



FEBRUARY 2003

**ASSESSMENT REPORT FOR MODIFICATION
PROPOSAL P110 - Nullification of Volume
Notifications where no Notification
Authorisations are in place**

**Prepared by the Settlement Standing Modification Group on
behalf of the Balancing and Settlement Code Panel**

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a Authorities

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b Distribution

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Each BSC Party	Various
Each BSC Agent	Various
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Each BSC Panel Member	Various
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Core Industry Document Owners	Various

c References

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1	Modification Proposal		04/11/02	1.0
2	P110 Initial Written Assessment (P110IR)	ELEXON	08/11/02	1.0
3	Requirements Specification	ELEXON	15/01/03	2.0
4	Consultation Document	ELEXON	13/01/03	1.0
5	ELEXON Circular EL00299 'Provision of Extended Forward Contract Reports (ECVAA-1022)'	ELEXON	30/11/01	1.0
6	CP888 'ECVNA Authorisation Terminations Effective on Receipt'	ELEXON	15/11/02	1.0

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1 SUMMARY AND RECOMMENDATIONS

1.1 Recommendations

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Assessment Phase, and the resultant findings of this report, the Settlement Standing Modification Group recommends that the Balancing and Settlement Code Panel should:

- a) **AGREE that the Proposed Modification P110 should be made;**
- b) **AGREE a provisional Implementation Date for the Proposed Modification P110 of 5 November 2003 if a decision is received prior to 24 April 2003 or 25 February 2004 if a decision is received on or after 24 April 2003 and prior to 14 August 2003;**
- c) **AGREE that Modification Proposal P110 be submitted to the Report Phase in accordance with Section F2.7 of the Code; and**
- d) **AGREE that the draft Modification Report be issued for consultation and submitted to the Panel Meeting on 13 March 2003.**

1.2 Background

AES Drax Power Limited submitted P110 on 4 November 2002 (Reference 1). The Initial Written Assessment (IWA), Reference 2, was submitted to the Panel at their meeting on 14 November 2002. The Panel agreed to submit P110 to the Assessment Procedure, with an Assessment Report to be presented at the February 2003 Panel meeting.

P110 seeks to provide a mechanism for a BSC Party to nullify its Volume Notifications with another BSC Party, for those Settlement Periods that have not yet passed Gate Closure, if the following conditions are met:

- all the Notification Agent Authorisations (Energy Contract Volume Notification Agent Authorisations (ECVNAA) and Meter Volume Reallocation Notification Agent Authorisations (MVRNAA)) between the two Energy Accounts have been terminated; and
- the two Parties cannot agree to establish new Notification Agent Authorisations.

The Proposer suggests that as there is currently no mechanism for amending contract notifications under these circumstances, one of the two Parties (i.e. the one selling the electricity) would potentially be left with a settlement liability that did not reflect the reality of the contractual relationship between the two Parties. In the case of an 'evergreen' contract notification, which lasts indefinitely, this settlement liability would be potentially unlimited in magnitude.

1.3 Rationale for Recommendations

The majority of the Settlement Standing Modification Group (SSMG) agreed that the Proposed Modification P110 better facilitates achievement of the Applicable Balancing and Settlement Code Objectives (BSC Objectives). The rationale for this was that it would provide Parties with a means to limit their exposure to imbalance in situations where termination of Authorisations has taken place. Additionally it provides a method of dealing with counter-Party notifications during an event of default under a commercial bilateral contract, such as the GTMA. The SSMG therefore agreed that this would

promote competition in the supply and generation of electricity and would therefore better facilitate Applicable BSC Objective (c).

The majority of the SSMG expressed the view that P110 is complementary to the GTMA and that it should be made, as it would support Party trading activities. The SSMG and consultation respondents were also of the opinion that the firmness of contracts will not be undermined

The SSMG also noted views expressed in the consultation responses that some Parties believed that the cost of implementation outweighs the benefits to be gained.

