



July 2002

**DEFINITION REPORT**  
**MODIFICATION PROPOSAL P79 –**  
**Revised Rules for Default Energy**  
**Imbalance Pricing**

Prepared by the Pricing Issues Modification Group  
on behalf of the Balancing and Settlement Code  
Panel

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## 1 SUMMARY AND RECOMMENDATIONS

Modification Proposal P79 'Revised Rules for Default Energy Imbalance Pricing' was submitted by London Electricity Group on 12 April 2002. The Modification Proposal seeks to amend the rules for calculating default values of System Buy Price (SBP) and System Sell Price (SSP), in order to ensure that default prices are robust and cost-reflective, and hence facilitate effective competition in the supply and generation of electricity.

At their meeting of 16 May 2002 the Panel, in considering the Initial Written Assessment for Modification Proposal P79, agreed that P79 should be submitted to the Definition Procedure, and that a Definition Report should be presented to the Panel meeting on 18 July 2002. The Panel also decided that the Definition Procedure should be undertaken by the Pricing Issues Modification Group (PIMG).

On the basis of the analysis and consultation undertaken in respect of this Modification Proposal during the Definition Procedure, and the resultant findings of this report, the Modification Group recommends that the BSC Panel:

- **AGREE that Modification Proposal P79 should be submitted to an Assessment Procedure, in accordance with section F2.6 of the BSC; and**
- **AGREE that an Assessment Report should be presented at the 17 October 2002 Panel Meeting.**

## 2 INTRODUCTION

This Consultation Document has been prepared by ELEXON Ltd, on behalf of the Pricing Issues Modification Group, in accordance with the terms of the Balancing and Settlement Code ('the Code'). The Code is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the Code.

An electronic copy of this document can be found on the BSC website, at [www.ELEXON.co.uk](http://www.ELEXON.co.uk).

### 2.1 Structure of Report

The remainder of the report is structured as follows:

- Section 3 describes the background to the Modification Proposal;
- Section 4 provides details of the Modification Group membership and attendees;
- Section 5 provides an overview of the current rules for calculating default prices, and the Modification Proposal;
- Section 6 describes the issues discussed by the PIMG in the course of the Definition Procedure;
- Section 7 outlines the remaining issues that need to be addressed in the course of the Assessment Procedure; and
- Section 8 summarises the responses received to the PIMG's consultation document.

### 3 BACKGROUND

Modification Proposal P79 'Revised Rules for Default Energy Imbalance Pricing' was submitted by London Electricity Group on 12 April 2002. The Modification Proposal seeks to amend the rules for calculating default values of System Buy Price (SBP) and System Sell Price (SSP), in order to ensure that:

- A Bid or Offer does not set the default price unless it has some available volume; and
- Default prices include the Price Adjustment element of Balancing Services Adjustment Data (BSAD), in the same way as non-default prices.

The Modification Proposal argues that this will facilitate the promotion of effective competition in supply and generation, as the new default energy prices will be more meaningful, more robust against accidental or deliberate manipulation, and more reflective of the actual costs of energy balancing.

At their meeting of 16 May 2002 the Panel, in considering the Initial Written Assessment for Modification Proposal P79, agreed that Modification Proposal P79 should be submitted to the Definition Procedure<sup>1</sup> and that a Definition Report should be presented to the Panel meeting on 18 July 2002. The Panel also decided that the Definition Procedure be undertaken by the Pricing Issues Modification Group (PIMG).

The PIMG met on 29 May 2002 to discuss P79. On 13 June 2002 the PIMG issued a consultation document, presenting their views on the definition issues raised by Modification Proposal P79, and inviting views from BSC Parties and other interested parties. Responses were requested by 5 p.m. on Monday 24 June.

Eleven responses were received, representing the views of forty-nine BSC Parties. These responses are summarised in section 8 of this report, and the full text of the responses is contained in Annex 1.

