

Responses from P102 Second Assessment Consultation

Consultation issued 17/01/03

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	Alcan Primary Metal	P102_ASS2_001		1
2.	Aquila Networks	P102_ASS2_002	1	
3.	British Gas Trading	P102_ASS2_003	5	
4.	TXU Europe	P102_ASS2_004		1
5.	Scottish and Southern	P102_ASS2_005	4	
6.	Scottish Power	P102_ASS2_006	6	
7.	LE Group	P102_ASS2_007	7	
8.	Summerleaze RE-Generation	P102_ASS2_008		1
9.	SEEBOARD	P102_ASS2_009		
10.	NGC	P102_ASS2_010	1	
11.	Powergen	P102_ASS2_011	15	
12.	Innogy	P102_ASS2_012	9	
13.	British Energy	P102_ASS2_013	3	
14.	Slough Energy Supplies	P102_ASS2_014	2	2

P102_ASS2_001 – Alcan Primary Metal

Respondent:	Alcan Primary Metal - Europe
Responding on Behalf of	Alcan Primary Metal – Europe’s Lynemouth smelter and power station (non-party generator)
Role of Respondent	LEG and demand-side provider of Balancing Services

	Question	Response		Rationale
Q1	Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?	Response Yes/No		Improves access to information (and with original access to modifications process) for market participants that are presently excluded
		Proposed		
		Yes		
	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).	Response Yes/No		Will remove the current information asymmetry between Parties and others (including LEGs and demand-side service providers)
		Proposed	Alternative	
		Yes	Yes	

	Objective D- Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements.			Response Yes/No	Original may impose additional burden on central systems for little gain over alternate. We dispute the costs suggested by Logica for implementation, especially the project overhead cost. These costs must not be used as a rationale for not implementing P102 or P114, or for passing excessive costs on to information recipients.
				Proposed	Alternative
					Yes
Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues)			Response Yes/No No	
	Settlement Report (System Operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.	No issue – should be made available to any interested entity	
	Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.	No issue – should be made available to any interested entity	
	Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.	No issue – should be made available to any interested entity	

	Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.	No issue – should be made available to any interested entity	
Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?			Number	
	Number of LEGs receiving reports direct from Central Systems?			10	
	Number of LEGs receiving pre-processed data via a nominated third party?			30+	Number is like to grow over time with the expansion of distributed generation under Renewables Obligation
Q4	What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade?			Number	
	Number of new Parities registering to access information			3	
Q5	Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)			Response Yes/No	
				No	

Q6	<p>If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)</p>	<p>Response Yes/No</p>	<p>We remain concerned that P102 Original would impose unwarranted obligations and costs on LEGs, for little gain over the Alternate. Alcan may not be prepared to take on such risks to gain access to the information which it desires</p> <p>As a relatively large and active LEG we could probably justify the £3,000 annual licence fee of the Alternate.</p> <p>We are concerned though that other LEGs, who have the same legitimate uses for the information may not be prepared to pay this cost.</p> <p>It is critical that licence agreement is not overly restrictive and permits third party processing.</p>
		Yes to alternate	
Q8	<p>Do you have any Further Comments?</p>		<p>One of the principles in the design of NETA was that the market would be open and transparent. This can ONLY be seen to be achieved if all information is available to any interested entity, free of charge on the BMRS (as per P114 Alternate)</p>

P102_ASS2_002 – Aquila Networks

Please find that Aquila Networks response to P102 & P114 Assessment Consultations is 'No Comment'.

regards
Rachael Gardener

Deregulation Control Group &
Distribution Support Office
AQUILA NETWORKS

P102_ASS2_003 – British Gas Trading

Respondent:	British Gas Trading (BGT)
Responding on Behalf of	British Gas Trading, Accord Energy Limited, Centrica KL Limited, Centrica PB Limited and Regional Power Generators
Role of Respondent	BSC Party

	Question	Response	Rationale
Q1	Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?	Response	The intent of the Modification Proposal is to increase the transparency of data within the BSC. The alternative proposal could be seen to increase competition and thus better facilitate applicable BSC Objective C - increase competition in the generation and supply of electricity.
		Proposed	Alternative
		No	Yes
	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).	Response	The Alternate proposal achieves the intended aim of increasing the visibility of data without diluting the BSC. The implementation of a licensing agreement satisfies this requirement in a controlled manner. By introducing stringent confidentiality obligations and a robust cost recovery mechanism. Whilst also introducing a limitation on liability in regard of the data provision.

				Proposed	Alternative	
				No	Yes	
Objective D- Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements.				Response		Both the Modification Proposal and the Alternative are looking to improve the visibility of specific data items. BGT do not believe that increasing transparency and providing greater visibility of the data outlined in question 2 will better promote efficiency and administration in the Balancing and Settlement arrangements. Furthermore if the original proposal is implemented it will make administering the arrangements more difficult by introducing a new subset of BSC Party.
				Proposed	Alternative	
				No	No	
Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues)			Response		
	Settlement Report (System Operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.	Yes		Whilst BGT realise the value and importance of making data transparent we are unsure why a counterpart not involved in trading activity would require the data items listed in question 2. BGT do not support this data being made available to counterparts not involved in trading activity. BGT do support this data being made available to License Exempt Generators via License Agreement as they are using the data to support their trading activity.

	Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.	Yes	See above
	Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.	Yes	See above
	Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.	Yes	See above
Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?			Number	
	Number of LEGs receiving reports direct from Central Systems?				BGT believe the uptake of data directly from Central Systems will be minimal. Due to the volume of data available and the costs associated with manipulating the data to remove the unwanted data items.
	Number of LEGs receiving pre-processed data via a nominated third party?				BGT perceive this will be the preferred option for LEGs who decide to become licensees. The data can be manipulated into specific reports and thus dispensing with any unwanted data. Despite this BGT still expect any uptake to be limited.
Q4	What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade?			Number	
	Number of new Parties registering to access information				Irrespective of the proposed solution BGT expect there only to be limited requirement for the service.

Q5	Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)	Response	BGT believe that the opposite scenario may be true. In that implementation of P102 alternative proposal may increase the offering of balancing services by LEGs.
		No	
Q6	If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)	Response	
		N/A	
Q8	Do you have any Further Comments?	No	

P102_ASS2_004 – TXU Europe

Respondent:	Philip Russell
Responding on Behalf of	
Role of Respondent	

	Question	Response		Rationale
Q1	Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?			
	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).	Proposed	Alternative Yes	
	Objective D- Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements.	Proposed	Alternative Yes	In the case of the Alternative, the LEGs do not have to accede to the BSC and Elexon does not have to monitor whether they have started trading or not.
Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues)			
	Settlement Report (System Operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and	No

			Prices for the whole system.		
	Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.	No	
	Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.	No	
	Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.	No	

Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?	Number	
	Number of LEGs receiving reports direct from Central Systems?		Depends on how many parties are willing to provide the service that the small generators want at a price that is acceptable to them. The option of getting the data files themselves and processing it to derive the information that they want is the backstop in case the other option proves unsatisfactory to them.
	Number of LEGs receiving pre-processed data via a nominated third party?		
Q4	What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade?	Number	
	Number of new Parties registering to access information		Using this route, it appears that the LEGs can only receive the files directly. If this interpretation is correct then the numbers will inevitably be higher than under the Alternative of allowing them to nominate a third party to receive the files and provide them with the information they want.
Q5	Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)	No	
Q6	If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)	Response Yes/No	
Q8	Do you have any Further Comments?		

P102_ASS2_005 – Scottish and Southern

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd.

In relation to the six questions applicable to BSC Parties listed in the Consultation Paper, contained within your note of 17th January 2003 concerning Modification Proposals P102, we have the following comments to make:-

Q1 Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?

In respect of both Modification Proposal P102 and Alternative Modification P102 we do not agree with the premise behind them, namely that there is a defect that requires rectification. No explanation or sound justification has been made by the Proposer as to why such information is required or how it would better facilitate the achievement of the BSC Objectives or promote competition.

We strongly agree with the comments in Section 6.1.1 concerning the suggested ability of non parties to raise Modifications. There is a considerable cost involved in the actual handling of Modifications involving work by Elexon, the Panel and market participants. In addition to this there is the potentially significant costs associated with implementing the change itself. We note, for example, the costs identified in the recent P98 consultation of between £1.4M and £1.75M. We therefore agree that (a) "there are existing methods whereby non-Parties can submit Modification Proposals"; (b) that there are very serious issues around allowing non-trading Parties "to submit proposals that affect a market in which they are not directly involved"; and, (c) that "costs of the Modification process are mainly recovered from trading parties"; and for these reasons non-trading Parties should NOT be permitted any additional rights (beyond the existing rights) to raise Modification Proposal.

Looking at the two 'modifications':-

Modification Proposal P102 - No.

As we have indicated previously, we have concerns that Modification Proposal P102 would create a precedent which would allow subsets of trading arrangements to be created and applied to categories of Parties, excluding them from certain obligations and allowing them to be treated differently. This would introduce discrimination in favour of some Parties at the 'expense' of other Parties. This would generally dilute the effectiveness of the Code. We note that NETA was designed to ensure equal treatment and transparency for all Parties. Modification Proposal P102 runs counter to this and can not, therefore, be described as better facilitating the achievement of any BSC Objective.

Alternative Modification P102 - No.

We do not agree for the reasons indicated above. However, if P102 is to proceed further, of the two options, we would prefer this Alternative Modification P102 as long as the Licence Agreement arrangements were put in place, that the charging levels are of the same order as the minimum for Parties and that the ongoing maintenance of central systems, along with the BSSCo costs for managing Licensees, is recovered from non-trading parties only.

Q2 Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues).

Yes. As indicated in Q1 above, we do not agree with Modification Proposal P102 or Alternative Modification P102 and see no reason why any of the information listed in this question should be made available to non trading persons.

Settlement Report (System Operator version) - Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.

Yes. As indicated in Q1 above, we do not agree with Modification Proposal P102 or Alternative Modification P102 and see no reason why any of the information listed in this question should be made available to non trading persons.

Aggregated Data Report - Metered Volumes for each BM Unit, Interconnector or GSP Group.

Yes. As indicated in Q1 above, we do not agree with Modification Proposal P102 or Alternative Modification P102 and see no reason why any of the information listed in this question should be made available to non trading persons.

Meter Period Data Report - Metered Volumes for all Distribution Systems Connection Points.

Yes. As indicated in Q1 above, we do not agree with Modification Proposal P102 or Alternative Modification P102 and see no reason why any of the information listed in this question should be made available to non trading persons.

Total Gross Demand per GSP - Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.

Yes. As indicated in Q1 above, we do not agree with Modification Proposal P102 or Alternative Modification P102 and see no reason why any of the information listed in this question should be made available to non trading persons.

Q3 What are your views on the likely uptake of P102 Alternative Modification - licence agreement?

We have no particular views on the number of LEGs likely to take up this option, either directly or via third parties.

Q4 What are your views on the likely uptake of P102 Proposed Modification - Remove obligation to trade?

We have no particular views on the numbers involved.

Q5 Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)

We believe it may be possible. It is the opinion of those parties providing demand side 'services' that should be specifically consulted on the likely impact.

Q6 [Not applicable as we are a BSC Party.]

Q7 Do you have any Further Comments?

We maintain our view that Party Information should not be made available to persons not involved in trading activities.

We are very mindful that NETA stands for the New Electricity TRADING Arrangements. As such it is designed to meet the requirements of Trading. There are numerous potential non-trading parties. The arrangements are not designed for them, they are designed for those who freely choose to join up to the Code. Non-trading parties are not compelled to join. However, where they freely choose to join then they do so in the knowledge that rights, obligations and costs flow from their decision (to join). This approach avoids frivolous participation.

Regards

Garth Graham
Scottish and Southern Energy plc

P106_ASS2_006 – Scottish Power

Respondent:	Man Kwong Liu
Responding on Behalf of	<i>Please list all Parties/non-Parties responding on behalf of (including the respondent company if relevant).</i> Scottish Power UK plc; ScottishPower Energy Trading Ltd.; Scottish Power Generation plc; ScottishPower Energy Retail Ltd.; SP Transmission plc; SP Manweb plc.
Role of Respondent	<i>BSC Party/ LEG / Directly connected customer / Other (Please specify)</i> BSC Party

	Question	Response		Rationale
Q1	Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives? 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).	Response Yes/No		See comments below. P102 has a discriminatory element towards the rest of the industry for the benefit of LEGs. Therefore, in order to promote effective competition, such provision if accepted should be open to all interested parties, assuming there is no issue with confidentiality and it is a least-cost solution. As P114 has now been raised to cater for all interested non-Trading parties hence not discriminatory, we believe, if any of these is to be implemented, P114 would be better than P102.
		Proposed No	Alternative No	
		Proposed	Alternative	

			No	No		
	Objective D- Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements.		Response Yes/No		We cannot understand how by creating another status especially for LEG and hence complication in the system can be more efficient in the implementation and administration of the BSC.	
		Proposed	Alternative			
		No	No			
Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues)			Response Yes/No		
	Settlement Report (System Operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.	Yes		The information outlined is highly detailed information covering each BM unit and party participating in the NETA market. A large amount of this information is available through BMReports.com and this should be sufficient for parties not actively involved in trading. How the settlement process of each BM unit and party changes through the different reconciliation runs should only be of interest to those parties managing settlement and not those outwith. Therefore, our response is that settlement flow and metered volume information is only required for settlement purposes and its availability should be restricted as such.

	Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.	Yes	See comments above.
	Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.	No	
	Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.	No	
Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?			Number	

	Number of LEGs receiving reports direct from Central Systems?		We do not have a view on the likely uptake of this proposal. However, we believe that the provision of these reports, involving as it does some amendment to the existing systems in order for non-Trading interested parties to gain access to it, must be paid for in a cost-reflective manner. As we are seeking a least-cost solution, with the bulk of costs met by non-Trading parties taking up the opportunity to access these reports, it would be preferable if, as outlined in the Requirements Specification, changes to implement are carried out as part of a BSC Release which brings the costs down considerably. If this proves not to be the case, there would have to be an increase in the fee charged for take up from the £3000 per annum suggested to ensure that costs are suitably apportioned. The likely uptake would depend on the cost of this privilege, which we believe should be cover the likely expense of implementing and maintaining this change,
	Number of LEGs receiving pre-processed data via a nominated third party?		See our comments above.
Q4	What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade?	Number	

	Number of new Parties registering to access information		Please see our comments to Qu.3 above. Also, we would imagine a higher uptake for this, as it is BSC Party status without the 'trading' strings attached. However, we have more issue with this proposal, as it could have greater change and impact to the BSC and parties and therefore cost. Also, this proposal is clearly discriminatory by being restricted to LEGs only and, therefore, does not further BSC Objectives.
Q5	Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)	Response Yes/No	We agree with the SSMG's view that the impact on large demand sites whose data potentially becomes available to their competitors is not significant. We do not think currently there is much in the way of demand side involvement in providing Balancing Services to NGC.
		No	
Q6	If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)	Response Yes/No	N/A
Q8	Do you have any Further Comments?	Yes	As P114 has been raised, which extends this provision to everyone, hence not discriminatory, both the P102 proposals should be rejected.