The SSMG noted the view of one Party that a validation review between the Parties involved and BSCCo was required, to ensure there is no opportunity for abuse. However, SSMG was of the opinion that this was not necessary as if the process were abused, it would be treated as a mis-notification and could be progressed commercially.

The change specific implementation cost identified during the Assessment Procedure for P110 is approximately £88,000 for BSC Agent development plus 66 BSCCo man-days. The implementation timescales identified during the Assessment Procedure is 28 weeks for BSC Agent implementation and an average of 1-3 months for BSC Parties.

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd., on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('the Code'). The Code is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the Code.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk.

3 MODIFICATION GROUP DETAILS

This Assessment Procedure has been carried out by the SSMG and the terms of reference used are given in Annex 5. The Assessment Report has been prepared by the SSMG. The membership of the SSMG was as follows:

Member	Organisation
Chris Rowell / John Lucas	ELEXON (Chairman)
Melanie Wedgbury	AES Drax Power Ltd (Proposer)
Mark Thomas	Innogy
Maurice Smith	Campbell Carr
Phil Russell	TXU
Robert Owens	Marubeni
Sanjukta Round	Cornwall Consulting
Tim Johnson	Powergen
Paul Mott	London Electricity
Marie Branch	International Power
Mark Manley	British Gas Trading
Richard Lavender	NGC
Joanne Ellis	ELEXON (Lead Analyst)
Sarah Parsons	ELEXON

Additional attendees at the SSMG meetings included:

Member	Organisation
Chris Teverson	Goldman Sachs
Adam Higginson	Ofgem

4 DESCRIPTION AND ASSESSMENT AGAINST THE APPLICABLE BSC OBJECTIVES

4.1 Process Followed

The IWA for P110 was presented to the Panel meeting on 14 November 2002. The Panel determined that P110 required further assessment and submitted P110 to a 3-month Assessment Procedure by the SSMG. The SSMG met twice during the Assessment Procedure for P110 and issued a high level impact assessment (HLIA) to BSC Parties and BSC Agents to determine cost and timescales for implementation of the various options being considered. The SSMG also issued a detailed level impact assessment (DLIA) to the BSC Agents to further clarify the cost and timescales involved in implementing the Proposed Modification.

The SSMG reviewed the impact assessment responses by correspondence and issued a consultation document to seek industry views on the issues identified during the Assessment Procedure and on whether the Proposed Modification better facilitated the Applicable BSC Objectives.

At their final meeting on 28 January 2003 the SSMG reviewed the responses to the consultation and agreed to recommend that P110 should be made.

4.2 Implementation Method

During the Assessment Procedure the SSMG agreed that the implementation method for the Proposed Modification could be broken down into two separate processes; requesting a nullification and carrying out the nullification of volumes in the ECVAA system. The SSMG agreed that these two processes could be either automated or manual and the implementation methods were independent of each other. This gave rise to five different implementation solutions, shown in the table below and detailed further in the requirements specification (Reference 3):

	Nullification Request Processing		Nullification of Contract Volumes		
	Automated Method	Manual Method	Automated Method	Semi-Automated Method	Manual Method
Option 1	✓		✓		
Option 2	✓				✓
Option 3		✓			✓
Option 4		✓	✓		
Option 5		✓		✓	

The SSMG discussed these options in turn and agreed that option 5 should be the implementation method. A summary of the method is given below.

4.2.1 Nullification Request Process

The SSMG agreed that in order to minimise changes to BSC Party and BSC Agent systems the interface for requesting a nullification should be a manual interface (either a fax or email) and not an electronic data file. The Nullification Request will contain the following information:

- Party ID, name and Energy Account;
- Counter Party ID, name and Energy Account;
- Settlement Date and Settlement Period from which the Party wishes the Nullification Request to be effective; and
- Name of authorised signatory¹, password and signature

Upon receipt of a nullification request the ECVAA will process the form during a Working Day. Upon receipt the ECVAA will, verify that **all** authorisations between the two Energy Accounts have been terminated, will validate the information provided within the form and will calculate the first possible Settlement Period from which nullification can take place, if Gate Closure for the requested Settlement Period has been passed.

