

P256 Consultation Responses

Consultation issued on 13 July 2010

We received responses from the following Parties

Company	No BSC Parties / Non-Parties Represented	Role of Parties/non-Parties represented
TMA Data Management Ltd	0/1	HHDC, HHDA, NHHDC, NHHDA
Centrica	10/0	Supplier/Generator/Trader
National Grid	1/0	Transmission Company
Spark Energy	1/0	Supplier
Scottish Power PLC	4/0	Supplier/Generator/Trader/Party Agent
npower Limited	8/0	Supplier / Party Agent
EDF Energy	13/0	Supplier/Generator/Trader/Consolidator/Exemptible Generator/Party Agent/Distributor
E.ON UK	6/0	Supplier

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 that the Panel's recommended legal text and BSCP11 changes deliver the solution agreed by the Modification Group?

Summary

Yes	No	Neutral/Other
7	0	1

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	-
Centrica	Yes	-
National Grid	Yes	No further comments
Spark Energy	Yes	-
Scottish Power PLC	Yes	-
npower Limited	Yes	Npower limited agree that the drafted BSCP11 and associated legal text adequately delivers the solution as recommended by the modification Panel.
EDF Energy	-	We have not checked the detail of these documents.
E.ON UK	Yes	They appear appropriate.

Question 2: The Panel has initially recommended an implementation approach of:

- 04 November 2010 if a decision is made by 24 September 2010; or
- the Next Available Release if a decision is made after 24 September 2010.

Do you agree with the Panel's recommended Implementation Date (for both the BSC and BSCP11 changes)?

Summary

Yes	No	Neutral/Other
8	0	0

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	-
Centrica	Yes	The implementation approach has been justified in the report.
National Grid	Yes	No further comments
Spark Energy	Yes	-
Scottish Power PLC	Yes	With no system changes to be released the Modification should be included within the first available release after Authority approval is granted.
npower Limited	Yes	We would like to see this modification implemented ASAP.
EDF Energy	Yes	-
E.ON UK	Yes	This should be implemented promptly.

Question 3: The BSC obliges Parties to submit correct data, derived in accordance with the provisions of the BSC, at each Settlement Run. The change to the SVA HH deadline (from R2+ 20WDs to RF + 70WDs) would enable Parties to seek correction of errors identified after R2+20WDs. It could also be seen to reduce the incentive for Parties to comply with the requirement to submit correct data.

Does the impact on the incentive to submit correct Settlement data outweigh the benefits of being able to correct a wider set of settlement errors?

Summary

Yes	No	Neutral/Other
2	6	0

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	As commented during the consultation phase, lowering the incentive to submit correct data promptly in the HH market damages the benefit that P256 can bring to the Trading Dispute process. The NHH market is moving towards the HH market with the use of smart metering, it would make more sense to eventually, bring the NHH standard to the HH standard in terms of Trading Disputes deadline rather than the other way around, and until such time that all metering is either HH or smart, the Trading Disputes deadlines should remain market appropriate.
Centrica	No	Centrica believes that the benefits of the modification, which includes allowing more time to identify, raise and correct errors as well as reduce claims of exceptional circumstance outweighs any potential detriment impact of the modification.
National Grid	No	The change to the SVA HH deadline will allow greater timescales for error discovery and subsequent correction leading to more efficient processes. While the deadline for error correction will be extended, timely submission of correct Settlement data will remain focussed to avoid unnecessary administration.
Spark Energy	Yes	-
Scottish Power PLC	No	The increase in the timescales should not lead to a reduction in HH settlement accuracy. There is no evidence that extending the deadline would allow HH Suppliers to "put off" any validation or investigation they would normally carry out. The evidence (all be it mostly anecdotal) is that, as the majority of HH data

