

September 2001

**INITIAL ASSESSMENT OF MODIFICATION  
PROPOSAL P36 - The generation of Bid -  
Offer Acceptances relating to energy  
delivered as a result of providing Applicable  
Balancing Services**

Prepared by ELEXON Limited

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<b>Author</b>	ELEXON

## I DOCUMENT CONTROL

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0.1	13/09/01	Mandi Francis		
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1.0	14/09/01	Mandi Francis		

Version	Date	Reviewer	Signature	Responsibility
0.1	13/09/01	John Lucas		Trading Strategy
0.1	13/09/01	John Williamson		Trading Development
0.1	13/09/01	Gwilym Rowlands		Trading Development
0.1	13/09/01	Richard Clarke		Trading Strategy
0.1	13/09/01	Justin Andrews		Trading Strategy
0.1	13/09/01	Chris Rowell		Trading Strategy
0.2	14/09/01	Richard clarke		Trading Strategy
0.2	14/09/01	Justin Andrews		Trading Strategy
1.0	14/09/01	Justin Andrews		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

Modification Proposal P36 'The generation of Bid – Offer Acceptances relating to energy delivered as a result of providing Applicable Balancing Services' was submitted on 10<sup>th</sup> September 2001 by Innogy plc.

Modification Proposal P36 is based on the principle that the portion of energy attributable to the delivery of an Applicable Balancing Service should not be exposed to Energy Imbalance Prices, Non – Delivery Charging or Information Imbalance Pricing. Energy Imbalance Prices provide a commercial incentive for Parties to balance against their contracted position pre Gate Closure. The Modification Proposal seeks to avoid a Party being exposed to Imbalance Prices as a result of deviating from their Final Physical Notification under instruction from the Transmission Company as part of Applicable Balancing (Ancillary) Service provision. Balancing Services are instructed post Gate Closure, and therefore cannot be accurately contracted for in advance.

The Modification Proposal suggests that where Applicable Balancing Services are provided, the volume of energy directly relating to the provision of such services is determined by the Transmission Company and notified into the NETA Central Service Agent (SAA) as a Bid – Offer Acceptance. The Modification Proposal intends that the definition of the Balancing Services that this Modification is to apply to – the Applicable Balancing Services, and the proposed methodology for the Transmission Company determination of the volumes associated with the delivery of such Applicable Balancing Services both come under the provisions of the Balancing and Settlement Code (BSC), either within the Code or as a Code subsidiary document.

Modification Proposal P36 seeks remove exposure to imbalance charges (Energy Imbalance Charges, Information Imbalance Charges and Non Delivery Charges) on energy attributable to the provision of defined Balancing Services, instructed post Gate Closure. It should be noted that Modification Proposal P34 'Transfer of Imbalance caused by Balancing Services to the Transmission Company Energy Account' addresses the same objective, and was raised to the Panel Meeting of the 23<sup>rd</sup> August 2001, where the Panel agreed submission of Modification Proposal P34 to the Assessment Procedure.

This Modification Proposal, P36, differs from Modification Proposal P34 in two fundamental ways:

1. In the mechanism proposed for achieving the objective: Namely allocating the energy attributable to provision of Applicable Balancing Services to a Bid – Offer Acceptance (rather than transferring it to the Transmission Company Energy Account, as proposed by P34); and
2. In the governance proposed for the definition of Applicable Balancing Services and the methodology for determining the volumes associated with the provision of such Applicable Balancing Services. Modification Proposal P36 proposes that both fall under the provisions of the Balancing and Settlement Code, either by inclusion of the definition and methodology in the Code or a Code subsidiary document.

The interaction between Modification Proposal P36 and Modification Proposal P34 should be taken into consideration when progressing this Modification. Therefore, it is proposed that Modification Proposal P36 be considered in conjunction with (not amalgamated) Modification Proposal P34, and to the same timetable as Modification Proposal P34. It is also proposed that the same Modification Group, the Pricing Issues Modification Group, undertake the assessment. The Panel may wish to direct a variation to the Modification Group's Terms of Reference for Modification Proposal P36.