Once the data has been validated the ECVAA will issue a feedback report to the originator of the request either confirming that the nullification process will take place or rejecting the request. If the request is rejected the ECVAA will give a reason for rejection. If the nullification process is to take place, ECVAA will also issue the feedback report to the other Party. The feedback report will confirm the first Settlement Period from which the nullification will take effect.

The first Settlement Period from which the nullification can take place will be,

- either that specified in the Nullification Request; or
- if at the time the ECVAA sends the feedback report Gate Closure for the Settlement Period requested has passed, it will be the next Settlement Period for which Gate Closure has not occurred.

The SSMG agreed that the first Settlement Period from which the nullification can take place, could fall outside of a normal Business Day².

The ECVAA will be expected to process and validate the requests and send a feedback report within 1 hour of receipt of the request within a normal Business Day to ensure that the BSC Party is aware of the feedback report. An example of how the first Settlement Period will be calculated is given below:

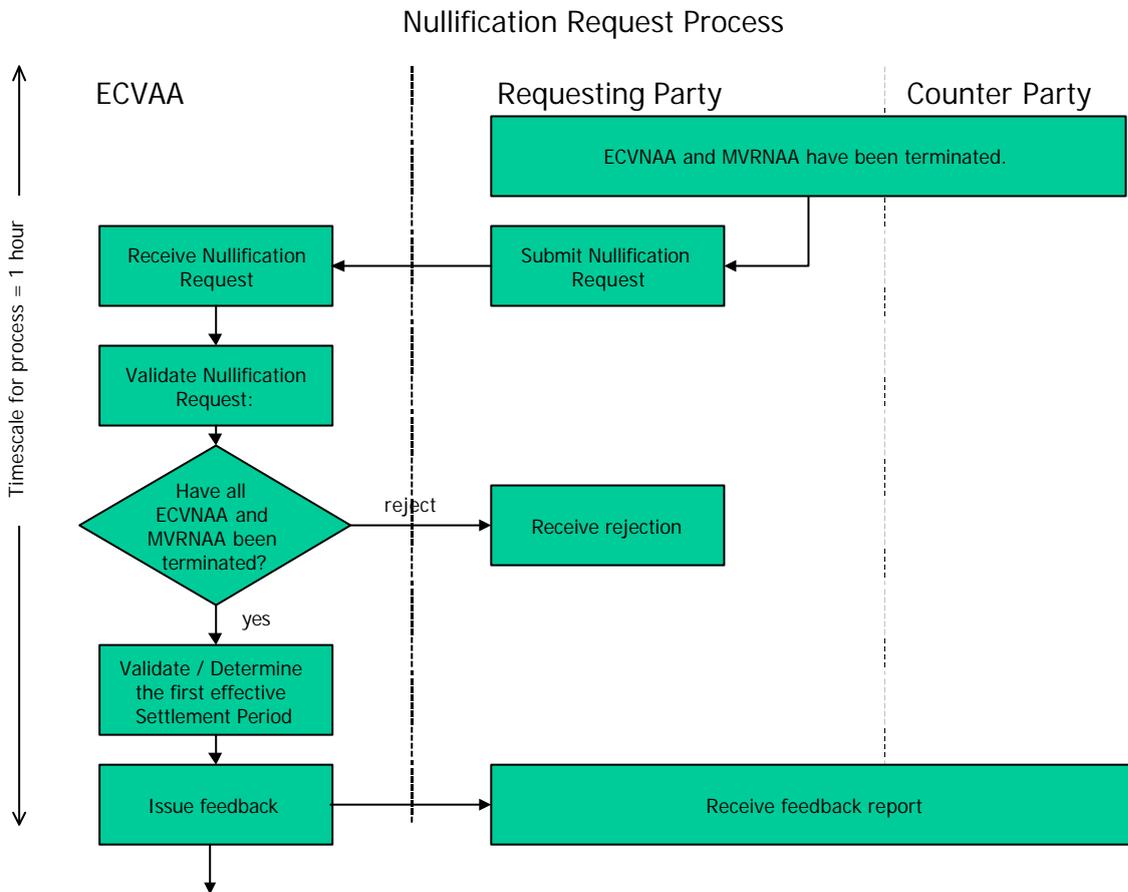
Time of receipt of Nullification Request by ECVAA	Time feedback issued	Requested first Settlement Period	Actual first Settlement Period after validation	Reasons
10:15 am	11:15 am	25 (12:00-12:30)	26 (12:30-13:00)	Requested Settlement Period has passed Gate Closure, therefore next Gate Closure is for 12:30-13:00
10:15 am	11:15 am	37 (18:00-18:30)	37 (18:00-18:30)	Requested Settlement Period has not passed Gate Closure, therefore it can be used.
4:50 pm	9:50 am next WD	1 (00:00-00:30)	23 (11:00-11:30)	Requested Settlement Period has passed Gate Closure, therefore next Gate Closure is for 11:00-11:30

