



**DRAFT MODIFICATION REPORT**  
**MODIFICATION PROPOSAL P052 –**  
**Non Party Access to the BMRS via**  
**the High Grade Service**

**Prepared by ELEXON on behalf of the Balancing  
and Settlement Code Panel**

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0.4				Incorporates Panel agreements following approval

Version	Date	Reviewer	Signature	Responsibility
1.0		P52 Modification Group		Meets requirements of Modification Group
1.0		Panel		Meets requirements of Panel

### b Distribution

Name	Organisation
Each 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 AND RECOMMENDATIONS

### 1.1 Recommendation

On the basis of the analysis, consultation and assessment undertaken in respect of Modification Proposal P52 (the Modification Proposal) 'Non Party Access to the BMRS via the High Grade Service' and the resultant findings of this Modification Report, the Panel recommends to the Authority that:

**The Proposed Alternative Modification as set out in Section 7 of this Modification Report be approved with an Implementation Date of within one month of the Authority determination.**

### 1.2 Background

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 that they 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 market players and therefore better facilitate effective competition.

### 1.3 Rationale for Recommendations

The Panel endorses the Group's conclusions that the Alternative Modification Proposal would better facilitate the Applicable BSC Objectives as set out in the Transmission Licence. In particular, it would meet objective 7A(3)(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. The Modification Proposal has no impact on the remaining Applicable BSC Objectives set out in Condition 7A(3)(a - c).

[In reaching this conclusion, the Panel took due account of the views of the proposer, all representations received from interested parties and the views of the Group, which are detailed in Section 9 below. This Modification Report should be read in conjunction with the Group's Assessment Report.]

## **2 INTRODUCTION**

This Report has been prepared by ELEXON Ltd., on behalf of the Panel, in accordance with the terms of the 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.

This Modification Report is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') and none of the facts, opinions or statements contained herein may be relied upon by any other person.

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**

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

The 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 BSC 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).

A Modification Report must be prepared and submitted to the Authority in respect of each proposed modification and must contain:

- (a) The recommendation of the Panel as to whether or not the Proposed Modification or any Alternative Modification should be made;
- (b) The proposed Implementation Date for implementation of the Proposed Modification or any Alternative Modification;
- (c) The matters set out in Annex F-1 of the Code. This will usually be in the form of the relevant Assessment Report where the Proposal has been submitted to a Modification Group prior to the Report Phase;
- (d) An explanation of the Panel's rationale should the Panel form a different view of any matters contained in the Modification Group Report; and
- (e) A summary of the representations made by Parties and interested third parties during the consultation undertaken in respect of the Proposed Modification and any Alternative Modification.

## 4 HISTORY OF PROPOSED MODIFICATION

The full history of the events that have taken place relating to the Modification Proposal are included in Section 4 'Description and Assessment Against the Applicable BSC Objectives' of the Assessment Report. The Assessment Report forms Attachment 1 to this Modification Report.

Below is a summary of the events which have taken place.

Following the presentation of the Modification Proposal and the Initial Written Assessment to the Panel on 12<sup>th</sup> December 2002, it was agreed that the Modification Proposal should be submitted to the Assessment Procedure, and that an Assessment Report should be presented to the Panel meeting on 14<sup>th</sup> February 2002. A consultation was undertaken by Parties the results of which are presented in the Assessment Report.

The Group reviewed the results of the consultation at its first meeting on 5<sup>th</sup> February 2002 and concluded that:

- The principles of the Modification Proposal provided the ability to make BMRS data available in a potentially more useful form rather than the analogy that non Parties were being given the ability to "cherry pick" services.
- In terms of the benefit of being a Party only a subset of BSC data would be available to non Parties so in this respect there is benefit in being a Party.
- Based on the assertion that access to the High Grade Service should only be made available to Parties, the rights and benefits of being a Party were primarily regarding the ability to Trade Electricity and receive reports and not about the technical means of transferring data.
- Non Parties should be given the same level of service as provided to Parties noting that the level of service is currently based on availability only.
- Non Parties should not be required to participate in Qualification Testing as it considered that the File Transfer Protocol (FTP) testing would be sufficient to test connectivity of the High Grade Service.

