

## Stage 04: Draft Mod Report

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

▶ 04 Report Phase

# P243: Generator Forward Availability by Fuel type

P243 aims to produce a more detailed forecast of Generator availability, by publishing Output Usable data broken down by 'fuel types' on the Balancing Mechanism Reporting System (BMRS).



The Panel's initial recommendation (by majority) is for the **Approval** of Alternative Modification



The Panel's initial recommendation (by majority) is for the **Rejection** of the Proposed Modification



Impacts:  
Generators, Transmission Company, the BMRA and BMRS Users

P243  
Draft Modification Report

17 November 2009

Version 0.4

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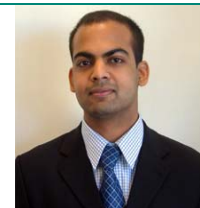
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Any questions?

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Contact:  
**Sherwin Cotta**

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[sherwin.cotta@elexon.co.uk](mailto:sherwin.cotta@elexon.co.uk)

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**0207 380 4361**

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## About this document:

This document is a Draft Modification Report, which ELEXON will present to the Panel on 10 December 2009. The Panel will consider the recommendations, and agree a final view on whether or not this change should be made.

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### Why Change?

Output Usable data is currently available on both the BSC and National Grid websites. However, this data is not broken down by fuel type. P243 aims to make this data available by fuel type in one central location.

### Proposed Solution

The Proposed solution consists of:

- Publishing nationally aggregated Output Usable data broken down in the same fuel type categories as Out-turn data on the BMRS for the 2-14 days and 2-52 weeks ahead time periods;
- Publishing Output Usable data for Interconnectors. Currently forward availability for Interconnectors is not provided to National Grid (under the Grid Code) but it is expected that this data will become available to National Grid and the wider industry in the near future. In the interim, the BMRS will report the forward availability for each Interconnector fuel type set as zero/not available;
- Transferring all Output Usable data/Generating Plant Demand Margin data from the BSC website to the BMRS.

Please refer to section 4 of this document for further details.

### Alternative Solution

The Alternative solution which is largely identical to the Proposed Modification. In addition to publishing the information under the Proposed Modification, the Alternative Modification will also publish Output Usable data broken down by BM Unit on the BMRS.

Please refer to section 5 of this document for further details.

### Impacts & Costs

The intention of the P243 solution is not to place any further obligations on BSC Parties. As such this solution will not require the submission of new information. National Grid will be required to aggregate existing Generator availability data and for the BMRS to publish this new data feed.

Respondents to the P243 assessment consultation have indicated that they would need to amend their systems (under both the Proposed and Alternative Modifications) to collect the P243 information. One respondent estimated that it would take approximately 3 months and a cost of £26,000 to make the required changes to receive the data published under P243.

The estimated standalone implementation cost for the Proposed and Alternative Modifications are approximately £312,000 and £376,000 respectively.

Please refer to section 6 of this document for further details.

## Implementation

The Panel provisionally recommend an implementation approach of:

- 04 November 2010 if an Authority decision is received on or before 28 January 2010, or
- 24 February 2011 if the Authority decision is received after 28 January 2010 but on or before 30 March 2010;

The Panel note that another Modification P244, which also seeks to publish data on the BMRS, is being progressed to identical timescales and there would be cost savings in progressing and implementing these modifications together. With this in mind, the Panel's preference is that P243 be included with P244 in the November 2010 BSC release, so as to realise the benefits of these modifications as soon as possible.

Please refer to section 7 of this document for further details.

## The Case for Change

The Panel believe that believe that P243 (Proposed or Alternative) will improve the quality of information on likely availability of generation capacity and increase competition between market participants in this area.

The Panel also debated whether there were discriminatory issues under P243 and have included a specific question in the Report Phase consultation questionnaire to elicit views from independent Generators.

Please refer to section 8 of this document for further details.

## Recommendations

The initial majority Panel recommendation is that the Alternative Modification should be **APPROVED**.



### The BMRS

The BMRS can be accessed at:  
[www.bmreports.com](http://www.bmreports.com)



### 11 fuel type categories

- Oil;
- Coal;
- Wind;
- Nuclear;
- Gas;
- French Interconnector;
- Irish Interconnector;
- Pumped Storage;
- Hydro;
- OCGT; and
- CCGT.

### Data on the BMRS and BSC website

The Balancing Mechanism Reporting Service (BMRS) is a website that provides current and historic data on the electricity market, such as Imbalance prices, forecasted Demand and system prices.

Currently, the BMRS provides near real-time information for Out-turn data. Out-turn data is a measure of the actual generation exported onto the Transmission System and is collected in real time via National Grid's operational metering. The data is reported at both national and BM Unit level, and is also broken down to show Generation by fuel type. At present, there are 11 'fuel type categories', including the major fuel types:

- Oil;
- Coal;
- Wind;
- Nuclear; and
- Gas.

National Grid also publishes Output Usable data via the BSC website. Output Usable data is the forecast of the maximum level at which a Generator can export to the Transmission System (Generator availability) and is based on information submitted by Generators in compliance with Grid Code obligations OC2. The Output Usable data is published for the following periods:

- 2-14 days ahead;
- 2-49 days ahead<sup>1</sup>;
- 2-52 weeks ahead;
- 1-2 years ahead; and
- 3-5 years ahead.

### The issue

Both Out-turn and Output Usable data include data on the whole of the national electricity Transmission System, known as 'national' data.

However, unlike Out-turn data, Output Usable data is not broken down by fuel type, is not published on the BMRS and is not published on a BM Unit basis. Therefore, while users can see a detailed breakdown for Generation Out-turn, they cannot see a comparable detailed breakdown for Output Usable data. This means that:

- Detailed comparisons between the Output Usable and Out-turn data cannot be made. Only high level comparisons are possible;
- The future availability of a plant cannot be viewed; and
- Strategic decisions with respect to generation cannot be made.

The issue of publishing Output Usable data by fuel type was previously discussed under Issue 17 'Review of Electricity Market Information' in 2005. Although the Issue Group believed that a Modification should be raised to consider this issue further, no such Modification has been raised until now.

<sup>1</sup> In practice, data is not provided for this timescale. The P243 solution is flexible to accommodate data for this timescale, if it was made available in the future.

This section summarises the Proposed and Alternative Modifications. Details of the Proposed and Alternative Modifications can be found in section 3 – 4 of the detailed assessment whereas details on how the Modification Group developed the solutions can be found in sections 5 – 6 of the detailed assessment (attachment B).

### P243 Proposed Solution

The solution developed by the Modification Group can be split into the following three parts:

- **Publishing nationally aggregated Output Usable data by fuel type on the BMRS.** Output Usable data will be published in the same fuel type categories used for Out-turn data for the '2-14' days and '2-52' weeks ahead periods;
- **Publishing Output Usable data for Interconnectors.** Although Interconnectors do not submit Output Usable data to National Grid, the Group agreed that the Proposed Modification Legal text should be flexible enough to allow for this to be published on the BMRS once this data becomes available in the future. This would also mean that until such data is available, the BMRS will report the forward availability for each Interconnector fuel type as zero/not available; and
- **Transferring Output Usable/Generating Plant Demand margin data from the BSC website to the BMRS.** The Group agreed that it would be inefficient and confusing to have Output Usable data in different locations (BMRS/BSC website). Therefore the national Output Usable data, zonal Output Usable data and Generating Plant Demand margin data currently published on the BSC website will be transferred onto the BMRS.

### Are there new BSC Obligations?

The intention of the P243 solution is not to place any further obligations on BSC Parties. As such this solution will not require the submission of new information. It only aims to introduce a new way of aggregating current Generator availability data already supplied by BSC Parties to National Grid.

### Legal text

Attachment C contains the draft legal text for the Proposed Modification.

#### Consultation Question 7

Do you agree that the Panel's recommended legal text delivers the solution agreed by the Modification Group for P243?

The Panel invites you to give your views using the response form in Attachment E

## 5 Alternative Solution

The Alternative Modification is largely identical to the Proposed Modification. However, **in addition** to publishing the information described in section 3 above, the Alternative Modification will also publish on the BMRS **Output Usable data broken down by BM Unit for the '2-14' days ahead and '2-52' weeks ahead time points**.

