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**INITIAL ASSESSMENT OF
MODIFICATION PROPOSAL P86 –
Clarification of frequency and timing
of data submission of Generating
Plant Demand Margin and Surplus**

Prepared By ELEXON Limited

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I DOCUMENT CONTROL

a Authorities

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Version	Date	Reviewer	Signature	Responsibility
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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 EXECUTIVE SUMMARY

Modification Proposal P86 'Clarification of frequency and timing of data submission of Generating Plant Demand Margin and Surplus' (P86), included in Annex 1, was submitted on 31 May 2002 by National Grid.

P86 seeks to clarify the use of three non-defined terms, namely 'day', 'daily' and 'hours' within three Sections of the Code. These clarifications are proposed following the development of Modification Proposal P33 'Rectification of inconsistencies in terminology between the BSC and Grid Code) OC2' (P33)¹, they reflect current working practice in relation to the provision of Surplus and the intention of P33.

The proposed changes to the Code are appended to P86, which is included in Annex 1.

An assessment of P86 has identified that Sections Q, Annex V-1, Annex X-2 of the Code are impacted by these minor changes. This is consistent with the proposals outlined in P86.

The Panel is invited to:

- **NOTE the results of the Initial Written Assessment;**
- **DETERMINE that Modification Proposal P86 should be submitted to the Report Phase (pursuant to section F2.7 of the Code);**
- **AGREE the Report Phase timetable such that a Modification Report should be completed and submitted to the Panel for consideration at their meeting on 18 July 2002; and**
- **AGREE an Implementation Date for P86 of 30 September 2002 (coincident with the Implementation Date of P33).**

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

3 DETAILS OF THE MODIFICATION PROPOSAL

P86 has been raised because ambiguities have been identified during the development of P33, which is being managed by the BSC Systems Delivery Programme. These ambiguities relate to the use of three non-defined terms, namely 'day', 'daily', and 'hours', within three Sections of the Code.

P86 seeks to amend the Code as follows:

- a) all generic reference to 'day' and 'daily' relating to the provision of both Generating Plant Demand Margin and the Surplus are replaced with references to Business Days. This ensures consistency with the operational process already in place for provision of the Surplus.
- b) other generic references to 'day' are clarified.

¹ The Authority approved P33 for implementation on 7 December 2001, with an Implementation Date of 30 September 2002.

c) 'Hours' are added after a number of timescale references.

P86 impacts the following Sections of the Code:

- Section Q Balancing Mechanism Activities
- Annex V-1: Tables of Reports
- Annex X-2: Technical Glossary, Table X-3: Glossary of Acronyms Applying Except In Relation To Settlement Section S

There are no system changes required for P86.

National Grid has confirmed that there is no impact on the Grid Code and no costs associated with P86.

It is not believed that there is any impact on Code Subsidiary Documents.

It is proposed that P86 be implemented coincidentally with P33. Therefore the costs associated with amending the Code for P86, would be absorbed by the BSC Systems Delivery Programme. However, it should be noted, a minimal cost, in the region of 1 man-day effort, would occur if P86 were approved for implementation post the implementation of P33.

The amendment to the Code is proposed on the basis that, it:

- will ensure that the Code is compliant with the operational practice that has been in place since the start of the NETA, in relation to the provision of Surplus; and
- removes a number of ambiguities.

The addendum to Annex 1 outlines the proposed minor changes to the three Sections of the Code.

P86 therefore better achieves the applicable BSC Objectives as set out in paragraph 3 of Condition C3 of the Transmission Licence, as follows:

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

4 IMPACT ON BSC SYSTEMS AND PROCESSES

None.

5 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

None.

6 IMPACT ON DOCUMENTATION

6.1 Impact on Balancing and Settlement Code

BSC Section	Potential Impact of Proposed Modification
A: Parties and Participation	None.
B: The Panel	None.

BSC Section	Potential Impact of Proposed Modification
C: BSCCo and its Subsidiaries	None.
D: BSC Cost Recovery and Participation Charges	None.
E: BSC Agents	None.
F: Modification Procedures	None.
G: Contingencies	None.
H: General	None.
I: Not Used	None.
J: Party Agents	None.
K: Classification and Registration of Metering Systems and BM Units	None.
L: Metering	None.
M: Credit Cover and Credit Default	None.
N: Clearing, Invoicing and Payment	None.
O: Communications	None.
P: Energy Contract Volumes and Metered Volume Reallocations	None.
Q: Balancing Mechanism Activities	The proposals included in P86 specify the minor changes required.
R: Collection and Aggregation of Metered Data from CVA Metering Systems	None.
S: Supplier Volume Allocation	None.
S: ANNEX S-1 Performance Levels and Supplier Charges	None.
S: ANNEX S-2 Supplier Volume Allocation Rules	None.
T: Settlement and Trading Charges	None.
U: Provisions Relating to Settlement	None.
V: Reporting	The proposals included in P86 specify the minor changes required.
W: Trading Queries and Trading Disputes	None.
X: Definitions and Interpretation	None.
X: ANNEX X-1 General Glossary	None.
X: ANNEX X-2 Technical Glossary	The proposals included in P86 specify the minor changes required.

6.2 Impact on Code Subsidiary Documents

None.

6.3 Impact on Core Industry Documents

None.

7 IMPACT ON OTHER CONFIGURABLE ITEMS

None.

8 IMPACT ON ELEXON

None.

9 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

None.

10 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

None.

11 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

This Initial Assessment indicates that no further work is required to define or assess the amendments required. ELEXON therefore recommends that P86 be submitted directly to the Report Phase with a Panel recommendation to the Authority to Approve P86. The draft Modification Report, including consultation responses, should be presented to the Panel at their Meeting on 18 July 2002.

It is proposed that P86 be implemented coincidentally with P33 (ie. 30 September 2002), thereby ensuring that there is no opportunity for ambiguity to arise in the use of the Code.

12 ISSUES

Due to the minor clarifications proposed by P86, there are no issues.

13 ANNEX 1 – MODIFICATION PROPOSAL P86

Modification Proposal	MP No: 86 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Clarification of frequency and timing of data submission of Generating Plant Demand Margin and Surplus.	
Submission Date <i>(mandatory by proposer):</i> 31 May 2002	
Description of Proposed Modification <i>(mandatory by proposer):</i> <p>Modification Proposal P33 'Rectification of inconsistencies in terminology between the BSC and Grid Code OC2' which was approved by the Authority for implementation on 30 September 2002, will require that National Grid provides two sets of information:</p> <ol style="list-style-type: none"> 1) Generating Plant Demand Margin will be provided to BSCCo for publication on the BSC Website; and 2) Surplus will be provided to the BMRA for publication on the BMRA website <p>on both a daily and a weekly basis.</p> <p>This Modification Proposal intends that:</p> <ol style="list-style-type: none"> a) The Code is clarified so that generic reference to 'day' and 'daily' relating to the provision of both Generating Plant Demand Margin and the Surplus are replaced with references to Business Days. This ensures consistency with the operational process already in place for provision of the Surplus. c) Other generic references to 'day' are clarified. d) 'Hours' are added after a number of timescale references. 	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> <p>National Grid already provides national Surplus information (although this is incorrectly labelled on the BMRA and prior to the implementation of P33 is referred to as national Indicated Margin in the BSC) to the BMRA on a Business Day basis and also on a weekly basis. The additional provision of the Generating Plant Demand Margin by National Grid to BSCCo will be introduced by the implementation of Modification Proposal P33.</p> <p>Under Modification Proposal P33 National Grid sought to rectify inconsistencies in terminology between the BSC and Grid Code OC2. National Grid intended that the frequency and timing of the files of both the Surplus and Generating Plant Demand Margin were consistent with the frequency and timing BSC requirement for national Indicated Margin prior to the implementation of P33. (Prior to the implementation of P33 the Code requires this data to be submitted weekly and on each Business Day, rather than daily and weekly).</p>	
Impact on Code <i>(optional by proposer):</i> <p>The proposed changes to the Code are included in Attachment 1. This requires changes to:</p> <ul style="list-style-type: none"> ▪ Section Q Balancing Mechanism Activities ▪ Annex V-1: Tables of Reports ▪ Annex X-2: Technical Glossary, Table X-3: Glossary of Acronyms Applying Except In Relation To Settlement Section S 	
Impact on Core Industry Documents <i>(optional by proposer):</i> <p>The Grid Code may require enhancements. TBC</p>	