P102_ASS2_007 – LE Group

Respondent:	Tony Diccico
Responding on Behalf of	LE Group (EPN Distribution Ltd, London Electricity plc, London Electricity Group plc, Jade Power Generation Ltd, London Power Networks plc, Sutton Bridge Power, West Burton Ltd)
Role of Respondent	BSC Party

	Question	Response		Rationale
Q1	Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?	Response Yes/No		The alternative modification better facilitates Objectives C and D whereas the proposed modification does not better facilitate Objective D. See below for detail.
		Proposed No	Alternative Yes	
	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).	Response Yes/No		Symmetrical provision of data to market participants is desirable and promotes competition. Whilst recognising that the proposed and alternative modifications “discriminate against non-trading parties who are not LEGs” both the proposed and alternative modifications better facilitate Objective C than the current baseline.
		Proposed Yes	Alternative Yes	

	Objective D- Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements.			Response Yes/No		The proposed modification offers the potential for non-trading parties to submit modification proposals even though they would not share in the cost of processing modification proposals. This clearly does not better facilitate Objective D. The alternative modification does not have this drawback and in addition has a clear, targeted mechanism for recovering the costs incurred in producing and distributing this data to LEGs.
				Proposed	Alternative	
				No	Yes	
Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues)			Response Yes/No		
	Settlement Report (System Operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.	Yes		Data should only be used for purposes related to the supply and generation of electricity in the United Kingdom and no other as per the current confidentiality obligations placed on BSC Parties. Both the proposed modification and the alternative retain the current confidentiality obligations imposed by the BSC on recipients of this data and could provide an audit trail of who has obtained the data making this confidentiality obligations enforceable.
	Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.	Yes		As above
	Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems	Yes		As above

			Connection Points.		
	Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.	Yes	As above
Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?			Number	
	Number of LEGs receiving reports direct from Central Systems?			Limited	
	Number of LEGs receiving pre-processed data via a nominated third party?			Limited	
Q4	What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade?			Number	
	Number of new Parities registering to access information			Limited	

Q5	Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)	No	Both the proposed and alternative modifications allow the identification of any recipient of the data allowing enforcement of restrictions on its use if it is suspected that data has been used for inappropriate purposes. This should provide confidence to parties wishing to supply Balancing Services to the Transmission Company through the Balancing Mechanism that their metered volume data etc will only be used for appropriate purposes by recipients of the data.
Q6	If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)	Not applicable	
Q8	Do you have any Further Comments?		

P102_ASS2_008 – Summerlease RE-Generation

Guidance re P102/P114 Assessment Consultation

Q1. Will the proposed modification better facilitate the BSC Objective of promoting effective competition?

Yes I believe the proposal will assist LEGs in their negotiations with potential counterparties.

And of promoting efficiency in the implementation and administration of Balancing and settlement arrangements?

An increase in efficiency would be achieved from a better understanding amongst LEGs of the Balancing and Settlement arrangements.

Q2. Do you have any specific issues about the information listed in this question being available to non trading persons?

No.

Q3. What are your views on the likely uptake of the facility to obtain the licensed data?

Whilst it may not be possible to use the raw data from Central Systems directly, receipt of the data as processed by a third party would be valuable.

Q4. What are your views on the uptake of P102/P114, if in the form of enabling LEGs to become BSC Parties without trading?

As above

Q5. Would the implementation of P102/P114 cause a reduction in Balancing Services?

No

Q6. Would your organisation utilize the proposed solution?

We would use the service from time to time as we saw appropriate.

Q7. Further comments

None

P102_ASS2_009 – SEEBOARD

Respondent:	Dave Morton
Responding on Behalf of	SEEBOARD Energy Limited
Role of Respondent	BSC Party

	Question	Response		Rationale
Q1	Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?	Response Yes/No		We feel that original modification can lead to problems that would not better facilitate BSC objectives. This could include setting up of a party that is just used to raise modifications and this will impede effective operations.
		Proposed	Alternative	
		No	Yes	
	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).	Response Yes/No		Access to this data for LEGs will help promote effective competition.
		Proposed	Alternative	
		Yes	Yes	
	Objective D- Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements.	Response Yes/No		Proposed modification could seriously damage administration efficiency as noted above. Alternative should have no real impact.
		Proposed	Alternative	
		No	No impact	

Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues)			Response Yes/No	
	Settlement Report (System Operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.	No	
	Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.	No	
	Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.	No	
	Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.	No	
Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?			Number	We have no views on this issue.
	Number of LEGs receiving reports direct from Central Systems?				
	Number of LEGs receiving pre-processed data via a nominated third party?				
Q4	What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade?			Number	We have no views on this issue.
	Number of new Parties registering to access information				

Q5	Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)	Response Yes/No	
		No	
Q6	If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)	Response Yes/No	
Q8	Do you have any Further Comments?		

