

December 2001

**INITIAL ASSESSMENT OF  
MODIFICATION PROPOSAL P52 -  
Non-Party Access to the BMRS via  
the High Grade Service**

Prepared by ELEXON Limited

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## I DOCUMENT CONTROL

### a Authorities

Version	Date	Author	Signature	Change Reference
0.1	05/12/01	Sarah Wilson	-	Initial Draft
0.2	07/12/01	Sarah Wilson	-	Revised Draft
1.0	07/12/01	Sarah Wilson	-	Final Version

Version	Date	Reviewer	Signature	Responsibility
0.1		Alan Bender Graham Webb Kris Clapham Gareth Forrester Roger Salomone Richard Humphreys Dave Warner		Commercial Services Commercial Services Legal Modifications Trading Development Finance Trading Strategy

### b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	Energywatch
Core Industry Document Owners	Various

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## 1 SUMMARY

An initial assessment of Modification Proposal P52 has identified the following potential areas of impact and issues to be considered:

- **Impact on the BSC:** giving non Parties access to the BMRS via the High Grade Service would require changes to Section V (Reporting) of the Code and charging for the provision of the High Grade Service to non Parties could require changes to Section D (BSC Cost Recovery and Participation Charges) and Section N (Clearing, Invoicing and Payment).
- **Impact on the Central Systems:** the implementation of this Modification would involve the BMRA making available the BMRS via the High Grade Service to non Parties and therefore it must ensure that the correct measures are in place to ensure that only BMRA data can be received by the requesting non Party.
- **Role of ELEXON:** the implementation of this Modification will involve ELEXON (Commercial Services) ordering the High Grade Service from the Service Provider on request for the non Party. Charging non Parties would require the Finance Department to invoice, credit control and collect payments from the requesting companies. It also needs to be considered whether non Parties will be required to participate in Qualification tests.
- **Application for licence to receive BMRS data:** it is essential that the non Party applies for the licence to receive BMRS data in conjunction with ELEXON placing the order for the High Grade Service. BMRS Data will not be transmitted to the non Party until the licence is granted.
- **Relative Levels of Service:** it needs to be considered whether the same level of service is given to Parties and non Parties.

It is recommended that the Modification Proposal is progressed as follows:

- Proceed to the Assessment Procedure, with an Assessment Report to be presented at the Panel Meeting on the 14<sup>th</sup> February 2002.

## 2 INTRODUCTION

This Report has been prepared by ELEXON Ltd. on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC 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 BSC.

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

### 3 PURPOSE AND SCOPE OF THE REPORT

Section F of the BSC sets out the procedures for progressing proposals to amend the BSC (known as 'Modification Proposals'). These include procedures for proposing, consulting on, developing, evaluating and reporting to the Authority on potential modifications.

The BSC Panel is charged with supervising and implementing the modification procedures. ELEXON provides the secretariat and other advice, support and resource required by the Panel for this purpose. In addition, if a modification to the Code is approved or directed by the Authority, ELEXON is responsible for overseeing the implementation of that amendment (including any consequential changes to systems, procedures and documentation).

When a new proposal to modify the BSC is made, it is the responsibility of the Panel to determine how it should be progressed. Options include submitting the proposal to a Definition Procedure<sup>1</sup>, submitting it to an Assessment Procedure<sup>2</sup>, amalgamating the proposal with another proposal<sup>3</sup>, or proceeding directly to the Report Phase<sup>4</sup>. With a view to assisting the Panel in taking this decision, ELEXON prepares this initial written assessment of the implications of the Modification Proposal as soon as reasonably practicable after the proposal is made<sup>5</sup>. ELEXON endeavours to complete this initial assessment such that it can be reviewed by the Panel at the Panel meeting at which the relevant Modification Proposal is first to be considered.

