

What stage is this document in the process?

- 01** Initial Written Assessment
- 02 Definition Procedure
- 03 Assessment Procedure
- 04 Report Phase

## Stage 01: Initial Written Assessment

# P282 'Allow MVRNs from Production to Consumption or Vice Versa'

P282 proposes to allow energy reallocated via a Metered Volume Reallocation Notification (MVRN) to be reallocated to either a Production or Consumption Energy Account regardless of the BM Unit's P/C Status.

This would remove the current restriction that energy can only be reallocated from a Production BM Unit to a Production Energy Account, or a Consumption BM Unit to a Consumption Energy Account.



**ELEXON:**

- Recommends a 6-month Assessment Procedure by a Workgroup



**High Impact:**

- Energy Contract Volume Aggregation Agent (ECVAA)
- Metered Volume Reallocation Notification Agents (MVRNAs)



**Medium Impact:**

- BSC Trading Parties



**Low Impact:**

- ELEXON

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## About this Document

This document is an Initial Written Assessment (IWA), which ELEXON will present to the BSC Panel on 12 April 2012. The Panel will consider the recommendations and will agree how to progress P282.



**Any questions?**

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# 1 Why Change?



## What are the current arrangements with Energy Accounts?

Under the GB arrangements introduced by the New Electricity Trading Arrangements (NETA) in 2001, Parties are required to keep their production (Exports onto the GB Total System) separate from their consumption (Imports off of the GB Total System). This requirement to treat the two sides of the market separately is one of the key principles of NETA.

Under this requirement, each Party is allocated two Energy Accounts: a Production Energy Account and a Consumption Energy Account. In addition, each BM Unit is classed as either a Production BM Unit or a Consumption BM Unit, depending on whether it is expected to net Export or net Import. If a BM Unit is a Production BM Unit then its Credited Energy Volumes ( $QCE_{iaj}$ ) will be allocated to the Lead Party's Production Energy Account. Similarly, a Consumption BM Unit's Credited Energy Volumes would be allocated to the Lead Party's Consumption Energy Account. The Lead Party would then be required to balance their position in each of their Energy Accounts through the use of Energy Contract Volume Notifications (ECVNs).

The theory behind two Energy Accounts is that it provides a level playing field between Parties that operate on both sides of the market (Production and Consumption) and those that only operate on one side of the market (Production or Consumption). If all Parties only had a single Energy Account then a Party which operated on both sides of the market would be able to net Production and Consumption volumes automatically, without the need to trade with other Parties. This would allow them to offset their generation with their demand, and they would only be required to trade their net position, leaving a smaller volume exposed to imbalance risk.

In contrast, a Party that only operates on one side of the market will have all of their Credited Energy Volume in one direction (either Production or Consumption), which presents no opportunity for netting. Subsequently, they would be required to balance all of their volumes through trading with other Parties, which would leave them more exposed to potential imbalance.

By treating production and consumption separately, a Party cannot automatically net their generation against their demand. They are therefore required to balance these volumes through trading with other Parties. This means that the Production and Consumption volumes of a Party operating on both sides of the market are separately exposed to the same level of imbalance risk as those of Parties that only operate on one side of the market. This places Parties on a level playing field and prevents Parties operating on both sides of the market benefitting from a netting advantage.

## What are MVRNs?

Metered Volume Reallocation Notifications (MVRNs) allow the Lead Party of a BM Unit to reallocate some or all of that BM Unit's Credited Energy Volumes to another Party (known as the Subsidiary Party). This Subsidiary Party would be responsible for any Trading Charges associated with these volumes, and would be exposed to imbalance charges if they do not balance their position.

### What is the issue?

MVRNs can only be used to reallocate a Production BM Unit's  $QCE_{iaj}$  to another Production Energy Account, or a Consumption BM Unit's  $QCE_{iaj}$  to another Consumption Energy Account. Energy cannot be reallocated from Production to Consumption or vice versa.

