

July 2002

**INITIAL ASSESSMENT OF MODIFICATION
PROPOSAL - P89**

**Clarification Of the Timescales for Submitting
MEL/MIL Data to the BMRA**

Prepared By ELEXON Limited

Document Reference	P89IWA
Version no.	v1.0
Issue	Final
Date of Issue	12 July 2002
Reason for Issue	Panel Decision
Author	ELEXON

I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	10/07/02	ELEXON		For Peer Review
0.2		ELEXON		For Formal Review
1.0	12/07/02	ELEXON		Panel Decision

Version	Date	Reviewer	Signature	Responsibility

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 P89 'Clarification Of the Timescales for Submitting MEL/MIL Data to the BMRA' included in Annex 1, was submitted on 02 July 2002 by National Grid.

P89 seeks to amend Section Q6.1 of the Balancing and Settlement Code (BSC) to state that Maximum Export Limit and Maximum Import Limit (MEL/MIL) updates relating to a Settlement Period for which the gate has closed should be notified to the Balancing Mechanism Reporting Agent (BMRA) within 5 minutes, but MEL/MIL changes relating to a Settlement Period for which the gate has not yet closed should be notified within 15 minutes after Gate Closure for the Settlement Period to which the data refers.

An initial assessment of P89 has identified that P89 affects paragraph Q6.1.10 of the Code.

The Panel is invited to:

- **NOTE the results of the Initial Written Assessment;**
- **DETERMINE that Modification Proposal P89 should be submitted to the Report Phase in accordance with section F2.7 of the Code;**
- **AGREE the Report Phase timetable such that the Modification Report should be completed and submitted to the Panel for consideration at their meeting of 15 August 2002; and**
- **AGREE an Implementation Date for P89 of 15 working days after the Authority Determination date.**

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 Code. 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 Code.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

3 DETAILS OF THE MODIFICATION PROPOSAL

P89 has been raised to clarify the timescales for submitting MEL/MIL data to the BMRA. It seeks to amend Section Q6.1 of the BSC to state that MEL/MIL updates relating to a Settlement Period for which the gate has closed should be notified to the BMRA within 5 minutes, but that MEL/MIL changes relating to a Settlement Period for which the gate has not yet closed should be notified within 15 minutes after Gate Closure for the Settlement Period to which the data refers.

Paragraph Q6.1.10 of the BSC requires the Transmission Company to send MEL/MIL updates to the BMRA within 5 minutes following the receipt of a notification of change. The Proposer believes that this requirement extends BMRA data beyond the BM window and hence beyond the scope of the BSC. The Proposer also notes that the Transmission Company is not strictly compliant with the timescales in paragraph Q6.1.10, and seeks to bring the BSC in line with current practice which is felt to better facilitate the Applicable BSC Objectives.

MEL/MIL data is unusual as there are two separate routes for Parties to notify changes to the Transmission Company. Electronic Data Transfer (EDT) is used for bulk transfer of data to the Transmission Company before Gate Closure, whereas Electronic Dispatch Logging (EDL) can be used for submitting MEL/MIL data before or after Gate Closure.

If updates to the MEL/MIL are made before Gate Closure via EDT or EDL, this data resides in a Transmission Company database until Gate Closure for the relevant Settlement Period. A bulk transfer of data from the Transmission Company to the BMRA (called 'the Gate Closure Job') takes place within 15 minutes after Gate Closure. In addition to the MEL/MIL information for the relevant Settlement Period, the Gate Closure Job transmits other data items to the BMRA including Physical Notifications and Bid-Offer Data.¹

Any changes to MEL/MIL data submitted after Gate Closure via EDL are separately transferred to the BMRA within 5 minutes of receipt.

The Proposer emphasises that the Transmission Company is compliant with the BMRA and SAA Interface Specification² which is already consistent with the proposed modification³. The BMRA and SAA Interface Specification aligns the timescales for the submission of MEL/MIL data (received before Gate Closure) with the submission of all other data in the Gate Closure Job. The Proposer suggests that this practice better facilitates the Applicable BSC Objectives because if any MEL/MIL updates were published to the market before Gate Closure, the availability of this information might make it difficult for Participants to trade out of their positions. It is felt that Participants would then have a perverse incentive to withhold accurate and timely MEL/MIL information from the Transmission Company. If Participants were to delay sending updated MEL/MIL information in order to avoid weakening their market positions, then the result would be an impediment to the efficient, economic and coordinated operation by the Transmission Company of the Transmission System.

As a result, the Proposer feels that Modification Proposal P89 better facilitates the achievement of BSC Objectives C3(b) relating to "the efficient, economic and coordinated operation by the Transmission Company of the Transmission System"; and C3(c) of "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".

4 IMPACT ON BSC SYSTEMS AND PROCESSES

None identified at the time.

