

July 2002

**DRAFT MODIFICATION REPORT**  
**MODIFICATION PROPOSAL P89 –**  
**Clarification of the Time-Scales for**  
**Submitting MEL/MIL Data to the BMRA**

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

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<b>Author</b>	ELEXON

## I DOCUMENT CONTROL

### a Authorities

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### b Distribution

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## 1 SUMMARY AND RECOMMENDATIONS

### 1.1 Recommendation

On the basis of the analysis, assessment and consultation undertaken in respect of Modification Proposal P89 and the resultant findings of this report, the Balancing and Settlement Code (‘the Code’) Panel recommends that:

**Modification Proposal P89 should be made and implemented 15 Working Days after the Authority Determination.**

### 1.2 Background

Modification Proposal P89 ‘Clarification Of the Timescales for Submitting MEL/MIL Data to the BMRA’ (P89) included in Annex 2, was submitted on 2 July 2002 by National Grid.

The initial assessment of P89 identified that this Modification Proposal affects paragraph Q6.1.10 of the Code. During the drafting of legal text, it was noted that whilst the Modification Proposal explicitly mentions the timing of Maximum Export Limit and Maximum Import Limit (MEL/MIL) submissions, it does not mention Quiscent Physical Notification (QPN) data submissions which are also described in the same paragraph. After consultation with the Proposer and with ELEXON’s legal advisors, it was determined that the omission of QPN data submissions in the proposal was a mistake, and that it was the intent of the proposal to address both issues. In the interest of efficiency, the legal text was drafted to address MIL/MEL and QPN data submissions.

The Panel considered the Initial Assessment for P89 and the draft legal text during their meeting on 18 July 2002. The Panel agreed that the draft legal text accurately represents the intent of the proposal. The Panel also agreed that P89 is of a minor and inconsequential nature and that it should be submitted directly to Report Phase for consideration at the Panel meeting on 15 August 2002.

### 1.3 Rationale for Recommendations

The Panel agreed that P89 better achieves the following Applicable BSC Objectives as set out in Condition C3 of the Transmission Licence:

- (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.

The Panel also noted that implementing the proposed changes would ensure that the BSC reflects the working practice already in place for the provision of data to the Balancing Mechanism Reporting Agent (BMRA) by the Transmission Company.

## 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.

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](http://www.elexon.co.uk)

## 3 HISTORY OF PROPOSED MODIFICATION

P89 was raised by National Grid on 2 July 2002. P89 seeks to amend paragraph Q6.1.10 of the Code 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 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. During the drafting of legal text, it was noted that whilst the Modification Proposal explicitly mentions the timing of MEL/MIL submissions, it does not mention QPN data submissions which are also described in the same paragraph. After consultation with the Proposer and with ELEXON's legal advisors, it was determined that the omission of QPN data submissions in the proposal was a mistake, and that it was the intent of the proposal to address both issues<sup>1</sup>. In the interest of efficiency, the legal text was drafted to address MIL/MEL and QPN data submissions.

The Panel considered the Initial Assessment for P89 and the draft legal text during their meeting on 18 July 2002. The Panel agreed that the draft legal text accurately represents the intent of the proposal.

The Panel noted that the Transmission Company is compliant with the BMRA and SAA Interface Specification which is already consistent with the proposed modification. Therefore, implementing the proposed changes would ensure that the BSC reflects the working practice already in place for the provision of data to the BMRA by the Transmission Company. The Panel also noted the Proposer's argument that 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. Participants would then have a perverse incentive to withhold accurate and timely MEL/MIL information from the Transmission Company.

In recognition of the above, the Panel agreed that P89 better achieves the following Applicable BSC Objectives as set out in Condition C3 of the Transmission Licence:

- (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.

The Panel also agreed that P89 was of a minor and inconsequential nature and that it should be submitted straight to Report Phase for consideration at the Panel meeting on 15 August 2002.

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<sup>1</sup> Furthermore, it was noted that QPN data submissions are not currently used by the Transmission Company.

## 4 DESCRIPTION OF PROPOSED MODIFICATION

P89 seeks to amend paragraph Q6.1.10 of the Balancing and Settlement Code (BSC) to state that 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. During the drafting of legal text, it was noted that whilst the Modification Proposal explicitly mentions the timing of MEL/MIL submissions, it does not mention QPN data submissions which are also described in the same paragraph. After consultation with the Proposer and with ELEXON's legal advisors, it was determined that the omission of QPN data submissions in the proposal was a mistake, and that it was the intent of the proposal to address both issues. In the interest of efficiency, the legal text was drafted to address both MIL/MEL and QPN data submissions.

Paragraph Q6.1.10 of the BSC requires the Transmission Company to send MEL/MIL and QPN 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 Balancing Mechanism (BM) window and hence beyond the scope of the Code. 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 Code 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 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. 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 Specification which is already consistent with the proposed modification. 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.

## 5 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION

P89 affects paragraph Q6.1.10 of the Code.

