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The National Grid Company, BSC Signatories and  
Other Interested Parties

17 December 2004

Our Ref: MP No P169

Dear Colleague,

**Modification to the Balancing and Settlement Code (“BSC”) - Decision and notice in relation to Modification Proposal P169 “Publication of BMU names on ELEXON website”**

The Gas and Electricity Markets Authority (the “Authority”)<sup>1</sup> has carefully considered the issues raised in the Modification Report<sup>2</sup> in respect of Modification Proposal P169, “Publication of BMU names on ELEXON website”.

The BSC Panel (the “Panel”) recommended to the Authority that:

- Alternative Modification P169 should be made; and
- An Implementation Date for Alternative Modification P169 of 10 Working Days after the Authority’s decision;

Having carefully considered the Modification Report and the Panel’s recommendation and having regard to the Applicable BSC Objectives<sup>3</sup> and the Authority’s wider statutory duties,<sup>4</sup> the Authority has decided to direct a Modification to the BSC in line with the Alternative Modification P169.

<sup>1</sup> Ofgem is the office of the Authority. The terms “Ofgem” and “the Authority” are used interchangeably in this letter.

<sup>2</sup> ELEXON document reference P166MR, Version No. Final/1.0, dated 18 May 2004

<sup>3</sup> The Applicable BSC Objectives, as contained in Standard Condition C3 (3) of NGC’s Transmission Licence, are:

- a) the efficient discharge by the licensee of the obligations imposed upon it by this licence;
- b) the efficient, economic and co-ordinated operation by the licensee of the licensee’s transmission system;
- 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;
- d) promoting efficiency in the implementation and administration of the balancing and settlement arrangements
- e) the undertaking of work by BSCCo (as defined in the BSC) which is:
  - (i) necessary for the timely and effective implementation of the proposed British Electricity Trading and Transmission Arrangements (BETTA); and
  - (ii) relevant to the proposed GB wide balancing and settlement code;and does not prevent BSCCo performing its other functions under the BSC in accordance with its objectives.

<sup>4</sup> Ofgem’s statutory duties are wider than the matters that the Panel must take into consideration and include amongst other things a duty to have regard to social and environmental guidance provided to Ofgem by the government.

This letter explains the background and sets out the Authority's reasons for its decision.

This letter constitutes notice by the Authority under section 49A Electricity Act 1989 in relation to the direction.

## **Background**

BM Unit names for all live BM Units are received by BSCCo's Trading Operations Market Analysis System (TOMAS) from the Central Registration Agent (CRA), as part of the CRA-I020 data flow (Operations Registration Report). At the time P169 was raised this data fell within the category of Confidential Information under the BSC and may not be disclosed by BSCCo.

SmartestEnergy, the Proposer, raised Modification Proposal P169 on 27 July 2004. The proposer noted that BM Unit IDs and Party names are already published on the Elexon website, and argued that additionally making BM Unit names available would aid market analysis, furthering openness and transparency of the electricity market.

The P169 Initial Written Assessment was presented at the Panel Meeting of 12 August 2004. The Panel determined that P169 should be submitted to a two month Assessment Procedure by a new Modification Group composed of members of the Governance, Settlement and Volume Allocation Standing Modification Groups (the Group). The Group met twice during the Assessment Procedure on 16 August and 22 September 2004.

## **The Modification Proposal**

In accordance with section V4.2.3 of the Code, the BSCCo currently publishes the Party Name and Identification Number of each BM Unit. This information is extracted from the CRA-I020 flow received by TOMAS and published on the BSCCo Website, on the Registered BMU spreadsheet.

The Group developed a Proposed Modification such that V4.2.3 would be amended to add BM Unit names to the list of information required to be published on the BSCCo Website. It was confirmed that data published under Section V is not regarded as Confidential Information for the purposes of Section H4.2 of the BSC Code.

BSCCo would therefore be required to additionally extract BM Unit names from the CRA-I020 flow, and publish them as part of the existing 'Registered BMU' spreadsheet. The Group agreed that the 'Registered BMU' spreadsheet should continue to be updated on a weekly basis.

The majority view of the Group was that Proposed Modification P169 would enhance Applicable BSC Objective (c) as compared to the current baseline in that it would promote transparency of the market, help Parties in monitoring their own data, aid participants in undertaking market analysis, and directly-connected Customers in establishing which site they were connected to. One member of the Group stated that they were unconvinced that publication of BM Unit names would better facilitate competition, since it was not clear how the data would be used by participants.