5 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

None identified at the time.

¹ These must be notified within 15 minutes after Gate Closure in accordance with paragraph Q6.1.11 of the BSC.

² Section 6.1 of the BMRA and SAA Interface Specification states that Physical Notification data, Quiescent Physical Notification data, Bid-Offer data and MEL/MIL data will be made available within a target time of 5 or 15 minutes (as appropriate) after each Gate Closure and for one Settlement Period only. Section 6.3 states that re-declaration information comprising dynamic data and MIL/MEL updates will be made available within a target time of 5 minutes. Only updates to the MEL/MIL data within the BM window will be sent.

³ It should be noted that the issue behind this Modification Proposal was discussed at a meeting of the Imbalance Settlement Group (ISG) on 28 May 2002. No objections were received to the proposed way forward. It should also be noted that as existing BSC Central Systems and NGC Systems comply with the BMRA and SAA Interface Specification, P89 is expected not to entail any system or process changes. In particular, it is assumed that all relevant NGC documents and BSC Central Systems Software are wholly consistent with the Interface Specification. Even if any minor inconsistencies are noted during later stages, these can be handled as part of the next release cycle.

6 IMPACT ON DOCUMENTATION

6.1 Impact on Balancing and Settlement Code

The following table lists the impact on the Code identified by the initial assessment of P89.

BSC Section	Potential Impact of Proposed Modification
Q: Balancing Mechanism Activities	Changes to paragraph Q6.1.10

6.2 Impact on Code Subsidiary Documents

None identified at the time.

The BMRA User Requirements Specification (URS)⁴ and the BMRA Service Description⁵ are already consistent with P89. No explicit reference to the timing of MIL/MEL submissions was found in the NETA Data File Catalogue⁶.

6.3 Impact on Core Industry Documents

None identified at the time.

It is assumed that Transmission Company documentation is consistent with current practice and hence with the BMRA and SAA Interface Specification for the purposes of P89.

7 IMPACT ON OTHER CONFIGURABLE ITEMS

None identified at the time.

8 IMPACT ON ELEXON

None identified at the time.

9 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

None identified at the time.

10 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

None identified at the time.

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 P89 should be submitted directly to the

⁴ Section 6.2 of the BMRA URS specifies that the BMRA will receive and publish MEL/MIL data continuously as it is received from the Transmission Company. (The relevant data flows are BMRA-I002 'Receive Balancing Mechanism Data' and BMRA-I004 'Publish Balancing Mechanism Data'.) Appendix C entitled 'BMRA External Data Flows and Timings' states that dynamic data per BMU will be submitted within 5 minutes of receipt by the System Operator. This is consistent with the timescale for updates received via EDL within the BM window.

⁵ Section 7 of the BMRA Service Description does not include details about MIL/MEL submission times but paragraph 7.3 states: "For the avoidance of doubt, FPN Data and Bid-Offer Data are transmitted by the SO to the BMRA at, or soon after, Gate Closure for any Settlement Period. However, Bid-Offer Acceptance Data and Dynamic Data are transmitted by the SO to the BMRA at any time from Gate Closure to the end of the Settlement Period".

⁶ The Data File Specification in Annex A of the NETA Data File Catalogue is consistent with the BMRA URS as described above.

Report Phase with a Panel recommendation to the Authority to approve P89. The draft Modification Report, including consultation responses, should be presented to the Panel at their Meeting on 15 August 2002.

It is proposed that the Modification Report should contain a recommendation that P89 be implemented 15 working days after the Authority Determination date and that this report should be presented to the Panel at their meeting on 15 August 2002.

12 ISSUES

No major issues have been identified.

It should be noted that since Modification Proposal P89 seeks to align the BSC with the BMRA and SAA Interface Specification which codifies current practice, it is not expected that any software, process or documentation changes will be required beyond the amendment to the BSC. In particular, it is assumed that relevant NGC documentation and BSC Central Systems Software are wholly consistent with current practice and therefore with P89⁷.

No impact on Code Subsidiary Documents or other Configurable Items has been identified at this time. See Sections 4 – 7 of this report for details.

⁷ Even if any minor inconsistencies are noted during later stages, these can be handled as part of the next release cycle. See Section 3 of this Report for details of the Modification Proposal.