The SSMG also agreed that once a Party had submitted a nullification request it could not be withdrawn. However, it will be possible for the Party to rectify any errors within the request, but only before the feedback report has been sent by the ECVAA.

¹ It is proposed that Level K – Submission and Termination of ECVNA and MVRNA Authorisations and Terminations, as defined in BSCP38 'Authorisations' will be used.

² The times to be used for a Business Day times are defined within Section X2.3.2 of the Code as 9:00am to 5:00pm.

The following diagram depicts the steps involved in the process for receiving and validating a nullification request.



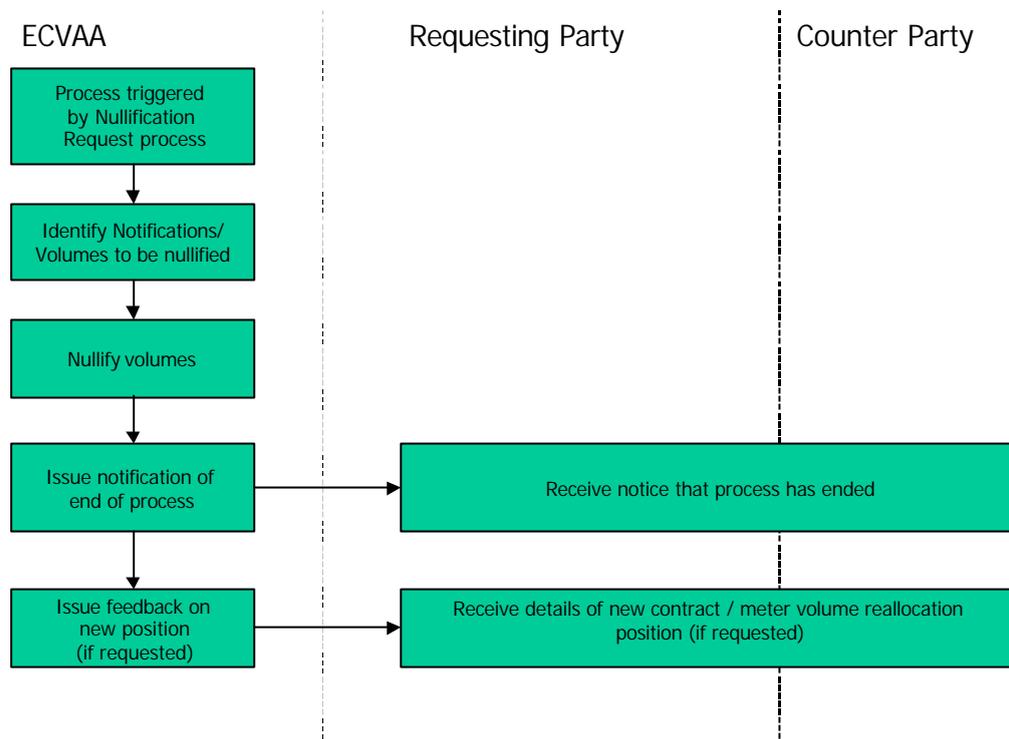
4.2.2 Process for nullifying outstanding volumes

The SSMG agreed that due to the high risk involved in having the ECVAA manually change notified volumes in the systems an automated process was preferred. The process will be triggered by a human interface once the nullification request has been validated and a feedback report issued to both Parties involved. ECVAA will then automatically identify the volumes to be nullified and will set the volumes to zero in the system.

