Modification Proposal – BSCP40/06

MP No: 189

(mandatory by BSCCo)

Title of Modification Proposal (mandatory by originator):

Clarification to Fulfil the Intent of P174

Submission Date (mandatory by originator):

23rd May 2005

Description of Proposed Modification (mandatory by originator)

Under the now approved modification P174, BM Units associated with an Interconnector that has a single Boundary Point are eligible to participate in non-Sole Trading Units. The reference to a single Boundary Point was intended to include Interconnectors where the Interconnector Circuits are physically proximate, whilst excluding those where the circuits are separated by many miles. The exclusion of Interconnectors where the circuits are separated by a significant distance was necessary to retain the principle of physical proximity central to the concept of a Trading Unit.

In the case of the Anglo French Interconnector, the circuits are physically proximate but have been registered with more than one Boundary Point. Therefore, a clarification is proposed to the P174 baseline, also in order to include Interconnectors where the circuits are physically proximate but have multiple Boundary points, whilst still excluding those where the circuits are separated by a significant distance.

It is considered that a definition whereby the Boundary Points of the Interconnector must all be at the same Site would meet this requirement (where a 'Site' is taken as having that meaning defined in Section K 'Classification and Registration of Metering Systems and BM Units').

Description of Issue or Defect that Modification Proposal Seeks to Address (mandatory by originator)

Modification Proposal P174 - 'Provision for Users of an Interconnector with a Single Boundary Point connection to form a Trading Unit amongst themselves and with other BM Units at the same site' (P174) was approved by the Authority on 19 April 2005. This followed the rejection of P139 and it was the deliberate intent to capture all GB interconnectors other than the then Anglo-Scottish Interconnector because of the latter's geographic dispersal of the Interconnector Circuits amongst more than one connection site.

P174, when implemented in November this year, therefore allows BM Units associated with an Interconnector that has a single Boundary Point to form Trading Units and it had been fully assumed and expected by all concerned that the Anglo-French Interconnector would qualify (i.e. that the Anglo French Interconnector has a single Boundary Point and would be captured by P174).

However, it has become apparent in preparing for the implementation that the Anglo-French Interconnector has been registered with two Boundary Points, albeit at the same site, thus precluding BM Units associated with this Interconnector from forming Trading Units as envisaged under P174. It should perhaps be noted that the Moyle Interconnector has just one Boundary Point and so is captured within P174.

Therefore, despite the intention of P174 for BMUs associated with the Anglo-French Interconnector to have the ability of forming Trading Units, the restriction on BM Units associated

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with Interconnectors that have multiple Boundary Points frustrates the intent of P174, even when those sites are geographically proximate.

Clarification is therefore required to ensure the intent of P174 can be realised for both existing and future Interconnectors that are connected to the same substation site.

P174 is scheduled for implementation in the November 2005 Release and it is desirable that any clarification be implemented in parallel and would request that this modification proposal proceeds directly to the Report Phase.

Impact on Code (optional by originator)

It is believed that:

- 1) Section K 'Classification and Registration of Metering Systems and BM Units' and
- 2) BSCP31 'Registration of Trading Units'.

would need to be amended.

Impact on Core Industry Documents or System Operator-Transmission Owner Code (optional by originator)

None that the Proposer is aware of.

Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties (optional by originator)

Impact on other Configurable Items (optional by originator)

Justification for Proposed Modification with Reference to Applicable BSC Objectives (mandatory by originator)

By keeping to the existing wording of the BSC baseline and given that there are two Boundary Point connections associated with the Anglo-French Interconnector, it would be introducing a degree of discrimination between two GB Interconnectors which could not be justified. The modification as proposed removes that possibility. It also fulfils the intent of P174, which would allow Interconnector BMUs to form Trading Units on the Anglo-French Interconnector (as well as the Moyle Interconnector), thereby facilitating more efficient and competitive trading activity between neighbouring systems, as well as for any other parties at the same site.

It is therefore believed that it meets Applicable BSC Objective (c) 'Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity'.

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Details of Proposer:
Name Steve Drummond
OrganisationEDF Trading Ltd
Telephone Number07884 310870
Email address steve.drummond@edftrading.com
Details of Proposer's Representative:
NameAs above
Organisation
Telephone Number
Email address
Details of Representative's Alternate:
NameJonas Torquist
Organisation EDF Trading Ltd
Telephone Number0207 061 4364
Email addressjonas.tornquist@edftrading.com
Attachments: No
If Yes, Title and No. of Pages of Each Attachment: