

Modification Proposal

MP No: 130
(mandatory by BSCCo)

Title of Modification Proposal (mandatory by proposer):

Clarification of the treatment of Non Half Hourly Export Consumption within PARMS performance Serial 1

Submission Date (mandatory by proposer): 2 June 2003

Description of Proposed Modification (mandatory by proposer):

Amend the equations used in Provision of Non Half Hourly Data – Serial 1 in Annex S-1 of the Code, to ensure that the totals used in the calculation equate to the absolute sum of the Import and Export Consumption Component Class (CCC) values.

Note that after implementation of P99 on 20 January 2004 Serial 1 will be renamed as "Energy and Metering Systems on Annual Advances and Actual Readings at Each Volume Allocation Run- Serial SP08".

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

As a result of the implementation of P81 'Removal of the requirement for Half Hourly Metering on Third Party Generating Plant as Domestic Premise' there is a requirement to clarify the treatment of NHH Export energy in the PARMS Serials. This will be implemented on 28 September 2003.

Annex S-1 section 2.2 Provision of Non Half Hourly (NHH) Data – Serial 1 gives the equations for Serial 1 (Post P99: Energy and Metering Systems on Annual Advances and Actual Readings at Each Volume Allocation Run- Serial SP08). As the Code is currently drafted, the Export CCC are included in the calculation but are netted off the Import CCC, as Annex X-2 Table X-5 states:

“ Σ_N = summed over all Consumption Component Classes (N) where, in such summation, values associated with Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering Systems shall be subtracted and values associated with all other Consumption Component Classes shall be added;

$\Sigma_{N(AA)}$ = summed over all Consumption Component Classes N that are associated with Annualised Advances;

$\Sigma_{N(EAC)}$ = summed over all Consumption Component Classes N that are associated with Estimated Annual Consumptions;”

As well as being a pre-estimate of loss, Supplier Serial 1 also incentivises Suppliers to enter accurate data into Settlements. If the Export Estimated Annual Consumption (EAC) CCC energy is subtracted from the Import EAC CCC energy, there is less incentive on the Supplier to enter accurate data and it may result in more Export EACs being submitted into Settlements as it would be more advantageous to the Supplier. This would lead to a negative amount of energy being passed thorough to the Supplier Charge calculation, if a Supplier had a large Export portfolio and a small Import portfolio.

The Export CCCs have been approved for inclusion in the Code on 28 September 2003 (the implementation date for P81) however the changes to the SVAA software will not be implemented until 20 January 2004¹ (the day that the Second Reconciliation Settlement Run (R2) for 28 September 2003 will be carried out).

To address this defect this Modification Proposal suggests that the summations for Supplier Serial 1 should

¹ The software implementation date for P81 was specified in the Modification Report approved by the Authority

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be changed so that values associated with CCCs associated with Third Party Generating Plant comprised in SVA Metering Systems will be added to those values associated with all other CCCs.

It should be noted that this will mean that the NHH Serial will treat Export energy differently to the Half Hourly (HH) Serial. The rationale for this is that the NHH Export EAC rules and the NHH Default rules are the same as for the NHH Import EAC rules and Default rules. Therefore the effect of both should be seen in the Provision of NHH Data - Serial 1. In the HH market the Import and Export EACs and Defaults are treated differently and therefore the Export CCCs are excluded from the equivalent Serial.

Impact on Code *(optional by proposer):*

Changes are required to the Provision of NHH Data Serial 1 in Section S, Annex S-2 and also to the definitions described within Annex X-2, Table X-5 of the Code.

Impact on Core Industry Documents *(optional by proposer):*

BSCP533 'PARMS Data Provision' and specifically Appendix 4.13 Monitoring Implementation Requirements Table, will need to be updated. Changes are required to the section on Supplier Standards 1 'Provision of NHH Data'. The clarifications section should be changed to remove Licence Exempt Generation from the exclusions and add a note to clarify that Import and Export CCC quantities are added together irrespective of the associated "sign".

Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties *(optional by proposer):*

There may be an impact on the systems operated by the SVAA which carry out the calculations for Serial 1.

Impact on other Configurable Items *(optional by proposer):*

None identified

Justification for Proposed Modification with Reference to Applicable BSC Objectives *(mandatory by proposer):*

The justification for this Modification Proposal is that it will incentivise Suppliers to enter as much accurate data as possible into the Settlement process, therefore increasing accuracy of Settlements and so improving the accuracy of charges passed on to Suppliers. This will therefore better facilitate achievement of Applicable BSC Objective (c):

(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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Attachments: NO