

October 2001

**INITIAL ASSESSMENT OF
MODIFICATION PROPOSAL P38**

**Redefined Definition Of C A D To
Allow Prompt Price Reporting**

Prepared By ELEXON Limited

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1.0	12/10/01	Trading Strategy		

a Distribution

Name	Organisation
BSC Panel	Various

a Intellectual Property Rights and Copyright

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1 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

2 EXECUTIVE SUMMARY

An initial assessment of Modification Proposal P38 has identified the following potential areas of impact:

- Changes would be required to Section T of the Balancing and Settlement Code;
- Changes would be required to the SAA and BMRA Central Systems.

This assessment however, has also identified significant issues regarding the impact on the recently implemented P18A modification:

- this modification is very similar to Modification P18A and, as proposed, aims to replace the underlying P18A algorithm. It is not a minor alteration to this algorithm and will result in changes of a similar scale to the original P18A Proposal. In addition it may have a totally different impact on the resulting imbalance prices when compared to the effect of P18A;
- the half-hour delay in price reporting was an integral part of the original P18A Enduring Solution and discussed by both the Modification Group and Panel; and
- the P18A Interim Solution has been effective for less than 1 month, and the first stage of implementation of the Enduring Solution is not due to take place for 5 months. Experience of the effect of P18A is thus very limited.

It is recommended that the first step in progressing this modification is to decide whether it is possible, with the recent implementation of P18A in the Balancing & Settlement Code, to determine whether Modification Proposal P38 better meets the BSC Objectives than Modification P18A.

If it is determined that it is not possible to achieve this then it is recommended that this Modification should be taken straight to the Report Stage with a recommendation to Reject (pursuant to Section F 2.7 of the BSC).

However, should it be decided that this modification can be progressed then one of the main issues to be considered will be the relationship and overlap with the existing Modification P18A. It should be recognised that should this new modification eventually be approved, there is the potential for a complex and potentially lengthy implementation phase. This makes it vital that there should be a clear and well-defined Assessment Phase, which can ensure that all issues are totally and clearly addressed.

It is considered that the best approach to achieving this is for the existing Pricing Issues Modification Group (PIMG) to take the modification through the Definition Phase (pursuant to Section F 2.5 of the BSC) to gain a better understanding of the issues raised in this document, in particular:

- principles behind this modification;
- criteria to determine how to assess whether this better meets the BSC objectives;
- how the impact on the imbalance price calculations could be measured;
- the issues described in this Initial Written Assessment.

The Modification Group should be requested to complete and submit the Definition Report to the Panel in time for the meeting on 13 December 2001.

In addition to enable the Modification Group to consider the issues, it is recommended that the Panel provide guidance on the following issues:

- whether the delay in price reporting could represent sufficient grounds on its own to replace the existing P18A algorithm;
- whether the Panel agree that CAD should only be measured within one period and not allowed to span periods;
- whether the issue of Retrospection should be considered in relation to this modification;
- whether any changes that would alter the delivery timescales of BSC Systems Release 2 should be considered; and
- the latitude to discuss alternatives, as this subject has already been explored at length during the 18A Proposal.

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 Procedure¹, submitting it to an Assessment Procedure², amalgamating the proposal with another proposal³, or proceeding directly to the Report Phase⁴. 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 made⁵. 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.

¹ see BSC F2.5

² see BSC F2.6

³ see BSC F2.3

⁴ see BSC F2.7

⁵ see BSC F2.1.8

4 DETAILS OF THE MODIFICATION PROPOSAL

4.1 Background

On 22 August 2001 the Authority issued a decision document that accepted the recommendation made regarding Urgent Modification Proposal P18A. This modification was given a legal effective date of 25 September 2001 when an Interim Solution would start to calculate P18A compliant prices.

The Central Services Provider is developing the Enduring Solution that will be delivered in two phases. The first phase is planned to be available in March 2002, when the changes to the pricing algorithm are implemented, with a further release planned for September 2002, when the final reporting changes are implemented.