This initial assessment provides a preliminary view on the following:

- the potential impact of the proposed modification on BSC systems and processes;
- the potential impact of the proposed modification on other systems and processes used by Parties;
- the potential impact of the proposed modification on the BSC, Code Subsidiary Documents and Core Industry Documents;
- the potential impact of the proposed modification on ELEXON;
- the potential impact of the proposed modification on BSC financial arrangements and budget;
- the potential impact of the proposed modification on BSC Agent contractual arrangements;
- the process and timetable that should be adopted for the progression of the Modification Proposal, in light of its complexity, importance and urgency; and
- issues that will need to be considered and addressed in progressing the Modification Proposal (including the potential need for impact assessments, consultation and analyses).

It should be noted that, as this document only represents a preliminary assessment of the Modification Proposal, the information contained herein will, in most cases, be superseded by the subsequent analysis and reports produced by the Modification Group to which the Panel assigns the proposal for consideration.

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<sup>1</sup> see BSC F2.5

<sup>2</sup> see BSC F2.6

<sup>3</sup> see BSC F2.3

<sup>4</sup> see BSC F2.7

<sup>5</sup> see BSC F2.1.8

#### **4 DESCRIPTION OF THE MODIFICATION PROPOSAL**

Modification Proposal P52 was submitted on the 14 November 2001 by Seaboard and proposes that the High Grade Service should be made available to non Parties for access to the BMRS and be charged for the Service in accordance with the arrangements for Parties that are currently specified in the BSC. The Proposer believes that by allowing wider access to BMRS data, in a usable form, it will promote understanding of the operation of NETA by both potential new entrants and existing markets players and therefore better facilitate effective competition.

A copy of the Modification Proposal, as submitted by its proposer, can be found at Annex 1 to this report.

## 5 IMPACT ON BSC SYSTEMS AND PROCESSES

BSC System / Process	Potential Impact of Proposed Modification
Registration	May require non Parties to participate in qualification tests
Contract Notification	None identified at this stage
Credit Checking	Credit Checking of non Parties prior to the provision of the High Grade Service
Balancing Mechanism Activities	BMRA to ensure that non Party access is limited to receipt of BMRA data
Collection and Aggregation of Metered Data	None identified at this stage
Supplier Volume Allocation	None identified at this stage
Settlement	None identified at this stage
Clearing, Invoicing and Payment	Charging mechanism for non Parties would have to be devised and approved
Reporting	Impact on the distribution mechanism for and recipients of data contained in the BMRS
Contingencies	None identified at this stage
Dispute Resolution	None identified at this stage



**6 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES**

System / Process	Potential Impact of Proposed Modification
None identified at this stage	

## 7 IMPACT ON DOCUMENTATION

### 7.1 Impact on Balancing and Settlement Code

BSC Section	Potential Impact of Proposed Modification
A: Parties and Participation	None identified at this stage
B: The Panel	None identified at this stage
C: BSCCo and its Subsidiaries	None identified at this stage
D: BSC Cost Recovery and Participation Charges	Amendment to allow for charging of non Parties
E: BSC Agents	None identified at this stage
F: Modification Procedures	None identified at this stage
G: Contingencies	None identified at this stage
H: General	None identified at this stage
I: Not Used	None identified at this stage
J: Party Agents	None identified at this stage
K: Classification and Registration of Metering Systems and BM Units	None identified at this stage
L: Metering	None identified at this stage
M: Credit Cover and Credit Default	None identified at this stage
N: Clearing, Invoicing and Payment	Charging mechanism for non Parties would have to be devised and approved, which may need to be incorporated within this section.
O: Communications	None identified at this stage

BSC Section	Potential Impact of Proposed Modification
P: Energy Contract Volumes and Metered Volume Reallocations	None identified at this stage
Q: Balancing Mechanism Activities	None identified at this stage
R: Collection and Aggregation of Metered Data from CVA Metering Systems	None identified at this stage
S: Supplier Volume Allocation	None identified at this stage
S: ANNEX S-1 Performance Levels and Supplier Charges	None identified at this stage
S: ANNEX S-2 Supplier Volume Allocation Rules	None identified at this stage
T: Settlement and Trading Charges	None identified at this stage
U: Provisions Relating to Settlement	None identified at this stage
V: Reporting	Modification would be required to this section to allow access to third parties and provide for related charging provisions.
W: Trading Queries and Trading Disputes	None identified at this stage
X: Definitions and Interpretation	None identified at this stage
X: ANNEX X-1 General Glossary	None identified at this stage
X: ANNEX X-2 Technical Glossary	None identified at this stage