ANNEX 1 – MODIFICATION PROPOSAL P89

Modification Proposal	MP No: 89 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Clarification Of The Timescales For Submitting MEL/MIL Data To The BMRA	
Submission Date <i>(mandatory by proposer):</i> 02/07/2002	
<p>Description of Proposed Modification <i>(mandatory by proposer):</i></p> <p>Currently any Maximum Export Limit/Maximum Import Limit (MEL/MIL) data received by National Grid that is applicable within the Balancing Mechanism (BM) window is passed to the Balancing Mechanism Reporting Agent (BMRA) within 5 minutes of receipt. For any MEL/MIL data received that is applicable in a trading period for which the gate has not yet closed, this data is retained and passed to the BMRA within 15 minutes of the relevant gate closing. This does not strictly comply with the timescales in the BSC which states that all MEL/MIL data should be transferred within 5 minutes (BSC section Q 6.1.10).</p> <p>As described below, we believe it is better to align the BSC with the existing practice than vice versa. Therefore we propose to change the BSC to align it with the existing systems by changing BSC section Q 6.1.10 to state that:</p> <ul style="list-style-type: none"> • MEL/MIL changes relating to a Settlement Period for which the gate has closed should be notified to the BMRA within 5 minutes, but • MEL/MIL changes relating to a Settlement Period for which the gate has not closed should be notified within 15 minutes of gate closure for the Settlement Period that the data refers to. 	
<p>Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i></p> <p>MEL/MIL data is unusual, as there are two alternative routes for participants to notify changes to National Grid:</p> <ol style="list-style-type: none"> 1) via EDT (Electronic Data Transfer), or 2) via EDL (Electronic Dispatch Logging) <p>EDT is used for bulk transfer of data relevant for the trading period at or before Gate Closure whereas EDL can be used as an ad-hoc submission for changing dynamic data, or for changing MEL/MIL data within a trading period both pre and post Gate Closure.</p> <p>When changes to MEL/MIL are made via EDT, which could include data extending up to 5 days ahead, this data resides in a National Grid database until the Gate Closure for the relevant period where the data is applicable. A bulk transfer to the BMRA, called the Gate Closure Job, then takes place within 15 minutes following Gate Closure (other data in the transfer includes Physical Notifications and Bid - Offer Data).</p> <p>Any changes to MEL/MIL data submitted via EDL after Gate Closure are transferred to the BMRA within 5 minutes of receipt. Note: only updates to MEL/MIL data within the BM window will be sent. Any changes submitted via EDL before Gate Closure are used to update the National Grid database so that the Gate Closure Job sends the latest information to the BMRA within 15 minutes following the relevant Gate Closure.</p> <p>It should be noted that the existing NETA systems (both National Grid and Central systems) comply with the BMRA and SAA (Settlement Administration Agent) Interface Specification.</p> <p>Essentially there are two options, either line up all software systems with the BSC or maintain the status quo and align the BSC with the existing systems.</p> <p>Currently the BSC extends BMRA data to beyond the BM window and hence beyond the remit of the BSC. Consider an example where a generator has sufficient notice of a need to shutdown in the following day and notifies this intent to the System Operator via a MEL update. Under the BSC this information would be released</p>	

Modification Proposal	MP No: 89 <i>(mandatory by BSCCo)</i>
<p>to the market before the participant could trade out of its position. If this were to occur, we believe that Participants may delay sending information to the System Operator. In addition, there would be the consequential cost for the changes to be made to NETA central systems, which we understand would be significant.</p> <p>This issue was recently discussed at the ISG and no objections were received to our proposed way forward.</p> <p>Aligning the BSC with the existing systems will better meet applicable objectives (b) the efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System; and (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.</p>	
<p>Impact on Code <i>(optional by proposer):</i></p> <p>Changes to BSC section Q 6.1.10.</p>	
<p>Impact on Core Industry Documents <i>(optional by proposer):</i></p> <p>None</p>	
<p>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i></p> <p>None, proposing to align BSC with existing systems.</p>	
<p>Impact on other Configurable Items <i>(optional by proposer):</i></p> <p>None</p>	
<p>Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i></p> <p>As described above, we believe that only sending to the BMRA MEL/MIL data relating to periods where the gate has closed will better facilitate the BSC applicable objectives (b) the efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System; and (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.</p>	
<p>Details of Proposer:</p> <p style="padding-left: 40px;">Name: Deborah Cox</p> <p style="padding-left: 40px;">Organisation: National Grid</p> <p style="padding-left: 40px;">Telephone Number: 0118 936 3473</p> <p style="padding-left: 40px;">Email Address: deborah.cox@uk.ngrid.com</p>	
<p>Details of Proposer's Representative:</p> <p style="padding-left: 40px;">Name: Richard Lavender</p> <p style="padding-left: 40px;">Organisation: National Grid</p> <p style="padding-left: 40px;">Telephone Number: 024 7642 3967</p> <p style="padding-left: 40px;">Email Address: richard.lavender@uk.ngrid.com</p>	

Modification Proposal	MP No: 89 <i>(mandatory by BSCCo)</i>
Details of Representative's Alternate: Name: Clare Talbot Organisation: National Grid Telephone Number: 024 7642 3969 Email Address: clare.talbot@uk.ngrid.com	
Attachments: NO If Yes, Title and No. of Pages of Each Attachment:	