



**Requirement Specification to Support  
Modification Proposal P114: Entitlement  
of Licence Exemptable Generators  
("LEGs") and other non-trading Parties  
to BSC Membership without Evidence of  
Trading**

Prepared by ELEXON Limited

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## I. Document Control

### a Authorities

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### b Distribution

Name	Organisation
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Parties	
Non-Parties	

### c Related Documents

Reference 1	P114 Modification Proposal (2 December 2002)
Reference 2	P114 Initial Written Assessment (P114IR) (6 December 2002)
Reference 3	Interface Definition and Design (07-550201)
Reference 4	Draft Assessment Report Modification Proposal P102 – Entitlement of Licence Exemptable Generators (“LEGs”) to BSC Membership without Evidence of Trading (P102AR)

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## 1 INTRODUCTION

### 1.1 Background and Scope

Modification Proposal P114 'Entitlement of Licence Exemptable Generators ("LEGs") and other non-trading Parties to BSC Membership Without Evidence of Trading' (P114) was submitted 02 December 2002 by Slough Energy Supplies Ltd. P114 aimed to allow any interested person to access information that is available to all BSC Parties.

The defect raised by P114 is similar to that addressed by Modification Proposal P102 'Entitlement of Licence Exemptable Generators ("LEGs") to BSC Membership Without Evidence of Trading' (P102). During Assessment of P102 the SSMG decided that the scope should be extended to include all interested Parties. However Legal advice indicated that it was not possible to extend the scope of the Proposal.

The Initial Written Assessment for P114 (Reference 2) was presented to the Panel on 12 December 2002, where it was agreed that P114 be submitted to a 2-month Assessment

Procedure to be undertaken by the Settlement Standing Modification Group (SSMG). This timetable took into account the fact that, although the majority of assessment had been completed under P102 (Reference 4), further consultation on the expansion beyond LEGs was required.

Two possible solutions to the defect addressed by P114 have been identified and developed such that consultation and impact assessment can be conducted.

## 1.2 Purpose and Structure of Document

The purpose of this document is to outline potential solutions to the defect addressed by P114.

Section 2- Summary of Solutions

Section 3 – Proposed Solution: “Licensing Agreement”

Section 4 – Potential Alternative Solution: “Remove confidentiality of reports available to any Party and publish on the BMRS”

Appendix 1- BSC Party Information

## 1.3 Glossary

The following acronyms have been used throughout this document:

BSC	Balancing and Settlement Code
BSCCo	Balancing and Settlement Code Company
BSCP	Balancing and Settlement Code Procedure
BMRS	Balancing Mechanism Reporting System
BMU	Balancing Mechanism Unit
CDCA	Central Data Collection Agent
CRA	Central Registration Agent
IWA	Initial Written Assessment
LEG	Licence Exempt Generator
SAA	Settlements Administration Agent
SSMG	Settlement Standing Modification Group
SVA	Supplier Volume Allocation
SVAA	Supplier Volume Allocation Agent

## 2 SOLUTIONS

P114 aims to address the fact that there are currently non-Parties who, whilst they may be participating in the electricity market, are not able to access market information available to all BSC signatories. During assessment by the SSMG two potential solutions were discussed as follows.

- **Licence agreement**

Under this proposal a licensing agreement would be created which non-Parties could sign in order to receive BSC data. This agreement would address both confidentiality and cost recovery issues.

- **Remove confidentiality of reports available to any Party and publish on BMRS**

Confidentiality of reports that are currently available to any Party would be removed. These reports would then be made available via the public access BMRS Website.

The remainder of this document develops each potential solution and highlights further issues to be addressed during progression of P114.

### 3 PROPOSED SOLUTION: LICENSING AGREEMENT

#### 3.1 Description

In light of discussions on P102 (Reference 4) the SSMG agreed that a licensing agreement should form the proposed solution to P114. Interested persons would be able to sign up to this agreement and receive data currently restricted to BSC Parties. Signing of the agreement would involve payment of an accompanying charge to recover the costs of making this data available. The licensing agreement would also include the legal responsibilities of non-Parties in regards to publication and use of data acquired. This process is outlined below:

- Interested persons sign a license agreement.
- BSCCo collect payment from signatories.
- Reports made available through Low-grade service (or High-Grade service where licensee has signed up for this service), therefore FTP accounts required for each licensee.
- BSCCo manage these licensees. Including initial registration in Central Systems and, if required operational support, which includes manual provision of historic reports.
- Each new signatory is registered in CRA with a newly created Role of licensee.
- Licensees obtain access to data outlined in Appendix 1.

