

MODIFICATION REPORT
MODIFICATION PROPOSAL P033 –
Rectification of inconsistencies in
terminology between the BSC and
Grid Code OC2

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

Document Reference	022AMU
Version no.	0.4
Issue	1.0
Date of Issue	6th November 2001
Reason for Issue	For Approval
Author	ELEXON

I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	15/10/01	Trading Development		Initial draft for peer review
0.2	19/10/01	Trading Development		For Modification Group review
0.3	25/10/01	Trading Development		For industry and legal review
0.4	06/11/01	Trading Development		For Panel approval

Version	Date	Reviewer	Signature	Responsibility
1.0		P033 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

c Intellectual Property Rights and Copyright

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1 SUMMARY AND RECOMMENDATIONS

Refer to Attachment 1 (Summary from draft Modification 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

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 5 '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 23rd August 2001, a consultation and HLIA was undertaken by Parties. Refer to Section 9.1 for the results of the consultation and HLIA.

The Group reviewed the results of the consultation and HLIA at their first meeting on 5th September 2001. Although there was no consensus view from the responses received, the Group agreed that the majority of Parties preferred that both the Generating Plant Demand Margin and the 'surplus' should be provided, subject to costs. A HLIA, focusing on the provision of the two data items, was issued to the NETA Central Service Agent on 5th September 2001 and a detailed analysis request was issued to NGC on 7th September 2001.

The Panel was provided with an interim report at their meeting on 20th September 2001. This interim report included the responses received to the consultation and HLIA from Parties (including NGC) and the NETA Central Service Agent.

Following analysis of the NETA Central Service Agent costs, the Group concluded that publishing the two data items on the BMRA website was too costly and therefore a revised implementation approach was chosen resulting in:

- 'surplus' being provided by NGC for publication by the BMRA on the BMRA website; and
- Generating Plant Demand Margin being provided by NGC for publication by the BSCCo on the BSC Website.

Therefore a consultation and DLIA request was issued to Parties (including NGC) and the NETA Central Service Agent on 26th September 2001 on the revised implementation approach.

On 10th October 2001, the Group at their second meeting, reviewed the responses to the consultation and DLIA. Refer to Section 9.2 for the results of the consultation and DLIA.

The Group noted that the majority of Parties who responded supported the revised implementation approach. Following analysis of the responses and the reduced quotation provided by the NETA Central Service Agent resulting in a total development cost of £123,300¹, the Group therefore concluded that the revised implementation approach was the most appropriate:

- (a) because it achieved the objective of the Modification Proposal of publishing both the 'surplus' and the Generating Plant Demand Margin, although this information would not be published in the same place; and
- (b) on the basis that the NETA Central Service Agent costs for implementing the approach in the Modification Proposal (ie. provision of both 'surplus' and the Generating Plant Demand Margin by NGC for publication by the BMRA) was excessive (£596,900) when compared with the revised implementation approach total costs of £123,300 (resulting in the Generating Plant Demand Margin being published on the BSC Website and the 'surplus' being published on the BMRA website).

¹ Although the NGC development costs of £21,500 are included in this total cost, these costs will be recovered directly by NGC via their cost recovery mechanism.

The Group also concluded that as the changes impacted BSC Systems, the ELEXON BSC Systems Release 2 Project should manage the development of these changes with a proposed Implementation Date of 25th September 2002.

This revised implementation approach was included in the Assessment Report which was presented to the Panel on 18th October 2001.

Following approval of the Assessment Report by the Panel on 18th October 2001, this Modification Report was produced by the Group. On 26th October 2001, the Modification Report was issued for consultation. Of the 6 responses received, the majority of the Parties supported the implementation of this Modification Proposal. Annex 1 includes the representations received.

5 DESCRIPTION OF PROPOSED MODIFICATION

The Modification Proposal will result in the 'surplus' being published on the BMRA website and the Generating Plant Demand Margin being published on the BSC Website.

Section 7 'Impact on BSC Systems' of the Assessment Report outlines the changes required to the BSC Systems and when the data items will be published.

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 Proposed Modification be approved.