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There are two ways of specifying the amount to be reallocated through an MVRN:

- **Percentage volume:** A 'percentage volume' MVRN will transfer a percentage of the BM Unit's  $QCE_{iaj}$  in that Settlement Period to the Subsidiary Party. It is therefore not possible to know the exact amount of energy that will be reallocated until after the BM Unit's  $QCE_{iaj}$  has been calculated. However, this does allow the Lead Party to reallocate all of a BM Unit's  $QCE_{iaj}$  to a Subsidiary Party without needing to know what the value of  $QCE_{iaj}$  will be in each Settlement Period. It is possible to transfer a BM Unit's  $QCE_{iaj}$  across multiple Subsidiary Parties in this way, but the total amount of energy transferred through percentage MVRNs cannot exceed 100% of the BM Unit's  $QCE_{iaj}$ .
- **Fixed volume:** A 'fixed volume' MVRN will transfer a specified volume of energy to the Subsidiary Party. This volume will be reallocated regardless of the BM Unit's  $QCE_{iaj}$  in that Settlement Period, and so it is possible to transfer volumes that are larger or in the opposite direction to the BM Unit's  $QCE_{iaj}$ .

Multiple MVRNs, percentage and fixed, can be applied to a single BM Unit in a given Settlement Period. Once all the reallocations have been made, the remaining  $QCE_{iaj}$  is allocated to the Lead Party.

It should be noted that MVRNs can only be made to the same Energy Account as the BM Unit's Production/Consumption (P/C) Status – i.e.  $QCE_{iaj}$  from a Production BM Unit can only be reallocated to the Subsidiary Party's Production Energy Account, and  $QCE_{iaj}$  from a Consumption BM Unit can only be reallocated to their Consumption Energy Account.

These restrictions are linked to the requirements under the GB arrangements that Production and Consumption volumes are managed separately. If a Subsidiary Party were to receive volumes from a Production BM Unit, they would be required to manage those through their Production Energy Account, just as the Lead Party would, and the same for volumes from Consumption BM Units being managed through their Consumption Energy Account.

## What is the issue?

The use of MVRNs allows Parties some flexibility in who is responsible for a BM Unit's Credited Energy Volumes. For example, a Party who has multiple generation sites split across multiple Party IDs can use MVRNs to allocate all of the energy into a single Production Energy Account. This makes it easier for them to balance their position, as they would only have to consider the net generation when submitting ECVNs, rather than having to balance multiple Energy Accounts individually.

However, the limitations on which Energy Account a BM Unit's Credited Energy Volumes can be reallocated to places restrictions on smaller market participants and prevent them from managing their risk in the most efficient way. This can lead to increased costs for these Parties in managing and complying with the complexity of the rules. It also prevents them from managing their position by netting with another market participant who is active on the other side of the market, which again limits flexibility.

The Proposer notes that the original restrictions were introduced to ensure that larger vertically integrated companies would not benefit from the advantage of being able to net their volumes from their generation sites and their supply volumes in a single Energy Account, and so reduce their exposure to imbalance charges. However, the Proposer believes that the current rules do not provide an effective check, as vertically integrated

companies have found solutions that minimise their exposure to imbalance, for example through the formation of Trading Units or by making volume reallocations. It was also initially assumed that many smaller Parties would only be active on one side of the market; something the Proposer notes has not proven to have been the case.

In addition, the Proposer highlights that Lead Parties of Exempt Export BM Units have the ability to set the P/C Flag of these BM Units, which allows them to choose which Energy Account their  $QCE_{iaj}$  is allocated to. This allows them more flexibility should they choose to reallocate their volumes to another Party. For example, by setting their P/C Flag to 'Consumption', they can then elect to MVRN the BM Unit's  $QCE_{iaj}$  to the Consumption Energy Account of a Supplier, consolidating these volumes with the Supplier's existing consumption volumes. This option is not currently available to other Parties, as the P/C Status of their BM Units cannot be elected.



### Proposed Solution

P282 proposes to remove the restriction whereby energy from a Production BM Unit can only be reallocated to the Subsidiary Party's Production Energy Account and energy from a Consumption BM Unit can only be reallocated to their Consumption Energy Account. Instead, the energy could be reallocated to either Energy Account (Production or Consumption) of the Subsidiary Party, regardless of the BM Unit's P/C Status.

This would also allow the Lead Party of a BM Unit to reallocate the energy to its own opposite Energy Account (i.e. the Lead Party could reallocate the energy from one of their Production BM Units to its own Consumption Energy Account, or vice versa). It would therefore be possible for a Party to allocate all of their  $QCE_{iaj}$  into a single Energy Account. For example, a Party that operates on both sides of the market could set up MVRNs on all of their Production BM Units to allocate their  $QCE_{iaj}$  into their Consumption Energy Account. These volumes would then net off against the  $QCE_{iaj}$  from their Consumption BM Units, leaving only the net volume needing to be balanced.

P282 proposes that this solution would apply to all market participants. However, the Proposer notes that any Workgroup may wish to consider the merits of an alternate solution whereby market participants whose annual production or consumption exceeds a certain threshold would remain subject to the current limitations. In doing so, the current restrictions would be retained for large vertically integrated companies. The Proposer notes that Ofgem is currently proposing to introduce a Mandatory Auction for the Big Six Parties, so such a volume ceiling may not be necessary.

### Applicable BSC Objectives

The Proposer believes that P282 will better facilitate the achievement of:

- **Applicable BSC Objective (c)**, as it would provide additional flexibility for Parties to manage their imbalance exposure. This would enable them to reduce risk, which should increase competition and encourage new entrants. It would reduce the level of complexity in the trading arrangements and the costs of compliance, which may have a positive impact on new and smaller Parties. It would also level the playing field relative to the position held by embedded generation by allowing other Parties to achieve a similar result through MVRNs;
- **Applicable BSC Objective (d)**, as it would remove an unnecessary restriction and would help Trading Parties better manage their costs, including the costs of complying with the BSC; and
- **Applicable BSC Objective (e)**, as allowing Parties to make MVRNs from Production BM Units to Consumption Accounts or vice versa may go some way to harmonising arrangements with other European countries and facilitating the creation of a single European energy market.

#### What is the solution?

Energy reallocated via an MVRN can be reallocated to either Energy Account, regardless of the P/C Status of the BM Unit.



#### What is a Mandatory Auction?

A Mandatory Auction would require obligated Parties to regularly sell key products every month with sufficient volume to potentially meet demand and produce robust prices. Ofgem has proposed that the Big Six Parties would be required to sell 25% of their annual generation in this way.

Further information is available in Ofgem's consultation on Mandatory Auctions, which can be found [here](#).

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## 3 Things to Consider

In this section we highlight areas which we believe the Panel should consider when making its decision on how to progress this Modification Proposal. If P282 goes into the Assessment Procedure, then we recommend that the areas below form the basis of the Workgroup's Terms of Reference.

### What changes are required to support the proposed solution?

P282 is likely to impact the BSC and central ECVAAs systems. It will also impact Metered Volume Reallocation Notification Agents (MVRNAs) and BSC Trading Parties. The specific changes required will need to be identified through an impact assessment, along with any associated implementation costs and lead times.

### What wider impacts would the proposed solution have?

Allowing volumes from Production BM Units to be reallocated to a Consumption Energy Account, and vice versa, will have impacts on different areas of the Code. The extent of these impacts and the solutions required to resolve any issues that would arise will need to be identified.

### Calculation of BSCCo Charges

Some of the Funding Share calculations used within Section D of the BSC for calculating a Party's BSCCo Charges specifically reference the amount of  $QCE_{iaj}$  that has been allocated a particular Energy Account (either Production or Consumption). These equations either allocate the associated costs to only one side of the market (i.e. only to Parties that produce or only to Parties that consume), or split the costs 50:50 across both sides of the market. As energy from a Production BM Unit will be allocated to the Production Energy Account, while energy from a Consumption BM Unit will be allocated to the Consumption Energy Account, it is a valid assumption Parties that produce energy will have that production allocated to their Production Energy Account while Parties that consume will have that consumption allocated to their Consumption Energy Account.

However, if a Party elects to use an MVRN to allocate energy from a Production BM Unit into a Consumption Energy Account, or vice versa, this assumption would no longer hold, and would result in incorrect charges being calculated. These equations would need to be revised to account for this situation.

### Settlement charges

The Settlement calculations in Section T4 of the BSC treat a Party's Production and Consumption Energy Accounts as separate entities. By allowing a Party to potentially consolidate their Production and Consumption volumes in a single Account may impact the following areas:

- **Imbalance charges:** A Party's exposure to imbalance will be reduced. This may also reduce the total volume of energy which is subject to imbalance charges across the market, which may have an impact on imbalance prices.



- **RCRC:** If the volume of energy subject to imbalance charges across the market is reduced, this will lead to a reduction in the net imbalance cashflow in each Settlement Period that is redistributed through the Residual Cashflow Reallocation Cashflow (RCRC) mechanism in Section T4.10 of the BSC. This calculation considers a Party's proportion of total  $QCE_{iaj}$ , but if a Party nets their  $QCE_{iaj}$  into a single Energy Account, then only their net position would be considered. This could distort the calculations, which would lead to incorrect RCRC allocations.
- **BSUoS and TNUoS charges:** The calculations of Balancing Services Use of System (BSUoS) and Transmission Network Use of System (TNUoS) charges may also be impacted if Parties are able to net their  $QCE_{iaj}$  into a single Energy Account.

The Workgroup would need to consider whether there is any impact to any of these charges, and if so then what the extent of those impacts would be.

## Trading Unit benefits

Several benefits are received by Parties if they elect to form Trading Units with two or more of their BM Units. The areas where benefits can be received include:

- Production/Consumption (P/C) Status;
- Transmission Loss Multipliers (TLMs);
- Certain BSC costs;
- Residual Cashflow Reallocation Cashflow (RCRC); and
- Balancing Services Use of System (BSUoS) charges.

P282 would impact the benefit Parties receive against their P/C Status as a result of forming Trading Units. All BM Units in a Trading Unit are allocated the same P/C Status, which is calculated based on the Generation and Demand Capacities (GC/DC) of the BM Units in the Trading Unit.<sup>1</sup> This benefit would, for example, allow any Demand Units at a generation site to receive a P/C Status of 'Production'. The volumes from these Demand Units would then be allocated to the Lead Party's Production Energy Account, where they would net against their generation volumes. The value of this benefit would be reduced if a Party were able to overrule the BM Unit's P/C Status through the use of an MVRN.

The Workgroup would need to consider whether there is any impact to the other benefits, and if so then what the extent of those impacts would be.

## How would GB's two-Account arrangements be affected?

The current BSC arrangements require Parties to manage their production and their consumption separately, through the use of separate Energy Accounts. The current rules require energy from Production BM Units to be kept separate from energy from Consumption BM Units, which is achieved by requiring energy from a Production BM Unit to be allocated to a Production Energy Account and energy from a Consumption BM Unit to be allocated to a Consumption Energy Account. This set-up is maintained in the current MVRN arrangements, where energy from a Production BM Unit must be reallocated to a

<sup>1</sup> Exceptions are for Exempt Export BM Units, which elect their own P/C Status, Supplier BM Units, which have a fixed P/C Status of 'Consumption' following the implementation of [Approved Modification P269](#) on 23 February 2012, and Interconnector BM Units, which are currently given a fixed P/C Status, but would elect their P/C Status if [Proposed Modification P277](#) is approved. In any of these cases, the BM Unit's P/C Status would not be recalculated if it joined a Trading Unit.



Production Energy Account and energy from a Consumption BM Unit must be reallocated to a Consumption Energy Account.

P282 would allow energy from a Production BM Unit to be reallocated to a Consumption Energy Account and vice versa. This would mean that the current segregation of the two sides of the market would no longer be enforced, as Parties would be able to allocate energy from any BM Unit to any Energy Account, irrespective of P/C Status.

## What benefits would Parties gain from P282?

Allowing Parties to net their production and consumption volumes in a single Energy Account would allow them to net their position. This would allow them to reduce their exposure to imbalance as they would be able to net any gains in one Energy Account against any shortfall in the other. However, this benefit would only be realised if the Party was Long in one Energy Account and Short in the other in a given Settlement Period.

Consider a Party that is Long in one Energy Account by 100MWh and Short in the other by the same amount for a given Settlement Period. Under the current rules, they would be charged for the 100MWh shortfall in one Energy Account at System Buy Price (SBP), whilst being paid for their 100MWh of excess energy in the other Energy Account at System Sell Price (SSP). As SBP is always greater than or equal to SSP, this will result in a net charge to the Party.

However, if the Party was able to net their volumes in a single Energy Account, then the equal and opposite imbalances would net together. In this example they would net to zero, and the Party would not receive any imbalance charges for this Settlement Period.

This benefit would not be realised if a Party was Long in both Energy Accounts or Short in both Energy Accounts in a given Settlement Period. In this scenario, the Party's charges would be in the same direction, and so they would simply add together rather than net off each other.

The Workgroup would also need to consider what impact this benefit would have on a Party's incentive to balance their position, if they were able to net their volumes in this manner.