P102_ASS2_010 – NGC

Respondent:	Name National Grid
Responding on Behalf of	Please list all Parties/non-Parties responding on behalf of (including the respondent company if relevant). National Grid
Role of Respondent	BSC Party/ LEG / Directly connected customer / Other (Please specify) BSC Party

	Question	Response		Rationale
Q1	Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?	Response Yes/No		Overall the Proposed solution may promote objective (c) but is outweighed by not facilitating objective (d). However the Alternative does better met the BSC Objectives.
		Proposed	Alternative	
		No	Yes	
	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).	Response Yes/No		
		Proposed	Alternative	
		Yes	Yes	
	Objective D- Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements.	Response Yes/No		Whilst the proposed solution seems simple and cheap we agree with the majority of the SSMG that there are various efficiency issues associated with the removal of the obligation of trading.
		Proposed	Alternative	
		No	Yes	

Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues)			Response Yes/No	
	Settlement Report (System Operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.	Yes	We have concerns that third parties (not directly involved in trading) may wish to seek commercial gain from this data but believe our concerns are addressed through a licensing agreement.
	Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.	No	
	Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.	No	
	Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.	No	
Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?			Number	
	Number of LEGs receiving reports direct from Central Systems?			<5	Based upon the number of LEGs currently active in the market arrangements.
	Number of LEGs receiving pre-processed data via a nominated third party?			<5	

Q4	What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade?	Number	
	Number of new Parties registering to access information	<5	
Q5	Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)	Response Yes/No	We have no information on this point.
		N/A	
Q6	If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)	Response Yes/No	
		N/A	
Q8	Do you have any Further Comments?	Yes	We note that no Transmission Company analysis has been requested for P102.

P102_ASS2_011 – Powergen

Respondent:	Powergen UK plc
Responding on Behalf of	Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited, Cottam Development Centre Limited, TXU Europe Drakelow Limited, TXU Europe Ironbridge Limited, TXU Europe High Marnham Limited, Midlands Gas Limited, Western Gas Limited, TXU Europe (AHG) Limited, TXU Europe (AH Online) Limited, Citigen (London) Limited, Severn Trent Energy Limited (known as TXU Europe (AHST) Limited), TXU Europe (AHGD) Limited and Ownlabel Energy Limited
Role of Respondent	BSC Party

	Question	Response		Rationale
Q1	Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?	Response Yes/No		The rationale for this modification is greater information provision. We do not believe that creating a special class of membership is appropriate to facilitate this. This could throw up further legal issues. A far cleaner solution would be to follow the licence agreement route, which would allow the legal issues to be confined to the provision of data and confidentiality. It would also allow the correct recovery of the costs of providing the service, through the levying of a licence fee. The reason we support neither option for 102 is that it is discriminatory, as it is limited in scope to Licence Exempt Generators and therefore cannot be conducive to better competition.
		Proposed	Alternative	

			No	No	
	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).		Response Yes/No		See comments above.
			Proposed	Alternative	
			No.	No.	
	Objective D- Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements.		Response Yes/No		See comments above.
			Proposed	Alternative	
			No.	No.	
Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues)		Response Yes/No		
	Settlement Report (System Operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.	No.	
	Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.	Yes.	This would provide information on the consumption patterns of directly connected customers due to the requirement for them to be in a separate BMU. If the proposed licence agreement contained a requirement to use it for trading purposes only, as is required for Parties, then we would not be opposed to its release.

	Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.	No.	
	Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.	No.	
Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?			Number	
	Number of LEGs receiving reports direct from Central Systems?			Don't know.	
	Number of LEGs receiving pre-processed data via a nominated third party?			Don't know.	
Q4	What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade?			Number	
	Number of new Parties registering to access information			Don't know.	
Q5	Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)			Response Yes/No	Probably not on balance.
				No.	
Q6	If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)			Response Yes/No	
Q8	Do you have any Further Comments?			No.	

P102_ASS2_012 – Innogy

Respondent:	Ben Willis
Responding on Behalf of	Innogy plc, Innogy Cogen Ltd, Innogy Cogen Trading Ltd, Npower Ltd, Npower Direct Ltd, Npower Yorkshire Ltd, Npower Northern Ltd, Npower Yorkshire Supply Ltd, Npower Northern Supply Ltd.
Role of Respondent	BSC Party

	Question	Response		Rationale
Q1	Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?	Response Yes/No		The BSC is designed to facilitate the trading of wholesale electricity, and is not primarily a route for data provision. Consequently we believe that signatories should be required to provide proof of trading activity within the time frames specified within the Code. However, we do feel that the wider circulation of data would enhance the wider market and thus is to be supported.
		Proposed	Alternative	
		N	Y	
	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).	Response Yes/No		Consequently, we prefer the Alternative over the original Modification. However, we still have reservations over the cost recovery mechanism. Whilst the Licencing Agreement upholds the main tenet of the Code, we feel that it may prove impossible to accurately recover the costs of information provision from those that impose these further costs.
		Proposed	Alternative	
		N	Y	