The Assessment Report was presented to the Panel at their meeting on 18th October 2001. The Panel:

1. Noted that NGC were progressing the changes to the Grid Code;
2. Noted the Assessment Report and the recommendations of the Group;
3. Determined to support the recommendation of the Group and proceed to the Report Phase in accordance with BSC F2.7;
4. Decided to propose to recommend to the Authority that the Proposed Modification should be made;
5. Stated that it was satisfied with the reasons why the Proposed Modification would or would not better facilitate achievement of the Applicable BSC Objectives; and
6. Agreed a proposed Implementation Date of 25th September 2002.

Although the Panel approved the Assessment Report, they believed that the monthly Operate and Maintain (O&M) costs quoted by the NETA Central Service Agent of £554.00 in the DLIA were excessive on the basis that no new additional service was being introduced because of this Modification Proposal (ie. their involvement is to remove a number of associated naming convention inconsistencies which exist on the BMRA website and associated documentation and continue to receive a file which is already being provided by NGC). ELEXON has discussed the monthly O&M costs with the NETA Central Service Agent. The ongoing O&M costs for all Modification Proposals are yet to be agreed, however for changes that are substantially non-software related, it envisaged that there would be no ongoing O&M charge; however this is yet to be agreed contractually with the NETA Central Service Agent.

Although the Panel expressed concern over the proposed Implementation Date, the Panel supported the recommendation to issue an ELEXON Circular to Parties and the NETA Central Service Agent. This ELEXON Circular would:

- outline the agreement reached at the Panel meeting, whereby the existing status quo arrangement would continue until the Modification Proposal was implemented;
- highlight the inconsistencies in the Grid Code and BSC configurable items and outline the implementation approach to remove these inconsistencies by the Implementation Date; and
- outline the changes which would be implemented to deliver both data items on the respective websites by the Implementation Date.

It is proposed that the ELEXON Circular will be issued following the approval of the Modification Report by the Panel on 15th November 2001.

The Panel noted that the 'surplus' was currently being provided, albeit incorrectly labelled.

7 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION

The legal text below has undergone review by the Modification Group, Parties and the ELEXON legal advisers.

The legal text below is based on the legal draft changes prepared for Modification Proposal P022. Any changes to the legal text for Modification Proposal P022 may impact the changes proposed below.

7.1 Conformed Version

7.1.1 Section Q 'Balancing Mechanism Activities'

Amend paragraph 6.1.2 to read:

6.1.2 Not later than 1700 *hours* each Friday, the Transmission Company shall send to the BMRA the following data for each week from the 2nd week following the current week to the 52nd week following the current week:

- (a) the National Demand forecast expressed as an average MW value for the Settlement Period at the peak of the week;
- (b) the national *Surplus* ~~Generating Plant Demand Margin~~ forecast expressed as an average MW value for the Settlement Period at the peak of the week.

Add new paragraph to read:

6.4 Submission of generation data to BSCCo

6.4.1 In this paragraph 6.4²:

- (a) Generating Plant Demand Margin has the meaning given to that term in the Grid Code;*
- (b) times by which the Transmission Company is required to send data to BSCCo are target times, which the Transmission Company is expected to meet unless abnormal circumstances prevent it from doing so.*

6.4.2 The Transmission Company shall send to BSCCo the data set out in the table below with the frequency and by the times respectively set out in the table below:

<i>DATA</i>	<i>FREQUENCY</i>	<i>TARGET TIME</i>
<i>2–14 day ahead daily Generating Plant Demand Margin forecast (OCNMFD) – daily peak half hour values</i>	<i>Daily</i>	<i>16:00</i>
<i>2–52 week ahead weekly Generating Plant Demand Margin forecast (OCNMFV) – weekly peak half hour values</i>	<i>Weekly</i>	<i>17:00</i>

Renumber existing paragraph 6.4 as paragraph 6.5.

² The numbering used here does not take account of the specific changes for Modification Proposal P022 as they have not yet been approved by the Authority. If Modification Proposal P022 is approved, then the numbering and ordering of the text will change.