During the Assessment Procedure for P169, the Group also developed an Alternative Modification. The Alternative Modification suggested amending section V4.2.3 to add all the BM Unit Registration data for live BM Units contained in the CRA I020 flow to the list of published

CRS registration data. This data would include BM Unit Names and the GC/DC values, plus the following additional information for each live BM Unit

- BM Unit ID
- BM Unit type
- NGC BM Unit name
- Lead Party ID
- GSP Group ID
- GSP Group name
- Trading Unit name
- Production/Consumption flag
- Production/Consumption status
- Transmission Loss Factor
- Credit Assessment Load Factor
- BM Unit Credit Assessment Import Capability
- BM Unit Credit Assessment Export Capability
- Exempt Export flag
- Base Trading Unit flag
- Final Physical Notification flag
- Interconnector ID, and
- Effective From Date.

The Alternative Modification would require BSCCo to extract all the BM Unit Registration data from the CRA-I020 flow and publish it as part of the 'Registered BMU' spreadsheet and to continue to update the spreadsheet on a weekly basis. No members of the Group or respondents to the Assessment Consultation identified any reason why the wider BM Unit registration data should remain Confidential Information, or any loss which would result to the owners of BM Units from the publication of these values.

The unanimous view of the Group was that Alternative Modification P169 would better facilitate Applicable BSC Objective (c), when compared to both the current baseline and the Proposed Modification.

It was the view of the Group that non-publication of the wider BM Unit registration data could potentially discriminate against small Parties or new entrants as they would not necessarily have the resources or knowledge to locate or derive the information from existing sources, whereas larger Parties, and those already established in the market may well be capable of doing so.

The Group also noted that publication of the information under the Alternative Modification would deliver the benefit of both P168 and Proposed Modification P169 at no extra cost, and would also go further towards achieving a fully transparent market and facilitating competition.

### **Responses to ELEXON Consultation**

Four responses were received to the ELEXON consultation. All four responses (representing 35 Parties) expressed support for the Alternative Modification.

The respondents considered that Alternative Modification P169 would make available a greater amount of information compared against the Proposed Modification which they felt would lead

to increased transparency which would hence better facilitate competition and Applicable Objective (c).

All respondents agreed with the Panel's provisional recommendation to the Authority that Alternative Modification P169 should be made as opposed to Proposed Modification P169

The respondents' views are summarised in the Modification Report for Modification Proposal P169, which also includes the complete text of all respondents' replies.

### **Panel's recommendation**

The Panel considered the P169 Assessment Report at its meeting of 14 October 2004.

The Panel considered that the Proposed Modification would better facilitate the achievement of Applicable BSC Objective (c), but that the Alternative Modification would better facilitate the achievement of this objective when compared with both the Proposed Modification and the current Code baseline.

The Panel agreed that publication of the data would promote transparency of the market, help Parties in monitoring their own data, aid participants in undertaking market analysis, and directly-connected Customers in establishing which site they were connected to. They also agreed that non-publication of the wider BM Unit registration data could potentially discriminate against small Parties or new entrants as they would not necessarily have the resources or knowledge to locate or derive the information from existing sources.

The Panel therefore unanimously recommended that the Authority should approve the Alternative Modification and that, if approved, the Alternative Modification should be implemented 10 Working Days after the Authority's decision.

One Panel Member commented on the P169 Assessment Consultation responses stating that of the responses received there had been split in the views of larger parties, who believed that non-publication of the data was not a barrier to market participation and smaller players, who did.

### **Ofgem's view**

Having carefully considered the Modification Report and the Panel's recommendation, Ofgem considers, having regard to the Applicable BSC Objectives and its statutory duties, that Alternative Modification P169 will better facilitate achievement of Applicable BSC Objective (c).

Ofgem considers that Proposed Modification P169 corrects the defect identified by this Modification Proposal, but the approval of Alternative Modification P169 would better facilitate the achievement of Applicable Objective (c) by making a wider range of pertinent data available to market participants. Ofgem considers that the publication of this information will reduce barriers to market entry by increasing market transparency and enable market participants to build a more accurate picture of the market. It is Ofgem's view that increasing the accessibility of this information may benefit all market participants and help to remove an information asymmetry present in the market.


Ofgem notes that no members of the Group or respondents to the Assessment Consultation identified any reason why the wider BM Unit registration data should remain Confidential

Information, or any loss which would result to the owners of BM Units from the publication of these values.

Whilst the publication of the data which is the subject of Alternative Modification P169 will facilitate market entry, Ofgem notes that it may not be to the benefit of either established market participants, or new entrants, to receive considerable volumes of data of marginal significance. Accordingly, Ofgem will consider any future Modification Proposal seeking to facilitate the publication of additional market data according to its merits.

If you have any questions, please contact me on the above number.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'N. Simpson', written over a horizontal line.

**Nick Simpson**  
**Director, Modifications**

Signed on behalf of the Authority and authorised for that purpose by the Authority