

Modification Proposal – BSCP40/03	MP No: P243 (mandatory by BSCCo)
Title of Modification Proposal (mandatory by originator): Publication of Generator Forward Availability by Fuel Type	
Submission Date (mandatory by originator): 28 July 2009	
Description of Proposed Modification (mandatory by originator) <p>Currently, the Balancing Mechanism Reporting System (BMRS) provides near real-time information for Out-turn data (on a BM Unit basis). Out-turn data is a measure of the actual generation on the Transmission system and is collected in real time via National Grid's operational metering of the Transmission system. The Out-turn generation data is broken down to show Generation by Fuel type. There are 11 'Fuel type categories' including the major fuel types:</p> <ul style="list-style-type: none"> • Oil; • Coal; • Wind; • Nuclear; and • Gas <p>National Grid also publishes Output Useable data via the BSC website. Output Useable data is the forecast of how much generation will be produced (Generator availability) and is based on information submitted by Generators in compliance with Grid Code obligation OC2. The Output Useable data is published for the following files:</p> <ul style="list-style-type: none"> • 2-14 days ahead; • 2-49 days ahead; • 2-52 weeks ahead; • 1-2 years ahead; and • 3-5 years ahead. <p>While Output Useable data is published on a 'national' and 'zonal' basis, it is not broken down by Fuel Type, not published on the BMRS and not published on a BM Unit basis. This means that:</p> <ul style="list-style-type: none"> • Comparisons between the Output Useable and Out-turn data cannot be made; • the future availability of a plant cannot be viewed; and • Strategic decisions with respect to generation cannot be made. <p>As a minimum, the Proposed Modification seeks to:</p> <ul style="list-style-type: none"> • Publish the national Output Useable data on the BMRS, • Data relating to '2-14 days and 2-52 weeks ahead'; and • Publish such data in the same 11 'Fuel type categories' used for Out-turn data. <p>It is also believed that the 'Output Useable data' should be on a BM Unit basis, so as to allow for comparisons to the 'Out-turn data'. This would provide information on the future plant availability (Forward availability) of Generators as well as making any comparisons between Out-turn and Output Useable data.</p>	

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<p>This proposal does not require the BSC Parties to supply new information. It only aims to introduce a new way of aggregating current Generator availability data already supplied by the BSC Parties.</p>	
<p>Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by originator)</i></p> <p>The future availability of a Plant/Generator availability cannot easily be viewed due to lack of published data. Allowing publication of relevant data will enable information on potential prices of electricity, the availability of different fuel types, the potential to switch from one fuel source to another and any strategic decisions on generation can be made.</p>	
<p>Impact on Code <i>(optional by originator)</i> Sections Q, V and X will require amendment</p>	
<p>Impact on Core Industry Documents or System Operator-Transmission Owner Code <i>(optional by originator)</i></p> <p>Potential impacts on the Grid Code</p>	
<p>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by originator)</i></p> <p>BMRS</p>	
<p>Impact on other Configurable Items <i>(optional by originator)</i></p>	

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<p>Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by originator)</i></p> <p>The proposed modification will better facilitate BSC Objective (c), related to promoting effective competition in the generation and supply of electricity, and promoting such competition in the sale and purchase of electricity, by improving accessibility and transparency of information on likely availability of generation capacity by fuel type.</p> <p>It is important that market participants have a full view not only on current generation by fuel type but also on future availability by fuel type. This information would be of particular help when dealing with questions like</p> <ul style="list-style-type: none"> • Which fuel will be the marginal fuel and hence setting the price of electricity? • What will be the fuel switching potential? • What will be the gas/coal consumption by power plants? <p>In this respect, this proposal not only helps to increase transparency of the UK power market but also the UK gas market, the EU emissions market and the international coal market.</p> <p>Providing information on the availability by fuel type in a readily understandable way would further reduce entry barriers for potential market participants, which do not have significant forecast capabilities and hence cannot estimate the availability by fuel type using their own numbers and the availability by zone.</p> <p>The publication of availability by fuel type would also be in line with the transparency level across Europe. (Please refer to the map in App 1). Germany for example publishes the availability by fuel type as well as the availability for specific power plants. It would also meet the call by EFET for greater transparency, in particular the publication of “ex ante estimates of available generation capacity broken down by fuel type across price zones, or smaller areas if feasible”. (App 2: EFET, EFET contribution to the consultation on Energy Sector Inquiry, p.3)</p> <p>Markets like Germany have shown that an increase in the transparency level has a positive influence on the market liquidity. The German churn rate (ratio of traded volumes to final consumption) for example has increased from around 4 to 8 from 2003 to 2008 where the UK one has decreased from around 7 to 3 in the same period. (App 3: Ofgem, Liquidity in the GB wholesale energy market, Ref 62/09, 08 June 2009). The publication of forward availability by fuel type could therefore support the efforts by Ofgem to increase the liquidity in the UK electricity market.</p>	
Urgency Recommended: No	
<p>Justification for Urgency Recommendation <i>(mandatory by originator if recommending progression as an Urgent Modification Proposal)</i></p> <p>None</p>	

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Attachments: Yes	
If Yes, Title and No. of Pages of Each Attachment:	
<i>ForwardAvailablityEurope.ppt, 4</i>	
<i>EFET_EnergySector.pdf, 3</i>	
<i>Ofgem_Liquidity_6209.pdf, 116</i>	