Objective D- Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements.			Response Yes/No		This lack of accurate targeting of costs onto those that create them, which is central premise to the Code, would introduce an inefficiency within the implementation and administration of the BSC.
			Proposed	Alternative	
			N	N	
Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (If yes please specify particular issues)			Response Yes/No	
	Settlement Report (System Operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.	No	
	Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.	Yes	This is provided in the above report, thus provision of this would be duplication, thus inefficient.
	Meter Period Data Report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.	Yes	This data would be surpassed by the following report, and thus be redundant. This would also represent an inefficiency.
	Total Gross Demand per GSP	CDCA-I029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.	No	
Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?			Number	
	Number of LEGs receiving reports direct from Central Systems?			Max 5	Even this is a high estimate

	Number of LEGs receiving pre-processed data via a nominated third party?	10	We believe that most LEGs would prefer to receive pre-processed data through a nominated third party, and pay for that data to be provided to their specifications (both format and frequency). This is likely to be less costly than having to put in place the systems and resources to enable them to receive, process and interpret the data themselves.
Q4	What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade?	Number	
	Number of new Parties registering to access information	Max 10	This number may be higher, if new parties can use agents to provide pre-processed data, in line with our comments above.
Q5	Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify)	Response Yes/No	
		No	
Q6	If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)	Response Yes/No	Innogy would be interested in providing processed data to those who would prefer not to process the enormous amount of data available within the SO142 files, and would be happy to discuss this further with interested LEGs.
		N/A	
Q8	Do you have any Further Comments?	No	

P102_ASS2_013 – British Energy

To: Modifications Secretary, BSCCo

P102: Entitlement of Licence Exemptable Generators (LEGs) to BSC Membership Without Evidence of Trading & P114: Entitlement of Licence Exemptable Generators (LEGs) and Other Non-Trading Parties to BSC Membership Without Evidence of Trading

Access to information by non-parties could improve competition and we have no objection to the principle of transparency. However, the costs should be borne by those requiring the service, and obligations on use of data so provided should be equivalent to those applying to parties, otherwise fair competition may be impaired.

Original proposal P102 suggests allowing a subset of non-trading parties to remain party to the BSC for the sole intent of obtaining information and data. It is difficult to demonstrate that overall or BSC-specific cost-benefit/efficiency objectives would be better met by allowing non-parties to incur costs which are then met by parties, or by allowing a subset of interested persons (exempt generators) to obtain data not available to others. Therefore we do not support this proposal.

The solution favoured by the modification group for these two modifications P102 & P104 is a licence service, combined with changes to BSC systems to facilitate the new role of a (non-party) Licensee. While not objecting to this approach in principle, it does not appear that the cost of the system and other changes will be wholly recovered from those requiring the service. Unless this is demonstrated, or the financial benefits of the proposed changes can be demonstrated, we do not believe the proposal will better meet BSC objectives (c) relating to trading efficiency and competition or (d) relating to administrative efficiency.

The assessment for P102 includes the statement that "Any solution, which registers non-Parties in Central Systems, with Party status, relying on BSCCo to ensure that this status was not abused, would be unmanageable." It is this assertion which leads to the requirement for expensive changes to central systems and processes to protect against potential abuse and errors. We are surprised that Elexon and its agents consider it impractical to maintain a record of which parties registered in central systems are BSC Parties, and to limit their use of systems accordingly. We question whether the risks and benefits of this option, relative to expensive system changes, have been fully explored.

Martin Mate

for

British Energy Power & Energy Trading Ltd

British Energy Generation Ltd

Eggborough Power Ltd

P102_ASS2_014 – Slough Energy Supplies

Respondent:	<i>Name</i> Slough Energy Supplies Limited
Responding on Behalf of	<i>Please list all Parties/non-Parties responding on behalf of (including the respondent company if relevant)</i> Slough Energy Supplies Limited (Supplier); Fibrepower Slough Limited (generator); Slough Energy Contracts Limited (exemptable generator); Slough Utility Services Limited (exemptable generator)
Role of Respondent	<i>BSC Party/LEG/Directly connected customer/Other (Please specify)</i> BSC Party

	Question	Response		Rationale
Q1	<p>Overall do you believe that the features, as described within Modification Proposal P102 and the draft Assessment Report, would better facilitate achievement of the applicable BSC Objectives?</p> <p>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.</p>	<p>Response Proposed YES</p>	<p>Yes/No Alternative YES</p>	<p>See below</p> <p>As discussed in the P102 consultation document, all BSC parties are required to commence trading activities within 6 months of joining the BSC. The effect of this is that any participants in the electricity</p>