#### 3.2 Impacts

##### 3.2.1 Changes to the Code

###### 3.2.1.1 *BSC Section V: "Reporting"*

Paragraph 3.2- "Reports"

Updated to include responsibilities of BSCCo in provision of data to Licensees.

Annex V-1- "Table of reports"

Updated to identify reports to be made available through the licence agreement.

###### 3.2.1.2 *BSC Section X: "Definitions and Interpretations"*

Table X-2- "Terms and Expressions Applying Except in Relation to Section S"

Definition of Licensed Data Person, as a person who has entered into a licence agreement with BSCCo, added.

##### 3.2.2 Licensing Agreement

The following areas would be considered during drafting of the agreement.

- **Confidentiality**

The confidentiality obligations of non-Parties signed up to the licensing agreement will be similar to those of Parties signed up to the BSC. Therefore the confidentiality terms within the licensing agreement would mirror similar obligations within the Code. This would include the requirement to use data only for the purpose of supply and generation of electricity in the United Kingdom.

- **Information Provided**

This would include reports detailed in Section V of the Code that are currently available to all Parties (see Appendix 1). Historic versions of this data would be made available using the manual process currently employed for Parties.

- **Cost recovery**

Licensee would be required to pay an annual fee covering the costs of providing data. Initially this fee would be at a level comparable to the £250 basic monthly charge paid by Parties.

- **Termination**

BSSCo will have the ability to terminate the agreement with any licensee on any breach by that licensee. BSSCo will also be able to terminate the agreement for Code reasons (For example a Modification affecting licensing is implemented). Panel approval may be required prior to termination to ensure that the termination process is transparent.

- **Changes to Licence agreement**

Panel approval will be required for any changes to the standard licence agreement.

- **Third party access**

Facility will be included in the licence for provision of data via a third party. This will allow data provision services to be set up such that data can be pre-processed on the behalf of licensees. A potential benefit of this approach is that there would be fewer licensees physically accessing Central Systems and therefore a reduction in network traffic generated.

### 3.2.3 Central Systems

Changes to Central Systems would be required to support the provision of data to licensees as follows;

- New role in CRA created
- Each licensee registered in Central Systems would therefore have a read only FTP account (High/Low grade).
- S0142 report (See Appendix 1) made available from shared area as for Parties.
- CDCA flows (See Appendix 1) available in the same manner as S0142 (i.e. for signatories and Parties), creating three new shared access directories
- Signatories do not require ability to encrypt/decrypt, nor validate sequence numbers, or ability to send response files

### **3.2.3.1 BSCCo**

- BSCCo will be required to draft a licence agreement.
- BSCCo would be required to develop a new process to support the registration of licensees with the new role code in Central Systems.
- BSCCo would be required to undertake the ongoing administration of the licensing process. This would include the manual provision of historic data as occurs for Parties.
- BSCCo would require a new process for invoicing licence agreement signatories.

## **3.3 Issues**

### **3.3.1 Commercial Sensitivity**

During Assessment by the SSMG the commercial sensitivity of reports available to any person under P114 (Appendix 1) was considered. The point was made that commercial information on large consumption, directly connected customers may be derived from information in these reports. Currently this information is only available upon uptake of Party status (available to any person) and can be removed from any Party not initiating trading activity. Some members of the SSMG felt that the introduction of a licensing agreement removes some of the barriers preventing access to this information and potentially makes commercial information on large consumption, directly connected customers, easily available. Appendix 2 summarises the barriers preventing access of Party information under different scenarios.

Under a licence agreement approach there would be legal protection as licensee would be required to use any information provided only to support the generation and supply of electricity in the United Kingdom. Some members of the SSMG felt that this would be impossible to enforce. However the point was made that the presence of this legal obligation would provide recourse for objection to any person who felt a licensee was using data inappropriately. Also control of data provision would remain with BSCCo and they would have the ability to remove access to information from any licensee in breach of the agreement.

### **3.3.2 Balancing Services**

It was felt by some members of the SSMG that implementation of P114 could potentially lead to a reduction in the level of Balancing Services made available to the Transmission Company. Large demand sites, currently offering Balancing Services through the Balancing Mechanism, may be visible in some reports as individual BMUs. If information on these BMUs were easily available to competitors these BMUs may be removed from the Balancing Mechanism. Potentially this could lead to a reduction in the level of Balancing Services available to the Transmission Company.



## 4 POTENTIAL ALTERNATIVE SOLUTION: REMOVE CONFIDENTIALITY OF REPORTS AVAILABLE TO ANY PARTY AND PUBLISH ON BMRS

### 4.1 Description

Under this alternative solution the confidentiality of reports available to all BSC Parties (See Appendix 1) would be removed. These reports would then be made publicly available via the BMRS. Prior to accessing this information users would be required to accept certain legal obligations regarding the use of data.

### 4.2 Impact

#### 4.2.1 Changes to the Code

- **Section H: General**

  - **Paragraph 4.9 "Publication of Data"**

  - Updated to remove the confidentiality of the all-Party reports outlined in Appendix 1.

- **Section V: Reporting**

  - Updated such that all Party reports, as defined in Appendix 1, will be supplied to any person.

- **Annex V-1: Tables of Reports, Table 1-BMRS**

  - Updated to include publication of the reports detailed in Appendix 1.

#### 4.2.2 Central Systems

Central Systems would be modified to fulfil the following requirements;

1. Reports detailed in Appendix 1 published on BMRS (Where applicable in the same time-scale as such reports are made available to Parties).
2. Reports can only be downloaded on acceptance of legal obligations. Users are required to indicate acceptance of certain terms and conditions prior to obtaining access to the data.

### 4.3 Issues

#### 4.3.1 Cost Recovery

Under this solution there would be no mechanism for charging non-Parties for access to information. Therefore any costs of making the data available would be recovered from BSC Parties.

#### 4.3.2 Confidentiality

Legal issues surrounding the removal of confidentiality of Party information are currently under investigation.

#### **4.3.3 Commercial Sensitivity**

During Assessment by the SSMG the commercial sensitivity of reports available to any person under P114 (Appendix 1) was considered. The point was made that commercial information on large consumption, directly connected customers may be derived from these reports. Currently these reports are only available upon uptake of Party status (available to any person) and can be removed from any Party not initiating trading activity. Through publication on the BMRS Website the majority of barriers preventing access to this information would be removed. Appendix 2 summarises the barriers preventing access of Party information under different scenarios.

Under this approach there would be legal protection as users would be required to agree that information provided would only be used to support the generation and supply of electricity in the United Kingdom. Some members of the group felt that this would be impossible to enforce. The point was made that the presence of this legal obligation provides recourse for objection to any person who felt data was being used inappropriately. However, under this approach, there would be no means to restrict accesses to the information.

#### **4.3.4 Balancing Services**

It was felt by some members of the SSMG that implementation of P114 could potentially lead to a reduction in the level of Balancing Services made available to the Transmission Company. Large demand sites, currently offering Balancing Services through the Balancing Mechanism, may be visible in some reports as individual BMUs. If information on these BMUs were easily available to competitors these BMUs may be removed from the Balancing Mechanism. Potentially this could lead to a reduction in the level of Balancing Services available to the Transmission Company.

## APPENDIX 1: BSC PARTY INFORMATION

The table below details the reports that are currently available to all Parties and that would be available to any interested person under P114.

Report	IDD Ref.	Contents
Settlement Reports	SAA-I014 (Sub flow 2, see IDD part 2)	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.  (See the IDD for further details)
Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.  (See the IDD for further details)
Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.  (See the IDD for further details)
Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.  (See the IDD for further details)

Table A1-1: BSC Party Report Contents.

For full details of the reports in the table above please refer to the Interface Definition and Design (IDD) (Reference 3), the current versions of which are available on the BSCCo Website:

[http://www.elexon.co.uk/ta/bscresel\\_docs/ursidd.html](http://www.elexon.co.uk/ta/bscresel_docs/ursidd.html) (IDD)

## APPENDIX 2: BARRIERS PREVENTING ACCESS TO BSC PARTY INFORMATION

The table below indicates barriers preventing access to reports that would be available under P114 (Appendix 1) in various scenarios.

	Scenario	Barriers
1	<b>Current Baseline</b>	<ul style="list-style-type: none"> <li>• Completion of accession process</li> <li>• £500 one off accession fee.</li> <li>• £250 monthly fee.</li> <li>• Potential removal if after six months Trading activity has not been initiated.</li> <li>• Acceptance of all obligations placed on Parties by the Code, including those relating to confidentiality and use of data.</li> </ul>
2	<b>Licence Agreement</b>	<ul style="list-style-type: none"> <li>• Legal obligations regarding confidentiality and use of data that mirror those of BSC Parties.</li> <li>• Payment of annual fee (of the order of £250 per month).</li> <li>• Potential removal on breach of licence agreement.</li> </ul>
3	<b>Publish on BMRS</b>	<ul style="list-style-type: none"> <li>• Legal obligations to only use data in support of the generation and supply of electricity in the United Kingdom.</li> </ul>

Table A2-1: Barriers preventing access to BSC Party information