Modification Proposal	MP No: 86 <i>(mandatory by BSCCo)</i>
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i> None.	
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> The applicable BSC objectives are: <ul style="list-style-type: none">(b) The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence;(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements. The Modification Proposal will ensure that the Code is compliant with the operational practice that has been in place since the start of the NETA and removes a number of ambiguities.	
Details of Proposer: Name: Isabelle Haigh Organisation: National Grid Telephone Number: 02476 423818 Email Address: isabelle.haigh@uk.ngrid.com	
Details of Proposer's Representative: Name: Isabelle Haigh Organisation: National Grid Telephone Number: 02476 423818 Email Address: isabelle.haigh@elexon.co.uk	
Details of Representative's Alternate: Name: Nigel Brooks Organisation: National Grid Telephone Number: 02476 423960 Email Address: nigel.brooks@elexon.co.uk	

Modification Proposal	MP No: 86 <i>(mandatory by BSCCo)</i>
Attachments: Attachment 1 - Proposed Code Text Changes Attachment 2 – Version 1.0 of the Modification Report relating to Modification Proposal P33. Section 7 includes the approved legal text. These changes have not yet been implemented in the Code.	

Proposed Code Text Changes

The changes included below have been drafted on top of the Modification Proposal P33 legal text which has been approved and was included in version 1.0 of the Modification Report (but not yet implemented).

1. Section Q Balancing Mechanism Activities

Amend paragraph 6.1.3 to read².

~~6.1.3 Not later than 1600 hours each day, the Transmission Company shall send to the BMRA the following data applicable for each Operational Day from 2nd day following the current Operational Day to the 14th day following the current Operational Day:~~

~~(a) the peak National Demand forecast expressed as an average MW value for the Settlement Period at the peak of the day;³~~

~~(b) the national Surplus forecast expressed as an average MW value for the Settlement Period at the peak of the day.~~

6.1.3 Not later than 1500 hours each Operational Day, the Transmission Company shall send to the BMRA the following data applicable for each Operational Day from the 2nd day following the current Operational Day to the 14th day following the current Operational Day: the peak National Demand forecast expressed as an average MW value for the Settlement Period at the peak of the day.

Amend paragraph 6.1.4 to read:

6.1.4 Not later than 1600 hours each Business Day, the Transmission Company shall send to the BMRA the following data applicable for each Operational Day from the 2nd day following the current Operational Day to the 14th day following the current Operational Day: the ~~peak~~ national ~~Indicated Margin Surplus~~ forecast expressed as an average MW value for the Settlement Period at the peak of the day.

Amend paragraphs 6.1.5 to read:

6.1.5 Not later than 0900 **hours** each Operational Day, the Transmission Company shall send to the BMRA the following data applicable for the following Operational Day:

- (a) the National Demand forecast expressed as an average MW value for each Settlement Period within the Operational Day;
- (b) the zonal Demand forecast expressed as an average MW value for each Settlement Period within the Operational Day.

Amend paragraphs 6.1.6 to read:

6.1.6 Not later than 1200 **hours** each Operational Day, the Transmission Company shall send to the BMRA the following data expressed as an average MW value for each Settlement Period within the following Operational Day:

- (a) the Indicated Margin;
- (b) the National Indicated Imbalance;
- (c) the National Indicated Generation;

² Although not impacted by the Modification Proposal (rather by Modification Proposal P33) 6.1.2 is included to show the provision of the weekly file.

"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 forecast expressed as an average MW value for the Settlement Period at the peak of the week."

³ Although not red-lined in P86, this paragraph is deleted by P86.

- (d) the National Indicated Demand;
- (e) the National Demand forecast.

Amend the table in 6.4.2 to read:

DATA	FREQUENCY	TARGET TIME
2-14 day ahead daily Generating Plant Demand Margin forecast (OCNMFD) – daily peak half hour values	Daily Business <u>Days only</u>	16:00

2. **Annex V-1: Tables of Reports**

Amend the following row to read:

DATA AND RELEVANT SETTLEMENT PERIODS	FREQUENCY	FORMAT	DEFAULT
2-14 day ahead Surplus forecast (SPLD) – daily peak half hour value	Daily Business <u>Days only</u>	Tabular	Previous forecast

3. **Annex X-2: Technical Glossary, Table X-3: Glossary of Acronyms Applying Except In Relation To Settlement Section S**

Amend the following rows:

Acronym	Units	Corresponding Defined Term or Expression
OCNMFD	MW	Generating Plant Demand Margin (daily <u>value</u>)
SPLD	MW	Surplus (daily <u>value</u>)