Respondent	Response	Rationale
		entering settlements consists of <u>validated</u> HH advances, the data is to be relied upon. An error is most likely to be flagged up as a result of some infrequent process (such as meter replacement or CoS), which then may trigger a rectification. There should be the longest possible window to allow for these potential disputes to be raised, as currently exists for self correction (via RF).
npower Limited	No	<p>Npower limited continues to believe that alignment of the NHH and HH query time-lines, is of paramount importance. In order to best identify and mitigate SVA HH errors going forward the industry needs a solution that extends the query time-scales for HH errors.</p> <p>As we have argued before, the Settlement data 'supply chain' involves several industry parties, all of which operate systems and processes to certain agreed time-scales and deadlines. In the limit, these time constraints often compete with Trading error resolution timescales. The result is that certain errors are not always brought to light within the current restrictive R2+20WDs time-scale. These current time-scales may possibly prohibit parties from raising disputes.</p>
EDF Energy	No	-
E.ON UK	No	We do not consider there to be a real reduction in the incentive for Parties to submit accurate data. Particularly when it such errors are often only been identified on site visits outside of the existing dispute timescales, it would seem perverse to limit the number of genuine errors that could otherwise be corrected by overemphasizing any such concerns and maintaining the current restrictive timescales for sva hh.

Question 4: Do you agree with the Panel's initial majority recommendation that:

P256 will better facilitate the achievement of Applicable BSC Objective (d) when compared with the existing BSC Arrangement; and

P256 should therefore be approved?

Summary

Yes	No	Neutral/Other
8	0	0

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	-
Centrica	Yes	Centrica supports the view of the majority of the Panel.
National Grid	Yes	National Grid agrees with the Panel's view that P256 will better facilitate applicable BSC Objective (d) and should be approved.
Spark Energy	Yes	-
Scottish Power PLC	Yes	The whole reason for this Modification is to improve understanding and improve the overall efficiency of the Dispute process. As a result, this Modification will clearly be of greatest benefit to achieving Objective (D). There will also be a benefit in improving Objective (C) because by making this process easier to understand/follow, new Parties are less likely to be deterred if the overall process is less complex and there is a greater opportunity for parties to correct errors and so see an increase in the accuracy of Settlements and their own trading position.
npower Limited	Yes	By developing systems and processes that facilitate a greater opportunity for Parties to correct Trading Charge errors and thus improve the accuracy of Settlements, this modification will greatly improve the administration of the Balancing and Settlement arrangements and the accuracy of the Settlement data. Npower limited therefore believe that P256 should be approved as per the Panel recommendation.
EDF Energy	Yes	-
E.ON UK	Yes	By streamlining existing processes to remove

Respondent	Response	Rationale
		unnecessary steps and align query deadlines P256 would further BSC Applicable Objective D, making the Code clearer and more accessible and the process quicker, less costly and more efficient, with the additional benefit of a referral mechanism for rectification decisions. Removing the need for Queries/Precautionary Queries to be raised for issues that may be resolved during normal Settlement will also save Parties and ELEXON wasting time and money raising and investigating such Queries. Allowing SVA hh queries for issues that cannot be raised within the current R2+20wd deadline, to address genuine errors unearthed beyond this timescale e.g. from site visits will also be more efficient.

Question 5: Do you have any further comments on P256?

Responses

Respondent	Response
TMA Data Management Ltd	No
Centrica	No
National Grid	No
Spark Energy	No
Scottish Power PLC	No
npower Limited	No
EDF Energy	No
E.ON UK	The question of whether "Query" is more accessible terminology than "Dispute" was mentioned by a Panel member on 08/07/10. While on the face of it this may be a valid point, it must be evident to anyone considering the current process that at present all such matters basically follow the same path for consideration by the TDC, while the very nature of P256 is negating the need for spurious Queries and only genuine Disputes should be raised. One would hope that Parties in any doubt over their options would contact ELEXON anyway and if having a genuine dispute over data not resolved within the normal course of Settlement would not be deterred by terminology in seeking resolution.