Currently, Modification Proposal P34 'Transfer of Imbalances caused by Balancing Services to the Transmission Company Energy Account' is progressing through the Assessment Procedure and it should be noted that the Initial Written Assessment of Modification Proposal P34 is currently being consulted

on by Parties. The consultation includes other options for achieving the objectives under Modification P34 and the detail of one of the options (Option 5) is similar to this Modification – P36.

The results of that consultation should be noted and considered in terms of this Modification.

The Panel, at its meeting of the 23<sup>rd</sup> August 2001, requested an interim report on Modification Proposal P34 providing a report on the Assessment Procedure to date, (30/015). Therefore, the Panel is requested to note this report with regards to this Initial Written Assessment. The consultation responses will be provided as part of the interim report for Modification Proposal P34.

## **1.1 Achievement of BSC Objectives**

The applicable BSC Objectives set out in paragraph 3 of Condition 7A of the Transmission Licence are as follows:

- (a) The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence;
- (b) The efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System;
- (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;
- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

This Modification Proposal seeks to address objectives (b) and (c) outlined above.

## **1.2 Progression of Modification**

It is recommended that the Modification Proposal P36 is progressed as follows, that:

- P36 is submitted to the Assessment Procedure in accordance with Section F 2.6 of the Balancing and Settlement Code, in order to enable a Modification Group to consider and assess the Modification Proposal, and any Alternative Modifications that might achieve the aims of the Modification more effectively and economically;
- P36 is submitted to the Pricing Issues Modification Group for assessment and it should be considered in conjunction with, and to the same schedule as, Modification Proposal P34; and
- the Assessment Report for Modification Proposal P36 is submitted to the BSC Panel for the meeting of the 18th October 2001.

## **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.

#### 1.1.1.1

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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

Energy Imbalance Prices provide an incentive for Parties to balance against their contracted position, pre Gate Closure. However, the nature of actions under Balancing Services contracts mean that they are invoked post Gate Closure and therefore cannot be contracted / accounted for (accurately) in advance. Therefore it is agreed that the incentives for balancing should not apply to the portion of energy attributable to the provision of Balancing Services for those parties offering such services, and that portion of energy so attributable should not be exposed to imbalance charges as a result.

The Modification Proposal intends that the definition of Applicable Balancing Services to which this Modification is to apply be defined as part of the Assessment Procedure, but intends that, as a minimum, this Modification should apply to the Mandatory Ancillary Service of Frequency Response.

The Modification proposes that volumes associated with Applicable Balancing Services where volumes cannot be predicted, and therefore the associated energy contracted for in advance of Gate Closure, should be excluded from the Energy Imbalance Price application and it follows that such volume should also be excluded from the Non Delivery and Information Imbalance Charge application for the associated Party. The Modification Proposal intends that the mechanism for achieving this is to apportion the energy associated with the provision of the Applicable Balancing Service to a Bid – Offer Acceptance.

The Modification Proposal suggests that where Applicable Balancing Services are provided, that the volume of energy directly relating to the provision of such a service is determined by the Transmission Company and notified into the NETA Central Service Agent (SAA) as a Bid – Offer Acceptance. The Modification Proposal intends that the definition of the Balancing Services that this Modification is to apply to – the Applicable Balancing Services, and the proposed methodology for the Transmission Company determination of the volumes associated with the delivery of such Applicable Balancing Services come under the provisions of the Balancing and Settlement Code (BSC), either within the Code or as a Code subsidiary document.

The Modification Proposal asserts, in support of the above, that current Ancillary Services payments do not provide adequate incentive to deliver the instructed / contracted levels of Applicable Balancing Services, since the delivery does not reduce imbalance exposure. Therefore, by apportioning the energy associated with the provision of Applicable Balancing Services to a Bid – Offer Acceptance, the Modification has the effect of incentivising the service provider to deliver as contracted / instructed by introducing the risk of exposure to imbalance and Non Delivery charges, where the service provider does not deliver as expected.

The Modification Proposal also notes that an associated modification to the CUSC, required to achieve the benefits associated with the delivery of Mandatory Ancillary Service of Frequency Response, would be required to support this Modification Proposal.

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
<b>Registration</b>	No Impact Identified at this time
<b>Contract Notification</b>	No Impact Identified at this time
<b>Credit Checking</b>	No Impact Identified at this time
<b>Balancing Mechanism Activities</b>	No Impact Identified at this time – as the current arrangements support ‘after the event’ Bid – Offer Acceptance submission to the NETA Central Service Agent.
<b>Collection and Aggregation of Metered Data</b>	No Impact Identified at this time
<b>Supplier Volume Allocation</b>	No Impact Identified at this time
<b>Settlement</b>	No Impact identified at this time – as the Modification is proposing the utilisation of existing processes to support the objective.
<b>Clearing, Invoicing and Payment</b>	No Impact Identified at this time
<b>Reporting</b>	No Impact Identified at this time
<b>Contingencies</b>	No Impact Identified at this time
<b>Dispute Resolution</b>	The Disputes Process may have to be extended to include Trading Queries and Trading Disputes on the application and calculation of the volumes associated with the provision of Applicable Balancing Services notified by the Transmission Company (in the form of BOAs). However, this should not materially affect the Trading Query / Disputes process, only the grounds for raising a Trading Query / Dispute.

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

System / Process	Potential Impact of Proposed Modification
<p><b>Transmission Company</b></p>	<p>The Transmission Company already has processes in place for calculating the volumes associated with the provision of Balancing Services, however, the Transmission Company will be required to put in place processes for determining these volumes and for notifying them to the NETA Central Service Agent 'after the event'. It is expected that the existing interfaces for submission of Bid – Offer Acceptances to the NETA Central Service Agent will be utilised, therefore this impact appears to be limited to an amendment to internal Transmission Company processing.</p>

## 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: Contingencies	Paragraph 3 of this Section of the BSC refers to the provision of 'Black Start' services. An initial high level review indicates that this will not require amendment as a result of the implementation of this Modification, however, this section should be reviewed from a legal perspective to ensure that this is the case.
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

<b>BSC Section</b>	<b>Potential Impact of Proposed Modification</b>
O: Communications	No Impact Identified at this time
P: Energy Contract Volumes and Metered Volume Reallocations	No Impact Identified at this time
Q: Balancing Mechanism Activities	<p>Amendment to the definition of Bid – Offer Acceptances is required (Q5.1) to support the Modification by allowing automatically generated Acceptances relating to Applicable Balancing Services.</p> <p>The definition of ‘Applicable Balancing Services’ and the associated methodology for calculating the volumes (and prices) associated with the provision of them should either be contained within this section / appendix to this section, or referenced by this section and contained within a Code subsidiary document.</p>
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	No Impact Identified at this time
U: Provisions Relating to Settlement	No Impact Identified at this time
V: Reporting	No Impact Identified at this time
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

<b>BSC Section</b>	<b>Potential Impact of Proposed Modification</b>
X: ANNEX X-2 Technical Glossary	New definitions are required to support the 'Applicable Balancing Services' and any new definitions required by the implementation of the methodology into the Code.

## 7.2 Impact on Code Subsidiary Documents

Code Subsidiary Document	Potential Impact of Proposed Modification
BSC Procedures	A new BSC Procedure may be required, depending upon where the definition of 'Applicable Balancing Services' and methodology for calculating the associated volumes will sit.
Codes of Practice	No Impact Identified at this time
BSC Service Descriptions	No Impact Identified at this time
Party Service Lines	No Impact Identified at this time
Data Catalogues	No Impact Identified at this time
Communication Requirements Documents	No Impact Identified at this time
Reporting Catalogue	No Impact Identified at this time

