

P336 'Fuel types on the BMRS'

P336 proposes to expand the list of generation fuel types reported on the BMRS to include a new 'biomass' category. It will also allow the Panel to amend the list of fuel types in the future without needing a Modification.



ELEXON recommends P336 is progressed directly to the Report Phase with an initial recommendation to approve

This Modification is expected to impact:

- The Transmission Company
- The Balancing Mechanism Reporting Agent (BMRA)

ELEXON

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

250/07

P336
Initial Written Assessment

3 March 2016

Version 1.0

Page 1 of 10

© ELEXON Limited 2016

Contents

1	Why Change?	3
2	Solution	4
3	Costs and Impacts	5
4	Implementation	7
5	Proposed Progression	8
6	Recommendations	9
	Appendix 1: Glossary & References	10

About This Document

This document is an Initial Written Assessment (IWA), which ELEXON will present to the Panel on 10 March 2016. The Panel will consider the recommendations and agree how to progress P336.

There are three parts to this document:

- This is the main document. It provides details of the Modification Proposal, an assessment of the potential impacts and a recommendation of how the Modification should progress, including the Workgroup's proposed membership and Terms of Reference.
- Attachment A contains the P336 Proposal Form.
- Attachment B contains the draft redlined changes to the BSC for P336.



Contact

David Kemp

020 7380 4303

david.kemp@elexon.co.uk



250/07

P336

Initial Written Assessment

3 March 2016

Version 1.0

Page 2 of 10

© ELEXON Limited 2016

1 Why Change?

Reporting generation by fuel type on the BMRS

The Balancing Mechanism Reporting Service (BMRS) is the primary channel for providing operational data relating to the Great Britain electricity balancing and settlement arrangements. Data reported in the BMRS currently includes historical generation, actual generation and forecast generation data. For some of these reports, the data is broken down by the primary generation fuel type, and the fuel types that need to be reported are listed in [BSC Section Q6.1.18](#). Any fuel types not included on this list are included under a catch-all 'other' category.

Approval of new External Interconnection flows

Approved Modification [P244 'Provision of BritNed flow data to the BMRS'](#) allows the BSC Panel to approve new External Interconnection flows as further fuel type categories without the need to amend the BSC. These provisions were utilised in 2012 to add the East-West Interconnector as a fuel type category on the BMRS ([Panel 194/04](#)).

However, this provision is limited to new External Interconnection flows only, and does not allow other fuel types to be approved in the same way. Therefore, the addition of any other fuel types requires a corresponding change to the BSC, meaning a Modification needs to be progressed.

What is the issue?

The generation mix within Great Britain is changing. For example, two generating units at Drax have now been converted to run off biomass, with a third expected in late 2016, comprising around 2GW of generation. However, there is no specific 'biomass' fuel type category reported on the BMRS. As a result, the output from these generating units is being allocated to the 'other' category. The Proposer believes that the volume of biomass generation is large enough that it should be reported as a separate fuel type rather than included under 'other', noting that at times the level of biomass generation can exceed that of wind generation.

The Proposer also highlights the provisions introduced by P244 for External Interconnection flows. They believe it would be more efficient if the Panel could approve or remove any fuel type category in this way, allowing the BMRS to adapt to the changes in the generation mix. This would prevent the need for a separate Modification each time a participant believes another fuel type category should be added.

Proposed solution

[P336 'Fuel types on the BMRS'](#) was raised by Drax Power Limited on 29 February 2016. It proposes to expand the list of generation fuel types reported on the BMRS to include a new 'biomass' category.

Alongside this, this Modification seeks to extend the existing provisions for new External Interconnection flows to allow the Panel to approve any additional fuel types not currently listed as a fuel type category without the need for a Modification. It would also allow the Panel to remove any outdated fuel types that are no longer used in the same way. We note that a consequential Change Proposal (CP) would still need to be progressed to amend the flow used by the Transmission Company to submit the relevant data to the BMRS, but this could be progressed as Housekeeping CP following the Panel's approval.

Legal text

The proposed changes to the BSC to deliver P336 can be found in Attachment B.

Applicable BSC Objectives

The Proposer believed P336 would better facilitate the following Applicable BSC Objectives:

- **Applicable BSC Objective (b):** The provision of better quality information should improve self-balancing by market participants which should, in turn, improve the operation of the Transmission System.
- **Applicable BSC Objective (c):** An increase in information transparency and availability of improved market information to all participants should promote effective competition in the generation and supply of electricity.
- **Applicable BSC Objective (d):** Allowing the Panel to approve any further fuel type categories without the need to progress a Modification would be more efficient and less costly than the current process, while still ensuring such developments remain under the Panel's authority.



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]

(f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

250/07

P336

Initial Written Assessment

3 March 2016

Version 1.0

Page 4 of 10

© ELEXON Limited 2016

3 Costs and Impacts

Estimated central implementation costs

The central implementation costs for P336 are approximately £46,000. These costs are required to make the necessary changes to the Balancing Mechanism Reporting Agent (BMRA) systems and the BMRS. There will be no on-going costs associated with this change.

Alongside this, National Grid, as the Transmission Company, will incur costs of approximately £400,000. These arise from it needing to amend its systems and the corresponding flows issued to the BMRA to include the new 'biomass' category.

Industry costs and impacts

P336 may have a minor impact on any participants that have elected to receive the BMRS information via the TIBCO feed, as the biomass category would be added to the information issued in this way. Otherwise, this Modification is not expected to impact any BSC Parties or Party Agents. However, we will confirm this as part of the Report Phase Consultation.

P336 impacts

Impact on BSC Parties and Party Agents

Possible minor impact on TIBCO feed recipients, otherwise no impact is expected.

Impact on Transmission Company

The Transmission Company will be required to include 'biomass' as a specific category in any data it submits to the BMRA that provides generation information split by fuel type.

Impact on BSCCo

No impact is expected.

Impact on BSC Systems and processes

BSC System/Process	Potential Impact
BMRA/BMRS	The BMRA will be required to add the 'biomass' category to any graphs or reports on the BMRS that provide generation information split by fuel type.

Impact on Code

Code Section	Potential Impact
Section Q	Changes will be required to implement this Modification. <i>The proposed changes can be found in Attachment B</i>

250/07

P336
Initial Written Assessment

3 March 2016

Version 1.0

Page 5 of 10

© ELEXON Limited 2016

Impact on Code Subsidiary Documents

CSD	Potential Impact
NETA IDD Part 1	Changes will be required to implement this Modification.

250/07

P336

Initial Written Assessment

3 March 2016

Version 1.0

Page 6 of 10

© ELEXON Limited 2016

Recommended Implementation Date

We recommend that, if approved, P336 should be implemented on **2 November 2017** as part of the November 2017 BSC Systems Release.

The lead time for P336 is being driven by the changes required to National Grid's systems, in particular to its forthcoming Electricity Balancing System (EBS). The EBS is currently subject to a change freeze prior to its implementation in late 2016, and so cannot accept P336 into the baseline being prepared for release at this time. National Grid would then like to allow time to safeguard the delivery and resolve any post-go-live fixes before including P336 in a subsequent EBS release. It also notes that other regulatory changes such as those required for the forthcoming Capacity Allocation and Congestion Management (CACM) regulation would need to be prioritised following the EBS being implemented. At this time, National Grid believes it would not be able to implement the EBS changes for P336 before September 2017. The November 2017 Release is the next available BSC Systems Release after this time.

5 Proposed Progression

Next steps

We believe that P336 is a fully-developed solution and does not require further assessment by a Workgroup. We therefore believe that this Modification should progress directly to the Report Phase.

P336 will have no interaction with the ongoing Next Day Switching Significant Code Review (SCR). Therefore, both we and the Proposer believe this Modification should be exempt from this SCR.

Self-Governance

This Modification seeks to expand the list of fuel types reported on the BMRS, which the Proposer believes will have no material impact on any of the areas listed under the Self-Governance Criteria. They therefore believe that this Modification should be progressed as a Self-Governance Modification. We agree with this view.

Timetable

We believe that P336 should be progressed to the following timetable:

Proposed Progression Timetable for P336	
Event	Date
Present Initial Written Assessment to Panel	10 Mar 16
Report Phase Consultation	11 Mar 16 – 05 Apr 16
Present Draft Modification Report to Panel	14 Apr 16
Self-Governance appeal window	14 Apr 16 – 06 May 16



What are the Self-Governance Criteria?

A Modification that, if implemented:

(a) is unlikely to have a material effect on:

- (i) existing or future electricity consumers; and
- (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
- (iii) the operation of the national electricity transmission system; and
- (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
- (v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

250/07

P336
Initial Written Assessment

3 March 2016

Version 1.0

Page 8 of 10

© ELEXON Limited 2016

6 Recommendations



We invite the Panel to:

- **AGREE** that P336 progresses directly to the Report Phase;
- **AGREE** that P336:
 - **DOES** better facilitate Applicable BSC Objective (b);
 - **DOES** better facilitate Applicable BSC Objective (c); and
 - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** an initial recommendation that P336 should be **approved**;
- **AGREE** an initial Implementation Date of 2 November 2017;
- **AGREE** the draft legal text;
- **AGREE** an initial view that P336 should be treated as a Self-Governance Modification; and
- **NOTE** that ELEXON will issue the P336 draft Modification Report (including the draft BSC legal text) for a 15 Working Day consultation and will present the results to the Panel at its meeting on 14 April 2016.

Recommendation

We recommend that P336 is progressed directly to the Report Phase with an initial recommendation to approve as a Self-Governance Modification.

250/07

P336
Initial Written Assessment

3 March 2016

Version 1.0

Page 9 of 10

© ELEXON Limited 2016

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronym	
Acronym	Definition
BMRA	Balancing Mechanism Reporting Agent (<i>BSC Agent</i>)
BMRS	Balancing Mechanism Reporting Service
CACM	Capacity Allocation and Congestion Management
CP	Change Proposal
EBS	Electricity Balancing System
IWA	Initial Written Assessment
SCR	Significant Code Review

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
3	BSC Sections page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/
3	P244 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p244-provision-of-britned-flow-data-to-the-bmrs/
3	Panel 194 page on the ELEXON website	https://www.elexon.co.uk/meeting/bsc-panel-194/
4	P336 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p336/

250/07

P336

Initial Written Assessment

3 March 2016

Version 1.0

Page 10 of 10

© ELEXON Limited 2016