### 4 MODIFICATION GROUP DETAILS

The PIMG members who attended the meeting on 29 May 2002 were as follows:

<b>Name</b>	<b>Organisation</b>
Justin Andrews	ELEXON (Chair)
Paul Mott (Proposer)	London Electricity
Rob Barnett	Campbell Carr
Bob Brown	Cornwall Consulting
Paul Dawson	Barclays Capital
Tony Doherty	Ofgem
Mandi Francis	ELEXON
Martyn Hunter	St. Clements Services
Paul Jones	Powergen
Danielle Lane	British Gas Trading
Richard Lavender	National Grid
Chris Leeds	Entergy
John Lucas	ELEXON
Martin Mate	British Energy
Graham Oxley	RWE Trading Direct

<sup>1</sup> Pursuant to Section F2.5 of the Code.

Bill Reed	Innogy
Lisa Waters	Dynegy
Michael Wilks	Williams Energy
Nigel Wilkins	Edison Mission Energy
Ben Willis	NPower

## 5 THE MODIFICATION PROPOSAL

This section describes Modification Proposal P79, and is structured as follows:

- Section 5.1 describes the circumstances under which default prices are required;
- Section 5.2 describes the current rules for calculating default prices, as specified in Section T4.4 of the BSC;
- Section 5.3 describes possible issues with these default price rules, as reported to the BSC Panel on 14 March 2002; and
- Section 5.4 describes the change to the default price rules proposed by Modification Proposal P79.

### 5.1 Circumstances Requiring Default Prices to be Calculated

Section T4.4 of the BSC specifies the rules for determining the System Buy Price and System Sell Price. Under normal circumstances, these are calculated as follows:

- The System Buy Price (SBP) is the volume-weighted average of accepted Offer Prices, and the System Sell Price (SSP) is the volume-weighted average of accepted Bid Prices.
- For both SBP and SSP, the calculation excludes certain categories of acceptance:
  - i) Acceptances with a Continuous Acceptance Duration (CAD) less than the Continuous Acceptance Duration Limit (CADL), which is currently set to fifteen minutes;
  - ii) De Minimis acceptances (as defined in section 1A of Annex T-1);
  - iii) Arbitrage acceptances (as defined in section 2 of Annex T-1); and
  - iv) Trade Tagged acceptances (as defined in section 3 of Annex T-1).
- For both SBP and SSP, the weighted average also includes an energy volume and energy cost notified by the System Operator as part of Balancing Services Adjustment Data (BSAD). This allows the imbalance prices to reflect the cost of energy trades made for energy balancing purposes outside of the Balancing Mechanism.
- For both SBP and SSP, the price also includes a Price Adjustment notified by the System Operator as part of Balancing Services Adjustment Data (BSAD). This allows the imbalance prices to reflect the cost of option fees paid by the System Operator for purposes of energy balancing.

However, there are circumstances under which these rules will fail to calculate a price:

- If the total volume of eligible accepted Offers is zero, and the volume of energy purchases notified in BSAD is zero, it will not be possible to calculate SBP using the normal rules. This might happen, for example, if no Offers were accepted in a given Settlement Period, or if all the acceptances were deemed by the settlement system to be Arbitrage Accepted Offers.
- If the total volume of eligible accepted Bids is zero, and the volume of energy sales notified in BSAD is zero, it will not be possible to calculate SSP using the normal rules. This might happen,

for example, if no Bids were accepted in a given Settlement Period, or if all the acceptances were deemed by the settlement system to be Arbitrage Accepted Bids.

If a system price cannot be calculated, alternative rules are used, as described in section 5.2 below. Prices calculated using these alternative rules are often referred to as 'default' prices.

## 5.2 Current Default Price Rules

The rules for calculating a default System Buy Price are specified in section T4.4.5 of the BSC. In summary, the default SBP is set to the maximum of System Sell Price and the Offer Price of the cheapest Offer that meets the following criteria:

- The Bid-Offer Pair Number is positive;
- The Offer Price is greater than the Offer Price of any Arbitrage Accepted Offer; and
- The Bid-Offer Volume is greater than zero throughout the Settlement Period.