### 7.3 Impact on Core Industry Documents

Core Industry Document	Potential Impact of Proposed Modification
Grid Code	No Impact Identified at this time
MCUSA	There may be an impact on the MCUSA (CUSC) depending upon the mechanism for implementing the methodology for calculating volumes associated with the provision of Balancing Services under the Code.
Supplemental Agreements	No Impact Identified at this time
Ancillary Services Agreements	There may be an impact on the Ancillary Services Agreements depending upon the mechanism for implementing the methodology for calculating volumes associated with the provision of Balancing Services under the Code.
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
No Impact Identified at this time	



## 9 IMPACT ON ELEXON

Area of Business	Potential Impact of Proposed Modification
ELEXON Systems	No Impact Identified at this time
ELEXON Procedures	No Impact Identified at this time
ELEXON Contracts (Excluding BSC Agent Contracts)	No Impact Identified at this time
Other (e.g. costs, staffing, etc.)	The ELEXON resource required to support a Modification Proposal through the Assessment Phase is estimated at between thirty and forty man days.

## **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))	No Impact Identified at this time
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**

The Initial Assessment of this Modification Proposal indicates that although further work is required to define the amendments required under the provisions of the Modification Proposal, the Modification itself is sufficiently well defined to enable submission to the Assessment Procedure. ELEXON therefore recommends that this Modification Proposal P36 'The generation of Bid – Offer Acceptances relating to energy delivered as a result of providing Applicable Balancing Services' be submitted to the Pricing Issues Modification Group (PIMG) for Assessment in conjunction with Modification Proposal P034 'Transfer of Imbalances caused by Balancing Services to the Transmission Company Energy Account'. The Pricing Issues Modification Group should be actioned to provide its Assessment Report to the Panel by the Panel Meeting of the 18<sup>th</sup> October 2001.

### **12.1 Impact Assessment Costs**

Processing this Modification Proposal will require at least two meetings of the Modification Group and the commissioning of Impact Assessments from the Transmission Company and the NETA Central Service Agent. This Modification Proposal is believed to be of medium complexity and a budget of £30K should be established to enable progression of the Modification Proposal through the Assessment Procedure.

## 13 ISSUES

The following issues will need to be considered and addressed by the Modification Group in progressing the Modification Proposal P36.

1. Interaction with Modification Proposal P34 'Transfer of Imbalances caused by Balancing Services to the Transmission Company Energy Account';
  - Modification Proposal P36 should be considered in conjunction with Modification P34, and to the same timescales, as a result of both Modification Proposals addressing the same objective, namely the removal of exposure to imbalance charges (Energy Imbalance Charge, Information Imbalance Charge and Non Delivery Charge) for energy attributable to the provision of Balancing Services; and
  - The consultation currently being undertaken on the Initial Written Assessment of Modification Proposal P34 is relevant to Modification Proposal P36, as a result of the similarity of one of the potential options under P34 to that proposed by P36. Therefore the consultation responses should be considered in relation to this Modification.
2. The Assessment of the Modification Proposal should also include consideration of whether it is appropriate to exclude the Bid – Offer Acceptances made under this Modification, as a result of the provision of Balancing Services, from the calculation of Energy Imbalance Prices. If this is to be the case, then some mechanism for such exclusion needs to be defined; and
3. The definition of the methodology for calculating the volume associated with the provision of Applicable Balancing Services should take into consideration the situation where there is no submitted Bid – Offer data (and therefore prices) for the BM Unit providing the Balancing Service. This is to enable that an associated, appropriate price can always be determined for the energy provided for Balancing Services.

