

## Stage 01: Initial Written Assessment

# P299 'Allow National Grid access to Metering System Metered Consumption data to support DSBR service'

This Modification proposes changes to allow the Transmission Company to gain access to Suppliers' Metering System Metered Consumption data, which is provided by Half Hourly Data Collectors to Half Hourly Data Aggregators.

This data is required to support the validation of submitted tender data and to process the settlement of payments for the delivery of the new Demand Side Balancing Reserve service.



ELEXON recommends P299 is progressed to the Assessment Procedure for an assessment by a Workgroup



Medium Impact:

- Half Hourly Data Collectors

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

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## About This Document

This document is an Initial Written Assessment (IWA), which ELEXON will present to the Panel on 13 February 2014. The Panel will consider the recommendations and agree how to progress P299.



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### Any questions?

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# 1 Why Change?

## What is Demand Side Balancing Reserve?

Within the role of System Operator, the Transmission Company (National Grid) is required to co-ordinate and direct the flow of electricity onto and over the Transmission System in an efficient, economic and co-ordinated manner. As part of this role, the Transmission Company procures and uses balancing services from Transmission System users, and other third parties, in accordance with the requirements set out in Condition 16 'Procurement and use of balancing systems' of the [Transmission Licence](#).

The Transmission Company is introducing a new balancing service known as the Demand Side Balancing Reserve (DSBR)<sup>1</sup>. DSBR is aimed at non-domestic consumers with the ability to reduce Half Hourly (HH) metered demand at times of peak demand. It is unlikely that DSBR will be used frequently; however, in the unlikely event that there is insufficient plant availability to meet demand, consumers that have signed up to the scheme may be asked to reduce demand in return for payment. There would be no obligation to respond or penalties for not responding; the scheme relies on payments for delivery as an incentive to deliver.

It is expected that direct HH end users or intermediaries (including, but not limited to, Suppliers and existing balancing service aggregators<sup>2</sup>) will offer volumes for the DSBR service at a Metering Point Administration Number (MPAN) level for sites that could reduce demand or increase generation at times of system stress.

On 19 December 2013 Ofgem announced its decision to approve the Transmission Company's application to introduce DSBR<sup>3</sup>. Ofgem's previous analysis indicated that the GB energy industry faces an unprecedented challenge to secure supplies and that DSBR will provide the Transmission Company with an additional tool to help balance the system in anticipation of tighter capacity margins.

## What is Metering System Metered Consumption data?

Suppliers' Metering System Metered Consumption (SMMC<sub>Zakj</sub>) data is the HH metered consumption of a Supplier Volume Allocation (SVA) Metering System, which is determined pursuant to paragraph 3.5.3 of BSC Section S Annex S-2. This data is determined by Half Hourly Data Collectors (HHDCs) and provided to relevant Half Hourly Data Aggregators (HHDA) for aggregation<sup>4</sup> (a process which includes the application of distribution line losses). This data is then provided to relevant Distributors by HHDA for billing purposes.

## What is the issue?

DSBR will be used to support the Transmission Company in balancing the system if capacity margins tighten during the next few years. In order to verify tendering data

<sup>1</sup> <http://www.nationalgrid.com/NR/rdonlyres/3F8C2A41-F3D7-4847-9CC2-1788F4ADD16D/63265/DSBRRreportFinal181113.pdf>

<sup>2</sup> These are agents used by the Transmission Company for balancing services like the Short Term Operating Reserve (STOR).

<sup>3</sup> <https://www.ofgem.gov.uk/publications-and-updates/national-grid%E2%80%99s-proposed-new-balancing-services-decision-letter>

<sup>4</sup> HHDCs send this data to HHDA using the Data Transfer Catalogue (DTC) flow D0036 'Validated Half Hourly Advances', which is referred to in Section S Annex S-2 as the Suppliers' Metering System Metered Consumption report.

submitted by potential DSBR service providers and support settlement of payments for the delivery of the DSBR service, the Transmission Company requires access to the Metering System consumption at sites offering the service.

Currently, BSC Section L5.2.4 allows the Transmission Company to have access to 'relevant metering data' which, for SVA Metering Systems, is defined as being the metering data specified in BSCP508 'Supplier Volume Allocation Agent' and BSCP520 'Unmetered Suppliers registered in SMRS'. When considering the spirit of the BSC, 'relevant metering data' could include Metering System Metered Consumption data. However, in these circumstances the wording is not clear. Therefore, to avoid ambiguity, it would be of value to amend BSC Section L to include the use of this data in circumstances such as these.

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### Proposed solution

P299 proposes changes to allow the Transmission Company to gain access to Suppliers' Metering System Metered Consumption data. This data is required to support the validation of submitted tender<sup>5</sup> data and to process the settlement of payments for the delivery of the new DSBR service.

This Modification proposes that ad-hoc reports, requested by the Transmission Company from HHDCs, will contain the following disaggregated data as a minimum:

- for each MPAN where the DSBR service is offered, HH consumption data for the Settlement Periods between 4pm and 8pm on non-Bank Holiday weekdays during a required (as identified by the Transmission Company) number of days during the previous Winter period; and
- for each MPAN where the DSBR service is called or tested, HH consumption data for the Settlement Periods between 4pm and 8pm on the days when the service is called, plus data for a selection of 10 previous days, as nominated by the Transmission Company, to calculate the baseline in order to support settlement of payments for delivery of the service.