One of the main features of the BSC changes, which were made as a result of P18A, is the definition of a Continuous Acceptance Duration (CAD). This is the overall duration of a group of acceptances, which when compared against a predefined limit (the Continuous Acceptance Duration Limit - CADL), determines whether each acceptance should be considered in the calculation of the imbalance prices, or not. During the consultation on P18A a number of different definitions for the CAD were considered, all of which exhibited different characteristics and ability to identify likely system balancing actions. One of the main characteristics of many definitions, including both the original NGC definition and the final version now included within the BSC, was that it was not possible to determine the CAD for a short acceptance crossing into the next period, until effectively the end of the next period. Therefore one of the features of the chosen solution, was that the reporting of derived data and imbalance prices on the BMRS system would need to be delayed by 30 minutes.

During the Modification Process it was recognised that this reporting delay could be an issue, and a group of CAD⁶ definitions was introduced to categorise all those that could be reported either immediately the acceptance was taken, or at least by the end of the real time period. This group was known as CAD Definition 0. Each definition was categorised as type 0 to 3 in increasing level of intellectual purity⁷.

The final decision on the precise CAD definition to adopt was a complex process and needed to take into account many factors, such as: the effectiveness of identifying system balancing actions; the complexity of implementation; whether one or two revisions to the BSC were needed; and whether an Interim Solution was feasible whilst an Enduring Solution was being developed by the Central Service Provider. The issue of needing to delay the reporting of prices by 30 minutes at the end of the period was one such factor.

Many parties involved in the consultation favoured a CAD definition of at least type 2 or 3 in order to more effectively identify system actions and to ignore times when an acceptance did not move away from the Final Physical Notification (FPN). However, in order to be able to implement an Interim Solution within a short period of time, it was necessary to adopt a definition of type 0 or 1. The Panel in their deliberations were not in favour of a further BSC rule change when the Enduring Solution was

⁶ The term CAD was introduced late in the Modification Process and can be used interchangeably with CID. Early documentation will refer to CID Definitions.

⁷ The original NGC definition was of type 2 because it could identify those parts of an acceptance that were tracking the FPN, or a previous acceptance.

implemented, and hence compromised on a CAD Definition of type 1 for both an Interim and Enduring Solution.

There was a lengthy discussion regarding the merits of a CAD Definition 0, and the ability to report prices promptly. On balance, the Panel did not believe that the potential benefits of the proposed CAD Definition 0 outweighed its main disadvantage. This disadvantage was that it was viewed as being significantly more crude in the way in which continuous acceptances were measured. Furthermore, neither NGC as proposer of the initial Modification, nor the Panel believed that the scope that this option introduced for NGC to manipulate prices to a greater or lesser degree by choosing whether or not to “chop” acceptances into a series of short duration acceptances was desirable.

The implication of these decisions are that for the lifetime of the Interim Solution, P18A compliant prices will normally be available 2 working days after the Interim Information (II) run, and that when the Enduring Solution is introduced this will be changed to 45⁸ minutes after the end of the real-time Settlement Period.

4.2 Modification Proposal P38

Modification Proposal P38 introduces a new type 0 CAD Definition with two aims:

- To allow prompt price reporting at the end of the real-time period.
- To measure the value of CAD within each settlement period, such that the settlement of each period is self-contained and does not rely on acceptance data from adjacent periods.

The first of these aims could be achieved by one of the existing definitions for a CAD of type 0. The second aim is more restrictive and challenges the fundamental principles of the current P18A definition. The P38 definition only counts the acceptance duration within the current period and in its extreme, if CAD were set to 30 minutes, an acceptance⁹ would need to start in a previous period and finish in a subsequent period, to be considered in the calculation of imbalance prices.

In its current form this modification should be considered to be a major change and not a simple tuning of the P18A definition. Unless an alternative, which can leverage off the existing implementation, is proposed early during the any considerations, it should be anticipated that this would need to be treated as a large-scale change to software systems. It is unlikely that such an alternative could meet the second aim described above.

If it is assumed that this modification should not be retrospective then it must also be assumed that a significant number of Settlement Days will need to be processed using the existing P18A definition through to Final Reconciliation. It should be anticipated that any software change may not be incorporated until after the initial release of BSC Systems Release 2, which gives the ability for the Central Systems to correctly calculate P18A Compliant prices.

