

**Subject: CONSULTATION AND IMPACT ASSESSMENT BY PARTIES / PARTY AGENTS ON MODIFICATION PROPOSAL P33 BY 4<sup>TH</sup> SEPTEMBER 2001**

National Grid Company (NGC) plc are currently providing to the Balancing Mechanism Reporting Service (BMRS) 'OC2 derived surplus data', commonly referred to as 'surplus'. This 'surplus' includes the surplus generation after allowances for Demand, Operational Planning Margin, Plant Outages and breakdowns have been subtracted. The provision of the 'surplus' does not impact balancing mechanism prices but may be of use to Parties in their commercial decisions. However, the Balancing and Settlement Code (BSC) requires that the Generating Plant Demand Margin is provided<sup>1</sup>. Generating Plant Demand Margin as defined does not include the Operational Planning Margin.

As a result of NGC identifying that an inconsistency exists between what is provided and what is required by the BSC, NGC have raised Modification Proposal P33 'Rectification of Inconsistencies in Terminology Between the BSC & Grid Code OC2'. A copy of the Modification Proposal and any related documentation (including ELEXON's Initial Written Assessment of the Modification Proposal and relevant Panel papers) can be downloaded from:

[http://www.elexon.co.uk/ta/modifications/mods\\_docs.html](http://www.elexon.co.uk/ta/modifications/mods_docs.html)

The Modification Proposal offers two solutions:

- (A) NGC to provide to BMRS both the 'surplus' (as currently provided) and the Generating Plant Demand Margin (as required by the BSC); or
- (B) NGC to provide to BMRS the Generating Plant Demand Margin alone, thus meeting the BSC requirements.

ELEXON in consultation with NGC have identified a third solution (C) which would result in the status quo being formally adopted both within the Grid Code and the BSC ie. NGC will provide the 'surplus' to the BMRS.

In addition the Modification Proposal also recommends removing naming convention inconsistencies which exist between the Grid Code, the BSC documentation and systems.

At its meeting on 23<sup>rd</sup> August 2001, the Panel (Panel Paper P29/024) were presented with Modification Proposal P33 and an Initial Written Assessment. The Panel determined that Modification Proposal P33 should be submitted to the Assessment Procedure and instructed that a consultation and impact assessment be undertaken to assess whether the current arrangements should continue. The Panel's initial view is that this may be a preferable solution on the basis that this information is already being provided and may already be used in Parties' commercial decisions.

The Panel requested that the outcome of this consultation and impact assessment should be reported to their next meeting on 20<sup>th</sup> September 2001 and that the Assessment Report be prepared and submitted to the Panel meeting on 18<sup>th</sup> October 2001.

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<sup>1</sup> It is worth noting that the intent of the BSC was that 'surplus' should be provided but the provision of this information has not been clearly interpreted in the Grid Code.

Please therefore confirm whether you would prefer that NGC continue to provide the 'surplus' to the BMRS ie. formalise the status quo (solution C). The implications of this are that changes will be required to include the provision of this information to a number of Code Subsidiary Documents eg. BMRS User Requirement Specification and other configurable items eg. BMRS web pages, which will be determined through an impact assessment. In addition, please identify any potential impact on your organisation and the lead-time required to implement any changes. Changes may additionally be required to the Grid Code to formalise this arrangement<sup>2</sup>.

If you do not want the status quo (solution C) to be formalised, please confirm whether you would prefer solution A or B above, and provide a rationale for this decision, together with the lead-time which would be required to implement any changes.

To assist with completing this consultation and impact assessment please refer to the questionnaire which is appended and provide your responses for each of the questions raised.

The deadline for submission of comments on this consultation and impact assessment has been set such that the Panel will be able to consider all representations at its next meeting. This note is being circulated to all Parties on our Modifications contact list and also to all BSC Change Administrators (BCAs) and Part Agent Change Administrators (PACAs) within Party and Party Agent organisations. At this stage no impact assessment has been requested from the NETA Central Service Agent.

If responding on behalf of more than one Party / Party Agent, please can you specify the supporting Parties / Party Agents.

Please send your comments by 5pm on **Tuesday 4<sup>th</sup> September 2001** to the following e-mail address:

modifications@elexon.co.uk

Please entitle your e-mail 'P33 Consultation and Impact Assessment'.

Thank you.

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<sup>2</sup> The management of changes to the Grid Code are outside the BSC governance and will be progressed by NGC.

### Specific Questions for Assessment by Parties and Party Agents

No	Question	Party / Party Agent Response
1.	Do you support the implementation of the status quo (solution C)?	Yes / No
2.	Will there be an impact on your organisation of implementing the status quo (solution C)?	Yes / No
3.	What lead-time would be required by your organisation if the status quo (solution C) were to be implemented?	
4.	If a 'No' response was provided for question 1, do you prefer the implementation of solution A (NGC to provide both the 'surplus' and the Generating Plant Demand Margin to the BMRS)?	Yes / No
5.	If you prefer solution A, provide a rationale for this decision.	
6.	Will there be an impact on your organisation of implementing solution A.	Yes / No
7.	What lead-time would be required by your organisation if solution A were to be implemented?	
8.	If a 'No' response was provided for question 1, do you prefer the implementation of solution B (NGC to provide only the Generating Plant Demand Margin to the BMRS)?	Yes / No
9.	If you prefer solution B, provide a rationale for this decision.	
10.	Will there be an impact on your organisation of implementing solution B?	Yes / No
11.	What lead-time would be required by your organisation if solution B were to be implemented?	