Once the ECVAA has completed the process of setting any outstanding volumes to zero, a report will be issued either by fax or email to both Parties to inform them that the process is complete. Parties will then be able to request a Forward Contract Report (ECVAA-I022 sub-flow 1) if they require confirmation of their position.

The following diagram depicts the steps involved in the process for nullifying outstanding volumes:

Process for Nullification of Contract Volumes



4.3 Issues Considered

4.3.1 Application of the Modification

The SSMG agreed that the Proposed Modification should apply to both Energy Contract Volume Notifications and Meter Volume Reallocation Notifications and that should a request be submitted all outstanding volumes between the two accounts should be set to zero. The SSMG also agreed that in order to trigger the process all Authorisations (both ECVNAA and MVRNAA) between the two Energy Accounts should have been terminated.

The SSMG acknowledged that the process was therefore a unilateral process but noted that it could only be used if all Authorisations had been terminated which is also a unilateral process and therefore it was not appropriate to make it bilateral.

4.3.2 Availability of process

The SSMG noted concerns raised by some members and in some consultation responses that the nullification request process should be available 24 hours a day and seven days a week. The SSMG agreed that to be able to do this would involve significant cost and also would require trained operators and signatories to be available at all times. The majority of the SSMG believed that the process was only likely to be triggered during a normal Business Day, and therefore it should be available during a normal Business Day.

The SSMG agreed that the ECVA should have 1 hour (within a Business Day) to be able to process the report and to issue a feedback report to both Parties notifying them that the process is to be started. Therefore if a request is received by the ECVA outside of a normal Business Day hours it should be

processed the next working day. This ensures that smaller Parties are able to have staff available, should they receive notification that a counter-Party was about to nullify all outstanding volumes with them.

4.3.3 First Effective Settlement Period

The SSMG noted that although the request and feedback should be processed and issued during working hours, the first effective Settlement Period should be as soon as possible. This reflected the majority view of the consultation responses. The SSMG agreed that if Gate Closure for the Settlement Period requested in the Nullification Request had passed then the next Settlement Period for which Gate Closure had not passed would be used. This period could fall outside of a normal Business Day. If, however, Gate Closure for the requested Settlement Period had not passed, the requested Settlement Period would be used.

Some members of the SSMG had concerns that this would not enable the counter-Party to trade out any outstanding volumes. They suggested that nullification should have 90 minutes' notice in addition to Gate Closure, and that it should only be effective within a normal Business Day (9 am to 5 pm). However, other members of the SSMG noted that commercial bilateral contracts, such as the GTMA, did not need any notice to be terminated and therefore the processes should be aligned.

4.3.4 Security of the Process

The SSMG agreed that the process should use the same security levels as currently defined for the Authorisation and Termination of ECVNAA and MVRNAA. The SSMG agreed that this should apply whether the requests were submitted electronically or via a form.

4.3.5 Rectification of errors in Nullification Requests

The SSMG agreed that since the process should be used as a last resort it would not be appropriate to allow Parties to withdraw a request once the counter-Party had been notified of the intent to nullify outstanding volumes. The SSMG did acknowledge that a Party should be able to rectify any errors in a request should they be made aware of them prior to the feedback report being issued to the counter-Party.

4.3.6 Use of the Process

The SSMG agreed that although the Modification Proposal states that the process should be used when "the Party and counter-Party cannot agree to establish new Authorisations", this was very subjective and that it would not be appropriate to introduce it into the Code.