The rules for calculating a default System Sell Price are specified in section T4.4.6 of the BSC. In summary, the default SSP is set to the minimum of System Buy Price, and the Bid Price of the most expensive Bid that meets the following criteria:

- The Bid-Offer Pair Number is negative;
- The Bid Price is less than the Bid Price of any Arbitrage Accepted Bid; and
- The Bid-Offer Volume is less than zero throughout the Settlement Period.

In the unlikely event that a default System Sell Price and a default System Buy Price are both required in the same Settlement Period, both prices are set to zero.

## 5.3 Possible Issues with Default Prices

On 14 March 2002, a report (P/41/27) was presented to the BSC Panel, describing possible issues with the rules for calculating default prices. The key conclusions of the report were as follows:

1. Default SBP values were being calculated in a large number of Settlement Periods (e.g. 24% of all periods in November and December 2001). The number of default SSP values was much smaller (1.7% of all periods).
2. In the majority of cases, the default SBP values were equal to SSP, and default SSP values were equal to SBP. The reason for this was that the default price rules described in section 5.2 above were picking very cheap Offers and very expensive Bids:
  - The cheapest Offer meeting the criteria typically had an Offer Price of £5/MWh or £8/MWh. However, in almost all cases these Offers could not have been accepted by the System Operator, as they related to nuclear plant which was already running at its Maximum Export Limit, and therefore had no more available capacity.
  - The most expensive Bid meeting the criteria typically had a Bid Price of £40/MWh or more. However, in almost all cases these Bids could not have been accepted by the System Operator, as they related to plant which was not running, and had a Maximum Import Limit of zero.

The Panel noted that some (but not all) members of the Imbalance Settlement Group believed these findings to be evidence of an anomaly in the default price rules. They further noted that any change to

the default price rules to address the anomaly would require a Modification Proposal to be submitted in accordance with Section F of the BSC.

## 5.4 Modification Proposal P79

Modification Proposal P79 seeks to address the issues described in section 5.3 above by changing the default price rules so that a Bid or Offer with no available volume is not eligible to set the default SBP or default SSP value.

One of the key issues raised in the Initial Written Assessment of P79 was that the Modification Proposal doesn't explain in detail the rules for determining whether a Bid or Offer has available volume. This issue was discussed at the PIMG meeting on 29 May, and the results of that discussion are described in sections 6.1 and 6.2 of this document.

In addition, P79 seeks to change the default price rules to include the Price Adjustment element of Balancing Services Adjustment Data (BSAD), as for non-default prices:

- The Buy Price Price Adjustment (BPA<sub>p</sub>) should be added to the default SBP value.
- The Sell Price Price Adjustment (SPA<sub>p</sub>) should be added to the default SSP value.

## 6 ISSUES RAISED BY THE MODIFICATION PROPOSAL

The Initial Written Assessment suggested that further clarification was required of the mechanism for deciding whether a given Bid or Offer was 'feasible' i.e. whether it had any actual volume that could have been accepted by the System Operator. The Pricing Issues Modification Group meeting on 29 May considered this issue, and their conclusions are described below:

- Section 6.1 describes the proposed method for comparing Final Physical Notification (FPN) with Maximum Import Limit (MIL) or Maximum Export Limit (MEL).
- Section 6.2 describes an additional proposed check to take into account Acceptances issued in that period.

