

Modification Proposal

MP No: P33
(mandatory by BSCCo)

Title of Modification Proposal (mandatory by proposer):

Rectification of inconsistencies in terminology between the BSC and Grid Code OC2.

Submission Date (mandatory by proposer): 10/08/01

Description of Proposed Modification (mandatory by proposer):

National Grid has recently identified that we are inadvertently providing an incorrectly labelled data item to the BMRS forecast pages. This is due to inconsistencies in terminology between the Grid Code OC2 data we have produced since privatisation and the requirements of the BSC. This confusion is compounded by nomenclature differences between the BSC and the BMRS Forecast and Help pages.

This modification seeks to resolve all these issues, and remove any potential misunderstanding by the provision of an additional data item on the BMRS.

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

National Grid has recently identified differences in terminology between the BSC, BMRS and Grid Code OC2 that means that we are currently providing incorrectly labelled data to the BMRS Forecast pages.

The problem occurs because the BSC refers to a "Generating Plant Demand Margin" and the Grid Code refers to "Surplus". Unlike "Generating Plant Demand Margin", "Surplus" takes National Grid's Operating Plant Margin into account. This margin represents the additional generation over and above the demand that is needed in reality to ensure that the demand can be met. At present we are providing the OC2 derived Surplus data to the BMRS.

To resolve this discrepancy we propose that both Surplus and Generating Plant Demand Margin data is provided in future on the BMRS. This will require the definition of the additional term Surplus within the BSC. For consistency this will need to be given an identical interpretation to that in OC2 of the Grid Code.

In addition we have noted that inconsistencies in the labelling of the BMRS 2-14 Day, and 2-52 Week Ahead Forecast and Help pages also need resolving. These currently refer to "National Margin Based on OC2" instead of the correct BSC definition "Generating Plant Demand Margin".

Attached to this Modification is a supporting note that provides further details.

Impact on Code (optional by proposer):

The introduction to Table X-1 of a definition of the term Surplus to read 'Surplus generation after allowances for Demand, National Grid's Operating Plant Margin, Plant outages and Breakdown have been subtracted'. In terms of calculating numerical values this will be (Generating Plant Demand Margin)-(National Grid's Operating Plant Margin). Modification of Section V to reflect the introduction of the term 'Surplus' and its inclusion on the BMRS display.

Impact on Core Industry Documents (optional by proposer):

Consistency achieved between the Grid Code and BSC.

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

Modification to National Grid's software that provides data to the BMRS. Modification to the BMRS Forecast displays to include a graphical display of Surplus and Generation Plant Demand Margin, for both 2-14 day and 2-52 week timescales. Rationalisation of the BMRS labelling of variables on both the Forecast and Help pages.

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Impact on other Configurable Items (optional by proposer):

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

This modification will provide clarity and ensure that there is consistency between the Grid Code and BSC. It will remove the existing data error, and ensure the consistent information is sent to generators (via OC2) and BM participants (via the BMRS), thereby eliminating any confusion. This also improves transparency of information to all market participants. This therefore fulfils the BSC Objective of promoting effective competition in the sale and purchase of electricity.

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Attachments: YES

If Yes, Title and No. of Pages of Each Attachment:

"BSC Modification - Rectifying Grid Code / BSC Inconsistencies – Supporting Notes" (2 pages)

BSC Modification – Rectifying Grid Code / BSC Inconsistencies

Supporting Notes

Background

Since the introduction of NETA National Grid has been sending Generation Margin Information to the BMRS Forecast pages. We have recently realised that the data we have been providing, which is an output from our Grid Code OC2 process, is not what is required by the BSC due to detailed differences in terminology between the Grid Code and the BSC. This problem is compounded by nomenclature discrepancies between the BMRS Forecast and Help pages, and the BSC itself. This modification seeks to rectify all these issues, and therefore remove the associated ambiguity.

These supporting notes provide a detailed description of the problem.

Definitions

OCNMFD, Generating Plant Demand Margin. (BSC) “Has the meaning given to that term in OC2 of the Grid Code.”

Generating Plant Demand Margin (Grid Code) “The difference between Output Useable and Forecast Demand.”

OU, Output Useable (Grid Code) “That portion of Registered Capacity which is not unavailable due to a Planned Outage or Breakdown.”

Grid Code **OC2.4.1.2.3(b)** and **OC2.4.1.2.4(c)** state “NGC will assess whether the estimates of Output Useable supplied by generators are sufficient to meet forecast NGC demand plus the Operational Planning Margin.”

Operational Planning Margin (Grid Code) “An Operational Planning Margin set by NGC.” Effectively this is the additional generation over and above the demand that is needed in reality to ensure that the demand can be met in real time.

Current Situation

The Pre-NETA market information systems, for timescales 2 days to 5 years ahead, are detailed in the Grid Code OC2. These are still required and are being completed in line with the requirements. Effectively, the Grid Code requires National Grid to produce “*MW shortfalls and surpluses* and potential export limitations both nationally and for zonal groups”. These surpluses/shortfalls are not formally defined in the Grid Code. However they are referred to in Grid Code OC2.

The current practice which is understood and accepted by OC2 recipients, is that MW figures of “Surplus” generation take into account allowances for generation plant outages and breakdown, demand, and *National Grid’s Operating Plant Margin*.

The BMRS Forecast pages currently display two values on each of the 2-14 day and 2-52 week pages. These are:

- 1) “Demand” - No issues.
- 2) “National Margin based on OC2” – This variable is called OCNMFD for 2-14 day and OCNMFW for 2-52 week.

The BSC calls OCNMFD the “Generation Plant Demand Margin” and references Grid Code OC2 for a formal definition. In the Grid Code this is defined as the difference between Generation Registered Capacity and demand after allowances for Plant Outages and Breakdown have been removed. The conflict arises because the OCNMFD, (and OCNMFW) data being sent to the BMRS

is in fact OCNMFD (or OCNMFW dependant on timescale) minus National Grid's Operational Planning Margin. In the Grid Code this item is called "Surplus".

Further ambiguity exists because the OCNMFD, (and OCNMFW) variables have different names in the BSC and on the BMRS Forecast and Help pages. These are summarised below:

BSC refers to	"Generation Plant Demand Margin"
BMRS Forecast Pages refers to	"National Margin based on OC2"
BMRS Help pages refer to	"National Margin", (amongst other terms)

Resolution

In order to remove any misunderstanding between conflicting data items being distributed via Grid Code OC2 and the BMRS Forecast pages, National Grid proposes that both "Generating Plant Demand Margin" and "Surplus" data are provided via the BMRS in future. The alternative would be to provide correct "Generating Plant Demand Margin" data as is required by the BSC. However National Grid feels that this may result in market confusion, particularly since there is a likelihood that real time system warnings will be in force whilst the Generation Plant Demand Margin indicates a significant positive margin. This is because this parameter does not include our Operating Plant Margin, which is the additional generation over and above the demand that we need available to ensure that the demand can be met.

It is therefore proposed that the information sent to the BMRS be modified to include the true BSC definition of OCNMFD together with generation "Surplus" data. The term Surplus would also need to be defined in the BSC, and be given the same meaning / interpretation as that under Grid Code OC2. Notes on the BMRS Help pages would also require updating so that all users are fully aware of the differences between the two. This will achieve:

- Consistency between BSC and OC2.
- OCNMFD would be correctly displayed on the BMRS.
- Clarity of information presented to market participants.

Software modifications will be required by both NGC and Logica to achieve these changes.