P231 Assessment Consultation Responses

Consultation Issued on 25 February 2008

Representations were received from the following parties

No	Company	File number	No BSC Parties Represented	No Non-Parties Represented
1.	SAIC Ltd. (for and on behalf of ScottishPower)	**P231_AR_01**	**7**	**0**
2.	TMA Data Management Ltd	**P231_AR_02**	**0**	**4**
3.	RWE Trading	**P231_AR_03**	**10**	**0**
4.	Scottish and Southern Energy	**P231_AR_04**	**6**	**0**
5.	Uskmouth Power Company	**P231_AR_05**	**1**	**0**
6.	International Power	**P231_AR_06**	**5**	**0**
7.	National Grid	**P231_AR_07**	**1**	**0**
8.	British Energy	**P231_AR_08**	**4**	**0**
9.	EDF ENERGY	**P231_AR_09**	**9**	**0**
10.	E.ON UK	**P231_AR_10**	**7**	**0**

Question 1: Do you believe Proposed Modification P231 would better facilitate the achievement of the Applicable BSC Objectives?

Please give rationale and state objective(s)

Summary

Yes	No	Neutral/Other
9	0	1

Responses

Respondent	Response	Rationale
SAIC Ltd. (for and on behalf of ScottishPower)	Yes	ScottishPower believe that the Modification better facilitates the BSC Objectives. Objective b) Having a procedure in place, with clear steps and

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Respondent	Response	Rationale
		processes already defined will mean that if a Black Start event were to occur then there would be reduced uncertainty within the industry, leading to a more efficient transition back into normal market operations. If Parties are clear on their role and their responsibilities during such an event, then the System Operator will also be able to execute their duties more efficiently. Objective c) Returning the market to normal operation in quicker timescales will, by definition, benefit competition. Objective d) A more efficient transition back to normal operations will benefit Objective D. Having processes and guidance in place will reduce unnecessary burden on the BSC arrangements.
TMA Data Management Ltd	-	-
RWE Trading	Yes	The BSC is currently deficient with respect to the procedures required to re start the market after a black start event or fuel security period. P232 will clarify the process and allow for an orderly transition from the emergency situation to normal market operation. Consequently, P231 will better facilitate objective C and objective d when compared with the current baseline.
Scottish and Southern Energy	Yes	The need for P231 (and the associated P232) arose from the industry discussions and involvement with (a) Exercise Phoenix and (b) the revision of the Fuel Security Code during 2006 and 2007 respectively. This in turn lead to the raising of Issues 32 and 33 in 2008 which has lead to P231 (and P232) being raised in . SSE has played an active role, from the earliest days with Exercise Phoenix, in all these developments and we therefore welcome P231 as we believe it would better facilitate the achievement of the Applicable BSC Objectives by clarifying what would happen in the event of a black start and/or Fuel Security Code incident arising. By clarifying this in advance of such an event occurring (we hope it will never occur, but we must plan for it nevertheless) our industry has been able to have the luxury of time to consider all the issues involved and the how we might best address them. If P231 (and P232) were not to be implemented then the issues surround the restoration of the market (post event) would have to be addressed 'on the hoof' at the same time as market participants and key stakeholders are trying to address the incident itself (which must, at that time, be the first priority). To do a P231 change at that time of system (as well as personal) stress would, in our view, lead to a less than optimal solution being arrived at, which could also give rise to (potentially huge) unintentional consequences at the time. Furthermore, in bringing forward P231 (and P232) at this time we have been able to utilise the information and understanding built up, across the industry, over the past three years in the most appropriate way to come to a sensible, pragmatic and workable solution which better meets the applicable objectives.