## ANNEX 1 – MODIFICATION PROPOSAL

<b>Modification Proposal</b>	<b>MP No: 36</b> <i>(mandatory by BSCCo)</i>
<p><b>Title of Modification Proposal</b> <i>(mandatory by proposer):</i></p> <p>The generation of Bid-Offer Acceptances relating to energy delivered as a result of providing Applicable Balancing Services</p>	
<p><b>Submission Date</b> <i>(mandatory by proposer):</i> 10 September 2001</p>	
<p><b>Description of Proposed Modification</b> <i>(mandatory by proposer):</i></p> <p>For BM Units instructed to provide Applicable Balancing Services the Transmission Company will calculate the expected delivered energy volume for each minute in which the Service is instructed based on an agreed methodology.</p> <p>The methodology could be incorporated within the code, or appended as a subsidiary document albeit still part of the code.</p> <p>Once such volume has been calculated, the Transmission Company will submit Bid-Offer Acceptance data to the SAA in the form described in T3.1.2 of the BSC. Thus, the calculated volume of energy delivered as a result of providing the services in any minute shall be included in the calculation of the Period BM Unit Total Accepted Offer Volume (QAO<sup>n</sup><sub>ij</sub>) and the Period BM Unit Total Accepted Bid Volume (QAB<sup>n</sup><sub>ij</sub>).</p> <p>The definition of Applicable Balancing Services would need to be included within the code and would specify those services to which this process would apply. The definition should be developed as part of the modification process. As a minimum it should apply to the Mandatory Ancillary Service of Frequency Response, but it is for consideration as to whether it should extend to other specified services.</p>	
<p><b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <i>(mandatory by proposer):</i></p> <p>The provision of certain Balancing Services results in imbalance exposure to providers. To the extent that imbalance is as a result of delivering Applicable Balancing Services, it is inappropriate to charge imbalance prices to parties that have assisted in system balancing.</p> <p>Furthermore, the energy delivered as a result of providing Applicable Balancing Services should be valued on the same basis as other energy deliveries associated with Bid-Offer Acceptances.</p> <p>Current Ancillary Services Payments do not provide adequate incentive to deliver the contracted levels of these Services since delivery does not reduce imbalance exposure. This proposal would have the added incentive for correct delivery by exposing non-delivering parties to imbalance and to non-delivery charges.</p>	
<p><b>Impact on Code</b> <i>(optional by proposer):</i></p> <p>Change to the definition of Bid-Offer Acceptances in section Q5.1 to allow for automatically generated Acceptances relating to Applicable Balancing Services.</p>	

<b>Modification Proposal</b>	<b>MP No: 36</b> <i>(mandatory by BSCCo)</i>
<b>Impact on Core Industry Documents</b> <i>(optional by proposer):</i>	
To achieve the benefits associated with the delivery of the Mandatory Ancillary Service of Frequency Response, a modification of the CUSC will be required.	
<b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b> <i>(optional by proposer):</i>	
<b>Impact on other Configurable Items</b> <i>(optional by proposer):</i>	
National Grid will need to calculate the volume (if any) of energy allocated to each BMU for Applicable Balancing Services	
As part of the consideration of this Modification it will be necessary to agree the methodology by which the volume of energy allocated to a BMU is calculated for the Applicable Balancing Services.	
<b>Justification for Proposed Modification with Reference to Applicable BSC Objectives</b> <i>(mandatory by proposer):</i>	
This proposal will enable the Transmission Company to efficiently schedule responsive plant and to apply economic tests at to whether to allow responsive plant to deliver system balancing energy or to take actions in the BM (reference BSC objective (b)).	
The proposal will encourage competition between providers of Frequency Response and other Applicable Balancing Services, and should enhance the economic efficiency with which the system can be balanced (reference BSC objective (c)).	
Providers will be incentivised to meet the contracted levels of service.	
<b>Details of Proposer:</b>	
<b>Name:</b> Chris Gibson	
<b>Organisation:</b> Innogy plc	
<b>Telephone Number:</b> 01793 892161	
<b>Email Address:</b> chris.gibson@innogy.com	
<b>Details of Proposer's Representative:</b>	
<b>Name:</b> David Tolley	
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<b>Details of Representative's Alternate:</b>	
<b>Name:</b> Raoul Thulin	
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<b>Modification Proposal</b>	<b>MP No: 36</b> <i>(mandatory by BSCCo)</i>
<b>Attachments: NO</b> <b>If Yes, Title and No. of Pages of Each Attachment:</b>	