The Group suggested an Alternative Modification as some members were concerned that the publication of aggregated Output Usable data by fuel type introduced the potential for discrimination in fuel types with a low number of Generators. As the publication of such data would be publicly available on the BMRS, it may enable other Parties to work out a Generator's Outage periods and trading position, which would be less visible if a fuel type has several Generators.

Some Group members believed that the Alternative Modification transferred the issue of discrimination onto independent Generators, where the Outage plans/trading positions could be revealed; as these Generators have a low number of BM Units, the forward availability may be strongly correlated to their Output. However, there were those Group members that believed that there was no discrimination under the Alternative Modification as all Generators were treated equally.

Not all Group members believed discrimination existed under the Proposed/Alternative Modifications as a Generator may have hedged any planned Outages and so publishing the Output Usable data would not necessarily reveal their market position and lead to discrimination.

Further details of this Alternative solution and the Group's rationale for suggesting this can be found in sections 4 and 6 of the P243 detailed assessment.

As indicated previously, like the Proposed Modification, the Alternative would not place any new Obligations on BSC Parties that submit data through the Grid Code.

### Legal text

Attachment D contains the draft legal text for the Alternative Modification.

#### Consultation Question 7

Do you agree that the Panel's recommended legal text delivers the solution agreed by the Modification Group for P243?

[The Panel invites you to give your views using the response form in Attachment E](#)

## 6 Impacts & Costs

The majority of impacts of P243 are on National Grid, the BMRA and ELEXON. Respondents to the P243 consultation have indicated that their systems would require amendment in order to obtain the P243 data. At a high level, the identified impacts are:

- Changes are required to National Grid's IT systems in order to aggregate and submit the P243 data to the BMRS;
- Changes are required to the BMRA in order to receive and display the P243 data to both high grade and low grade service users.
- BMRS users may require changes to the TIBCO messaging service in order to receive the P243 data;
- BMRS users may require configuration changes to their IT systems to obtain the Output Usable and Generating Plant Demand Margin data, which will be transferred from the BSC website to the BMRS; and
- BSCCo will implement changes to the Code (sections Q and V). Changes would also be required to the various Code Subsidiary documents.

For more detail on the P243 impacts, please refer to section 9 of the P243 detailed assessment.

### Costs for implementing P243

The implementation costs for the Proposed and Alternative Modifications are shown in the table below:

Table 1: Implementation costs for P243 in a standard BSC Systems release.

Solution	Costs
<b>P243 Proposed Modification</b>	National Grid: £170k BSC Agent: £134.2k BSCCo: £8.2k (37 man days)  <b>Total: £312.4k</b>
<b>P243 Alternative Modification</b>	National Grid: £230k BSC Agent: £137.7k BSCCo: £8.2k (37 man days)  <b>Total: £375.9k</b>

The BMRA cost can be split into two areas. The Application Management and Development (AMD) (the aspect of the BMRA service that is involved in developing the solution for the BMRS system) and Business Process Outsourcing (BPO) (which is responsible for the day to day running of the BMRA). ELEXON expects a new AMD contract in early 2010. Therefore, the overall BSC agent costs provided here are less accurate than normal. If P243 were approved, we would need to revisit these costs. We believe that the costs shown here have been a reasonable estimate to use to assess and consult on P243.



## 7 Implementation

### Implementation approach

The Panel have a preference for P243 to be implemented in the earliest possible BSC Systems Release to realise the benefits of the Modification sooner. The Implementation lead time for P243 is largely driven by National Grid's development timescales (approximately 9 months), with a further month required by ELEXON/BMRA to complete any appropriate testing to ensure the communication between the National Grid and BMRA systems is working. With this in mind, the Panel recommend implementation on:

- 04 November 2010 if the Authority approves P243 on or before 28 January 2010; or
- 24 February 2011 if the Authority approves P243 on or before 30 May 2010.

#### Consultation Question 5

Do you agree with the Panel's recommended implementation dates as set out above?

The Panel invites you to give your views using the response form in Attachment E

### Interaction with P244

P244 'Provision of BritNed flow data to the BMRS' aims to include data relating to the Netherlands-England Interconnector (BritNed) on the BMRS once the Interconnector becomes operational in late 2010.