It should also be realised that if this modification proceeds as worded that the costs and timescales will be on a similar scale to those for the original Modification Proposal P18A, including any issues regarding an Interim Solution.

⁸ Although the current CADL value is 15, it has the capability to be increased to 30 minutes and this must be recognised in the software solution. In addition the Central Systems are allowed 15 minutes (5 minutes delay and 10 minutes to calculate) to complete the calculations.

⁹ It is not clear whether acceptances can still be joined such that with a 30 minutes CADL the *group of* acceptances must start in a previous period and finish in a subsequent period.

This is a significant undertaking as the two approaches are mutually exclusive and yet both are central to the settlement process. One such example is that the BSC systems are currently being updated to allow each BOA to be included or excluded in its entirety from the imbalance price calculations. This new modification extends this inclusion/exclusion to each period. Such a change could have an impact on how data is stored in the Central Systems, especially if both mechanisms need to be supported to allow the Final Reconciliation under the original P18A algorithm.

A copy of the Modification Proposal form, 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	No impact identified at this time
Contract Notification	No impact identified at this time
Credit Checking	No impact identified at this time
Balancing Mechanism Activities	A new set of algorithms would be required to calculate the new P38 compliant prices, in addition to the algorithms to calculate the existing P18A compliant prices for previous Settlement Days.
Collection and Aggregation of Metered Data	No impact identified at this time
Supplier Volume Allocation	No impact identified at this time
Settlement	A new set of algorithms would be required to calculate the new P38 compliant prices, in addition to the algorithms to calculate the existing P18A compliant prices for previous Settlement Days. In addition any impact on the existing Interim Solution for P18A would need to be considered if a change was proposed before it is replaced by the Enduring Solution.
Clearing, Invoicing and Payment	No impact identified at this time
Reporting	It is assumed that reporting will make use of the proposed enhancements for P18A and hence minimise and any new changes, other than by bringing forward the time of publication.
Dispute Resolution	No impact identified at this time

6 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

System / Process	Potential Impact of Proposed Modification
Central systems – Energy contract notification systems	No impact identified at this time
Party Systems	No impact identified at this time

7 IMPACT ON DOCUMENTATION

7.1 Impact on Balancing and Settlement Code

BSC Section	Potential Impact of Proposed Modification
A: Parties and Participation	No impact identified at this time
B: The Panel	No impact identified at this time
C: BSCCo and its Subsidiaries	No impact identified at this time
D: BSC Cost Recovery and Participation Charges	No impact identified at this time
E: BSC Agents	No impact identified at this time
F: Modification Procedures	No impact identified at this time
G: Not Used	No impact identified at this time
H: General	No impact identified at this time
I: Not Used	No impact identified at this time
J: Party Agents	No impact identified at this time
K: Classification and Registration of Metering Systems and BM Units	No impact identified at this time
L: Metering	No impact identified at this time
M: Credit Cover and Credit Default	No impact identified at this time
N: Clearing, Invoicing and Payment	No impact identified at this time
O: Communications	No impact identified at this time

BSC Section	Potential Impact of Proposed Modification
P: Energy Contract Volumes and Metered Volume Reallocations	No impact identified at this time
Q: Balancing Mechanism Activities	No impact identified at this time
R: Collection and Aggregation of Metered Data from CVA Metering Systems	No impact identified at this time
S: Supplier Volume Allocation	No impact identified at this time
S: ANNEX S-1 Performance Levels and Supplier Charges	No impact identified at this time
S: ANNEX S-2 Supplier Volume Allocation Rules	No impact identified at this time
T: Settlement and Trading Charges	A significant number of changes will be required to this section to modify the existing P18A changes to incorporate P38. It is anticipated that although this will affect all P18A changes, this should be seen as a delete and addition of new items, rather than a series of changes.
U: Provisions Relating to Settlement	No impact identified at this time
V: Reporting	Maximum reuse of P18A reporting should minimise any changes
W: Trading Queries and Trading Disputes	No impact identified at this time
X: Definitions and Interpretation	No impact identified at this time
X: ANNEX X-1 General Glossary	No impact identified at this time
X: ANNEX X-2 Technical Glossary	Maximum reuse of P18A terms should minimise any changes