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Respondent	Response	Rationale
Uskmouth Power Company	Yes	The modification better meets objectives b and d by making the BSC arrangements in relation to black start and fuel security periods clearer. It will increase the efficiency of such events if the arrangements are clarified within the BSC.
International Power	Yes	**Proposed Mod P231 better meets BSC Objective (b)** This modification would ensure there is a clear process in place should a black start or FSC event ever occur, such that there will be no uncertainty as to the exact duration of a Black Start period, or the key steps in the process of ensuring the return of normal BSC trading arrangements, or the roles undertaken by different parties during this process. This clarity should help ensure the GB transmission system is operated in the most efficient, economic and co-ordinated way during the exceptional circumstances of a black start or FSC event. BSCCo contacted International Power, to obtain their views on the Applicable BSC Objectives. International Power have stated that they believe P231 better facilitates BSC Objective (c) and (d).
National Grid	Yes	P231 will clarify Transmission Company's post-event obligations and will help individual participants to have a better understanding of Black Start and FSC procedures. This will facilitate efficient and economic operation of the Transmission System (objective (b). P231 will provide more detail on the Black Start and Fuel Security processes, including clarification of obligations on individual parties. This will bring about efficiencies in the administration and implementation of the BSC arrangements (objective (d)).
British Energy	Yes	Orderly resumption of the electricity market as aided by this proposal should self-evidently facilitate BSC objectives (b) efficient, economic and co-ordinated operation of the transmission system (c) effective competition and (d) efficiency in the administration of BSC arrangements, in the event of a Black Start or Fuel Security event.
EDF ENERGY	Yes	EDF Energy believes that the proposed modification will better facilitate the Applicable BSC objectives. In relation to Objective (b) & (d). The clarification around the obligations of affected parties and processes involved will ensure parties work together to get an orderly return to normal market operations and go live in the shortest possible time. In regards to Objective (c), the ability for the market to resume back to normal operations in a timelier manner would suggest competition would be enhanced.
E.ON UK	Yes	Notwithstanding the Transmission Company's commitments under the

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Respondent	Response	Rationale
		Fuel Security Code and Grid Code, P231 supports BSC objective b. Clarifying processes and National Grid's, ELEXON's and Parties' obligations under the BSC in the event of a Black Start or Fuel Security Code period should help achieve efficient, economic and co-ordinated operation of the GB Transmission System. Similarly through clarifying Parties' contractual positions during a Black Start period and on the return to normal market operations P231 would help facilitate objective d, promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

Question 2: What are the impacts of the P231 solution on your organisation?

Please give rationale

Summary

Yes	No	Neutral/Other
2	2	6

Responses

Respondent	Response	Rationale
SAIC Ltd. (for and on behalf of ScottishPower)	No	Beyond minimal reworking of local working instructions and operational procedures, there are no anticipated impacts.
TMA Data Management Ltd	-	No impact on TMA Data Management Ltd
RWE Trading	-	Given that a black start event or fuel security period is a comparatively rare occurrence it is expected that the change will have limited impact since no specific changes to our systems are required. Our procedures will be updated to reflect the new processes in the BSC.
Scottish and Southern Energy	Yes	We expect there will be an impact on our operations in the event that an incident occurs.
Uskmouth Power Company	-	Our concern will be how the communications work and whether the solution ensures credit cover can be addressed. We will also have to ensure the ECVAA systems can cope with resubmission of data on the xale that may be required, were the period of suspension to be relatively long.
International	Yes	The impacts of P231 would largely be confined to updating procedural

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Respondent	Response	Rationale
Power		documents, such as business continuity plans and ensuring communication of the procedures across relevant areas of the business
National Grid	-	P231 will place additional obligations on National Grid which will impact its internal processes: ▪ Determination, and notification to BSCCo, of the indicative time (and date) when Black Start commenced; ▪ Incorporation of data submitted 10 hours before return to the normal market operation in the planning processes; ▪ 'Go-no go' decision one hour before return to the normal market operation; ▪ Communications with BSCCo regarding FSC direction(s) where appropriate; There is also likely to be some impact on the BM system regarding communication of messages to BSCCo (e.g. new templates for data flows). National Grid envisages that the impact on its processes and systems will be minimal.
British Energy	-	Changes to contingency trading processes and procedures.
EDF ENERGY	No	Minor impacts/changes to internal working processes and procedures, e.g., familiarisation with the solution.
E.ON UK	-	P231 clarifies the arrangements we would have to comply with in the event of an FSC or Black Start situation. In such an event once all central systems resume (point G) some testing may be required to ensure our systems can communicate with them as normal; we need to confirm what Grid default rules would apply if we were unable to submit PNs/Bids/Offers when required. New procedures should not be required though we would have to ensure up to date hardcopies of the relevant emergency instructions (BSCP etc) were available and known to staff to ensure smooth handling of the period, the return to normal market operations from points H to K, and the new Settlement and Payment calendar. It would be useful if up to date copies of the latest instructions were available from one central source to check/update our copies.

