

Stage 03: Assessment Report

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

P244: Provision of BritNed flow data to the BMRS

This Modification seeks to include data relating to the Netherlands-England Interconnector on the Balancing Mechanism Reporting System (BMRS).



The P244 Modification Group recommends **Approval** of the Alternative Modification



The P244 Modification Group recommends **Rejection** of the Proposed Modification



Impacts:
Transmission Company, BMRS, BMRS users.

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About this document:

This document is an Assessment Report, which ELEXON will present to the Panel on 12 November 2009, on behalf of the P244 Modification Group. The Panel will consider the recommendations on the final page, and agree an initial view on whether or not this change should be made.

This document provides details of the solution, Group's discussions, impacts, costs, benefits and the potential implementation activities associated with this change.



Any questions?

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Why Change?

A new Interconnector, 'BritNed', which runs between the Netherlands and England is scheduled to become operational in late 2010. This Modification seeks to include data relating to the Netherlands-England Interconnector on the Balancing Mechanism Reporting Service (BMRS).

Proposed Solution

The Proposed solution seeks to publish the BritNed Interconnector data on the BMRS.

Alternative Solution

The Alternative solution seeks to publish the BritNed Interconnector data on the BMRS, and includes a flexible approach (without the need of a Modification) to accommodate future Interconnectors as separate fuel types in the BSC as and when they are operational.

Impacts & Costs

P244 will impact the Transmission Company, as the originator of the data, and the BMRA, the BSC Agent responsible for maintaining and operating the BMRS.

The estimated implementation cost is £112,900. The Group note that another Modification P243 which also seeks to publish data on the BMRS is being progressed to identical timescales and there would be an overall 19% cost saving in progressing and implementing these modifications together.

Implementation

The Modification Group recommend an implementation approach of:

- 05 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;

The Case for Change

The Modification Group believe that including the additional Interconnector data within the BMRS reports will result in better provision of information to participants, leading to improvement in self-balancing which in turn should lead to more efficient operation of the transmission system. Greater transparency of information should also ensure effective competition in generation and supply is maintained.

Recommendations

The Modification Group's recommendation is that the Alternative Modification is

APPROVED.



The BMRS

The BMRS can be accessed at:
www.bmreports.com

Interconnector data on the BMRS

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

At present, there are 11 'fuel type categories', including the major fuel types:

- CCGT Modules;
- Oil Plant;
- Coal Plant;
- Nuclear Plant;
- Power Park Modules;
- Pumped Storage Plant;
- Non Pumped Storage Hydro Plant;
- Open Cycle Gas Turbine Plant;
- External Interconnection flows from France to England;
- External Interconnection flows from Northern Ireland to Scotland; and
- a single category containing any other generation not covered above.

The issue

The above categories show that flows from the England-France and Northern Ireland-Scotland Interconnectors are reported separately on the BMRS.

In late 2010, a new Interconnector is scheduled to be operational. This Interconnector will run between the Netherlands and England and will be known as 'BritNed'.

However, there is no provision in the BSC to accommodate the reporting of data for the BritNed Interconnector on the BMRS. In order to publish BritNed data, in line with data already published for the French and Irish Interconnectors, BritNed will require a similar fuel type category and BSC provisions for reporting information on the BMRS.

Proposed Solution

P244 seeks to establish BritNed as an additional fuel type category on the BMRS so that its contribution to generation can be included in the relevant reports.

The BMRS reports that include a breakdown by fuel type will be modified to include an additional category for the BritNed flow. Four reports are affected:

- Instantaneous Generation by Fuel Type (FUELINST, graphical and tabular)
- HH Generation by Fuel Type (FUELHH, graphical and tabular)
- BM Unit Fuel Type (spreadsheet)
- Average Half Hourly Interconnector Flows (graphical and tabular)

To supply the necessary data to BMRS, the Transmission Company's Balancing Mechanism and Registration systems will be modified to collate and transfer the additional fuel type information.