## 7.2 Impact on Code Subsidiary Documents

Code Subsidiary Document	Potential Impact of Proposed Modification
BSC Procedures	Potential change to BSCP41 ("Reports Requests & Authorisation") to reflect changes made to Section V of the BSC
Codes of Practice	None identified at this stage
BSC Service Descriptions	Potential impact on the BMRA Service Description.
Party Service Lines	None identified at this stage
Data Catalogues	Potential change to reflect wider distribution of BMRS Data
Communication Requirements Documents	Probable change to reflect wider distribution of BMRS Data
Reporting Catalogue	Potential change to reflect wider distribution of BMRS Data

### 7.3 Impact on Core Industry Documents

Core Industry Document	Potential Impact of Proposed Modification
Grid Code	None identified at this stage
MCUSA	None identified at this stage
Supplemental Agreements	None identified at this stage
Ancillary Services Agreements	None identified at this stage
Master Registration Agreement	None identified at this stage
Data Transfer Services Agreement	None identified at this stage
British Grid Systems Agreement	None identified at this stage
Use of Interconnector Agreement	None identified at this stage
Pooling and Settlement Agreement	None identified at this stage
Settlement Agreement for Scotland	None identified at this stage
Distribution Codes	None identified at this stage
Distribution Use of System Agreements	None identified at this stage
Distribution Connection Agreements	None identified at this stage

## 8 IMPACT ON OTHER CONFIGURABLE ITEMS

Item	Potential Impact of Proposed Modification
User Requirement Specifications (URSs)	Potential change to BMRA URS

## 9 IMPACT ON ELEXON

Area of Business	Potential Impact of Proposed Modification
ELEXON Systems	Changes to ELEXON accounting system would be required, especially invoicing and credit management systems.
ELEXON Procedures	Changes to ELEXON accounting procedures would be required, especially invoicing and credit management systems. Also, potential impact on Commercial Services procedures.
ELEXON Contracts (Excluding BSC Agent Contracts)	If non Parties are given access to the High Grade Service a contract (implemented using standard purchase terms drafted by ELEXON) would be required between the non Party and ELEXON to define the payment for the High Grade Service and should also make reference to the BMRS licence, limits of liability, warranties and a definition of the service to be provided.
Other (e.g. costs, staffing, etc.)	None identified at this stage

## **10 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET**

A means of charging non Parties for the High Grade Service for access to the BMRS, the associated communications hardware and software and any associated system development costs would need to be devised and approved. It is suggested that non Parties are charged in exactly the same way as Parties (as stated in the Specified BSC Charges set out in Annex D3 of the BSC). This would still mean however that methods to charge, invoice, credit control and collect payment from requesting non Parties would be required.



## 11 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

BSC Agent Contract	Potential Impact of Proposed Modification
Logica (BMRA, CRA, CDCA, SAA, ECVAA, TAA(CVA))	Potential impact on BMRA Service Description and BMRA Service Levels
EPFAL (FAA)	None identified at this stage
ESIS (TAA(SVA))	None identified at this stage
Cap Gemini Ernst & Young (SVAA)	None identified at this stage
PwC (BSC Auditor, Certification Agent)	None identified at this stage
EASL (Teleswitch Agent, Profile Administrator)	None identified at this stage

## **12 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL**

Given that the Modification is clear and precisely defined, ELEXON recommends that Modification Proposal P52 be submitted to the Reporting Modification Group for Assessment. The Reporting Modification Group should be actioned to provide its Report to the Panel by 14/02/01.

## 13 ISSUES

The following issues will need to be considered and addressed in progressing the Modification Proposal.