The Panel note that P243 and P244 assessment procedures are being progressed to identical timescales and recommend implementing these Modifications together in a standard BSC release as there are cost savings in doing so.

Both Modifications (P243 and P244) could be implemented alone, if the Authority were to reject one of the two Modifications or if it was recommended that P243 and P244 should be implemented separately. However, a more efficient route would be to implement both Modifications together and included them as part of a standard BSC Systems release.

**Please note** that there is approximately an overall **19% cost saving** in implementing P243 and P244 together, as opposed to implementing these Modifications separately

#### Consultation Question 6

Do you agree with the Panel's suggested approach to implement both Modifications P243 and P244 together as part of a standard BSC Systems release?

The Panel invites you to give your views using the response form in Attachment E

### Applicable BSC Objectives

The initial view of the Panel is that both the Proposed and Alternative Modifications are better than the current arrangements. However, the Panel by majority believe that the Alternative Modification **WOULD BEST** facilitate the achievement of Applicable BSC Objectives (b) and (c) when compared to the current arrangements and the Proposed Modification. (*The views contained below were not shared by all members*).

#### Applicable BSC Objective (b)

*P243 would promote the efficient operation of the national Transmission System as:*

- Generators of different fuel type categories would align their Outages more efficiently, resulting in a more efficient spread of Outages and the efficient operation of the national Transmission System;
- Publication of forward availability at BM Unit level could help Scottish Transmission Owners to better align their outages with Generator outages, as currently the Scottish Transmission Owners do not have sight of such information. This may alleviate Scottish constraints thus facilitating the economic and efficient operation of national electricity transmission system;
- Market Participants would be able to take more economical decisions on future market prices, which in turn should help the Transmission Company in the efficient and economic operation of the Transmission System.

In light of these views, the Panel have sought further information with respect to matters of discrimination under the Alternative Modification and have included a specific consultation question in the P243 Report Phase consultation.

#### Applicable BSC Objective (c)

*P243 would promote effective competition as:*

- Increased transparency allows market participants to have a better view of market conditions and make better informed decisions and is seen to increase competition.
- Data that is transparent and easily accessible to the whole market reduces the barriers for new market participants. As such it will enable all market participants to compete on a level footing.
- The improved transparency of data may result in market prices that are a better reflection of the state of the Transmission System, rather than speculation. This might lead market participants to take more efficient and economic decisions and in turn is believed to improve market liquidity.
- The increased granularity of information provided under the Alternative Modification makes it easier for market participants to analyse data (especially those that do not have access to such information, or to analytical expertise).

#### Applicable BSC Objective (d)

- While the Panel agreed that it was more efficient to have data located in one central location, such a benefit was outweighed by the high P243 implementation cost.

### Consultation Question 1

Do you agree with the Panel's initial majority view that the Proposed Modification should be rejected?

The Panel invites you to give your views using the response form in Attachment E

### Consultation Question 2

Do you agree with the Panel's initial majority view that the Alternative Modification P243 should be approved?

The Panel invites you to give your views using the response form in Attachment E

### What were the Panel's initial views?

The Panel considered the Group's Assessment Report at its meeting in November 2009.

The Panel unanimously believed that both the Proposed and Alternative Modifications were better than the current arrangements. However, the Panel by majority agreed with the views of the Modification Group and consultation respondents, that the Alternative Modification better facilitated the Applicable BSC Objectives when compared to the Proposed.

### Implementation timescales and costs

The Panel noted that ELEXON was in the process of transitioning to a new AMD contract and that the Panel and the Authority would be informed of any revisions to the implementation costs.

The Panel queried the drivers for the timescales in implementing P243, and noted that the majority of the implementation effort was on National Grid. The Panel noted while a June 2010 was technically possible from a BSC perspective, it would not be ideal due to the transition to the new AMD contract and that there would be difficulty for National Grid to implement P243 on its IT systems.

### Justification of costs

In light of no quantifiable benefits being identified, some Panel members questioned whether there were any benefits to increased information transparency.

The Panel noted that the Modification Group found it extremely difficult to quantify the benefits of increased data transparency and consulted with industry, on whether there were quantifiable benefits to their organisations. Like the Modification Group, the consultation respondents also found it difficult to quantify the benefits of increased transparency but did provide qualitative views (which can be found in section 8 of attachment A).

