

Marion Quinn
Industry Codes & Licensing
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7 June 2016

Dear Marion,

Code Governance Review (Phase 3) Final Proposals – statutory consultation on licence modifications – ELEXON Response

As you are aware, ELEXON is the code administrator for the Balancing and Settlement Code (BSC). We are responsible for managing and delivering the end to end services set out in the BSC. This includes responsibility for delivering settlement systems and processes. We also manage the development, assessment and implementation of changes to BSC Agent (central) systems and processes. The views expressed in this response are those of ELEXON Ltd, and do not seek to represent those of the BSC Panel or Parties to the BSC.

Industry code panels play a valuable role in voting on recommendations associated with Modifications arising from Significant Code Review (SCRs). This is an important check and balance in the existing industry code governance¹ which the licence drafting preserves.

Further, the clarifications made in relation to the BSC amendments improve the drafting and would achieve the policy proposals set out in the CGR3 Final Proposals. In particular, the amendments to the definition of the SCR phase have addressed the concerns we raised in our response of 28 April 2016.

We continue to believe it is important for industry parties and code administrators to be closely involved in the development of any modifications arising under an SCR. We therefore welcome Ofgem's continued commitment to this (as described in the updated draft SCR guidance published as appendix 1 to the Code Governance Review (Phase 3): Final Proposals document).

If you would like further information, please contact Adam Richardson, Design Authority, on 020 7380 4117, or by e-mail at adam.richardson@elxon.co.uk

Yours sincerely,

Mark Bygraves
CEO, ELEXON

¹ For example, the provisions of the Electricity Act offer the opportunity for Authority decisions to be appealed to the CMA in the event that the Authority approves a Modification which was recommended for rejection by the BSC Panel.