1. **Impact on the BSC:** giving non Parties access to the BMRS via the High Grade Service would require changes to Section V (Reporting) of the Code and charging for the provision of the High Grade Service to non Parties could require changes to Section D (BSC Cost Recovery and Participation Charges) and Section N (Clearing, Invoicing and Payment).
2. **Impact on the Central Systems:** the implementation of this Modification would involve the BMRA making available the BMRS via the High Grade Service to non Parties and therefore it must ensure that the correct measures are in place to ensure that only BMRA data can be received by the non Party.
3. **Role of ELEXON:** the implementation of this Modification will involve ELEXON (Commercial Services) in ordering the High Grade High Service from the Service Provider. Charging non Parties would require the Finance Department to invoice, credit control and collect payments from the requesting companies. It also needs to be considered whether non Parties will be required to participate in Qualification tests.
4. **Application for licence to receive BMRS data:** it is essential that the non Party applies for the licence to receive BMRS data in conjunction with ELEXON placing the order for the High Grade Service

## ANNEX 1 – MODIFICATION PROPOSAL

<b>Modification Proposal</b>	<b>MP No: 52</b> <i>(mandatory by BSCCo)</i>
<b>Title of Modification Proposal</b> <i>(mandatory by proposer):</i> Non-Party Access to the BMRS via the High Grade Service	
<b>Submission Date</b> <i>(mandatory by proposer):</i> 14 November 2001	
<b>Description of Proposed Modification</b> <i>(mandatory by proposer):</i> This Modification is being raised to address the issues identified in Panel paper 32/018.  Currently, the Balancing and Settlement Code (BSC) does not allow non Parties access to the High Grade Service and, even if it did, it does not contain provisions that would allow ELEXON to charge for the service. In addition, ELEXON has indicated that one non Party already has access to the High Grade Service and other non Parties have indicated an interest in obtaining one.  The purpose of this Modification is to extend the provisions of the BSC to allow non-Parties access to this service, and to charge them for the service in accordance with the arrangements for Parties that are currently specified in Annex D3 3.1 d and e, and 3.4, of the BSC. The Modification also seeks to put in place arrangements to allow ELEXON to recover the charges specified in Annex D3 3.1 d and e, and 3.4, that should have been levied, since Go-live, for the service that has been provided to one non Party.	
<b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <i>(mandatory by proposer):</i> That the BSC does not currently allow non Parties access to the BMRS High Grade Service and does not allow for such a service to be charged for.	
<b>Impact on Code</b> <i>(optional by proposer):</i> Annex D3 and Section V 2.3.1 will need to be amended. Other Sections may also be affected.	
<b>Impact on Core Industry Documents</b> <i>(optional by proposer):</i>	
<b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b> <i>(optional by proposer):</i> None anticipated.	
<b>Impact on other Configurable Items</b> <i>(optional by proposer):</i> The Communications Requirement Document may be affected.	

<b>Modification Proposal</b>	<b>MP No: 52</b> <i>(mandatory by BSCCo)</i>
<p><b>Justification for Proposed Modification with Reference to Applicable BSC Objectives</b> <i>(mandatory by proposer):</i></p> <p>The Applicable BSC Objectives are set out in paragraph 3 of Condition 7A of the Transmission Licence, as follows:</p> <p>(a) The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence;</p> <p>(b) The efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System;</p> <p>(c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity;</p> <p>(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.</p> <p>This Modification will better facilitate the Applicable BSC Objectives in the following key way.</p> <p>By allowing wider access to BMRS data, in a usable form, it will promote understanding of the operation of the NETA arrangements by both potential new entrants and existing market players and hence better facilitate effective competition.</p>	
<p><b>Details of Proposer:</b></p> <p style="padding-left: 40px;"><b>Name:</b> Robert Sansom</p> <p style="padding-left: 40px;"><b>Organisation:</b> SEEBOARD Energy Ltd</p> <p style="padding-left: 40px;"><b>Telephone Number:</b> 01273 428 609</p> <p style="padding-left: 40px;"><b>Email Address:</b></p>	
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<p><b>Attachments: NO</b></p> <p><b>If Yes, Title and No. of Pages of Each Attachment:</b></p>	