The Panel also noted that Ofgem found it difficult to quantify the benefits of increased transparency during its investigation into the ['Liquidity in the GB wholesale energy market'](#).

However, there were those Panel members that believed that:

- The implementation costs for P243 were much cheaper than previous BMRS type Modifications;
- The positive impact on market liquidity that could be seen under P243, outweighed the implementation costs; and
- The data published under P243 would enable smaller market participants to have access to the same information that larger market participants use. As larger market participants already have mechanisms in place to identify what other Generators are undertaking, the data published under P243 will make such information available to the smaller players. Therefore, it is believed that smaller market participants would benefit the most from increased data transparency.

#### Consultation Question 4

Do you believe there are any benefits (qualitative and quantitative) in having Output Usable data published at a BM Unit level on the BMRS?

The Panel invites you to give your views using the response form in Attachment E

## Discrimination

The Panel debated the issue of discrimination which were the same as the discussions had by the Modification Group. The discussions were on whether the:

- Proposed Modification discriminated against Generators in certain fuel types (where the numbers of Generators were low); or
- The Alternative Modification passed the issue of discrimination under the Proposed to independent Generators.

Details of the Group's discussions can be found in the detailed assessment.

The Panel noted that there was an issue of discrimination under the Proposed Modification in fuel types with a low number of Generators. This may enable other Parties to work out a Generator's Outage periods and trading position, which would be less visible if a fuel type has several Generators.

To avoid this, the Panel agreed with the Group's recommendation in that it may be more equitable to publish Output Usable data on a BM Unit level. While the majority of the Panel believed that the Alternative Modification better facilitated the BSC Objectives compared to the Proposed and current arrangements, they noted concerns that the Alternative may be discriminatory to independent Generators. These Generators may have one or a few BM Units, and it is believed that the forward availability is strongly correlated with its Output, putting such Generators at a disadvantage.

Some Panel members highlighted that there would not be discrimination as P243 would enable smaller Generators/market participants to have access to the same level of information that is currently used by larger market participants to identify the behaviours of other Generators in the market.

The Panel also noted that a small number of independent Generators indicated during the P243 assessment consultation that they did not strongly oppose the Alternative Modification. The Panel have asked a specific consultation question for independent Generators so as to elicit views from them.

### Consultation Question 3

Do you believe that there are discriminatory issues under the Alternative Modification?

[The Panel invites you to give your views using the response form in Attachment E](#)

## EU directive?

ELEXON highlighted to the Panel that:

- the Proposer noted a trend for increased granularity (similar to the Alternative Modification) of published information in Europe; and
- the Modification Group believed that there may be an EU directive which sought to provide increased granularity of market information.

Some Panel member's agreed that they have heard of a forthcoming EU directive that sought to provide increased granularity of information but were unable to reference this directive. ELEXON is currently investigating this and will provide an update to the BSC Panel in December 2009.

## Draft Legal text

The Panel noted that the draft Legal text was not issued to industry as part of the assessment consultation, but would be during the Report Phase consultation.

## 10 Panel's initial Recommendations

Having considered the P243 Assessment Report, the Panel initially recommend that:

- Both the Proposed and Alternative Modifications are better than the current arrangements;
- That the Alternative Modification should be approved;
- That the Proposed Modification should not be approved;
- A provisional implementation date of:
  - 04 November 2010 if an Authority decision is received on or before 28 January 2010, or
  - 23 February 2011 if the Authority decision is received after 28 January 2010 but on or before 30 March 2010; and
- That P243 should be implemented with P244 so as to achieve the cost savings associated with implementing these Modifications together.

## 11 Further Information

More information is available in:

### **Attachment A:** P243 Assessment Report

- Summary of the P243 solution
- Implementation approach
- Implementation costs

### **Attachment B:** P243 Detailed Assessment

- Modification Group's Term's of Reference
- Modification Group membership
- Modification Group's discussions
- Impacts and costs
- Process followed for P243

### **Attachment C:** Proposed draft Legal Text

### **Attachment D:** Alternative draft Legal Text

### **Attachment E:** Consultation questions

Other related documentation can be found on the [P243](#) webpage of the ELEXON website.