7.1.2 **Section V 'Reporting'**

Amend paragraph 1.1.5(a) to read:

1.1.5 The provisions of paragraph 1.1.4(b) are without prejudice to:

- (a) the obligations of the Transmission Company to send specified data to the BMRS *and BSCCo* pursuant to Section Q6;

Add a new paragraph 4.4 to read:

4.4 Generation data

4.4.1 *BSCCo shall arrange for the data set out in Table 8 in Annex V-1 to be published on the BSC Website and revised from time to time as soon as reasonably practicable after BSCCo receives such data from the Transmission Company pursuant to Section Q6.4.*

4.4.2 *Where such data is received by BSCCo from the Transmission Company on a day which is not a Business Day or after the close of a Business Day, BSCCo shall publish such data on the BSC Website on the next following Business Day.*

7.1.3 **Section V 'Reporting, Annex V-1: Tables of Reports'**

Amend the following two rows in Table 1-BMRS to read:

DATA AND RELEVANT SETTLEMENT PERIODS	FREQUENCY	FORMAT	DEFAULT
2-14 day ahead National Margin <i>Surplus</i> forecast (<i>SPLD</i>) – daily peak half hour value	Daily	Tabular	Previous forecast
2-52 week ahead National Margin <i>Surplus</i> forecast (<i>SPLW</i>) – weekly peak half hour value	Weekly	Tabular	Previous forecast'

Insert a new Table 8 in Annex V-1 to read:

TABLE 8 – GENERATION DATA PUBLISHED ON BSC WEBSITE

Notes:

1. *In this table terms shall have the meanings given to them in Section Q6.4.*
2. *Column 1 (data) specifies the data to be published and the day, week or other period to which the data relates.*

DATA
<i>2-14 day ahead National Generating Demand Margin forecast (OCNMFD) – daily peak half hour value</i>
<i>2-52 week ahead National Generating Demand Margin forecast (OCNMFV) – weekly peak half hour value</i>

7.1.4 **Section X 'Definitions and Interpretations', Annex X-2: Technical Glossary'**

Insert new definition 'surplus' (in appropriate alphabetic place) and amend the Generating Plant Demand Margin definition to read:

Defined Term	Acronym	Units	Definition/Explanatory Text
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Defined Term	Acronym	Units	Definition/Explanatory Text
Generating Plant Demand Margin	OCNMFD <i>or</i> <i>OCNMFW</i>	MW	Has the meaning given to that term in OC2 of the Grid Code.
<i>Surplus</i>	<i>SPLD or</i> <i>SPLW</i>	<i>MW</i>	<i>Has the meaning given to that term in OC2 of the Grid Code.</i>

7.1.5 Section X 'Definitions and Interpretations', Annex X-3: Glossary of Acronyms Applying Except In Relation To Settlement Section S'

Add new acronyms to read:

Acronym	Units	Corresponding Defined Term or Expression
<i>OCNMFW</i>	<i>MW</i>	<i>Generating Plant Demand Margin (weekly)</i>
<i>SPLD</i>	<i>MW</i>	<i>Surplus (daily)</i>
<i>SPLW</i>	<i>MW</i>	<i>Surplus (weekly)</i>

Modify the existing acronym to read:

Acronym	Units	Corresponding Defined Term or Expression
OCNMFD	MW	Generating Plant Demand Margin <i>(daily)</i>

7.2 Clean Version

7.2.1 Section Q 'Balancing Mechanism Activities'

6.1.2 Not later than 1700 hours each Friday, the Transmission Company shall send to the BMRA the following data for each week from the 2nd week following the current week to the 52nd week following the current week:

- (a) the National Demand forecast expressed as an average MW value for the Settlement Period at the peak of the week;
- (c) the national Surplus forecast expressed as an average MW value for the Settlement Period at the peak of the week.

6.4 Submission of generation data to BSCCo

6.4.1 In this paragraph 6.4:

- (a) Generating Plant Demand Margin has the meaning given to that term in the Grid Code;
- (b) times by which the Transmission Company is required to send data to BSCCo are target times, which the Transmission Company is expected to meet unless abnormal circumstances prevent it from doing so.

6.4.2 The Transmission Company shall send to BSCCo the data set out in the table below with the frequency and by the times respectively set out in the table below:

DATA	FREQUENCY	TARGET TIME
2–14 day ahead daily Generating Plant Demand Margin forecast (OCNMFD) – daily peak half hour values	Daily	16:00
2–52 week ahead weekly Generating Plant Demand Margin forecast (OCNMFV) – weekly peak half hour values	Weekly	17:00

Renumber existing paragraph 6.4 as paragraph 6.5.

