

P255 Consultation Responses

Consultation issued on 19 May 2010

We received responses from the following Parties

Company	No BSC Parties / Non-Parties Represented	Role of Parties/non-Parties represented
MRASCo Ltd	0/1	MRA
TMA Data Management Ltd	0/1	NHHDC, NHHDA, HHDC and HHDA
E.ON	5/0	Supplier
Accenture (UK) Ltd. (for and on behalf of ScottishPower)	7/0	Supplier / Generator / Trader / Consolidator / Exemptible Generator / Distributor
Scottish and Southern Energy	9/0	Supplier / Generator / Trader / Consolidator / Exemptible Generator
Meniscus Systems Ltd	0/1	Currently appointed as the Statistician under the PrA agreement undertaking the analysis of the PrA data
RWE Npower Limited	8/0	Supplier / Party Agent
EDF Energy	13/0	<i>Supplier/Generator/Trader/Consolidator/Exemptible Generator/Party Agent/Distributors</i>

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

Question 1: Do you agree with the Panel's initial majority view that P255 should be approved?

Summary

Yes	No	Neutral/Other
8	0	0

Responses

Respondent	Response	Rationale
MRASCo Ltd	Yes	The change will enhance efficiency by minimising constraints that ELEXON may face in trying to provide an efficient PrA service.
TMA Data Management Ltd	Yes	The benefits that P255 bring in the flexibility to supply the PrA services fully justify it to be approved.
E.ON	Yes	The case has been made that implementation of this proposal will better facilitate the relevant BSC objectives in the assessment phase and therefore it should be implemented.
Accenture (UK) Ltd. (for and on behalf of ScottishPower)	Yes	We believe that the Proposed Modification will allow the PrA service to be delivered in a more flexible and cost effective way. Splitting out the data collection element should increase the number of organisations who may express an interest in running the service. The data analysis element could be viewed as an obstacle to those interested companies, who would view the requirement for specialised knowledge and skills as a cost they were not willing to bear. This would therefore have a beneficial impact on Objective d.
Scottish and Southern Energy	Yes	It allows for the efficient provision of the profile administration service, as such it would better facilitate the achievement of the applicable BSC objective d.
Meniscus Systems Ltd	Yes	P255 gives Elexon greater flexibility and therefore this seems a rational approach and one that cannot, in principle, be faulted.
RWE Npower Limited	Yes	We agree with the Panel's initial majority view that removing the constraints that prevent Elexon from ensuring the efficient provision of the PRA Service would be a benefit the industry and also possible cost savings by bringing the data analysis role in house.

Respondent	Response	Rationale
EDF Energy	Yes	<p>EDF Energy believes that this proposal would better meet the applicable BSC objective (d) on the basis that it will improve the efficiency and administration of the balancing and settlement arrangements by providing Elexon and the Panel flexibility in discharging the PrA service.</p> <p>Notwithstanding the above, it is essential that there are appropriate checks and balances to ensure that all parts of the service are performed in the most efficient and cost effective manner. With this in mind we support the increased transparency of the costs that should arise from the proposal. Further, the process by which Elexon will be required to develop an appropriate robust business case as to how the service should be discharged which would need to be agreed by the Elexon Board and the Panel should provide the appropriate checks and balances.</p>

Question 2: P255 is an enabling change. Do you agree that it contains sufficient checks and balances on any decision to bring part of the Profile Administrator service in house to ELEXON?

Summary

Yes	No	Neutral/Other
7	1	0

Responses

Respondent	Response	Rationale
MRASCo Ltd	Yes	In addition to the changes, a revised business case will also need to be presented to the Panel.
TMA Data Management Ltd	Yes	Gaining the Panel's authorisation for the business case is an essential part of ensuring that it is in the Industry's best interest to have part or all of the PrA services provided in house by Elexon. The fact that the Business case must be made at least every 5 years or any time Elexon or the Panel feel it is appropriate, offers sufficient checks and balances on the decision making process.
E.ON	Yes	Elexon Board and BSC Panel oversight should provide