## What meaning would 'Production' and 'Consumption' hold?

A BM Unit's P/C Status determines which side of the market it is considered to belong to, and thus which Energy Account its volumes must be allocated to. Similarly, the two separate Energy Accounts are used to keep volumes from each side of the market separate. If a BM Unit has a P/C Status of 'Production', its energy is allocated to a Production Energy Account, while if a BM Unit has a P/C Status of 'Consumption', its energy is allocated to a Consumption Energy Account.

P282 would allow volumes from a Production BM Unit to be reallocated into a Consumption Energy Account, and vice versa. Although a BM Unit's P/C Status would determine which Energy Account its  $QCE_{i,j}$  would be allocated to by default, it would be possible for a Party to overrule this and allocate the volumes to their other Energy Account by submitting the appropriate MVRN.

If Parties were able to reallocate BM Unit volumes to the opposing Energy Account, then a BM Unit's P/C Status would become less relevant, as its primary function in determining which Energy Account the BM Unit's QCE<sub>iaj</sub> is allocated to could be overruled. In addition, the meaning of each Energy Account would become less clear, as it would be possible to allocate production volumes to a Consumption Energy Account and vice versa. Consideration would be needed as to what the meaning of 'Production' and 'Consumption' would be if P282 was implemented, and what this would mean for a BM Unit's P/C Status or the requirement to hold separate Energy Accounts.

### **What are the benefits to the Applicable BSC Objectives?**

The primary benefits cited by the Proposer are that P282 would introduce additional flexibility in managing imbalance exposure and reduce costs and complexity, which would reduce barriers to market entry and increase competition under Applicable BSC Objectives (c) and (d). The Proposer also believes that P282 would aid in harmonising arrangements with other European markets under Applicable BSC Objective (e).



### What is the proposed progression?

P282 should be progressed to the Assessment Procedure.

### Next Steps

We believe that P282 should go into the Assessment Procedure in order to consider the areas outlined in Section 3.

The Proposer is not requesting that P282 is progressed as a Self-Governance Modification Proposal due to the material change to the existing arrangements; we concur with this view.

The Proposer believes that P282 has no interaction with any on-going Significant Code Reviews (SCRs). However, there may be an interaction with Ofgem's Cash-Out SCR. The main benefit arising from consolidating all of a Party's Credited Energy Volumes into a single Energy Account is only realised because there are two cash-out prices. One option that has been proposed under the Cash-Out SCR is to have only a single cash-out price. If this were to be the case, then this benefit that would be realised through P282 would no longer be applicable.

### Terms of Reference

We recommend that membership of the P282 Workgroup is drawn from members of the Settlement Standing Modification Group (SSMG), supplemented with any other relevant experts and interested parties.

We recommend that the Workgroup considers the following areas:

P282 Terms of Reference	
1	What changes are needed to BSC documents, systems and processes to support P282 (including any impacts on Parties' systems), and what are the related costs and lead times?
2	If P282 were to allow Credited Energy Volumes from Production BM Units to be allocated to Consumption Energy Accounts and vice versa, what impact would this have on other areas of the BSC, including (but not limited to): <ul style="list-style-type: none"> <li>The calculation of BSCCo Charges in Section D?</li> <li>Settlement calculations in Section T, including imbalance charges and RCRC?</li> <li>Trading Unit and embedded generation benefits?</li> </ul> Would there be any impact on BSUs or TNUoS charges?
3	What would be the effect of P282 on the current GB arrangements and the requirement to keep production and consumption separate?
4	What benefits could be realised by Parties if they were able to net their Credited Energy Volumes from Production BM Units and their Credited Energy Volumes from Consumption BM Units into a single Energy Account? How would this impact a Party's incentive to balance their position?
5	What would the definition of the terms 'Production' and 'Consumption' be if P282 was implemented? What effect would this have on a BM Unit's P/C Status or the requirement to hold separate Energy Accounts?
6	What are the benefits to the Applicable BSC Objectives? Are there any wider benefits/principles that Ofgem should consider?

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## Timetable

### **We recommend that P282 undergoes a 6-month Assessment Procedure.**

We believe that the Workgroup will need to undertake the activities shown in the table below. These include undertaking a 20 Working Day (WD) industry impact assessment followed by a 15WD industry consultation.

We believe that the Workgroup will require six months in order to fully assess all the areas of the BSC that would be impacted by P282, which will include carrying out some detailed analysis. It will also need to fully consider the wider implications of P282, as discussed in Section 3, and a longer than normal Impact Assessment of 20WD has also been proposed for this reason. In addition, this timetable has been proposed to avoid scheduling any Workgroup meetings during the London 2012 Olympics, which will impact travel arrangements for Workgroup members should any meetings be held during this time.