The Group considered other possible alternative solutions to the issues raised by P52, and agreed that an Alternative Modification should be progressed which would include a one off Administration charge (£250) to non Parties to cover the costs incurred by ELEXON, and otherwise funded by Parties, for the initial set-up of processing the non Parties' application for the High Grade Service. This would ensure that the charging arrangements for non Parties were of a more cost reflective nature and equivalent to that of Parties who currently pay for the High Grade Service, the charges as specified in Annex D3 of the Code, and contributions to ELEXON's overheads through their Section D invoices.

The Group concluded that the Alternative Modification would better facilitate BSC Objective (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;' on the basis that this requirement would allow wider access to BMRS data promoting a better understanding of the NETA operational arrangements by the existence of third party data analysis services. Such third party providers would be better able to provide timely services using the High Grade Service, this in turn may facilitate increased competition in both the generation and supply of electricity.

The Group also concluded that as the changes did not impact BSC Systems significantly, that the Alternative Modification be made with an Implementation Date of one month following the Authority determination which was included in the Assessment Report which was presented to the Panel on 14<sup>th</sup> February 2002.

Following approval of the Assessment Report by the Panel on 14<sup>th</sup> February 2002, this Draft Modification Report was produced by ELEXON on behalf of the Panel to be issued for Consultation on 25<sup>th</sup> February 2002 allowing 6 working days for consultation with responses due by close of business on 4<sup>th</sup> March 2002. The draft Modification Report, including any representations received, will then be considered by the Panel meeting on 14<sup>th</sup> March 2002.

## **5 DESCRIPTION OF PROPOSED MODIFICATION**

The Alternative Modification Proposal will result in non Parties having access to the BMRS via the High Grade Service.

Section 6 'Impact on BSC Systems' of the Assessment Report outlines the changes required to the BSC Systems.

The BSC changes are included in Section 7 of this Modification Report.

## **6 RATIONALE FOR PANEL RECOMMENDATIONS**

On the basis of the analysis, consultation and assessment undertaken in respect of the Modification Proposal, the Panel recommends to the Authority that the Alternative Modification be approved.

The Assessment Report was presented to the Panel at its meeting on 14<sup>th</sup> February 2002. The Panel:

1. Noted the change of Modification Group from Reporting to the Volume Allocation Modification Group;
2. Noted the Assessment Report and the recommendations of the Group;
3. Agreed the recommendations of the Group and proceed to the Report Phase in accordance with Section F, 2.7 of the Code;
4. Agreed that a draft Modification Report be prepared with a recommendation to the Authority that the Alternative Modification be made with an Implementation Date of one month after the Authority determination; and
5. Agreed that the draft Modification Report be consulted on and presented to the Panel meeting on 14 March 2002.

Although the Panel approved the Assessment Report, it believed that the one off Administration charge to non Parties should not be specified in the BSC as a fixed amount but as agreed by the Panel from time to time.

## 7 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION

The legal text below is based on the legal draft changes prepared for the Alternative Modification Proposal P52. Any changes to the legal text for the Alternative Modification Proposal P52 may impact the changes proposed below.