		<p>YES</p>	<p>YES</p>	<p>market who do not wish to become full trading parties are excluded from receiving certain market data which is made available only to BSC parties. The answer to this question 1 seeks to show:</p> <ul style="list-style-type: none"> (i) the anti-competitive effects on LEGs of this inability to gain access to relevant market data and; (ii) how the implementation of P102 would address this anti-competitive effect and therefore facilitate applicable BSC objective (c) (promoting effective competition in the generation and supply of electricity). <p>Under the current arrangements, some market data is publicly available by means of the Balancing Market Reporting System (BMRS). This includes final physical notifications, imbalance for each half hour. The BMRS provides information in advance of and shortly after real time. However, out-turn information (such as actual system imbalance and actual generation) is not published. Other market data of commercial relevance to LEGs, including the half hourly transmission loss and “beer fund” values, and the net metered and imbalance position of market participants, is restricted to BSC parties. The reason for this cannot be commercial confidentiality, as information relating to each BSC party is available to every other BSC party in the form of the SO142 Report. This unequal access to market data is in</p>
--	--	------------	------------	---

			<p>contrast with the situation under the Pool, where ESIS provided a similar set of data for all paying subscribers.</p> <p>The commercial relevance of this market data to LEGs arises from the fact that LEGs will normally be negotiating to sell their output to a licensed supplier under Supplier Volume Allocation (“SVA”), rather than trading within the NETA markets as BSC parties. The principal reason for this is the cost and administrative burdens involved with trading in the NETA markets which are impracticable for the majority of LEGs to bear. For example, the cost of establishing a fully fledged trading desk in the UKPX are estimated at £1 million, in addition to other incidental costs. Further details of these administrative barriers are contained in Ilex Consulting’s report “Contractual and Administrative Barriers Facing Licence-Exempt Generation under NETA”, which was attached to proposal P102.</p> <p>Therefore, LEGs will almost always be negotiating for the sale of their output with a licensed supplier, who by definition will be a BSC party and have access to the market data currently denied to non-parties. Any negotiation where one party is entitled to all the relevant information and the other is not, is bound to disadvantage the other party. The current position therefore creates an unjustifiable handicap for the</p>
--	--	--	--

			<p>negotiating position of LEGs as against licensed suppliers. As an example of how access to the relevant market data will improve the position for LEGs, knowing the metered quantities and imbalance positions of potential contracting counterparties would substantially assist LEGs in determining both who was in a position to contract with them and to better understand the trading position of that counterparty. It would also enable LEGs to verify</p> <p>independently the benefits of particular supplier contracts or consolidation benefits where the counterparty is a BSC Party and is therefore in possession of such information.</p> <p>The difficulty for LEGs is that contracting under SVA inevitably restricts them from accessing such vital market information. The dilemma which they face is that, currently, the only way of accessing this information is to become full trading BSC parties, a route to market which, as explained above, is uneconomic for the vast majority of them. The current arrangements therefore place LEGs in a position where they are either:</p> <ul style="list-style-type: none"> (i) contracting under SVA with licensed suppliers as against whom they have a handicapped bargaining position due, amongst other reasons, to the asymmetry of market data available to LEGs and licensed suppliers; or
--	--	--	---

			<p>(ii) obliged to overcome the cost and administrative barriers of becoming full trading BSC parties which are uneconomical for them. The current arrangements therefore impose an unjustified barrier on any LEG wishing to access this market data. The Proposer can see no objective reason why LEGs should not be entitled to receive the market data provided to BSC Parties given its importance with LEGs dealing with suppliers.</p> <p>The effect of the lack of market data available to LEGs who are not fully trading BSC parties is one of a range of market barriers faced by LEGs. It is an anti-competitive aspect of the current NETA market structure that this information, which is not confidential, should be available to one party to a contract, but not the other. The effect of this barrier has been to contribute to the disproportionately adverse impacts which NETA has had upon LEGs and which are well documented, for example they are referred to in 14 responses from the smaller generator market to the DTI's consultation on smaller generators and NETA of 1st November 2001. This has resulted in significant withdrawals from the LEG sector and threatens its continued participation in the generation market. It cannot be in the interest of competition that a sector providing some 8% of capacity in the uk should be placed in jeopardy.</p>
--	--	--	---

				<p>Making available crucial market information to LEGs from whom full trading BSC participation is not a practical option will assist in creating a fairer negotiating position for most LEGs and thereby better facilitate applicable BSC objective (c) (promoting effective competition in the generation and supply of electricity). For further details of the impacts of NETA on LEGs, please see the Ilex Reports “An Objective Assessment of the Impact of NETA on Smaller Generators” (available on the Ilex website) and “Contractual and Administrative Barriers Facing Licence Exempt Generators under NETA”, referred to in the answer to question 1.</p> <p>Both the proposed and alternative modification promote the BSC objectives. The Proposer notes the concerns of some of the Modification Group members regarding the effects on efficiency and implementation of following the proposed modification rather than the alternative and sees the alternative as a workable substitute.</p>
	<p>Objective D – Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements</p>	<p>Response Proposed Yes</p>	<p>Yes/No Alternative Yes</p>	<p>LEGs would be better informed of how the Balancing and Settlement arrangements are operating in practice, as a result of access to the relevant data. That can only assist the implementation and administration of the Balancing and Settlement arrangements.</p>