7.2.2 Section V 'Reporting'

1.1.5 The provisions of paragraph 1.1.4(b) are without prejudice to:

- (b) the obligations of the Transmission Company to send specified data to the BMRS and BSCCo pursuant to Section Q6;

4.4 Generation data

4.4.1 BSCCo shall arrange for the data set out in Table 8 in Annex V-1 to be published on the BSC Website and revised from time to time as soon as reasonably practicable after BSCCo receives such data from the Transmission Company pursuant to Section Q6.4.

4.4.2 Where such data is received by BSCCo from the Transmission Company on a day which is not a Business Day or after the close of a Business Day, BSCCo shall publish such data on the BSC Website on the next following Business Day.

7.2.3 **Section V 'Reporting, Annex V-1: Tables of Reports'**

DATA AND RELEVANT SETTLEMENT PERIODS	FREQUENCY	FORMAT	DEFAULT
2-14 day ahead Surplus forecast (SPLD) – daily peak half hour value	Daily	Tabular	Previous forecast
2-52 week ahead Surplus forecast (SPLW) – weekly peak half hour value	Weekly	Tabular	Previous forecast

TABLE 8 – GENERATION DATA PUBLISHED ON BSC WEBSITE

Notes:

1. In this table terms shall have the meanings given to them in Section Q6.4.
2. Column 1 (data) specifies the data to be published and the day, week or other period to which the data relates.

DATA
2-14 day ahead National Generating Demand Margin forecast (OCNMFD) – daily peak half hour value
2-52 week ahead National Generating Demand Margin forecast (OCNMFV) – weekly peak half hour value

7.2.4 **Section X 'Definitions and Interpretations', Annex X-2: Technical Glossary'**

Defined Term	Acronym	Units	Definition/Explanatory Text
Generating Plant Demand Margin	OCNMFD or OCNMFV	MW	Has the meaning given to that term in OC2 of the Grid Code.
Surplus	SPLD or SPLW	MW	Has the meaning given to that term in OC2 of the Grid Code.

7.2.5 **Section X 'Definitions and Interpretations', Annex X-3: Glossary of Acronyms Applying Except In Relation To Settlement Section S'**

Acronym	Units	Corresponding Defined Term or Expression
OCNMFD	MW	Generating Plant Demand Margin (daily)
OCNMFV	MW	Generating Plant Demand Margin (weekly)
SPLD	MW	Surplus (daily)
SPLW	MW	Surplus (weekly)

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 impacts on the BSC Systems;
- (c) There will be an impact on the Grid Code and NGC's systems and processes, though these are outside the governance of the BSC and are being progressed by NGC. It is intended that the changes will be implemented coincidentally;
- (d) There will be impacts on a number of Code Subsidiary Documents and other configurable items;
- (e) There will be an impact on those Parties who choose to use one or both data items within their own systems;
- (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;
- (h) The only Core Industry Document impacted by the Modification Proposal is the Grid Code. The changes are currently being drafted and will be presented to the Grid Code Review Panel in due course;
- (i) There will potentially be an increase in BSC Costs as a result of increased ELEXON helpdesk calls being logged by those parties wishing to know where the two data items are displayed and also if there are problems with the data provided by NGC for publication on the ELEXON Website; and
- (j) There is a minimal impact on the systems and processes of BSCCo as ELEXON will be managing the BSCCo Website and therefore will deal with any problems which may arise as a result of loading the NGC Generating Plant Demand Margin file. In addition the ELEXON helpdesk will need to know where the two data items are published to address any helpdesk calls which may be raised.

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

9 SUMMARY OF REPRESENTATIONS

9.1 Consultation and High Level Impact Assessment

Copies of the original representations received under the consultation and impact assessment carried out in August 2001 and considered by the Group can be found in the Assessment Report.

9.2 Consultation and Detailed Level Impact Assessment

Copies of the representations received to the second consultation and DLIA, carried out in September 2001 and considered by the Group can be found in the Assessment Report.

9.3 Consultation on Draft Modification Report

6 representations were received in response to the consultation on the draft Modification Report representing the views of 12 Parties.

Refer to Attachment 3 (Consultation Responses on draft Modification Report) for the detailed responses.

The result of this consultation is as follows:

- 3 responses representing 6 Parties supported the implementation of the Modification Proposal;
- 2 responses representing 5 Parties stated that they had no comments on the Modification Report;
- 1 response representing 1 Party did not support the implementation of the Modification Proposal, on the basis that the perceived benefits of Parties receiving the information outweighed the costs quoted by the NETA Central Service Agent to provide such a service.