The SSMG also noted one consultation response that indicated that a validation review between the Parties involved and BSCCo was required, to ensure there was no opportunity for abuse. However, the SSMG was of the opinion that this was not necessary, as if the process were abused it would be treated as a mis-notification and could be progressed commercially.

The SSMG agreed that the issues raised by P110 should be addressed by a modification to the Code as most bilateral contracts currently include provisions for terminating the contract and disregarding previously agreed contract volumes. However, the Code does not provide a robust or reliable method for notifying ECVAA that this has occurred. The result is to add unnecessary risk to the process of contract termination and the majority of the SSMG agreed that removing this risk would better facilitate competition.

4.4 Assessment Against the Applicable BSC Objectives

The majority of the SSMG agreed that most bilateral energy contracts (including the GTMA contract) include provisions for terminating the contract and disregarding previously agreed contract volumes. However, the Code does not provide a robust or reliable method for notifying ECVAAs that this has occurred. The result is to add unnecessary risk to the process of contract termination and the majority of the SSMG agreed that removing this risk would better facilitate competition in the generation and supply of electricity (Applicable BSC Objective (c)).

The rationale for this was that P110 provides Parties with a means to limit their exposure to imbalance, in situations where termination of Authorisations has taken place and provides a method of dealing with counter-Party notifications during an event of default under a commercial bilateral contract, such as the GTMA.

The majority of the SSMG expressed the view that P110 is complementary to the GTMA and other bilateral contracts, and that it should be made as it would support Party trading activities. The SSMG and consultation respondents were also of the opinion that the firmness of contracts will not be undermined.

5 IMPACT ON THE CODE AND BSCCO DOCUMENTATION

5.1 The Code

A summary of the changes is given below for both the Proposed Modification and a detailed redlined version of the legal text is included in Annex 1. The legal drafting is with the SSMG for final review and may need changes prior to being issued with the draft Modification Report.

If the baseline of the Code changes prior to implementation of P110, or if other Modification Proposals are to be implemented at the same time as P110, the legal text may need to be amended.

Section P (version 8.0): A section will be added detailing the process for requesting and validating requests to nullify volumes between two Energy Accounts.

Section V (version 9.0) This section will be updated to give details of the new reports to be issued by ECVAAs.

Section X (version 11.0) This section will be updated to give details of the acronyms defined within the changes to Section P.

5.2 Code Subsidiary Documents

Changes have been identified to the following Code Subsidiary Documents for the Proposed Modification;

BSCP71	Balancing and Settlement Code Procedure 71 (BSCP71) 'ECVNA and MVRNA Registration, Authorisation and Termination' will need to be updated to detail the process for requesting, validating and providing feedback for nullification requests. The process for requesting extended Forward Contract Reports detailed in ELEXON Circular EL00299 (Reference 5), should also be added to the BSCP.
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NETA Data File Catalogue (NDFC)	The new data interfaces required will need to be specified in the NDFC.
Reporting Catalogue	The new data interfaces required may need to be specified in the Reporting Catalogue.
ECVAA Service Description	The ECVAA Service Description will need to be updated in line with the changes to the business processes.

5.3 BSCCo Memorandum and Articles of Association

No impact has been identified on the BSCCo Memorandum and Articles of Association.

5.4 Other Configurable Items

Impacts have been identified on the following configurable items and changes to them will be progressed should the Proposed Modification be approved.

ECVAA User Requirement Specification	The ECVAA user requirements specification will need to be updated to reflect the changes to the business processed necessary should the Proposed Modification be approved.
Business Process Model (BPM)	The BPM will need to be updated to reflect the changes to the notification process.
ECVAA System Documentation	The ECVAA system documentation will need to be updated to reflect the changes to the business processes necessary should the Proposed Modification be approved.

6 IMPACT ON BSC SYSTEMS

The BSC Systems and the BSC Agent processes have been assessed and the systems impacted are detailed below. Full details of both the high level impact assessment (HLIA) and the detailed level impact assessment (DLIA) carried out by the BSC Agents can be found in Annex 2. The response indicated that the Proposed Modification or Option 5 would take 14 weeks (plus BSCCo management time) and would cost approximately £88,000 for the change specific development plus time and materials whenever the process is triggered.