### 6.1 Method for Comparing FPN with MIL or MEL

Modification Proposal P79 requires that a Bid or Offer should not be eligible to set default system prices if in fact no volume was available to the System Operator, because of the MIL or MEL data for the BM Unit. The IWA for P79 raised a number of questions over how this should be interpreted:

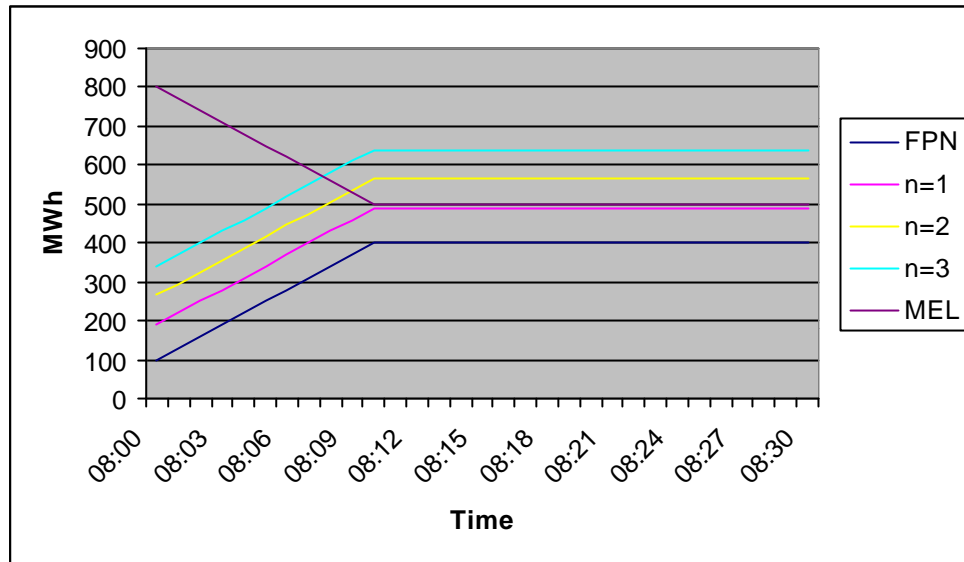
- If volume is only available for part of the Settlement Period, should the Bid or Offer be eligible to set the default price?
- Should the settlement system be required to carry out moment-by-moment profiling of MIL and MEL values, or is some more approximate method appropriate?

After discussing these issues, the PIMG concluded that moment-by-moment profiling of MIL and MEL would add inappropriate complexity to the default price rules, and that instead the test should be based on integrated (MWh) values over the Settlement Period.



**Example of Comparing Integrated Values**

Consider the following hypothetical example:



where the data shown on the graph is as follows:

Maximum Export Limit			
From Time	From (MWh)	To Time	To (MWh)
8:00	800	8:10	500
8:10	500	8:30	500

Final Physical Notification			
From Time	From (MWh)	To Time	To (MWh)
8:00	100	8:10	400
8:10	400	8:30	400

Offer Data					
Pair No.	From Time	From (MWh)	To Time	To (MWh)	Offer Price (£/MWh)
1	8:00	90	8:30	90	8.00
2	8:00	75	8:30	75	12.00
3	8:00	75	8:30	75	16.00
4	8:00	75	8:30	75	25.00

**It is assumed for the purposes of this example that no Offer acceptance has been issued for this BM Unit. Section 6.2 below describes the additional issues that arise when an Offer has been accepted.**

In order to determine whether the n=1 Offer is eligible to set the default System Buy Price, the system would compare the integrated FPN value with the integrated MEL value:

- The integrated value of FPN (i.e. the area under the FPN profile) is 175 MWh;
- The integrated value of MEL (i.e. the area under the MEL profile) is 275 MWh;
- As 275 MWh > 175 MWh, the n=1 Offer does have available volume, and is therefore eligible to set the System Buy Price.

In most cases the default price rules would only need to consider the n=1 Offer, and the availability of the n=2 and n=3 Offers would not therefore be an issue. However, if the £8/MWh Offer Price of the n=1 Offer was less than the price of an Arbitrage Accepted Offer, it would be ruled out from setting the default price, and the eligibility of the n=2, n=3 and n=4 Offers might therefore become an issue.