Q2	Do you have any specific issues with the following Party information (As outlined in Appendix 1 of the requirements Specification) being available to persons not involved in trading activity? (if yes please specify particular issues)		Response	Yes/No NO	The availability of the data referred to above will promote competition (see above). As explained in the answers to question 1 above, the fact that LEGs are not involved in trading activities does not mean that the market data specified in Appendix 1 is of any less relevance to their participation in the electricity market. The Proposer cannot see any reason why such information should be made available to one contracting party but not the other. In terms of potential concerns such as confidentiality which have been expressed in P102 MG, these will be dealt with either by the relevant LEG becoming a signatory to the BSC or by replicating the appropriate BSC obligation in the appropriate form of licensing agreement.
Settlement report (system operator version)	SAA-I014	Bid-Offer Data, Acceptance Data and Trading Charges for each Party. Volumes and Prices for the whole system.		NO	
Aggregated Data Report	CDCA-I042	Metered Volumes for each BM Unit, Interconnector or GSP Group.		NO	
Meter period data report	CDCA-I030	Metered Volumes for all Distribution Systems Connection Points.		NO	

	Total gross demand per gsp	CDCA-1029	Aggregated meter flows for each Grid Supply Point in each GSP Group per Settlement Period.		NO	
Q3	What are your views on the likely uptake of P102 Alternative Modification – licence agreement?					
	Number of LEGs receiving reports direct from Central Systems					The Proposer thinks it unlikely that many LEGs will receive reports direct from Central Systems, unless Modification P103 is accepted and implemented, since the data is not sufficiently usable in its current form by LEGs
	Number of LEGs receiving pre-processed data via a nominated third party?					The number of LEGs receiving pre-processed data via a nominated third party should increase, beginning with the larger LEGs, as LEGs become progressively more familiar with the value of the data in trading and learn to use it. The predicted number of LEGs who use the data is however not material as to whether the proposed modification facilitates the achievement of the BSC objectives, since it is plainly contrary to the promotion of competition that the data is not available to LEGs.

Q4	<p>What are your views on the likely uptake of P102 Proposed Modification – Remove obligation to trade</p> <p>Number of new Parties registering to access information</p>			See Q3 above
Q5	<p>Do you think the implementation of P102 would cause a reduction of the Balancing services offered to the Transmission Company? (If yes please Justify</p>	Response	No	<p>The contention that the implementation would cause a reduction in balancing Services offered is hypothetical and unproven. The concern is that large demand sites identifiable as individual BMUs may be removed from the Balancing Mechanism in response to information on them being available to their competitors. Such information is already available to all existing BSC parties and if this contention were material, such BMUs would already have been removed. Moreover, if in any instance this contention were to be found true, the removal of that BMU would have occurred in response to increased competition brought about by P102 which would support BSC objectives.</p>
Q6	<p>If implemented would your organisation utilise the Proposed Solution? (This question only applies to non-BSC Parties)</p>	Response	Yes/No YES	
Q7	<p>Do you have any Further Comments</p>			<p>The Proposer believes that the provision of market data to LEGs is important. Their participation in the electricity market is significantly affected by their inability to manage their imbalance risk, through the barriers associated with their trading as BSC</p>

			<p>signatories. Enabling LEGs to manage their imbalance risk and the lowering of such barriers is contributed to by LEGs having access to all relevant market data.</p> <p>Although LEGs are mostly not BSC Parties, they are generally exposed to imbalance risk as negotiation for the sale of their output to suppliers is against the background of the suppliers' exposure to the balancing mechanism. Normally therefore, balancing risk is passed down to LEGs in their contracts with licensed suppliers, or alternatively the supplier demands a premium for not doing so. Not enabling LEGs to have access to the market data which informs the decision making of the licensed supplier with whom they contract is an unjustifiable and therefore anti-competitive restriction on LEGs' ability to obtain the true value of their output. Please see also the answer to question 1 above. Reference is again made to the Ilex report "Contractual and Administrative Barriers facing Licence-Exempt Generators under NETA" which explains the barriers to LEGs' market participation. Reference is made also to Ilex's report "Impact of Non-Cost Reflective Pricing on LEGs" (available on the Ilex website) and the report of Campbell Carr "Impact of non-cost reflective pricing on LEGs" (which was produced to the P95 Modification Group). Both these reports explain the undue effects of imbalance risk on LEGs who do not</p>
--	--	--	--

			<p>have the facilities under NETA to manage it.</p> <p>Although it is clear that P102 should be considered on its own merits, irrespective of other proposed modifications, the Proposer believes it would be useful to ensure there is no misunderstanding of how proposal P102 is intended to interact with proposal P103 (Respecification of Trading Data). P103 seeks to address the lack of accessibility and transparency that market data which is currently provided to LEGs, by improving the data provided to all BSC parties. The answers to question 1 shows that the arguments for the implementation of P102 stand alone and are not dependent upon on the implementation of any other modification. However, the implementation of P102 is also important to ensure that the implementation of P103 would have the desired effect, namely by providing that LEGs are entitled to be BSC parties or to have access to the relevant data by means of licence.</p> <p>The proposal is significantly superior to the alternative of the grant of a licence (in the proposed form) which places the licensee under constraints and limitations which neither do nor need apply to Parties in receipt of the same information in their capacity as BSC Parties.</p>
--	--	--	--