The table below shows a summary of the costs and timescales for each of the options assessed by the BSC Agent:

	Change Specific development cost	Total Cost inc. project overhead ³	Operational Cost	Annual Maintenance ⁴	Implementation timescale
Option 1	£108,864	£390,365	£0	£54,651	15 weeks
Option 2	£61,656	£259,829	T&M	£36,376	10 weeks
Option 3	£50,142	£234,623	T&M	£32,847	9 weeks
Options 4 & 5	£88,267	£359,514	T&M	£50,332	14 weeks

³ This is the cost for implementing P110 as a stand-alone project. It is envisaged that P110 will be implemented as part of a BSC Release and therefore the project overhead will be calculated for the BSC Release as a whole.

⁴ The Annual Maintenance price is a percentage of the total cost for the change.

6.1 Contract Notification

The changes identified to the BSC Systems are to the ECVAA systems. This system and processes will need to be updated to be able to validate any Nullification Requests received, to give feedback to both Parties involved in the process and to physically nullify any notified Meter Volume Reallocations and Energy Contract Volumes.

The SSMG noted the comment in the BSC Agent response that indicated, should a manual process be used for identification and nullification of the volumes in the ECVAA system there was a high risk of error and it would also be a time consuming process. The SSMG therefore agreed that the preferred implementation process would be to use an automated solution for identification and nullification of the notified volumes.

As the nullification will not be instantaneous, the possible scenario exists where a MVRN will remain to be nullified thus preventing notification of a new (replacement) contract position with another party as it would exceed the 100% limit. By the time the nullification has been completed, Gate Closure is likely to have passed for some of the affected periods, leaving no reallocation in place. With this in mind, the BSC Agent noted in their solution that they would give precedence to MVRN nullification over ECVN nullification for any given day.

7 IMPACT ON CORE INDUSTRY DOCUMENTS AND SUPPORTING ARRANGEMENTS

No impacts have been identified in the Core Industry Documents and supporting arrangements.

8 IMPACT ON ELEXON

An impact assessment has been carried out by ELEXON and no impact on internal systems and processes have been identified.

9 IMPACT ON BSC PARTIES

A high level impact assessment was issued with the P110 Requirements Specification (Reference 3 version 1) to BSC Parties on 9 December 2002 with responses due by 18 December 2002. Responses were received from 8 BSC Parties. The detailed responses received are attached in Annex 3 and the impacts are summarised below.

The responses indicated that there will be a significant impact on BSC Party systems should the Nullification Request process require automated interfaces with the ECVAA (options 1 and 2).

The options assessed during the impact assessment were as given in section 4.2 of this report;

	Nullification Request Processing		Nullification of Contract Volumes		
	Automated Method	Manual Method	Automated Method	Semi-Automated Method	Manual Method
Option 1	✓		✓		
Option 2	✓				✓
Option 3		✓			✓
Option 4		✓	✓		
Option 5		✓		✓	

The timescales identified in the responses are show in the table below:

Response	Option 1 and 2	Option 3	Option 4	Option 5
Response 1	3 months	1 week	1 week	1 week
Response 2	6 months	1 month	1 month	1 month
Response 3	6 Months	10 Days	6 Months	10 Days
Response 4	4 weeks	N/A	N/A	N/A
Response 5	9-12 months	9-12 months	9-12 months	9-12 months
Response 6	3 months	1 month	3 months	3 months

The impact identified for each option were as follows:

Options 1 and 2: Significant updates to systems and processes to be able to send and accept the new electronic interfaces.

Options 3, 4 and 5: Minimal impact on systems and processes. Would need some training for staff to be able to ensure the new procedure is carried out correctly.

The responses also indicated the respondents believed there was minimal overlap between CP888 'ECVNA Authorisation Terminations Effective on Receipt' (Reference 6) and P110, as they deal with two different processes⁵.