In order to determine the eligibility of the n=2 Offer, the system would compare the integrated MEL value (275 MWh) to the total volume of energy that would have been delivered, had the whole of the n=1 Offer been accepted:

- The energy delivered by the n=1 Offer is the area under the n=1 profile on the diagram i.e. 220 MWh.
- This is less than the integrated MEL value of 275 MWh, and therefore the n=2 Offer is eligible to set the default System Buy Price.

If necessary, the n=3 and n=4 Offers would be assessed in the same way:

- The area under the n=2 profile is 257.5 MWh, which is less than the integrated MEL value, and therefore the n=3 Offer has available volume, and is eligible to set the default System Buy Price.
- The area under the n=3 profile is 295 MWh, which is more than the integrated MEL value, and therefore the n=4 Offer does not have available volume, and is not eligible to set the default System Buy Price.

### **Formal Statement of Proposed Mechanism**

A more formal statement of the proposed methodology described above is as follows.

For an Offer to set the default System Buy Price, it must meet the following criteria, in addition to those already listed in section T4.4.5(b)(i) of the BSC:

- i) An Offer with Bid-Offer Pair Number n equal to 1 must satisfy:

$$MEL_{ij} > FPN_{ij}$$

where:

- $FPN_{ij}$  is the Period FPN determined in accordance with section T4.3.1 of the BSC; and
- $MEL_{ij}$  is a new variable determined by integrating MEL over all spot times falling within the Settlement Period.

- ii) An Offer with Bid-Offer Pair Number n greater than 1 must satisfy:

$$MEL_{ij} > FPN_{ij} + \sum^{(n-1)+} QSBO_{ij}^n$$

where:

- $FPN_{ij}$  and  $MEL_{ij}$  are defined as above;
- The Submitted Bid-Offer Volume  $QSBO_{ij}^n$  is a new variable determined by integrating the Bid-Offer Volume  $qBO_{ij}^n(t)$  over all spot times falling within the Settlement Period; and
- $\sum^{(n-1)+}$  represents the sum over the range of positive Bid-Offer Pair Numbers 1 to (n-1) of Submitted Bid-Offer Pairs.

Similarly, for a Bid to set the default System Sell Price, it must meet the following criteria, in addition to those already listed in section T4.4.6(b)(i) of the BSC:

i) A Bid with Bid-Offer Pair Number n equal to -1 must satisfy:

$$MIL_{ij} < FPN_{ij}$$

where:

- FPN<sub>ij</sub> is the Period FPN determined in accordance with section T4.3.1 of the BSC; and
- MIL<sub>ij</sub> is a new variable determined by integrating MIL over all spot times falling within the Settlement Period.

ii) A Bid with Bid-Offer Pair Number n less than -1 must satisfy:

$$MIL_{ij} < FPN_{ij} + \sum^{(n+1)-} QSBO_{ij}^n$$

where:

- FPN<sub>ij</sub>, MIL<sub>ij</sub> and QSBO<sub>ij</sub><sup>n</sup> are defined as above;
- $\sum^{(n+1)-}$  represents the sum over the range of negative Bid-Offer Pair Numbers -1 to (n+1) of Submitted Bid-Offer Pairs.

## 6.2 Effect of Offer Acceptances on Default Price Calculation

The PIMG meeting on 29 May also considered the question of whether the eligibility of a Bid or Offer to set a default price should be affected by any Acceptance of that Offer.

For example, suppose that the following Acceptance has been issued for the BM Unit described in section 6.1 above, using up the whole of the n=1 Offer, and part of the n=2 Offer.

Acceptance	
Time	Level (MWh)
8:00	250
8:10	550
8:25	400
8:30	400

Given that an Offer Acceptance has been issued, a default SBP value will not be required unless this (and any other) Offer Acceptances are excluded from the price calculation as Arbitrage acceptances, De Minimis acceptances, or on the basis of Continuous Acceptance Duration. However, if a default SBP value is required, the question arises of whether the n=1 Offer (which has no available volume left) and the n=2 Offer (which has a reduced volume available) should be eligible to set the default System Buy Price.