For details of the P244 solution, please refer to the P244 Requirements Specification which is included as Attachment A



Future Interconnectors

Current plans include a new England-Belgium Interconnector, and additional France-England Interconnector, and two Ireland-GB Interconnectors

Provision for future Interconnectors

The P244 Alternative seeks to implement the same technical solution as the Proposed Modification (as detailed in the Requirements Specification), but to make allowance in the Code for future Interconnector data to be incorporated into the BMRS without the need for a Modification Proposal. This would save on the administrative costs of progressing Modification Proposals for each new Interconnector that becomes operational following P244.

The Modification Group recognised that any changes to the BMRS have potential impact on users that need to be considered. The P244 Alternative would therefore require that when new Interconnector data is to be added to BMRS, the proposed changes must be issued for industry consultation and be approved by the BSC Panel.

Process

The proposed process for adding new Interconnector data would be as follows:

- Transmission Company notifies BSCCo of a new Interconnector and the impact on its systems to provide associated data to BMRS
- BSCCo initiates an impact assessment for changes to the BMRS
- BSCCo presents details of the change, including costs, to the BSC Panel
- Panel initiates an industry consultation on the proposed changes
- BSCCo collates responses and makes a recommendation to the Panel
- Panel considers responses and determines whether to approve changes to systems.

In practice, the Panel may choose to delegate its responsibility for approving changes to a Panel Committee; for changes relating to BMRS this would typically be the Imbalance Settlement Group (ISG).

5 Impacts & Costs

Costs

ELEXON Cost		ELEXON Service Provider cost	Total Cost
Man days	Cost		
37	£8,200	£14,700	£22,900

Transmission Company cost

Estimated cost of £90,000 for the design, build and testing (system, regression and user acceptance) of changes to Transmission Company systems.

Total estimated cost for P244: £112,900.

Impacts

Impact on BSC Systems and process

BSC System/Process	Potential impact
BMRS	Changes are required to receive and validate the data and make this available to participants via the website and the TIBCO messaging service.

Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract
None

Impact on BSC Parties and Party Agents

BMRS High Grade users will be able to receive the additional data via the website and/or TIBCO messaging. Low Grade users will be able to receive the additional data through via the public website. Both types of user may need to alter systems or processes to accommodate the changes.

Impact on Transmission Company

Changes required to the Balancing Mechanism (BM) and Registration systems to collate and submit the BritNed data to the BMRS.

Impact on Code

Code section	Potential impact
Section Q	This section will need amendment to reference BritNed as one of the fuel type categories used for BMRS reporting.

Impact on other Configurable Items

Configurable Item	Potential Impact
Interface Definition and Design (IDD) Part 1	Changes to this document will be required to reference the additional fuel type.

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6 Implementation



Recommendation

Modification Group recommends approval of the P244 Alternative

The Modification Group's proposed implementation approach is for the Proposed or Alternative Modification to be implemented on:

- 05 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.

The Group note that another Modification P243, which also seeks to publish data on the BMRS is being progressed to identical timescales and that there is a cost saving (overall cost saving of 19%) in implementing these Modifications together.

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.

7 Modification Group's Discussion

The Modification Group discussed the proposal and considered each of the points of its Terms of Reference.

Impact of P244 on the BMRS and Transmission Company

The Group noted the impact assessment carried out by the BMRA and the Transmission Company for P244. The BMRS changes consist of alterations to graphs, tables, spreadsheets and standing data to accommodate the additional information, as well as modifying any associated TIBCO messages so that high-grade users receive the same information as displayed through the BMRS Website.

The changes to the Transmission Company's systems are to collate the additional data and to include it in the electronic data flows that are issued on a regular basis to the BMRS.

Benefits and Drawbacks of P244

The Group agreed that the principal benefit of P244 is to ensure that the BMRS continues to provide a full report on the state of the market once the new Interconnector becomes operational. Omitting this data would reduce transparency and could lead to a negative impact on competition if some participants have information on the Interconnector's performance while others did not.