### 7.1 Conformed Version

#### 7.1.1 Section D: BSC Cost Recovery and Participation Charges - Annex D-3: Specified BSC Charges.

Insert in paragraph 6.5:

*(d) charges are payable by persons (other than Parties) requesting the High Grade Service of the BMRS as provided in Section V2.3.4(a).*

#### 7.1.2 Section V: Reporting

Amend paragraph 2.3.1(a) to read:

- (a) a High Grade Service, for which:
  - (i) *a Party (other than BSCCo) is required to pay the relevant Specified BSC Charges in accordance with Section D,*
  - (ii) any other person (other than the Authority) shall be required to make payments as provided in paragraph 2.3.4(a)*

shall be made available to any Party *and (subject to paragraph 2.3.4) any other person,* on request; and

Insert new paragraph 2.3.4:

*2.3.4 The High Grade Service of the BMRS will be made available upon request to a person (other than the Authority) which is not a Party:*

- (a) subject to the payment by such person of*
  - [(i) a one-off administration charge of such amount as the Panel shall from time to time determine (and until the Panel has so determined, of £250);<sup>1</sup>*
  - (ii) charges equivalent to (and in amounts the same as those for the time being determined by the Panel for) the BSC Specified Charges in paragraphs 3.1(d) and (e), 3.3 and 3.4 (as applicable) of Annex D-3; and*
- (b) provided that such person has entered into and remains party to an agreement with BSCCo, in such form as BSCCo with the approval of the Panel may from time to time determine, providing for the payment of the amounts in paragraph (a) and such other matters as BSCCo may determine in relation to the availability of such service,*

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<sup>1</sup> Include for Alternative Modification, delete for original.

*the provision of any associated hardware and software and the use of such hardware and software by such person.*

## 7.2 Clean Version

### 7.2.1 Section D: BSC Cost Recovery and Participation Charges - Annex D-3: Specified BSC Charges.

6.5 (d) charges are payable by persons (other than Parties) requesting the High Grade Service of the BMRS as provided in Section V2.3.4(a).

### 7.2.2 Section V: Reporting

2.3.1(a) a High Grade Service, for which:

(i) a Party (other than BSCCo) is required to pay the relevant Specified BSC Charges in accordance with Section D,

(ii) any other person (other than the Authority) shall be required to make payments as provided in paragraph 2.3.4(a)

shall be made available to any Party and (subject to paragraph 2.3.4) any other person, on request; and

2.3.4 The High Grade Service of the BMRS will be made available upon request to a person (other than the Authority) which is not a Party:

(a) subject to the payment by such person of

(i) a one-off administration charge of such amount as the Panel shall from time to time determine (and until the Panel has so determined, of £250);

(ii) charges equivalent to (and in amounts the same as those for the time being determined by the Panel for) the BSC Specified Charges in paragraphs 3.1(d) and (e), 3.3 and 3.4 (as applicable) of Annex D-3; and

(b) provided that such person has entered into and remains party to an agreement with BSCCo, in such form as BSCCo with the approval of the Panel may from time to time determine, providing for the payment of the amounts in paragraph (a) and such other matters as BSCCo may determine in relation to the availability of such service, the provision of any associated hardware and software and the use of such hardware and software by such person.

## **8 ASSESSMENT**

The following is a summary of the impacts identified in the Assessment Report produced by the Group, which forms Attachment 1 to this Modification Report.

- (a) Amendments will be required to a number of Sections of the Code. The relevant legal drafting can be found at Section 7 of this Modification Report;
- (b) There will be no impact on the BSC Systems;
- (c) There will be no impact on the Grid Code and NGC's systems and processes;
- (d) There will be impacts on some Code Subsidiary Documents and other configurable items;
- (e) There will be no impact on Parties;
- (f) There is no impact on Party Agents;
- (g) There will be an increase in the payments due under the NETA Central Service Agent Contract which will be recovered from non Parties;
- (h) There will be no impact on Core Industry Document by the Alternative Modification Proposal;
- (i) There is a minimal impact on the systems and processes of BSCCo as ELEXON will be managing the applications by non Parties for the High Grade Service

There is no impact on the statutory, regulatory and contractual framework within which the BSC sits.

## **9 SUMMARY OF REPRESENTATIONS**

### **9.1 Consultation**

Copies of the original representations received under the consultation carried out in January 2002 and considered by the Group can be found in the Assessment Report.

### **9.2 [Consultation on Draft Modification Report]**