Service Description and consulting parties on the proposed reconfiguration as currently described by Section E. This element of the proposal would not be limited to MHHS.

The BSC Panel ("the Proposer") believes that the Modification Proposal is linked to an imminent or current issue that, if not urgently addressed, may cause a significant commercial impact on Parties, consumers or stakeholders. The imminent issue relates to the MHHS timetable that requires BSC Central Systems to go-live at milestone M10, currently March 2025. Elexon and the Panel believe the Proposal needs to be implemented well before the introduction of these new MHHS systems so the commercial arrangements can be negotiated and put in place.

## **Panel View**

At the Panel meeting on 10 October 2024, the Panel unanimously agreed to recommend to Ofgem that P482 should be progressed as an urgent modification proposal. In the absence of P482, Elexon would need to run a competitive procurement for the new SVAA BSC Agent services which, the Proposer states, would increase delivery risks for MHHS and delay the current M10 delivery date and subsequent MHHS milestones. This in turn would cause significant commercial impacts to MHHS Participants who are dependent on the new BSC Central Systems to begin MHHS migration. Elexon and the BSC Panel are aware that Change Request CR55 has been raised within the MHHS Programme that proposes to extend the M10 date. However, Elexon and the Panel are of the view that they cannot prejudge any decision that may be taken by Ofgem on CR55 and therefore that they must proceed against the existing timetable and milestone plan. For this reason the Proposer believes that this Modification should be given urgent status by Ofgem.

## **Our decision**

In reaching our decision on the urgency of P482 we have considered the details of the proposal, the justification for urgency and the views of the Panel. We have also assessed the request against the urgency criteria set out in our published guidance.<sup>4</sup>

We agree with the Panel that it cannot be assumed that Ofgem will approve MHHS Programme Change Request CR55. Consequently, the request for urgency must be considered with a view to the existing MHHS Implementation Timetable in which BSC Central Systems must be ready in March 2025. On that basis, we agree with the Panel that in the absence of granting urgency for this Proposal, the existing requirement for Elexon to

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<sup>4</sup> [Ofgem Guidance on Code Modification Urgency Criteria | Ofgem](#)

run a competitive process for the appointment of the SVAA BSC Agent roles creates a risk of delay to the Programme and, as a result, a risk of a significant commercial impact on parties via higher implementation costs that would likely be passed on to their consumers. In addition, it would risk delaying the realisation of consumer benefits from MHHS.

We therefore consent to this modification proposal being treated as urgent. We also agree that the modification should follow the urgent timetable recommended by the BSC Panel. This is set out below:

Process	Date
Ofgem Decision on Urgency	18 October 2024
Consultation Commences	21 October 2024
Consultation Closes	25 October 2024
Draft Urgent Modification Report presented to Panel	6 November 2024
Final Modification Report submitted to Ofgem	By 7 November 2024
Implementation Date	2 Working Days after the decision

For the avoidance of doubt, nothing in this letter in any way fetters our discretion in respect of the Proposal.

If you have any comments or questions about this letter, please contact Andy MacFaul at [andy.macfaul@ofgem.gov.uk](mailto:andy.macfaul@ofgem.gov.uk).

Yours sincerely,



**Melissa Giordano**

**Deputy Director, Retail Systems and Processes**

Signed on behalf of the Authority and authorised for that purpose