Recommendation to raise an Issue: 'Billing for Data Transfer costs and the 'Total Cost of Ownership' for using a replacement solution to send DTS Flows'

Meeting Name	BSC Panel
Meeting Date	8 August 2013
Purpose of paper	For Decision
Summary	On 11 July 2013, the Panel requested that ELEXON set up an Issue Group to consider two areas of the Data Transfer Service (DTS), relating to whether an alternative mechanism can be used to deliver DTS Flows and how these costs are charged to BSC Parties. This paper provides the Panel with a recommendation for the Terms of References for this Issue Group.

1.   Background

1.1   On 11 July 2013 ELEXON took a paper to the Panel (Ctrl+Click Here) which focused on two areas: firstly how we can use the ELEXON Portal to send Supplier Volume Allocation Agent (SVAA) Flows to industry; and secondly how we could change the current charging methodology so that BSC Parties are charged for Data Transfer Service (DTS) costs on a 'user pays' basis.

1.2   The Panel concluded that this matter would benefit from being considered further before a Modification was raised. Panel Members noted that there were two areas being considered: the technical solution that could provide an opportunity to reduce Data Transfer costs incurred under the BSC; and the adjustments that might be made to the charging mechanism to promote the avoidance of these costs.

1.3   The Panel noted that, as a party able to raise Modification Proposals, it could raise an Issue for the consideration of a Workgroup (BSC Section F2.4.23). The Panel requested that ELEXON return to a subsequent meeting with a draft issue that would enable these areas to be investigated further.

1.4   This paper proposes an Issue for the consideration of the Panel and sets out the proposed Terms of Reference for considering these matters should the Panel raise the proposed Issue.

ELEXON

2. Terms of Reference

2.1 We consider that, given the relationship between these two areas, the best approach is to consolidate these and discuss them under the remit of a single Issue. As such, the Issue Group will focus on the following areas:

1. The 'Total Cost of Ownership' for using a replacement solution to send DTS Flows; and
2. Moving to a 'users pays' charge mechanism for DTS costs.

2.2 We intend to use the Governance Standing Modification Group (GSMG) as the basis for this Issue Group, as the remit for this group covers 'BSC Cost Recovery and Participant Charging', supplemented by any other relevant experts or interested parties. In particular, we will seek to ensure that any parties who have specific interest in this area (such as DTS User Group representatives) are invited to be members of the Issue Group in order to gauge a wide range of opinion across multiple industry roles.

2.3 As is the case with all Panel committees and expert groups, members of the Issue Group are required to act impartially and not as representatives of any particular party or class of parties. However, Issue Groups are also open meetings where attendees can provide input to the deliberations of the group. We have therefore discussed with the DTS Service Controller (Electralink) the possibility of attending the Issue Group to assist with the 'Total Cost of Ownership' discussion and a positive response has been received.

2.4 We expect the meetings to be held from the period September to November. We propose that a final report will be provided to the BSC Panel no later than the meeting in December 2013; however, this will depend upon the extent of the Issue Group's deliberations.

2.5 A copy of the Issue Proposal form can be found in Attachment A to this paper.

3. ELEXON support to the Issue Group

3.1 We will offer the Issue Group all the support and information that is practically possible for these discussions as well as providing an experienced chairman who can facilitate the debate.

3.2 In July, the Panel observed that this matter may require views and technical support/assessments to be sought from BSC Agents, and that this may incur some costs. Accordingly, we will provide details of how existing ELEXON tools and infrastructure (such as the ELEXON Portal or CVA Network) can be used as delivery mechanisms to reduce or remove DTS costs to BSC Parties as well as the proposals for alternative billing for DTS charges and how this compares to the current process. We will ensure that, if required, any service providers who have contributed to the development of these potential changes will participate in the Issue Group.

4.   Recommendations

4.1   We invite you to:

   a)   **RAISE** the Issue proposed in Attachment A;

   b)   **NOTE** the proposed timetable and approach for considering this Issue as set out in this paper; and

   c)   **NOTE** that, subject to satisfactory progress of the Issue Group, ELEXON will bring the Issue Group's findings report to the Panel at its meeting on 12 December 2013.

Attachments
Attachment A – Issue Proposal Form

For more information, please contact:
Matthew Wood, Service Delivery Manager
Matthew.Wood@elexon.co.uk
020 7380 4190

Version 1.0
© ELEXON 2013