The PIMG discussed the possibility of modifying the calculation described in 5.1 above to take account of accepted Bid-Offer volumes. However, they concluded that the additional complexity this would introduce was inappropriate in the context of default price rules. They therefore agreed to use the following simpler criteria:

- An Offer will not be eligible to set the default System Buy Price if it has a non-zero Period BM Unit Total Accepted Offer Volume QAO<sub>ij</sub><sup>n</sup>; and
- A Bid will not be eligible to set the default System Sell Price if it has a non-zero Period BM Unit Total Accepted Bid Volume QAB<sub>ij</sub><sup>n</sup>.

## 7 THE NEED FOR FURTHER ASSESSMENT AND EVALUATION

As described in section 6 of this report, the PIMG has resolved the definition issues described in the P79 IWA, and agreed a definition of the Modification Proposal. The PIMG recommends that this Modification Proposal should now be submitted to the Assessment Procedure, in order to:

- Obtain assessments from Parties and from the Settlement System Administrator (SAA) and Balancing Mechanism Reporting Agent (BMRA) of Modification Proposal P79;
- Consider potential Alternative Modification Proposals (such as those suggested in the consultation responses from Innogy and British Gas Trading), and if appropriate obtain impact assessments from Parties and the SAA and BMRA; and
- Assess whether Modification Proposal P79 (and any Alternative Modification Proposal) better facilitate achievement of the Applicable BSC Objectives.

In order to meet these objectives, the Assessment Procedure will need to be structured as follows:

1. An initial meeting to identify potential Alternative Modification Proposals, and agree which (if any) should be consulted on and issued for impact assessment.
2. An impact assessment by Parties and BSC Agents of P79 and any potential Alternatives. Some quantitative analysis of price data may also be required at this stage.
3. A meeting to agree a recommendation on whether (in light of the impact assessments received) P79 (or any Alternative Modification Proposal) would better facilitate achievement of the Applicable BSC Objectives.
4. Consideration of interactions with any other related Modification Proposals, e.g. P74, P78, P79 and P90.

The PIMG recommends that three months are required to complete the process described above. It is therefore recommended that Modification Proposal P79 should be submitted to the Assessment Procedure, with the Assessment Report to be presented to the Panel on 17 October 2002.

## 8 REPRESENTATIONS BY PARTIES AND INTERESTED THIRD PARTIES

A consultation document was issued on 13 June 2002, inviting views on the PIMG's conclusions, and on five specific consultation questions in particular. Section 8.1 below gives the text of each of the five questions, and summarises the representations received.

Eleven responses were received, representing the views of forty-nine BSC Parties. The full text of all the responses is in Annex 1 of this report.

### 8.1 Summary of Representations

The responses from Seeboard Energy and Aquila Networks were 'no comment' responses. The views expressed in the remaining nine responses (representing forty-seven BSC Parties) were as follows.

***Question 1 - In principle (and to the extent that you're able to express a view in the absence of any assessment of implementation costs), do you agree that this change would better facilitate the Applicable BSC Objectives?***

All nine responses answered 'Yes' to this question. Reasons given included the following:

- The Modification would give prices that better reflected the true costs of balancing the system, and hence facilitate achievement of objective (c) i.e. promoting effective competition in the generation and supply of electricity.
- The current default rules are open to manipulation, and were not designed to be used to the extent that they are currently.

**Question 2 - Do you agree that [the interpretation of P79 described in section 6 of this document] is the most appropriate interpretation of Modification Proposal P79? If not, what interpretation would you prefer, and why?**

Eight responses expressed a view on this question. Seven of these (42 Parties) did agree. Several of these stated that the proposal represented a “pragmatic” or “simple and generally accurate” method of resolving the issues raised by P79.

The response from British Gas Trading disagreed, stating that:

“We are unhappy that the approach of using integrated (MWh) values over the Settlement Period causes default prices to be set by bids and offers for volumes that cannot be delivered. This means that default prices are still liable to be unreflective of actual energy balancing costs and not robust against manipulation (either deliberate or accidental).”

