

## **Potential anomaly in respect of Bid Offer Acceptance (BOA) volume**

### **Background**

We believe we may have found an anomaly in the BOA volume that affects Bid volumes credited to a Party's energy account in a very specific set of circumstances. If this anomaly is a defect with the BSC then it has been impacting the market since Go -Live.

### **Details**

We believe the anomaly exists when a Party operates with or re-declares its MEL to a lower level than the submitted FPN. The re-submission of the MEL to this lower level will be a representation of the BMU performance meaning the FPN is not representative of the BMU's operating level. If the System Operator was then to issue a BOA, it will be from the MEL all the while the MEL < FPN, and we would expect the volume associated with that BOA be calculated from the appropriate level. However we believe that the credited volume is based upon the now redundant FPN and not the MEL, which now reflects the BMU's running pattern.

### **Example**

We have undertaken a little research in this area and found that in Jan 04 there were at least 503 instances of this happening in January. I have included an example of one of these instances in January, which effected DRAXX-5 on the 20 January for a number of Settlement Periods (SP) I am specifically referencing SP32.

The FPN was 645MW – the MEL was 510MW and the BOA instruction took the BMU down to 465MW from the 510MW.

Based on information on the BMRA the Derived BOA volume was -90MWh  $((465-645)/2)$ . We believe the credited volume should have been -22.5MWh  $((465-510)/2)$ . This means that DRAXX-5 was credited with 67.5MWh more than we believe they should have been.

### **Effects**

This will have a number of effects on the cashflow of the Party, which delivered the acceptance it will also impact on all other BSC Parties including the System Operator.

*Imbalance Volume* – The Party delivering the BOA will potentially have its exposure to imbalance prices reduced by being made less short or receiving more SSP due to the Party being made more long.

The impact on imbalance position will also impact all BSC Parties by amending the size of the RCRC pot.

There will also be an impact on BSUoS, which could mean that it is being under or over charged.

This could also mean that Parties have to pay more for bids, as the volume of the acceptance will be greater than that delivered. If the bid has been priced negatively NGC could be paying more for the bid.

### **Next Steps**

If this potential anomaly is a defect then we will need to raise a modification proposal to ensure that the BOA volume in the instances of a re-declaration downward will be based upon MEL as opposed to FPN.