



Consultation Response

SENT BY EMAIL TO: tariq.hakeem@uk.ngrid.com

28 December 2011

Dear Tariq,

ELEXON's response to Grid Code Modification Proposal H/11 (and associated Informal Consultation)

I am pleased to have the opportunity to respond to the NGET consultation on Grid Code Modification Proposal H/11, and the associated Informal Consultation on the proposed changes to the Data Validation, Consistency and Defaulting Rules.

We are supportive of the proposal, but have some comments on the detail of the proposed changes (as described in the Informal Consultation).

Unclear why it is proposed to set N to 59 minutes rather than 89 minutes?

The consultation document proposes that the parameter N (used to validate NTO and NTB) should be reduced from 239 minutes to 59 minutes in response to the reduction of Gate Closure to 1 hour (by BSC [Modification Proposal P12](#)).

We assume that N was originally set to 239 on the basis that a higher value of NTO or NTB would entirely preclude the Bid or Offer from being accepted. With a Settlement Period Duration of 30 minutes and Gate Closure set to 3.5 hours before the start of each Settlement Period, the length of the 'balancing window' (i.e. the period of time that has passed Gate Closure) varied in length from 210 to 240 minutes.

As Modification P12 has reduced Gate Closure to one hour before the start of each Settlement Period, the length of the 'balancing window' now varies from 60 to 90 minutes. This would therefore justify a reduction of N to 89 minutes. However, it does not seem clear that the reduction in Gate Closure justifies further reducing the value to 59 minutes.

The effect of reducing N below 89 minutes would be to exclude from the Balancing Mechanism those BM Units that need between 60 and 90 minutes notice to deliver a Bid or Offer. In theory it should be possible to accept Bids and Offers from such plant near the start of a Settlement Period (when the balancing window is relatively long).

We suggest that any reduction of the parameter below 89 minutes cannot be justified purely on the basis that Gate Closure has been reduced, and some additional justification would be required.



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Possible unintended interaction between rules V_BOD_11 and D_BOD1?

We understand that the intent of the proposed new validation rule V_BOD_11 is to prevent BM Units that have chosen not to install EDL from submitting Bids or Offers.

We suggest that there may be a risk of this rule interacting in unintended ways with the existing rules for defaulting of Bids and Offers, as specified in:

- Section Q4.2.1 of the BSC, which requires the Transmission Company to copy the Bid-Offer Pairs that were in effect at 11:00 the previous day “in accordance with the provisions of the Grid Code” if Bid-Offer Pairs have not been received from the Lead Party;
- Section BC1.4.5 of the Grid Code, which contains detailed provisions for defaulting of BM Unit data in accordance with the Data Validation, Consistency and Defaulting Rules; and
- Rule D_BOD1 for defaulting of Bid-Offer Data, as specified in section 5.8 of the Data Validation, Consistency and Defaulting Rules.

If the above provisions are interpreted as applying to BM Units that don't have an active EDL installation, they would lead to the last Bid-Offer Data that was successfully submitted before the introduction of V_BOD_11 being repeated indefinitely (or until an active EDL installation was in place). This could leave a BM Unit with inappropriate Bid-Offer prices, but with no mechanism for the Lead Party to change them. In the event that an Emergency Instruction had to be issued to the BM Unit, the Generator would pay (or be paid) at the inappropriate prices, leading to distorted Trading Charges and BSUoS payments.

One approach to mitigating this risk would be to amend defaulting rule D_BOD1 to include a caveat that it applies only to BM Units with EDL installed.

Further Information

Please do not hesitate to contact me if you wish to discuss any aspect of this response. I can be contacted on **020 7380 4345** or john.lucas@elexon.co.uk.

Yours sincerely

John Lucas
ELEXON Design Authority