

## Modification Proposal

**MP No: 14**  
(mandatory by BSCCo)

**Title of Modification Proposal** (mandatory by proposer):

Manifest Error Provisions Where the Bid/Offer Acceptance In Question Has Not Been Acted Upon

**Submission Date** (mandatory by proposer): 22 May 2001

**Description of Proposed Modification** (mandatory by proposer):

At present when a Manifest Error is made the Trading Disputes Committee can only amend the resultant imbalance prices and award costs where a party can demonstrate that they have been incurred. If the System Operator realises that an error has occurred before the bid or offer has been delivered it must either allow the offer to be delivered, or issue an "unwinding" acceptance. The former approach will incur costs which the counter party will then seek to recover, whilst the latter is likely to prove very expensive and further distort prices. In both cases the Trading Disputes Committee will ultimately be asked to resolve a complex case by amending the imbalance prices and identifying costs. It would be more effective and efficient to simply cancel or rescind the erroneous instruction.

The proposed process would work as follows:

1. National Grid identifies that a bid/offer acceptance would constitute a Manifest Error.
2. National Grid contacts the counter party and identifies to what extent the bid/offer can be rescinded and what volume is already being delivered.
3. National Grid rescinds the volume of the bid/offer which can be cancelled. The bid/offer acceptance stands for the volume that is already being delivered.
4. National Grid will call a Manifest Error if either:
  - a) the counter party requests it on the basis that it has incurred material costs, or
  - b) National Grid believes it is justified on the cost of the volume already delivered.

Otherwise the only further actions will be to inform the market of the error and exclude the "erroneous" and "rescinding" acceptances from setting imbalance prices.

**Description of Issue or Defect that Modification Proposal Seeks to Address** (mandatory by proposer):

The modification represents a more effective and efficient way of dealing with bid/offer acceptance errors that are identified before they have been acted upon.

**Impact on Code** (optional by proposer):

Section Q5 and Q7 of the code would need to be modified.

**Impact on Core Industry Documents** (optional by proposer):

Corresponding changes would need to be made to the Grid Code.

**Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties** (optional by proposer):

Central Systems would need to be amended to recognise the concept of rescinding an instruction. (As a work around, the instruction in question could be manually over-written in the file).

## Modification Proposal

**MP No: 14**  
(mandatory by BSCCo)

### Impact on other Configurable Items (optional by proposer):

None

### Justification for Proposed Modification with Reference to Applicable BSC Objectives (mandatory by proposer):

The modification represents a more effective and efficient way of dealing with bid/offer acceptance errors that are identified before they have been acted upon. It therefore meets the objective of "promoting efficiency in the implementation and administration of the balancing and settlement arrangements."

### Details of Proposer:

**Name:** Alan Robb

**Organisation:** National Grid

**Telephone Number:** 0118 936 3132

**Email Address:** Alan.Robb@uk.ngrid.com

### Details of Proposer's Representative:

**Name:** Alan Robb

**Organisation:** National Grid

**Telephone Number:** 0118 936 3132

**Email Address:** Alan.Robb@uk.ngrid.com

### Details of Representative's Alternate:

**Name:** Nick Fee

**Organisation:** National Grid

**Telephone Number:** 0118 936 3495

**Email Address:** Nick.Fee@uk.ngrid.com

### Attachments: NO

If Yes, Title and No. of Pages of Each Attachment: