

**Phase**

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

## P341 'Forward Publication of Maximum Export and Import Limits'

P341 seeks to mandate the Transmission Company to send MEL and MIL data to the BMRA for a period up to two days ahead to the BMRA for publication. The aim of this Modification is to increase transparency in the market of the availability of each BM Unit where National Grid is provided MEL and MIL data.



ELEXON recommends P341 is progressed to the Assessment Procedure for an assessment by a Workgroup

This Modification is expected to impact:

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

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## About This Document

This document is an Initial Written Assessment (IWA), which ELEXON will present to the Panel on 9 June 2016. The Panel will consider the recommendations and agree how to progress P341.

There are two 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 P341 Proposal Form.



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## 1 Why Change?



### What is MEL/MIL?

According to the Grid Code, MEL and MIL are defined as:

**MEL:** 'A series of MW figures and associated times, making up a profile of the maximum level at which the BM Unit may be exporting (in MW) to the National Electricity Transmission System at the Grid Entry Point or Grid Supply Point, as appropriate.'

**MIL:** 'A series of MW figures and associated times, making up a profile of the maximum level at which the BM Unit may be importing (in MW) from the National Electricity Transmission System at the Grid Entry Point or Grid Supply Point, as appropriate.'

Maximum Export Limits (MELs) and Maximum Import Limits (MILs) provide a view of a Balancing Mechanism (BM) Unit's maximum limits over a given Settlement period, expressed in megawatts (MW). The MEL gives the Transmission Company a view of the maximum capability for a given Settlement Period whilst the MIL gives the Transmission Company a view of the maximum capability for the BM Unit over the same given Settlement Period.

### What are the Current Arrangements?

Under current regulation (Grid Code BC1 1.4.2(c)), BM Units are required to submit their best view of MEL and MIL data to the Transmission Company by 11:00 on the day before the operational day (D) to which it applies for operational planning (an operational day is 5am-5am for the Transmission Company). BM Units can submit or change their MEL and MIL data sent to the Transmission Company at any point up to Gate Closure (which takes place one hour before the Settlement Period) as the view of availability changes. The data submitted to the Transmission Company covers the operational day and extends to 5am on D+2. Following this, for each Settlement Period that Gate Closure has passed, the Transmission Company sends MEL/MIL data to the Balancing Mechanism Reporting Agent (BMRA) to be published on the BMRS within 15 minutes of Gate Closure for that Settlement Period. As the Transmission Company only sends data to the BMRA for the Settlement Period that Gate Closure has happened for, it excludes any forward looking data that it has received.

### What is the issue?

The Proposer believes that the current arrangements could be expanded to achieve greater transparency of BM Unit capability for a given Settlement Period and allow the market to react more efficiently to BM Unit capability. For instance, at present, a generator has a more accurate view of the capability of its own BM Units over other Market Participants.

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## Proposed solution

The Proposer suggests that the Transmission Company should forward publish, via BMRS, MEL and MIL data for Settlement Periods in advance up to 5am on D+2, giving the market a better forward view of the BM Unit capability within the network. The Proposer believes that providing a forward view of the availability of BM Units will increase transparency in the British electricity markets.

The proposer also suggested that the Transmission Company should submit data to the BMRA within a set timeframe following receipt of data or a change to data from the BM Unit. This will ensure the timely publication of such MEL and MIL data on the BMRS platform.

## Applicable BSC Objectives

The Proposer believes that P341 would better facilitate Applicable BSC Objective (b) and (c) compared with the existing baseline for the reasons set out below:

### Applicable BSC Objective (b)

The Proposer notes that P341 would better facilitate applicable BSC Objective (b) as it would provide the market with information to assist in the efficient balancing of the Transmission System. Thus, P341 would ensure a more efficient and co-ordinated operation of the National Electricity Transmission System.

### Applicable BSC Objective (c)

The Proposer believes that P341 would enable the market to have access to information that would promote competition in the purchase and sale of electricity, hence facilitating Applicable BSC Objective (c).

## 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

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### 3 Areas to Consider

In this section we highlight areas which we believe the Panel should consider when making its decision on how to progress this Modification Proposal, and which a Workgroup should consider as part of its assessment of P341. 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 is the optimal P341 solution?

##### Development of the solution

In the P341 proposal form (Attachment A), the Proposer outlines a single approach of how the Modification may be best facilitated. The Workgroup should consider this approach, and any other that it identifies, and develop the solution based on the most effective and efficient approach. The Proposer is ultimately seeking to achieve the forward publication of MEL and MIL data for all Settlement Periods up to 5am on D+2.

##### Other effects

In developing the solution, the Workgroup should be mindful of any other effects that could result from the Modification. For example, effects on the BMRS that may result from the change.

#### What are the impacts of P341?

The Workgroup should consider the implementation and associated implementation approach for P341. It should take into consideration the revisions to mandate the Transmission Company to submit more data to the BMRA and the system changes required to the BMRS to display such data. The Workgroup should consider the implementation approach alongside projected benefit from a particular approach.

#### Areas to consider

The table below summarises the areas we believe a Modification Workgroup should consider as part of its assessment of P341:

Areas to Consider
What information should be reported from the P341 solution?
What are the impacts, benefits and potential detriments of P341?
What changes are needed to BSC documents, systems and processes to support P341 and what are the related costs and lead times?
Are there any Alternative Modifications?
Does P341 better facilitate the Applicable BSC Objectives than the current baseline?
Are there any interactions with existing EU market transparency regulations to consider?

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## 4 Proposed Progression

### Next steps

We believe that P341 should be progressed to the Assessment Procedure so that a Workgroup can consider the points detailed in Section 3 of this IWA.

The Proposer has not requested that P341 be fast-tracked, nor has the Proposer requested that the Modification be considered for Self-Governance. Further, there has been no identified interaction with any current ongoing Significant Code Review (SCR).

### Workgroup membership

We recommend that the Workgroup consists of experts on the provision of data within the BSC. Workgroup members from previous similar Modifications that involved BM data published by the BMRA may be interested in participating in the Workgroup meetings as well as any other interested parties.

### Timetable

We recommend that P341 undergo a five month Assessment Procedure, with the Assessment Report being presented to the Panel at its meeting on 10 November 2016. We are requesting a five month Assessment Procedure due to the likely level of impacts on the BMRS, Transmission Company and the demands on industry to attend Workgroup meetings over the coming months.

The proposed timetable provides time for the development of the solution from the Workgroup along with any supporting analysis as required. We will perform a Central Impact Assessment followed by the Assessment Procedure Consultation to best facilitate the assessment of P341.

Proposed Progression Timetable for P341	
Event	Date
Present Initial Written Assessment to Panel	09 Jun 16
Workgroup Meeting	W/B 04 Jul 16
Central Impact Assessment	20 Jul 16 – 04 Aug 16
Workgroup Meeting	W/B 08 Aug 16
Assessment Procedure Consultation	30 Aug 16 – 16 Sep 16
Workgroup Meeting	W/B 26 Sep 16
Present Assessment Report to Panel	10 November 2016
Report Phase Consultation	11 Nov 16 – 29 Nov 16
Present Draft Modification Report to Panel	08 Dec 16
Issue Final Modification Report to Authority	09 Dec 16

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## 5 Likely Impacts

### Impact on BSC Parties and Party Agents

None Identified

### Impact on Transmission Company

The Transmission Company will be required to submit further data to the BMRA. Further impacts are to be determined.

### Impact on BSCCo

To be determined and may be dependent on the approach adopted for the P341 solution.

### Impact on BSC Systems and processes

BSC System/Process	Potential Impact
BMRS	The BMRS will undergo a system change to facilitate the solution to P341.

### Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	Potential Impact
BMRA	The BMRA will be impacted by processing larger quantities of data as received from the Transmission Company, the extent to which will depend on the solution approach.

### Impact on Code

Code Section	Potential Impact
Section Q	Change required to implement Modification
Section V	Change required to implement Modification
Section X	Change required to implement Modification

## 6 Recommendations

We invite the Panel to:

- **AGREE** that P341 progresses to the Assessment Procedure;
- **AGREE** the proposed Assessment Procedure timetable;
- **AGREE** the proposed membership for the P341 Workgroup; and
- **AGREE** the Workgroup's Terms of Reference.



## Appendix 1: Glossary & References

### Acronyms

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

Acronym	
Acronym	Definition
BM	Balancing Mechanism
BMRA	Balancing Mechanism Reporting Agent
BMRS	Balancing Mechanism Reporting Service
MEL	Maximum Export Limit
MIL	Maximum Import Limit
SCR	Significant Code Review

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