7.2 Impact on Code Subsidiary Documents

Code Subsidiary Document	Potential Impact of Proposed Modification
BSC Procedures	No impact identified at this time
Codes of Practice	No impact identified at this time
BSC Service Descriptions	Significant changes to reflect new algorithms
Party Service Lines	No impact identified at this time
Data Catalogues	Maximum reuse of P18A terms should minimise any changes
Communication Requirements Documents	No impact identified at this time
Reporting Catalogue	Maximum reuse of P18A reporting should minimise any changes

7.3 Impact on Core Industry Documents

Core Industry Document	Potential Impact of Proposed Modification
Grid Code	No impact identified at this time
MCUSA	No impact identified at this time
Supplemental Agreements	No impact identified at this time
Ancillary Services Agreements	No impact identified at this time
Master Registration Agreement	No impact identified at this time
Data Transfer Services Agreement	No impact identified at this time
British Grid Systems Agreement	No impact identified at this time
Use of Interconnector Agreement	No impact identified at this time
Pooling and Settlement Agreement	No impact identified at this time
Settlement Agreement for Scotland	No impact identified at this time
Distribution Codes	No impact identified at this time
Distribution Use of System Agreements	No impact identified at this time
Distribution Connection Agreements	No impact identified at this time

8 IMPACT ON OTHER CONFIGURABLE ITEMS

Item	Potential Impact of Proposed Modification
GTMA contract format	No impact identified at this time

9 IMPACT ON ELEXON

Area of Business	Potential Impact of Proposed Modification
ELEXON Systems	<p>TOMAS would need to be changed to reflect the new process for calculating P38 compliant prices. Depending on the time of the change this may need to be as part of the P18A Interim Solution, or simply in its role as a monitoring tool.</p> <p>These changes may be more urgent should an Interim Solution be required, in which case care would need to be taken to ensure the existing P18A Interim Solution has completed operation</p>
ELEXON Procedures	Significant if an Interim Solution is required
ELEXON Contracts (Excluding BSC Agent Contracts)	Significant if an Interim Solution is required
Other (e.g. costs, staffing, etc.)	Significant if an Interim Solution is required

10 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

No impact identified at this time.

11 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

BSC Agent Contract	Potential Impact of Proposed Modification
Logica (BMRA, CRA, CDCA, SAA, ECVAA, TAA(CVA))	Significant changes to SAA and BMRA
EPFAL (FAA)	No impact identified at this time
ESIS (TAA(SVA))	No impact identified at this time
Cap Gemini (SVAA)	No impact identified at this time
PwC (BSC Auditor, Certification Agent)	No impact identified at this time
EASL (Teleswitch Agent, Profile Administrator)	No impact identified at this time

12 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

This Modification Proposal seeks to introduce significant changes to the way in which the functionality introduced with P18A operates. As it is currently specified the text of the proposed change to the P18A algorithm, and the second objective of treating each period separately, indicate that this is not a minor correction to the operation of the current P18A solution, but a further major change to the approach adopted for P18A.

Before it can proceed it needs to be clarified whether it is possible that this Modification Proposal can better achieve, or be judged to have better achieved, the relevant BSC objectives than P18A as the Modification P18A has only been effective in the BSC since 25 September 2001:

- both the Modification Group and the Panel considered the issue of a delay in price reporting. It was therefore an integral part of the decision for P18A that this particular factor did not outweigh all other considerations;
- modification Proposal P18A has been in effect for less than 1 month, and is still 5 months away from the initial release in the Central Systems. It is therefore considered too early to accurately judge whether an alternative definition of how to identify system balancing actions would better achieve the relevant BSC objectives.

It is therefore recommended that the Panel should initially consider these issues and decide whether this Modification should be taken straight to the Report Stage with a recommendation to Reject.

If however it is decided that this modification can be progressed, then one of the main issues to be considered will be the relationship, and overlap, with the existing Modification P18A. It should be recognised that should this new modification eventually be approved, there is the potential for a complex and potentially lengthy implementation phase. This makes it vital that there should be a clear and well-defined Assessment Phase, which can ensure that all issues are totally and clearly addressed.