10 LEGAL ISSUES

No legal issues were highlighted during the Assessment Procedure for P110.

11 SUMMARY OF REPRESENTATIONS

A consultation questionnaire seeking BSC Party and other interested industry participants opinions on whether or not the Proposed Modification would better facilitate achievement of the Applicable BSC Objectives was issued on 13 January 2003, with a deadline for receipt of responses of 23 January 2003. The responses were then discussed by the SSMG at its meeting of 28 January 2003 and were used to help reach a view on whether the Proposed Modification better facilitates achievement of the Applicable BSC Objectives.

Twelve responses were received (48 BSC Parties). The majority of responses indicated that they did believe implementing Proposed Modification would better facilitate achievement of the BSC Objectives. The following table gives an indication of the spread of responses. The SSMG noted that it was not the number of responses that should be taken into account but the weight of argument that should be used when reaching a decision. The responses are attached as part of Annex 4 of this report and are summarised below.

The questions asked during the consultation and the summary of responses received were as follows:

Q	Yes		No		No Comment	
	Responses	BSC Parties	Responses	BSC Parties	Responses	BSC Parties
1	8	39	2	7	1	1
2	6	29	4	17	1	1
3						
4	7	26	2	19	2	2
5	9	39	1	7	1	1
6	8	30	2	16	1	1
7	2	10	8	36	1	1

⁵ CP888 has since been approved for implementation by the Imbalance Settlement Group, and will implement a manual process for terminating Authorisations.

8	7	35	3	11	1	1
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Note: Bold shows the majority response.

Questions:

1. Do you believe that P110 better facilitates achievement of the Applicable BSC Objective(s). Please state which objective(s) and give rationale.
2. Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.
3. When do you believe the first period a Nullification Request can become effective from should be? Please give rationale.
4. If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.
5. Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.
6. Do you believe that a report should be produced once the nullification process has been completed by the ECVAAs? If so, should this be a manual report or an automatic flow? Please give rationale.
7. Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale.
8. Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale.
9. Are there any further comments on P110 that you wish to make?

The majority of the SSMG agreed with the majority of the consultation responses that the Proposed Modification better facilitates achievement of the Applicable BSC Objectives. The rationale for this was that it would provide BSC Parties with a means to limit their exposure to imbalance, in situations where termination of Authorisations has taken place. In addition it provides a method of dealing with counter-Party notifications during an event of default under a commercial bilateral contract such as the GTMA. The SSMG therefore agreed that this would promote competition in the supply and generation of electricity and would therefore better facilitate Applicable BSC Objective (c).

The majority of the SSMG agreed with the consultation responses that expressed the view that P110 is complementary to the commercial bilateral contracts such as the GTMA, and that it supports Party trading activities. They also agreed with the majority of the consultation responses that the firmness of contracts will be not be undermined by implementation of P110.

The SSMG also noted views expressed in the consultation responses that some Parties believed the cost of implementation outweighs the benefit to be gained.

The SSMG noted the view of one Party that a validation review between the Parties involved and BSCCo was required, to ensure that there is no opportunity for abuse. However, the SSMG was of the opinion that this was not necessary, as if the process were abused it would be treated as a mis-notification and could be progressed commercially.

12 SUMMARY OF TRANSMISSION COMPANY ANALYSIS

No impact on the Transmission Company was identified for the Proposed Modification.

13 PROJECT BRIEF

The table below shows a summary of all the costs and timescales identified for the chosen implementation option:

		Time / Cost
BSC Party		1-3 months
BSC Co Resources		66 Man days
BSC System Release Timescale		14 weeks + 14 weeks project time
BSC Agent Costs (DLIA)	Change Specific	£88,000
	Operational (cost / event)	T&M (~£2,000/event)
	Annual Maintenance	£50,000

From the above timescales, and based on the assumption that this process should be included within a BSC System Release, the implementation dates are as follows:

- 5 November 2003 if a decision is received prior to 24 April 2003; or
- 25 February 2004 if a decision is received on or after 24 April 2003 and prior to 14 August 2003.