Respondent	Response	Rationale
		sufficient confidence to parties.
Accenture (UK) Ltd. (for and on behalf of ScottishPower)	Yes	So long as there is in place a process to regularly review the cost effectiveness of the service being in housed, then there should be sufficient checks and balances.
Scottish and Southern Energy	Yes	If the panel is satisfied that the process has been discharged in an efficient and economic manner, then it should be approved. In addition, PEG could make sure that the analysis is of sufficient quality every year and recommend it to the panel for approval and if the panel deemed that it has been carried out consistent with the BSC objective d, then they could approve it.
Meniscus Systems Ltd	No	The wording of P255 implies that the decision to retain the data analysis element in house has effectively been made. P255 states that Elexon consider that they can achieve 'significant costs savings and efficiencies' by bringing the data analysis in house. It is not clear that this last statement is valid and that the best, and only, means to demonstrate this is to seek competitive bids for this component. The data analysis task is essentially a labour based service. If the specification for this service is the same if delivered 'in house' as it would be if delivered by a external contractor it is difficult to understand how, with the overheads that Elexon currently has and the premises that it occupies, the service delivery can compete with the current situation of a two person consultancy in a small office in a rural market town. The data analysis task has been undertaken for 6 years by ourselves and has always been delivered on time with no penalties raised against the service delivery.
RWE Npower Limited	Yes	We are satisfied that there will be sufficient checks and balances to ensure Elexon only assumes responsibility for the PrA service for now and in the future.
EDF Energy	Yes	We agree that this modification proposal is an enabling change. We also agree that the appropriate checks and balances outlined are sufficient (see above). However, if approved this proposal should not in any way set a precedent for Elexon to

Respondent	Response	Rationale
		undertake other BSC agent roles.

Question 3: Do you agree with the Panel's suggested Implementation Date?

Summary

Yes	No	Neutral/Other
7	0	1

Responses

Respondent	Response	Rationale
MRASCo Ltd	Yes	As this is an enabling change, 5 Working Days after the Authority decision seems correct.
TMA Data Management Ltd	Yes	It is the only way to implement P255 in order to benefit from it.
E.ON	Yes	Benefits would be lost if the PrA service had to go through a procurement exercise due to a timing issue.
Accenture (UK) Ltd. (for and on behalf of ScottishPower)	Yes	-
Scottish and Southern Energy	Yes	The authority's decision needs to be in place in time for the procurement process to commence.
Meniscus Systems Ltd	-	We do not have a view on this question.
RWE Npower Limited	Yes	This Modification does not have an impact on NPower systems or processes, so we therefore agree with the implementation date.
EDF Energy	Yes	-

Question 4: Do you agree that the legal text delivers the intention of P255?

Summary

Yes	No	Neutral/Other
6	0	2

Responses

Respondent	Response	Rationale
MRASCo Ltd	Yes	The legal text makes it clear that any out sourcing will be subject to consent from the Panel.
TMA Data Management Ltd	Yes	
E.ON	Yes	-
Accenture (UK) Ltd. (for and on behalf of ScottishPower)	Yes	-
Scottish and Southern Energy	Yes but	Section 9.1.2 should change to get further panel consentto once every 3 years rather than 5 years.
Meniscus Systems Ltd	-	We do not have a view on this question.
RWE Npower Limited	Yes	-
EDF Energy	Yes	-

Question 5: Do you have any further comments on P255?

Responses

Respondent	Response
MRASCo Ltd	No
TMA Data Management Ltd	No
E.ON	No

Respondent	Response
Accenture (UK) Ltd. (for and on behalf of ScottishPower)	No
Scottish and Southern Energy	Yes- Elexon would have to demonstrate that provision of Profile Administration Services is discharged in an efficient and economic manner every year.
Meniscus Systems Ltd	Small businesses already find it difficult to bid for government or quasi government work and as a small business we have experienced this first hand on a number of occasions. In today's economic climate it would seem a strange decision to withdraw work that can, and has, been undertaken by a small business into a quasi governmental organisation. If this data analysis task can be undertaken 'in house' by Elexon then this implies that there must be a team/role that is presently 'underworked' that can absorb the not insignificant labour involved in undertaking this service, unless Elexon plan to recruit for this role. The most cost effective solution may therefore be to identify the other tasks that are undertaken by the team/role and look to contract all this work out to consultants.
RWE npower Limited	No
EDF Energy	No