

Modification Proposal

MP No: 59
(mandatory by BSCCo)

Title of Modification Proposal (mandatory by proposer):

The acceptance of Bids and Offers to honour a BM Unit's dynamic parameters beyond the Balancing Mechanism window.

Submission Date (mandatory by proposer): 3/12/2001

Description of Proposed Modification (mandatory by proposer):

To codify in the BSC the "gentleman's agreement" between the System operator and BM participants regarding the acceptance of Bids and Offers "beyond the wall" to honour a BM Unit's dynamic parameters. This would require the System Operator to accept the minimum volume of Bids and/or Offers to return the Unit to its PN level in accordance with the Dynamic data set applicable at "the wall", at the prices submitted for the Settlement Period preceding "the wall".

Description of Issue or Defect that Modification Proposal Seeks to Address (mandatory by proposer):

"The Wall" is the name given to the period at the end of the Balancing Mechanism window, beyond which National Grid cannot issue Bid Offer Acceptances. Therefore any individual Bid Offer Acceptance that the System Operator issues can only honour a plant's dynamics (for example minimum zero time) up to "the wall". To date, the System Operator has been issuing multiple bid offer acceptances (subject to limitations) to honour a plant's dynamics beyond the initial wall. As this practice is not codified in the BSC, it has been handled as a "gentlemen's agreement". The System Operator is not obliged to return a Unit to its PN beyond "the Wall" in accordance with its dynamic parameters. BSC parties are therefore discouraged from participating on the BM due to the risk of being left out of balance beyond "the wall".

Impact on Code (optional by proposer):

Section Q5.3 and parts of section T would need to be changed to implement this modification proposal.

Impact on Core Industry Documents (optional by proposer):

A change to Grid Code BC2.7.2 may be required.

Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties (optional by proposer):

Impact on other Configurable Items (optional by proposer):

Justification for Proposed Modification with Reference to Applicable BSC Objectives (mandatory by proposer):

The omission in the BSC of a formal obligation on the System Operator for acceptance of bids and offers beyond "the Wall" is a significant defect of the BSC which needs to be rectified. The defect is a deterrent to participation in the BM due to the risk of being left out of balance beyond "the wall". Formalising arrangements for Bid/Offer acceptances that would extend beyond 'the wall' would remove this risk, improve transparency and encourage participation in the Balancing Mechanism. This would promote the BSC objectives of effective competition in the generation and supply of electricity and the efficient, economic and co-ordinated operation of the Transmission System by the Transmission Company.

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Details of Proposer:

Name: David Tolley

Organisation: Innogy plc

Telephone Number: 01793 892650

Email Address: david.tolley@innogy.com

Details of Proposer's Representative:

Name: David Tolley

Organisation: Innogy plc

Telephone Number: 01793 892650

Email Address: david.tolley@innogy.com

Details of Representative's Alternate:

Name: Stephen Chapman

Organisation: Innogy plc

Telephone Number: 01793 893643

Email Address: stephen.chapman@innogy.com

Attachments: NO

If Yes, Title and No. of Pages of Each Attachment: