



Consultation Response

SENT BY EMAIL TO: balancingservices@nationalgrid.com

5 September 2012

Dear Ian,

ELEXON's response to Open letter on BELLA participation in the Balancing Mechanism

Thank you for the opportunity to respond to your open letter consultation on BELLA participation in the Balancing Mechanism. Our view on the questions raised (from our perspective as administrator of the BSC and operator of the Balancing Mechanism settlement process) is as follows. The views expressed in this response are those of ELEXON Limited alone, and do not seek to represent those of the Parties to the GB Balancing and Settlement Code (BSC).

Should BELLAs be able to participate in the BM?

The reason the BSC allows Suppliers to register Additional BM Units is to facilitate participation in the Balancing Mechanism (BM) by SVA-registered plant (whether Demand Side Response or Exemptable Generating Plant). While SVA participation in the BM has perhaps not taken off to the extent anticipated at NETA Go-Live, we nonetheless believe it remains an option.

For this reason we believe that Embedded Licence Exemptable Large Power Stations with BELLAs should be able to participate in the BM. Any restriction on them doing so would create an anomalous situation in which SVA-registered Small Power Stations and Demand Side Response were able to participate in the BM, but SVA-registered Large Power Stations were not.

Does the current framework allow BELLAs to participate in the BM?

The BSC does allow this, as it was specifically intended to facilitate BM participation by SVA-registered Plant and Apparatus (provided that they register an Additional BM Unit and submit Physical Notifications).

Should a BELLA be required to hold explicit access rights in order to participate in the BM?

We do not believe that SVA-registered Large Power Stations seeking to participate in the BM should be required to hold explicit access rights, because:

- Drawing a connection between access rights and participation in the BM (or provision of any other form of balancing services) appears arbitrary, and no



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justification for doing so was provided in the open letter; and

- It is not clear that SVA-registered Demand Side Response or Small Power Station wishing to participate in the BM would be subject to such a requirement. Is there any reason for treating BELLAs differently?

What parts of the CUSC and/or BSC may be required to change?

No BSC changes would be required, as the provisions relating to Additional BM Units are specifically intended to permit BM participation by SVA-registered Plant and Apparatus (including Large Power Stations).

Further Information

Please do not hesitate to contact me if you wish to discuss any aspect of this response. I can be contacted on **020 7380 4345** or john.lucas@elexon.co.uk.

Yours sincerely

John Lucas
ELEXON Design Authority