The main drawback is the cost of the change, with the modifications to the Transmission Company systems being particularly expensive. The Group noted the rationale put forward in the impact assessment, that the changes affect a critical real-time system (the BM system) and so any alterations needed to be designed, built and tested very carefully to ensure the functionality and performance of the core system is not adversely affected. The Group also noted that the current BM system is known to be inflexible and is being scheduled to be replaced in late 2012. The Transmission Company expects similar changes to the new system will be much easier and cheaper to progress.

Is current reporting appropriate?

The Group agreed that the current approach of reporting each Interconnector as a distinct fuel type is appropriate for the purposes of transparency, and will continue to be so even

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when further Interconnectors become operational. The Group noted that there are other fuel types, e.g. pumped storage, where there are only a few actual units in operation and so could be reported separately, however Interconnectors are a special case in that they are not generators in the conventional sense. As a result, reporting their operation separately does not raise the data security issues that would be present if other generation types were reported on an individual basis.

Implementation of P244 with P243

P243 'Publication of Generator Forward Availability by Fuel Type' has similar impacts on the BMRS and Transmission Company as P244, therefore the Group was asked by the Panel to consider whether there were benefits in joint implementation. P244 has a range of potential solutions, however the impact assessments received indicate an implementation cost saving of around 20% if both Modifications were implemented together. The Group therefore agreed that, although P244 and P243 are not contingent on another, if approved they should be implemented together.

Is an Alternative required?

When considering the P244 Initial Written Assessment, the Panel noted that at least 4 more Interconnectors are due to come into operation in the coming years: a new Interconnector between England and Belgium, an additional France-England Interconnector and two new Interconnectors between Great Britain and Ireland. The Panel suggested a potential alternative that would avoid the need to raise further Modification Proposals for similar changes in the future.

The Group considered this suggestion and agreed an Alternative Proposal that would allow the Interconnector-related BMRS data to be expanded, without the need for a full Modification Proposal (hence avoiding unnecessary administration costs) but which would remain subject to the authority of the Panel.

The Group did discuss whether an Alternative could also implement future-proofing in the BMRS and Transmission Company systems so as to avoid incurring further implementation costs. This would involve 'making space' in the relevant data flows, loaders and tables to accommodate new Interconnectors as and when they become operational. However, the initial advice from both the BMRA and the Transmission Company was that attempting to implement dormant functionality without unduly affecting the systems was likely to be problematic and the effort in designing such a solution may outweigh the benefits. Furthermore, in the case of the Transmission Company systems, future changes are likely to be developed based on the new BM system which, as mentioned above, should be more flexible and therefore less costly to change.

The Group agreed not to progress this option, and instead focus the Alternative on the saving of administrative costs.

Further information on the Group's Alternative is contained in Section 4.

P244 Proposed and Alternative

The view of the Modification Group was that both the Proposed and Alternative Modifications **WOULD** both better facilitate the achievement of Applicable BSC Objectives (b) and (c) when compared to the current BSC baseline. The arguments made by the Group in support were as follows:

Applicable BSC Objective (b)

For	Against
<ul style="list-style-type: none"> P244 would ensure the efficient operation of the Transmission System as having full visibility of the effect of the new Interconnector alongside the other existing fuel types will better enable market participants to self-balance, thus reducing the amount of balancing activity required on the part of the Transmission Company. 	<ul style="list-style-type: none"> None

Applicable BSC Objective (c)

For	Against
<ul style="list-style-type: none"> P244 would promote effective competition as the change improves the transparency and availability of information, ensuring all market participants (not just those directly involved with new Interconnector) have appropriate access to its operational data. 	<ul style="list-style-type: none"> None

In addition to the above, the Group also believed that the Alternative better facilitated Applicable BSC Objective (d) as:

For	Against
<ul style="list-style-type: none"> P244 would promote efficiency in the administration and implementation of the balancing and Settlement arrangements by allowing for future changes in this area to be progressed with lower administrative overheads while ensuring any developments remain under the authority of the BSC Panel. 	<ul style="list-style-type: none"> None

P244 Alternative v P244 Proposed

The view of the Modification Group is that the Alternative Modification is better than the Proposed Modification on the basis that it provides flexibility in accommodating future Interconnectors in the BSC.

