

4.5 MP Form

Modification Proposal – BSCP40/03	MP No: 253 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by originator)</i> : Improving the accuracy of the Credit calculation for SVA participants	
Submission Date <i>(mandatory by originator)</i> : 11 March 2010	
<p>Description of Proposed Modification <i>(mandatory by originator)</i></p> <p>The credit calculation uses Interim Information (II) data for estimating a large part of a Party's indebtedness; on average 22 of the 29 days of the credit calculation is based on II data. This run is conducted 5 working days after the Settlement Date (SD +5WD). The majority of HH SVA sites do have accurate readings by 5 working days but, under the current operating model, this data won't enter Settlement until SF (SD +16WD).</p> <p>This Modification will change this process so that meter readings from SVA HH sites will be used in the II Settlement run. The Issue 38 group acknowledged that the estimation method for SVA data is likely to result in inaccuracies. They did not believe that there was an easy way to tweak the estimation method and therefore suggested having an SVA II run to increase accuracy.</p> <p>To support this, Half Hourly Data Collectors and Data Aggregators will be required to provide half-hourly meter reads in time for SVAA to use them in an II VAR. Similarly, in the NHH market, Data Aggregators will be required to provide Supplier Purchase Matrices in time for the II VAR run. However, data collection timescales will not be changed in the NHH market (and the SPMs provided to SVAA will therefore contain mostly Estimated Annual Consumptions rather than Annualised Advances).</p> <p>This Modification will mean that the SVAA will carry out an II VAR. The data from the SVAA and CDCA II VAR runs (SD +4WD) will feed into the SAA II run (SD +5WD); the output from the SAA Settlement run will be used in the credit calculation; Parties will only see the output from the SAA run.</p>	
<p>Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by originator)</i></p> <p>Between II and SF, we have metered volumes for CVA but we need to estimate the volumes in the SVA market.</p> <p>SVA metered volumes are estimated using data that has already gone through Settlement at SF. This is because it is deemed that there is not enough accurate SVA data at the time of the II run for actual data to be used. This can lead to inaccuracies in forecasting SVA data as some Half Hourly (HH) SVA sites (such as wind generation) don't follow a regular profile and therefore will not be accurately reflected in II data. If the data that has gone through Settlement includes bank holidays, then this can also result in an inaccurate estimation of indebtedness.</p> <p>For example: If a Supplier has mainly business customers, then two Mondays can't be compared as like for like if one is a bank holiday. The current credit calculation doesn't take this discrepancy into account.</p>	

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<p>With an increase in embedded generation in some Grid Supply Point (GSP) groups, the GSP group takes (GSPGTs) have been decreasing. As SVA II volumes are based on a percentage of GSPGT, this can make a large difference to SVA volumes especially when the volumes are not reflective of changes in an individual Suppliers' position.</p> <p>Currently if a Party's indebtedness is underestimated or overestimated, the Party doesn't have to lodge additional credit cover; they can lodge material doubt instead. This involves providing evidence that the credit calculation has incorrectly estimated their indebtedness (usually in the form of metered data from D0030 and D0275 flows).</p> <p>This process does required additional work from ELEXON as it is a manual analytical process, but the majority of the work is carried out by the Party lodging Material Doubt as they need to gather the supporting evidence and re-submit data every time there is a change in data (usually every working day).</p>	
<p>Impact on Code <i>(optional by originator)</i></p> <p>Section R5, Annex-S2, T4, T5, U2</p>	
<p>Impact on Core Industry Documents or System Operator-Transmission Owner Code <i>(optional by originator)</i></p> <p>None</p>	
<p>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by originator)</i></p> <p>SAA, SVAA</p>	
<p>Impact on other Configurable Items <i>(optional by originator)</i></p> <p>BSCP01, BSCP502, BSCP503, BSCP508, BSCP509, BSCP536, SAA URS, SVAA URS, CDCA URS, SAA Service Description, SVAA Service Description, SVAA Settlement Calendar, SVAA software, SAA Settlement Calendar, IDD Part 2.</p>	

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<p>Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by originator)</i></p> <p>This Modification meets Objective (d) by increasing the accuracy of the credit calculation and therefore the efficiency of the administration of the BSC.</p> <p>This Modification meets Objective (c) as this change will mean that SVA Parties will be required to lodge less credit cover and/or material doubt. This is because their estimated indebtedness should more accurately reflect their contracted position.</p> <p>The Modification will make the credit cover calculation treat CVA and SVA Parties in a similar fashion and thus promote competition by reducing the greater burden on SVA Parties to lodge greater credit cover and/or material doubt than is necessary.</p>	
<p>Urgency Recommended: Yes/ No <i>(delete as appropriate) (optional by originator)</i></p>	
<p>Justification for Urgency Recommendation <i>(mandatory by originator if recommending progression as an Urgent Modification Proposal)</i></p>	
<p>Details of Proposer:</p> <p><i>Name: BSC Panel.....</i></p> <p><i>Organisation.....</i></p>	
<p>Details of Proposer’s Representative:</p> <p><i>Name... Chris Rowell.</i></p> <p><i>Organisation: ELEXON Ltd.</i></p> <p><i>Telephone Number: 020 7380 4337</i></p> <p><i>Email address: chris.rowell@elexon.co.uk</i></p>	

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Attachments: Yes / No <i>(delete as appropriate) (mandatory by originator)</i> If Yes, Title and No. of Pages of Each Attachment:	