



Making a positive difference  
for energy consumers

Elexon, Market Index Data  
Providers, Balancing and  
Settlement Code Signatories, and  
other interested parties

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Date: 9 February 2017

Dear Colleague,

### **Decision to approve proposed amendments to the Market Index Definition Statement (MIDS)**

On 19 January 2017 the Balancing and Settlement Code (BSC) Panel sent a recommendation to the Gas and Electricity Markets Authority (the "Authority")<sup>1</sup> to approve proposed amendments to the Market Index Definition Statement (MIDS)<sup>2</sup>.

As explained in the recommendation, the proposed amendments to the MIDS will reflect changes in the company details of the two Market Index Data Providers (MIDPs). More specifically, in order to maintain accurate company records in the MIDS, the current names, addresses and company registration numbers will need to be updated.

We have considered the BSC Panel's recommendation to us to approve the proposed amendments to the MIDS and noted that no concerns were expressed during the industry consultation. We agree with the proposed changes to the MIDS<sup>3</sup>, as they are needed for the MIDS to reflect up to date company details.

We note that the process for amending the MIDS is defined in Balancing and Settlement Code Procedure (BSCP) 40<sup>4</sup>. Under BSCP40, Elexon must request our agreement to any recommendation of the Panel to change the MIDS. We encourage the BSC Panel to consider whether there is merit in reviewing the procedure for administrative amendments to the MIDS (and any other similar provisions under other BSCPs, if relevant). For example, consistent with the 'self-governance' provisions under the code Modification Procedures<sup>5</sup>, it may be appropriate for the Panel to make decisions on amendments that do not have a material impact, including on consumers and competition.

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<sup>1</sup> The Gas and Electricity Markets Authority. Ofgem is the Office of the Authority. The terms "Ofgem" and "the Authority," "we" and "us" are used interchangeably in this letter.

<sup>2</sup> The Market Index Definition Statement (MIDS) defines the parameters and methods for providing Market Index Data used to calculate the Market Index Price (MIP). Until 5 November 2015, the MIP was used as the reverse System Price in every Settlement Period. Elexon now uses it as a default price when there are no System Actions or priced System Actions available to carry out normal System Price calculations.

<sup>3</sup> This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

<sup>4</sup> [https://www.elexon.co.uk/wp-content/uploads/2016/11/BSCP40\\_v15.0.pdf](https://www.elexon.co.uk/wp-content/uploads/2016/11/BSCP40_v15.0.pdf)

<sup>5</sup> [https://www.elexon.co.uk/wp-content/uploads/2016/11/Section\\_F\\_v27.0.pdf](https://www.elexon.co.uk/wp-content/uploads/2016/11/Section_F_v27.0.pdf)

If you have any further queries in relation to the issues raised in this letter, please contact [Marcelo.Torres@ofgem.gov.uk](mailto:Marcelo.Torres@ofgem.gov.uk).

Mark Copley,  
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Duly authorised on behalf of the Gas and Electricity Markets Authority  
9 February 2017