ELEXON consider that the best approach to achieving this is for the existing Pricing Issues Modification Group (PIMG) to take the modification through the Definition Phase to gain a better understanding of:

- the relationship with Modification P18A;
- the principles to be used in determining whether this modification better achieves the BSC objectives. In particular how to compare “a delay in price reporting” with “efficiency at identifying system balancing actions”;
- how this Modification could be measured to ensure it is capable of actually delivering the proposed benefits, and not creating additional price related problems¹⁰; and
- the issues raised in the Initial Written Assessment.

¹⁰ Should this modification proceed to the Assessment Phase it will be necessary to perform a detailed level data analysis, based on a prototype solution, to accurately determine that this modification is *actually* better at achieving its identified benefits, and does not cause an unexpected side-effect. This is particularly important when trying to improve on an existing solution which may itself be achieving similar benefits. The period based nature of P38, and to a degree P18A, means it might not be easy to perform a like for like comparison of how well both modifications perform at identifying system balancing. This means that any comparison will also need to include the impact on the Bid/Offer volumes and finally prices.

The Modification Group should be requested to complete and submit the Definition Report to the Panel in time for the meeting on 13 December 2001.

Furthermore the Panel should be invited to provide guidance to the Modification Group on the following issues:

- whether the delay in price reporting could represent sufficient grounds on its own to replace the existing P18A algorithm;
- whether the Panel agree that CAD should only be measured within one period and not allowed to span periods;
- whether the issue of Retrospection should be considered in relation to this modification;
- whether any changes that would alter the delivery timescales of BSC Systems Release 2 should be considered;
- the latitude to discuss alternatives, as this subject has already been explored at length during the 18A Proposal.

Assuming this modification progresses to the Assessment Phase, it will require at least three meetings of the modification group and the commissioning of an impact assessment from Logica. In addition it represents a significant software change and is believe to be of high complexity. It is recommended that an initial budget of £50k should be established to enable progression of the Modification Proposal through the Definition and Assessment Procedure.

However, as explained this proposed modification is closely related to the existing Modification P18A. It may be necessary to perform more detailed data analysis than has been the case previously. This would be required to ensure that any changes in the BSC do better achieve their objective, and in this case additional budget may be necessary.

13 ISSUES

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

- the precise definition of the new algorithm and whether there are any definitional alternatives that should be analysed;
- whether there are any definitional alternatives¹¹ that could exploit features of the planned implementation within the Central Systems to minimise the required changes, and yet still achieve the first stated aim of not delaying price reporting;
- whether the CAD algorithm should take into account acceptances taken in adjacent periods;
- quantifying whether the new algorithm is “better”:
 - how to perform a like for like comparison between two algorithms which aim to achieve different objectives;
 - how to determine which algorithm better facilitates the applicable BSC Objectives;
 - whether the new algorithm is *actually* more effective than the existing P18A algorithm and it is “safe” to replace P18A;
- the weighting to put on the issue of a delay in price reporting, compared to the efficiency of the underlying algorithm;
- the legal effective date of the changes to the BSC;
- how to phase the replacement of P18A in terms of Settlement Days, software development and timing with BSC Systems Release 2; and
- whether an Interim Solution will be required to address the period following the legal effective date, but prior to an implementation within the Central Systems.

¹¹ An alternative CAD definition of type 0 was briefly discussed during the Modification process, including the Panel meeting on 12 July 01. This was similar to the adopted CAD Definition 1A but would calculate the CAD using only those BOA known at the end of the real-time period. This would create some anomalies as shown in the following example. BOA #1 overlaps the period end, and is subsequently continuous with BOA #2, taken early in the next period. In this case BOA #2 would not contribute to the CAD for BOA #1, however, BOA #1 would contribute to the CAD for BOA #2. This is different to the effect if they had both been taken in the same period, in which case they would both contribute to each other's CAD. Such a definition may have the least impact on the existing BSC rules, and also the ongoing software development. However, even the impact of this should not be underestimated.