Question 3: Do you agree with the implementation approach for P231 as described in section 3.1 of the Requirements Specification/Consultation document i.e. *That P231 should be implemented 4 months after an Authority decision.*

Please give rationale

Summary

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Yes	No	Neutral/Other
10	0	0

Responses

Respondent	Response	Rationale
SAIC Ltd. (for and on behalf of ScottishPower)	Yes	The implementation approach seems appropriate, with no anticipated system changes.
TMA Data Management Ltd	Yes	As long as there is no major impact on the systems of affected partues, the 4 months implementation timescales
RWE Trading	Yes	-
Scottish and Southern Energy	Yes	It seems a pragmatic approach given the additional tasks involved post approval but prior to implementation.
Uskmouth Power Company	Yes	The sooner clarity is given the better.
International Power	Yes	Sounds reasonable
National Grid	Yes	
British Energy	Yes	The proposals add clarity and this notice period would give sufficient time for internal procedure changes relating to these rare events to be made.
EDF ENERGY	Yes	Appears a reasonable time frame to allow for changes both internally and to the BSCP.
E.ON UK	Yes	Implementation should be as soon as possible so 4 months would be acceptable if this is how long the new BSCP will take.

Question 4: Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?

Please give rationale

Summary

Yes	No	Neutral/Other
1	8	1

Responses

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Respondent	Response	Rationale
SAIC Ltd. (for and on behalf of ScottishPower)	No	
TMA Data Management Ltd	No	-
RWE Trading	No	-
Scottish and Southern Energy	No	None come to mind that have not been explored already over the past three years and excluded for well known and understood reasons.
Uskmouth Power Company	No	
International Power	No	-
National Grid	No	-
British Energy	Yes	We think the modification group should have produced an alternative proposal which would give discretion to the BSC Panel (and possibly the Authority) to decide when and whether a Black Start Period (preferably referred to as a 'Market Suspension Period') is considered to commence. For situations where normal system operation is disrupted but the market is not suspended ('Market Disruption Period'), consideration should be given to some form of compensation for those adversely affected beyond their reasonable control (for example generators unable to generate because of system issues).
EDF ENERGY	No	There are aspects of the modification which may merit additional clarification but we recognise these to be outside the scope of this modification.
E.ON UK	Yes/No	The Modification Group has carefully considered how best to improve transparency so processes are clear for all participants should either event occur. However it could be made clearer whether in the event of Parties having trouble communicating their PNs, Bids and Offers or even MELs for/from point K, how the National Grid default levels would apply: what would be the default rules for any Party's BMUs. I.e. would a Party be expected to generate to whatever default level had previously been notified for that period, or would all default levels going forward be reset to zero as the result of a Black Start/FSC event?

Question 5: The Modification Group has suggested that participants may wish for a testing period during a Black Start period (please refer to section 4.7 of the P231 Requirements Specification/Consultation document), to ensure that communications

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are possible between participant systems and BSC systems. These would be subject to the costs for implementing such a solution.

Do you believe that such a testing period would prove beneficial?

Please give rationale

Summary

Yes	No	Neutral/Other
6	1	2

Responses

Respondent	Response	Rationale
SAIC Ltd. (for and on behalf of ScottishPower)	Yes	It seems sensible that Parties, if they so require, have the ability to test their connections to the central systems. This will ensure a smoother transition back to normal operations
TMA Data Management Ltd	Yes	A testing period would be beneficial to ensure that all concerned parties are ready to start communicating with the BSC systems again. This would ensure that the start of normal operation does run smoothly.
RWE Trading	Yes	It would be prudent to allow for a period of testing prior to restarting the market, though this should be discretionary and dependent on the nature of the event.
Scottish and Southern Energy	Yes	Given the disruptions to telecommunication systems (especially in a Total Black Start situation) it would seem both a very sensible, pragmatic and beneficial way forward to include for a testing period, as outlined in section 4.8 of the consultation document.
Uskmouth Power Company	Yes	A testing period would be prudent. We would also suggest that any specific tests are incorporated into qualification testing for new market entrants (is this an alternative or a change proposal?) after the modification is implemented.
International Power	No	Given the processes and associated timescales, International Power does not agree that there is a need for a 'formal' testing period during the Black Start period. Referring to the Black Start Recovery diagram, we think there is ample opportunity to iron out any data submission/communications issues between points H and J.
National Grid	-	
British Energy	-	BSC Agents and market participants may have supplies restored at different times, and with different levels of initial reliability. It would be sensible for notification agents to have opportunity or even be required to submit test notifications, to provide confidence to parties that market resumption is likely to be successful. It is not clear that a formal central test service is required for this. If ECVAA systems have been restored, successful submission, acknowledgement, acceptance and reporting of 'zero' 'additive' notifications could provide the necessary confirmation.

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Respondent	Response	Rationale
		However, there could be issues with sequence numbering which could take time to resolve in the circumstances.
EDF ENERGY	No	There may be some out- of- sequence issues but we would look to resolve this via our usual mechanisms for dealing with out- of- sequence notifications. We suggest that the point I 'K-10h' provides adequate time to submit/accept PNs.
E.ON UK	Yes	As per answer to question 2 and the CPC, although ECVAA may return at point G it is possible that participant systems might not be able to resume normal communications straightaway. A testing period might be beneficial to ensure most Parties are ready for resumption of normal market operations, but only if this had clear criteria. There would be little point in allowing some time for Parties to test unless the results were going to have an impact, being taken into account for instance to potentially revise point K. However the resumption of the market should not be held up if the bulk of Parties are ready but a few still have problems communicating with central systems. We would suggest that around 85-90% of units being capable of generating would be a suitable level. The costs of any testing would be justified given the potential costs of imbalance if participants were unable to communicate and submit notifications as required.

Question 6: Are there any comments or issues that you believe have not been identified and should be progressed as part of the Assessment Procedure?

Responses

Respondent	Response	Rationale
SAIC Ltd. (for and on behalf of ScottishPower)	No	
TMA Data Management Ltd	No	
RWE Trading	-	
Scottish and Southern Energy	No	None at this time.
Uskmouth Power Company	No	
International Power	No	-

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Respondent	Response	Rationale
National Grid	No	

British Energy	Yes	The modification group has avoided some big issues:
		• Market suspension and special "Black Start" rules apply only from the point of system shutdown. This may have been preceded by a period of major market disruption, with potential demand control, rolling blackouts, system instability and resulting generation trips. However, this was deemed outside the scope of the proposals.
		• A partial system shutdown would trigger the black start provisions, even if only a relatively small part of the system were affected. In reality this is effectively just a local constraint affecting demand and generation, and the BSC Black Start provisions might be completely inappropriate, depending on the circumstances. Again deemed outside scope.
		• The point of resumption of 'normal market operation' is important and would be the subject of notice and consultation. However, the proposals contain no criteria for deciding what constitutes 'normal market operation'. We consider that normal merit-based operation of a majority [%?] of generation plant planned to be available before the event would be a sensible indicator of normal market operation.
		• We have some concerns about the description and actions associated with 'Point I' at K-10 in the restoration plan. The suggestion is that Final Physical Notifications for the first Settlement Period of normal market settlement somehow be 'fixed' as the Physical Notification 10 hours before gate closure for that period. The intention of this is apparently to avoid a potentially unachievable or very expensive step change in despatch at the point of transition between operation under emergency instructions, and operation in accordance with self-despatched Physical Notification. However, this assumes market operation would otherwise be quite different from SO despatch in the lead up to market resumption, and it is not clear why this would be. Some issues arise in the proposal:
		  • Grid Code change is required to prevent normal submission of latest Physical Notification data during the 9 hour period before Gate Closure as currently described in the Grid Code.
		  • However, such a Grid Code change would mean the System Operator has extra uncertainty about 'true' PN likely to arise in the first or second periods of market operation.
		  • Even if the change achieves its objective of allowing the SO to achieve a smooth transition at the first period, a step change at the second period (or any other subsequent period) remains possible.
		A possible alternative approach would be to rely on existing Grid Code and BSC provisions relating to Physical Notifications (and other data) and Gate Closure to allow the System Operator and participants to achieve a smooth transition back to market operation. Success would depend on the System Operator bringing the system into alignment with the expected market operation indicated by normally submitted data. We think this would fall under normal System Operation licence

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Respondent	Response	Rationale
		objectives. In relation to times falling within a black start period, generators cannot give reliable PN data, as they are operating entirely under central despatch emergency instructions from the System Operator. A Grid Code change should be made to reflect just what PNs are expected to represent, or perhaps to make clear that PNs are not required; should be submitted as and will be taken as zero, or will not be used in respect of operation during a black start period. Note that BSC Section G3.2.2 allows the BSC Panel to "disregard" BM Unit dynamic data, PN and Bid/Offer data and Volume Notification information in a Black Start recovery situation. In relation to times falling after the end of the anticipated end of the black start period, PNs have meaning, but the uncertainty for generators is perhaps more than usual.
EDF ENERGY	Yes	We have a concern around the proposed 'fixed PN' position point I 'K-10h'. If updated PN information (in the event of a plant or unit failure) is not accepted then this is likely to lead to a failure to facilitate the operation of an efficient transmission system as it would impede our ability to submit the best possible information on the near-future anticipated output of each BM Unit. Market participants face this risk, to a lesser or greater extent, depending on their portfolio (it is also reasonable to assume the risk of plant failures and trips during black start conditions is increased) and so it would be imprudent to prevent market participants giving NGET this information and would also impede the orderly resumption of normal operation of the market.
E.ON UK	No	-

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