

CP Assessment Report



Committee

Supplier Volume Allocation Group / Imbalance Settlement Group

Recommendation

Reject

Implementation Date

29 June 2017 (June 2017 Release)



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CP1480 'Creation of a new authorisation category for corrections to Bid-Offer Acceptance related data'

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About This Document

This document is the Change Proposal (CP) Assessment Report for CP1480, which ELEXON will present to the Imbalance Settlement Group (ISG) and the Supplier Volume Allocation Group (SVG) at their meetings on 21 February 2017 and 28 February 2017 respectively. The ISG and the SVG will consider the proposed solution and the responses received to the CP Consultation before making a decision on whether to **reject** CP1480.

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the ISG's and SVG's initial views on the proposed changes and the views of respondents to the CP Consultation.
- Attachments A and B contain the proposed redlined changes to deliver the CP1480 solution.
- Attachment C contains the full responses received to the CP Consultation.

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1 Why Change?

What is the current process?

The Transmission Company (TC) must send Bid-Offer Acceptance (BOA) related data to the Settlement Administration Agent (SAA). The TC can correct errors in this data, if they identify the error at least eight Working Days before the Initial Settlement Run (SF). After this only errors of £3,000 or above can be corrected through the Trading Disputes process. Errors can be related to data that is incorrect, non-applicable or missing. The full process, including timescales, is set out in [BSC Procedure \(BSCP\) 18 'Corrections to Bid-Offer Acceptance Related Data'](#). As part of this process, the TC must send details of the proposed correction to the Party involved and gain their consent for the correction to be made. The TC will then forward this on to the SAA.

What is the issue?

BSCP18 is ambiguous on who may authorise corrections to BOA related data. It states the TC must contact 'authorised personnel at BSC Party' but does not state explicitly who this should be at the BSC Party. This lack of clarity is creating problems for the TC when trying to identify the individual to contact and can hence cause delays in the rectification of the issue.

The TC is currently using a workaround, which involves contacting the BSC Service Desk to request contact details for a particular Party. The BSC Service Desk then contacts the Party to ask them if they are happy for the contact details to be shared with the TC. This process is inefficient and does not always provide the TC with the information it requires if a Party does not respond.

If the TC is unable to gain consent for the correction then the error will enter Settlement at SF and can affect the imbalance price. The error can be raised as a Trading Dispute in accordance with [Section W 'Trading Disputes'](#) and the process set out in [BSCP11 'Trading Disputes'](#). However, if the error does not meet the criteria for a Trading Dispute, for example because its materiality is less than £3,000, then it cannot be resolved. If it does become a Trading Dispute, the process can be lengthy and require extra effort from Parties and ELEXON. It is therefore preferable to correct the error before SF.

The TC has informed ELEXON that there are at least two or three incidents per month that require it to seek consent for corrections. For around 20% of these incidents, it has difficulty identifying a suitable contact or is unable to make contact with the Party at all.



Bid-Offer Acceptance related data

In BSCP18, the term 'Bid-Offer Acceptance related data' is used to refer to any of the following:

- Final Physical Notification (FPN),
- Bid-Offer Data (BOD),
- Quiescent Physical Notification (QPN),
- Bid-Offer Acceptance Level (BOAL) and
- Bid-Offer Acceptance Level Flagged (BOALF) data.

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Proposed solution

National Grid Electricity Transmission Plc raised [CP1480 'Creation of a new authorisation category for corrections to BOA related data'](#) on 28 November 2016. To provide clarity on who can provide consent for corrections to BOA related data, it proposes that a new category of Authorised Persons (Category "E") is created specifically for that activity within [BSCP38 'Authorisations'](#).

It is proposed that the process in BSCP18 will explicitly reference this category. When a Party nominates an individual to be a Category "E" Authorised Person, they will be required to provide consent for ELEXON to share their information with the TC specifically for the purpose of considering corrections to BOA related data in accordance with BSCP18. In this regard, the form which Parties use to create new authorisations, BSCP38 section 5.1 part C, will contain a consent statement which a Party must acknowledge and agree to when creating a Category "E" authorisation. The same statement will also require acknowledgement, if a Party chooses to use the online form on the [ELEXON Portal](#) to create the new authorisation, rather than the BSCP38/5.1 form. For the avoidance of doubt, the statement will inform the Party that the Category "E" Authorised Person's information will be made available to the TC who may need to contact them to gain consent for corrections to BOA related data.

The name of the Category "E" Authorised Person, the Party which they represent, and their email and telephone contacts, will be made available to the TC. BSCP38 will place an obligation on the TC not to share this information with any other third party. The TC will have access to the Category "E" information via the ELEXON Portal.

In order to implement the solution, the Central Registration Agent (CRA) will be responsible for a one-off exercise to create and add Category "E" Authorised Persons to the authorisation register. On an ongoing basis, the CRA will perform an annual confirmation process as per all other authorisation categories.

Proposer's rationale

The Proposer believes that by having a clearly defined process with specific individuals who have the authorisation to provide consent to BOA data corrections, it will speed up the process and reduce the risk of errors entering Settlement.

Proposed redlining

Attachments A and B contain the proposed changes to BSCP18 and BSCP38 respectively to deliver the CP1480 solution.

ELEXON's views

ELEXON believes, and has discussed with the Proposer prior to this CP being raised, that there are constraints with the proposed solution, as described below, which means that it may not be the most efficient way of resolving the difficulties that the TC is facing.

- i) From experience of similar exercises, ELEXON believes it unlikely that all Parties will respond to a communication requesting Category "E" nominations and that a low response rate will mean that the TC still does not have a contact point for every Party for this purpose. This would limit the value of the benefit of the change.
- ii) Category "A" authorised persons have the same powers as all other authorised categories, but we do not believe it is appropriate to propose sharing all Category "A" contact details with the TC. For large organisations, Category "A" Authorised Persons are often company directors who will usually not be the correct people to deal with such operational issues. Conversely, some smaller organisations only have Category "A" Authorised Persons so this will mean the TC does not have a list of every person that can give consent to BOA data corrections.

ELEXON believes there is no need to restrict consent for BOA data corrections to certain authorised individuals. ELEXON understands that the TC has the option of establishing a process for getting consent directly from Parties without placing obligations in the BSC and BSCPs that may not achieve the TC's desired outcome.

3 Impacts and Costs

Central impacts and costs

Central impacts

The CRA will need to add the new Category "E" to its database and make changes to the ELEXON Portal to allow the TC to have access to all Category "E" details and Parties to access their own Category "E" details. The CRA will also conduct a one-off exercise to contact Parties to ask them to nominate a Category "E" individual.

ELEXON will also make the necessary document changes, which will require one working day of effort.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none">• BSCP18• BSCP38	<ul style="list-style-type: none">• CRA• ELEXON Portal

Central costs

The central implementation costs for CP1480 will be approximately **£8,000**. This includes costs to deliver changes to systems and documents.

BSC Party & Party Agent impacts and costs

CP1480 is expected to impact Parties that participate in the Balancing Mechanism (BM) activities (i.e. Suppliers and generators), if they chose to create a Category "E" authorised person. Such Parties will have to fill out the BSP38/5.1 form and may need to establish processes and roles for Category "E" authorised persons. We do not expect that other types of Party will assign a Category "E" signatory.

One consultation respondent noted that there would be an increased burden on its Settlements team to maintain and provide cover for the authorised person.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
<ul style="list-style-type: none">• Generators• Suppliers	<ul style="list-style-type: none">• May choose to nominate individuals for Category "E" authorisation.
<ul style="list-style-type: none">• Transmission Company	<ul style="list-style-type: none">• Will have access to Category "E" information.

4 Implementation Approach

Recommended Implementation Date

CP1480 is proposed for implementation on **29 June 2017**, as part of the June 2017 BSC Release. This is the next available Release that this CP can be included in.

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ISG's initial views

CP1480 was presented to the ISG at its meeting on 13 December 2016 ([ISG188/06](#)). Several ISG Members recognised the issue with the current situation, but had concerns that the proposed solution may not achieve the desired outcome in practice, for similar reasons as highlighted in section 2. Several options were discussed at the ISG including:

1. The BM Unit owners can provide contact details for their control room when registering a BM Unit with the Transmission Company. However, the ISG did note uncertainty as to whether these contact details would be sufficient.
2. Changing the Grid Code to include an obligation on BM Unit owners to provide a contact for consenting to BOA related data corrections at the point that the BM Unit is registered with the Transmission Company.

SVG's initial views

CP1480 was presented to the SVG at its meeting on 3 January 2017 ([SVG191/07](#)).

The SVG also acknowledged the issues with the current situation. The SVG also agreed with the concerns expressed by both the ISG and ELEXON in relation to the limitations of the proposed solution, and concern that the solution would not resolve the issue. The SVG therefore believed that CP1480 would not be an efficient use of BSC resource.

The SVG discussed several alternative options including:

1. The TC could create its own contact list outside the BSC, without the need for a new BSC authorisation category;
2. BSCP18 could be amended to allow the TC to correct BOA related data if it has notified the Party and the Party has not objected within a set timeframe (rather than requiring the Party's explicit consent) – an SVG Member suggested that there may need to be a monetary threshold above which explicit consent is still required. (This solution option would require a different CP); and
3. The TC could utilise its other existing contacts with Parties under the Grid Code and the Connection and Use of System Code (CUSC), e.g. for control rooms/invoicing teams, to identify the correct individuals for consenting to BOA related data corrections.

On balance, it believed the problem would be more efficiently solved outside the BSC, but noted that CP1480 should proceed to consultation if the Proposer still wished to progress it.

The SVG noted that it was not desirable to have errors in BOA related data, and that it would be useful to have further clarity on how/why these occur.

6 Industry Views

Two responses were received to the consultation for CP1480, with the table below summarising these responses. The full detail of the responses can be found in Attachment C.

Summary of CP1480 CP Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the CP1480 proposed solution?	1	1	0	0
Do you agree that the draft redlining delivers the CP1480 proposed solution?	1	1	0	0
Do you believe that it is necessary or desirable to restrict who can authorise corrections to BOA related data?	1	1	0	0
Will CP1480 impact your organisation?	1	1	0	0
Will your organisation incur any costs in implementing CP1480?	1	1	0	0
Do you agree with the proposed implementation approach for CP1480?	1	1	0	0
Do you believe there are any potential alternative solutions (e.g. those discussed by the ISG and SVG as detailed in Section 5 of the Consultation Paper) that would provide a better solution than the one proposed by CP1480?	1	1	0	0
Do you have any further comments on CP1480?	0	2	0	0

- One respondent disagreed with the proposed solution on the basis that it appears overly bureaucratic in comparison to alternatives suggested by the Panel sub-Committees and that the benefits are unclear. The other respondent did not believe that the solution would fully rectify the issue, but noted that it would be an improvement. The first view aligns with the ELEXON view as stated in section 2 of this paper.
- One respondent noted concerns over whether a single point of contact would be sufficient to resolve the issue given that BOAs are a 24 hour operational point. There are further limitations due to planned or unplanned absences, a view that ELEXON acknowledges.
- The consultation respondents had split views on whether there should be restrictions on who can authorise corrections to BOA related data.
- One respondent disagreed because they preferred the alternative solutions suggested. In particular, they believed the solution where the TC creates its own contact list outside the BSC is the best option.

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- One consultation respondent commented that the alternatives suggested by the Panel sub-Committees are not better in its opinion. However, they noted that, as a new entrant, they have no direct operational experience of the issue. The other consultation respondent suggested that a solution not requiring an authorised signatory, or a process outside of the BSC arrangements, would be preferable.

Comments on the proposed redlining

No comments were received on the proposed redlining submitted for consultation.

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7 Recommendations

We invite you to:

- **REJECT** CP1480.

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Appendix 1: Glossary & References

Acronyms

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

Acronyms	
Acronym	Definition
BM	Balancing Mechanism
BOA	Bid-Offer Acceptance
BSCP	Balancing and Settlement Code Procedure (<i>Code Subsidiary Document</i>)
CP	Change Proposal
CPC	Change Proposal Circular
CRA	Central Registration Agent
ISG	Imbalance Settlement Group (<i>Panel Committee</i>)
SAA	Settlement Administration Agent
SF	Settlement Final
TC	Transmission Company
SVG	Supplier Volume Allocation Group (<i>Panel Committee</i>)

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
2	BSC Procedure (BSCP) 18	https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/
2	Section W 'Trading Disputes'	https://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/
2	BSCP11 'Trading Disputes'	https://www.elexon.co.uk/csd/bscp11-trading-disputes/
3	CP1480 webpage	https://www.elexon.co.uk/change-proposal/cp1480/
3	BSCP38 'Authorisations'	https://www.elexon.co.uk/csd/bscp38-authorisations/
3	ELEXON Portal	https://www.elexonportal.co.uk/news/latest
7	ISG 188 meeting webpage	https://www.elexon.co.uk/meeting/isg-188/?from_url=https://www.elexon.co.uk/events-calendar-item/isg-188/
7	SVG 191 meeting webpage	https://www.elexon.co.uk/meeting/svg-191-2/?from_url=https://www.elexon.co.uk/events-calendar-item/svg-191/

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