ANNEX 1 – MODIFICATION PROPOSAL

Modification Proposal	MP No: P38 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Redefined Definition Of C A D To Allow Prompt Price Reporting	
Submission Date <i>(mandatory by proposer):</i> 19 th September 2001	
Description of Proposed Modification <i>(mandatory by proposer):</i> CAD should be measured only within settlement periods. For a settlement period CAD calculation, the duration of any acceptance that starts before the beginning of the settlement period and continues during the settlement period will be considered to have started only at the beginning of the settlement period for the purposes of measuring CAD. Similarly, acceptances only count towards a settlement period CAD up to the end of the settlement period. This means that any CAD that starts less than CADL (currently 15) minutes before the end of the settlement period should automatically be tagged and excluded from imbalance settlement price calculations for that settlement period (but, for the avoidance of doubt, can be counted within the next settlement period if appropriate).	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> Modification 18A has a detrimental impact on BM reporting timescales. This proposal seeks to address that deficiency. Under the accepted form of Modification P18a, a new Code definition: "Continuous Acceptance Duration" (CAD) was created. This measures the time lapse in minutes of a series of BM Acceptances on the same BMU. Acceptances within a CAD of less than CADL [15] minutes are deemed to be for system balancing purposes and are not included within the calculation of imbalance settlement prices. However, until CADL minutes after the end of the settlement period, it cannot be certain whether the CAD is of a length that would exclude the set of acceptances from settlement prices. This has two results: Firstly, price calculations cannot be performed until this time has elapsed, which delays reporting of indicative prices and prevents participants making their own estimates of prices based on published acceptances; Secondly, the basis of exclusion decisions is distorted because bids and offers are priced separately for each settlement period and so should be treated separately for each settlement period. A fundamental principle of NETA is that price signals from the Balancing Mechanism create incentives for participants to achieve balance. Information on individual acceptances is made available in near real time, which should enable participants to calculate approximate settlement prices even before Indicative Prices are published. This enables pricing decisions in the pre-gate closure markets and in the bid/offer stacks of subsequent settlement periods to be appropriately made. The additional acceptances that would be excluded were this proposal implemented would, by definition, be for small volumes of energy, which should not, therefore, have a significant impact on settlement prices unless they were very expensive actions which would only be required for system balancing purposes anyway. This proposal therefore enhances price transparency without a detrimental effect on the correctness of price	

Modification Proposal	MP No: P38 <i>(mandatory by BSCCo)</i>
information.	
Impact on Code <i>(optional by proposer):</i>	
Impact on Core Industry Documents <i>(optional by proposer):</i>	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i>	
Impact on other Configurable Items <i>(optional by proposer):</i>	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i> <p>The proposal is justified in terms of the following transmission licence objectives:</p> <p>(a) By allowing the timing of price reporting to return to the timescales preceding P18A implementation, discharge of the Transmission Company's obligation is made more efficient.</p> <p>(c) More prompt price reporting facilitates competition in generation and supply by bringing price information into the markets for subsequent settlement periods more quickly.</p> <p>(d) By allowing price reporting to existing timescales, the impact on systems of both Logica and participants is reduced, reducing the cost of implementing P18, which makes arrangements for implementation of the balancing and settlement arrangements more efficient.</p>	
Details of Proposer: <p style="text-align: center;">Name: Steve Garrett</p> <p style="text-align: center;">Organisation: Slough Energy Supplies Limited</p> <p>Telephone Number: 01753-213256</p> <p>Email Address: SteveGarrett@SloughHeatAndPower.co.uk</p>	

Modification Proposal	MP No: P38 <i>(mandatory by BSCCo)</i>
Details of Proposer's Representative: Name: Maurice Smith Organisation: Campbell Carr Consultancy Telephone Number: 01494 432323 Email Address: M_Smith@Campbellcarr.co.uk	
Details of Representative's Alternate: Name: Robert Barnett Organisation: Campbell Carr Consultancy Telephone Number: 01494 432323 Email Address: Rob_Barnett@Campbellcarr.co.uk	
Attachments: NO If Yes, Title and No. of Pages of Each Attachment:	