**Question 3 - Do you believe that there are any alternative Modifications that the Modification Group should consider during the Assessment Procedure, should the Panel decide to submit the Modification to the Assessment Procedure?**

Eight responses expressed a view on this question. Six of these (representing thirty-six BSC Parties) answered No, while two responses proposed Alternative Modification Proposals:

- The British Gas Trading response (representing 1 BSC Party) suggested using “either an average of SBP or SSP for the same Settlement Period using the most recent [3] settlement periods for which SSP or SBP are available and non-defaulting or an average of the periods either side if they are non-defaulting and on the same day”.
- The Innogy response (representing 6 BSC Parties) suggested that “while recognising the complexity of using greater than  $n=1$  (or  $n=-1$ ) offers (or bids), it may be appropriate to consider this issue in further detail. For example, by ruling out all bids and offers with acceptances may rule out  $n=2$  (or  $n=-2$ ) offers (or bids) when there is a greater likelihood that they would be taken when compared with other  $n=1$  (or  $n=-1$ ) offers (or bids) could result in less “reasonable” prices for the default price. The process of deriving a default price could be based on ranking all “feasible” offers (and bids) to identify the most likely offer (or bid) to be selected (irrespective of  $n$  number). This could result in more reasonable “feasible” prices (subject of course to not requiring significant development costs to deliver).”

**Question 4 - Does the Modification Proposal raise any issues that you believe have not been identified so far and that should be progressed as part of any Assessment Procedure for this Modification?**

Eight responses expressed a view on this question. Seven of these (representing forty-two BSC Parties) answered ‘No’. The response from British Gas Trading queried whether it was legitimate for Parties to submit Bids and Offers that the System Operator was unable to accept.

**Question 5 - Do you have any further comments on Modification Proposal P79?**

None of the responses had any further comments on the Modification Proposal.

## 8.2 Comments and Views of the Modification Group

The PIMG noted that the consultation responses were generally in favour of doing something to address the issues raised by P79, on the grounds that this would lead to more cost-reflective prices, and hence facilitate effective competition in the supply and generation of electricity.

The PIMG acknowledged that the proposed solution was relatively crude, and could not guarantee that Bids and Offers with no available volume were prevented from setting default prices. However, the majority of the consultation responses did agree that the Group's proposals represented a pragmatic balance between the need for a rigorous solution, and the need to avoid unnecessary cost and complexity.

The British Gas response suggested an entirely different mechanism for calculating default prices, which would avoid entirely the need to select unaccepted Bids and Offers. The PIMG agreed to consider this further in the course of the Assessment Procedure. Issues to be considered include the following:

- Basing default prices on the price in a previous period makes the Settlement Run for day D dependent on successful completion of the one for day D-1. This may require additional controls at the SAA e.g. ensuring that runs happen in the right order. This can be considered in the Assessment Procedure.
- Basing default prices on the price in a subsequent period has implications for prompt price reporting i.e. if period j needed a default price, BMRA couldn't calculate it until prices for period (j+1) had been calculated.

The Innogy response also suggested that an Alternative Modification Proposal might be appropriate, although it didn't specify in detail what this Alternative should be. Again the Modification Group agreed to consider this further in the course of the Assessment Procedure.

The response from British Gas Trading queried whether it was legitimate for Parties to submit Bids and Offers that could not in fact be accepted by the System Operator. The Group noted that this issue had been raised at the Panel meeting on 16 May, and that the Panel Member representing the Transmission Company had indicated that this was a legitimate practice. Bids and Offers have to be submitted prior to Gate Closure, at which point the level of plant availability is necessarily uncertain. For this reason, the System Operator does regard it as legitimate to submit a Bid or Offer that may subsequently prove not to be available.

## **ANNEX 1 – CONSULTATION RESPONSES**

Responses to the P79 Definition Consultation are included as a separate attachment.