The BSC allows the Panel to set an Assessment Procedure timetable which is longer than three months where the Panel believes this is justified by "the particular circumstances of the Modification Proposal (taking due account of its complexity, importance and urgency)" (F2.2.9), and provided the Authority does not issue a contrary direction.

Proposed progression timetable for P282	
Activity	Date
Present IWA to Panel	12 Apr 12
Workgroup Meeting 1	W/B 30 Apr 12
Issue for a 20WD Impact Assessment	30 May 12 – 29 Jun 12
Workgroup Meeting 2	W/B 02 Jul 12
Issue for a 15WD Industry Consultation	03 Aug 12 – 24 Aug 12
Workgroup Meeting 3	W/B 03 Sep 12
Present Assessment Report to Panel	11 Oct 12
Issue for a 15WD Report Phase Consultation	19 Oct 12 – 09 Nov 12
Present Modification Report to Panel	13 Dec 12

Additional Workgroup meetings may need to be scheduled depending on how P282 progresses. The timetable allows for any additional meetings that may be required.

## Estimated progression costs

The following tables contain our estimates of the costs involved in progressing P282 through the Modification Procedures.

Estimated progression costs based on proposed 6-month Assessment Procedure timetable	
Meeting costs (including Workgroup member expenses)	£1,500 (based on three meetings)
Non-ELEXON legal and expert costs	£0
ELEXON resource	50 man days, equating to approx. £12k

Estimate of total industry assessment costs					
Workgroup support	Est #mtgs	Est #att	Est effort	Est rate	Sub-total
	3	8	1.5	£605	£21,780
Consultation response support	Est #cons	Est #resp	Est effort	Est rate	Sub-total
	2	10	2.5	£605	£30,250
<b>Total costs</b>					<b>£52,030</b>



### Industry Assessment Costs

Industry Workgroup support and consultation response costs represent an approximation of industry time and effort in attending Workgroup meetings and responding to consultations.

The calculation is based upon an estimate of how many attendees we expect to attend each meeting and how many responses we expect to receive to each consultation.

It assumes that each attendee will require 1.5 man days of effort per meeting and each response will take 2.5 man days of effort, multiplied by a standard rate of £605 per man day.

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## 5 Likely Impacts

### Impact on BSC Systems and process

BSC System/Process	Potential impact
ECVAA	Changes may be required to allow MVRNs from Production to Consumption or vice versa to be accepted.

### Impact on BSC Parties and Party Agents

BSC Trading Parties would be able to reallocate their Credited Energy Volumes from a Production BM Unit to a Consumption Energy Account or vice versa.  
Metered Volume Reallocation Notification Agents (MVRNAs) will need to be able to submit MVRNs from Production to Consumption or vice versa.

### Impact on Transmission Company

None identified.

### Impact on ELEXON

Area of ELEXON	Potential impact
Release Management	ELEXON will manage the implementation project.

### Impact on Code

Code Section	Potential impact
Section D	Changes may be required as a result of the solution.
Section P	Changes will be required to implement the solution.
Section T	Changes may be required as a result of the solution

### Impact on other Configurable Items

Configurable Item	Potential impact
ECVAA System Docs	The impacts will be confirmed during Assessment Procedure.

### Other Impacts

Item impacted	Potential impact
ELEXON Guidance Docs	Updates will be required to the 'Overview of Volume Notifications' Guidance Document.

## 6 Recommendations



On the basis of this IWA, ELEXON invites the Panel to:

- **DETERMINE** that Modification Proposal P282 progresses to the Assessment Procedure;
- **AGREE** the Assessment Procedure timetable such that an Assessment Report should be completed and submitted to the Panel at its meeting on 11 October 2012;
- **DETERMINE** that the P282 Workgroup should be formed from members of the Settlement Standing Modification Group (SSMG), supplemented with any other relevant experts and interested parties;
- **AGREE** the Workgroup's Terms of Reference;
- **AGREE** that P282 has no interaction with any ongoing SCRs; and
- **AGREE** that P282 does not meet the Self-Governance Criteria.

### Assessment Procedure

ELEXON recommends a 6-month Assessment Procedure for P282.

## 7 Further Information

More information is available in:

Attachment **A**: P282 Modification Proposal

You can also find further information on the [P282](#) page of the ELEXON website.

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