### 5.1 Conformed Version

~~6.1.10~~ Not later than ~~5~~ 15 minutes following ~~receipt of a notification of change to data submitted in accordance with paragraph 2.2 or 2.3~~ Gate Closure for each Settlement Period, the Transmission Company shall send to the BMRA the following data, so far as relating to that Settlement Period, received by Gate Closure, for each BM Unit for which it has so received such data: any notifications of

(a) the Maximum Export Limit data or the Maximum Import Limit data (including any change to such data) and the time of notification and the effective time submitted in accordance with paragraph 2.2, and

(b) any Quiescent Physical Notification data (including any change to such data) submitted in accordance with paragraph 2.3;

~~and where after Gate Closure the Transmission Company is notified of any change in any such data (so far as relating to such Settlement Period) the Transmission Company shall send to the BMRA such changed data, and the time of notification and the effective time of such change, not later than 5 minutes following receipt of notification of such change.~~

### 5.2 Clean Version

6.1.10 Not later than 15 minutes following Gate Closure for each Settlement Period, the Transmission Company shall send to the BMRA the following data, so far as relating to that Settlement Period, received by Gate Closure, for each BM Unit for which it has so received such data:

(a) the Maximum Export Limit data or the Maximum Import Limit data (including any change to such data) submitted in accordance with paragraph 2.2, and

(b) any Quiescent Physical Notification data (including any change to such data) submitted in accordance with paragraph 2.3;

and where after Gate Closure the Transmission Company is notified of any change in any such data (so far as relating to such Settlement Period) the Transmission Company shall send to the BMRA such changed data, and the time of notification and the effective time of such change, not later than 5 minutes following receipt of notification of such change.

## 6 ASSESSMENT

The implementation issues associated with P89 are of an inconsequential nature and require minor enhancements to be incorporated within Section Q of the Code.

The Transmission Company has confirmed that there is no impact on the Grid Code or any of their systems and processes. As P89 seeks to align the Code with the BMRA and SAA Interface Specification which prescribes current practice, it is not expected that any further software, process or documentation changes will be required beyond the amendment to the Code. In particular, all relevant Transmission Company documentation and BSC Central Systems are assumed to be wholly consistent with the Interface Specification for the purposes of P89.

## 7 SUMMARY OF REPRESENTATIONS

<to be completed after consultation>

## **ANNEX 1 – REPRESENTATIONS**

Representations were received from the following Parties:

<to be completed after consultation>



## ANNEX 2 – MODIFICATION PROPOSAL P89

<b>Modification Proposal</b>	<b>MP No: 89</b> <i>(mandatory by BSCCo)</i>
<b>Title of Modification Proposal</b> <i>(mandatory by proposer):</i> Clarification Of The Timescales For Submitting MEL/MIL Data To The BMRA	
<b>Submission Date</b> <i>(mandatory by proposer):</i> 02/07/2002	
<p><b>Description of Proposed Modification</b> <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"> <li>• MEL/MIL changes relating to a Settlement Period for which the gate has closed should be notified to the BMRA within 5 minutes, but</li> <li>• 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.</li> </ul>	
<p><b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <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"> <li>1) via EDT (Electronic Data Transfer), or</li> <li>2) via EDL (Electronic Dispatch Logging)</li> </ol> <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.</p>	

<b>Modification Proposal</b>	<b>MP No: 89</b> <i>(mandatory by BSCCo)</i>
<p>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 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><b>Impact on Code</b> <i>(optional by proposer):</i> Changes to BSC section Q 6.1.10.</p>	
<p><b>Impact on Core Industry Documents</b> <i>(optional by proposer):</i> None</p>	
<p><b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b> <i>(optional by proposer):</i> None, proposing to align BSC with existing systems.</p>	
<p><b>Impact on other Configurable Items</b> <i>(optional by proposer):</i> None</p>	
<p><b>Justification for Proposed Modification with Reference to Applicable BSC Objectives</b> <i>(mandatory by proposer):</i> 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><b>Details of Proposer:</b></p> <p style="padding-left: 40px;"><b>Name:</b> Deborah Cox</p> <p style="padding-left: 40px;"><b>Organisation:</b> National Grid</p> <p style="padding-left: 40px;"><b>Telephone Number:</b> 0118 936 3473</p> <p style="padding-left: 40px;"><b>Email Address:</b> deborah.cox@uk.ngrid.com</p>	

<b>Modification Proposal</b>	<b>MP No: 89</b> <i>(mandatory by BSCCo)</i>
<b>Details of Proposer's Representative:</b> <b>Name:</b> Richard Lavender <b>Organisation:</b> National Grid <b>Telephone Number:</b> 024 7642 3967 <b>Email Address:</b> richard.lavender@uk.ngrid.com	
<b>Details of Representative's Alternate:</b> <b>Name:</b> Clare Talbot <b>Organisation:</b> National Grid <b>Telephone Number:</b> 024 7642 3969 <b>Email Address:</b> clare.talbot@uk.ngrid.com	
<b>Attachments: NO</b> <b>If Yes, Title and No. of Pages of Each Attachment:</b>	