Such data may need to be shared with intermediaries involved in the procurement of DSBR (i.e. Suppliers or existing balancing service aggregators) for the purposes of verification and settlement of potentially hundreds of MPANs. This will include a subset of such data, perhaps a 'Winter's worth' of volume data for specific Settlement Periods, which is required for verification and validation purposes. This will ensure that what is being offered within tenders is consistent with consumption during peak periods.

### Applicable BSC Objectives

The Proposer believes that P299 would better facilitate the achievement of:

- **Applicable BSC Objective (b)** by ensuring that DSBR tender submission data can be correctly validated and the settlement of payment process is fully supported.

### Implementation approach

Due to the timescales indicated to support validation of tenders for Winter 2014/15, the Proposer wishes to implement this Modification as quickly as possible. Therefore, P299 will be targeted for implementation on **26 June 2014**, as part of the June 2014 BSC Release.



#### What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(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

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

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<sup>5</sup> Further information about the tendering process can be found in Section 2 of the [Transmission Company's Supporting Report to the Authority](#).

### 3 Areas to Consider

In this section we highlight areas which we believe the Panel should consider when making its decision on how best to progress this Modification Proposal, and which a Workgroup should consider as part of its assessment of P299. We recommend that the areas below form the basis of a Workgroup's Terms of Reference, supplemented with any further areas specified by the Panel.

#### What are the processes for collecting the required data?

The Workgroup should consider what processes will be followed for collecting Suppliers' Metering System Metered Consumption data, including the timescales associated with such processes. The Workgroup should also consider what impacts there may be on BSC Parties and Party Agents (and their systems) by collecting this data.

#### What changes are required to support P299?

P299 is expected to impact the BSC and potentially other configurable items. The specific changes required to impacted BSC documents, along with associated costs and lead times, will be identified as part of the Modification's assessment.

#### What are the benefits against the Applicable BSC Objectives?

The Workgroup should consider whether P299 would better facilitate the achievement of the Applicable BSC Objectives.

The primary benefit cited by the Proposer is that P299 would better facilitate Objective (b) by ensuring that DSBR tender submission data can be correctly validated and the settlement of payment process is fully supported.

#### Areas to consider

The table below summarises the areas we believe a Modification Workgroup should consider as part of its assessment of P299:

Areas To Consider
What data is required to support the DSBR service and what is the process of collecting such data?
What are the potential impacts on BSC Parties and Party Agents due to the collection of this data?
What changes are required to BSC documents and how detailed to the changes need to be?
What are the related costs and lead times associated with P299?
Are there any Alternative Modifications?
Does P299 facilitate the Applicable BSC Objectives better than the current baseline?

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## 4 Proposed Progression

### Next steps

We believe that P299 should go into an Assessment Procedure so that a Workgroup can consider the areas outlined in Section 3.

The Proposer is not requesting that P299 is progressed as a Self-Governance Modification Proposal due to the material changes to the existing arrangements and believes that P299 has no interaction with any on-going Significant Code Reviews (SCRs); we concur with these views.

### Workgroup membership

We recommend that the P299 Workgroup should comprise of Suppliers and Supplier Agents (specifically HHDCs and HHDAs) along with any other relevant experts and interested parties.

### Timetable

Due to the timescales indicated to support validation of tenders for Winter 2014/15, the Proposer wishes to progress this Modification as quickly as possible. We therefore recommend a two month Assessment Procedure, with the Assessment Report being presented to the Panel at its meeting on 10 April 2014.

We believe that the Workgroup will need to undertake the activities shown in the table below, which includes a 10 Working Day joint impact assessment and industry consultation. The timetable below allows for this and for the Workgroup to fully consider the areas highlighted in the Terms of Reference.

Proposed Progression Timetable for P299	
Event	Date
Present Initial Written Assessment to Panel	13 Feb 14
Workgroup Meeting	W/C 17 Feb 14
Industry Impact Assessment/Assessment Consultation	28 Feb – 14 Mar 14
Workgroup Meeting	W/C 17 Mar 14
Present Assessment Report to Panel	10 Apr 14
Report Phase Consultation	11 – 29 Apr 14
Present Draft Modification Report to Panel	08 May 2014
Issue Final Modification Report to Authority	09 May 2014

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## 5 Likely Impacts

### Impact on BSC Parties and Party Agents

It is anticipated that P299 will impact HHDCs as this Modification will require HHDC systems to generate additional reports for the use of the Transmission Company on an ad-hoc basis.

### Impact on Transmission Company

There will be no direct impact on the Transmission Company. However, P299 will allow the Transmission Company to use Suppliers' Metering System Metered Consumption data to validate submitted tender data and to process the settlement payments for the delivery of the new DSBR service.

### Impact on Code

Code Section	Potential Impact
Section L	Changes will be required to implement the solution.
Section S Annex S-2	Changes may be required to implement the solution.

### Impact on Code Subsidiary Documents

CSD	Potential Impact
BSCP502	Changes may be required to implement the solution.
BSCP508	
BSCP520	



## 6 Recommendations

ELEXON invites the Panel to:

- **AGREE** that P299 progresses to the Assessment Procedure;
- **AGREE** the proposed Assessment Procedure timetable;
- **AGREE** the proposed membership for the P299 Workgroup; and
- **AGREE** the Workgroup's Terms of Reference.

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