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9 Industry Views

As part of the Assessment Phase, the P244 Modification Group issued a consultation to the industry.

8 responses were received, all of which were in unanimous support of the Modification Group's views, arguments and conclusions. However, some respondents sought clarification on the Interconnector data:

- One respondent queried whether 'negative' values (Energy taken off the national Transmission System) would be published under P244 or whether a separate Modification would be required in order to obtain this data. ELEXON contacted the respondent and indicated that this data is currently published on the BMRS.
- Another respondent queried the number of Interconnector users for the BritNed Interconnector. The respondent was concerned that there may be issues with discrimination if there is a single Interconnector User, as the User may have to publish its forward availability (and thereby reveal its market position). However, the respondent noted that there would be no discrimination issues as BritNed would auction any capacity to a number of market participants. Additionally even if there was a single Interconnector User, there would be no correlation between the Interconnector availability and a Interconnector User's trading position, as the Interconnector User may wish not to use all the availability; and
- ELEXON provided clarification to a respondent on what information is used by the Panel and by the Authority in making a decision on any Modification. ELEXON explained that the framework for the BSC Panel and the Authority to make decisions is described in Section F of the Code and Condition C3 of the National Grid electricity Transmission licence.

Full details of these responses are available on the [P244 webpage](#).

10 Recommendations

Based on the discussions above, the P244 Modification Group invites the Panel to:

- AGREE an initial recommendation that Proposed Modification P244 should not be made;
- AGREE an initial recommendation that Alternative Modification P244 should be made;
- AGREE an initial Implementation Date for Proposed/ Alternative Modification P244 of
 - 05 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;
- NOTE the draft legal text for Proposed Modification P244;
- NOTE the draft legal text for Alternative Modification P244;
- AGREE that Modification Proposal P244 be submitted to the Report Phase; and
- AGREE that ELEXON should issue P244 draft Modification Report for consultation and submit results to the Panel to consider at its meeting on 10 December 2009.

11 Further Information

More information is available in

Attachment A: P244 Requirements Specification

The P244 Modification Group is comprised of members of the Standing Settlement Modification Group (SSMG) and includes those also involved the assessment of Modification Proposal P243 'Publication of Generator Forward Availability by Fuel Type'.

Member	Organisation	23/09/09	22/10/09
Adam Lattimore	ELEXON (Chairman)	X	√
Kathryn Coffin	ELEXON (Chairman)	√	X
Sherwin Cotta	ELEXON (Lead Analyst)	√	√
Shafqat Ali	(Proposer)	√	√
Esther Sutton	EON	√	√
Ricky Hill	Centrica	√	√
Garth Graham	Scottish and Southern	√	√
Martin Mate	EDF	√	√
Bill Reed	RWE	√	X
Martin McDonald	SAIC	X	√
Attendee	Organisation	23/09/09	22/10/09
Steve Francis	ELEXON	√	√
James Grigor	Ofgem	√	X
Vanja Munerati	Ofgem	X	√
Paul Auckland	National Grid	√	√
Andy Howden	Logica	√	√

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Lisa Waters	Waterswye	✓	X
Phil Hewitt	Enappsys	✓	X
Kristian Lande	LDH Energy	X	✓

The Modification Group's terms of reference are as follows:

P243 Terms of Reference		
No	Area	Ref
1.	Identify the impact of P244 on the BMRS and the Transmission Company	Section 7
2.	Confirm that P244 should be implemented with P243	
3.	The benefits and drawbacks of P244	
4.	Whether current reporting is appropriate (i.e. reporting each Interconnector as a distinct fuel type)	
5.	Whether an Alternative Modification is required	Sections 4 & 7

Process followed

Date	Event
01/09/09	P243 issued for initial Transmission Company and BMRA Impact assessment (in parallel with P244)
10/09/09	IWA presented to the BSC Panel
23/09/09	First Modification Group meeting
02/10/09	P244 issued for industry impact assessment/consultation (with P243)
19/10/09	P244 consultation responses returned
22/10/09	Second Modification Group meeting
12/11/09	Assessment Report presented to the BSC Panel