P357 'Removal of GC/DC tolerance parameters from BSC Section K'

This Report Phase Consultation was issued on 25 September 2017, with responses invited by 13 October 2017.

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
Drax Power Limited	1/0	Generator
Flow Energy	1/0	Supplier
SmartestEnergy Ltd	1/0	Supplier
SSE plc	3/0	Generator, Supplier, Interconnector User
The Renewable Energy Company (Ecotricity)	2/0	Generator, Supplier

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Question 1: Do you agree with the Panel's initial unanimous recommendation that P357 better facilitates Applicable BSC Objective (d)?

Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

Responses

Respondent	Response	Rationale
Drax Power Limited	Yes	The solution to the modification will enhance the current governance arrangements and improve efficiency by enabling flexible review and change of the tolerance limits in line with any changes in the market. There will be no need to raise a modification each time the tolerance limits are updated.
Flow Energy	Yes	We agree that P357 promotes efficiency in the implementation of the balancing and settlement arrangements.
SmartestEnergy Ltd	Yes	We can see that there is an argument that the modification improves the efficient running of the BSC.
SSE plc	Yes	The current arrangements are unnecessarily restrictive by requiring a modification to the Code to alter DC/GC tolerance parameter values. The existing values have been in place since the introduction of Modification P186A in September 2005 and may no longer be set at an appropriate level. The characteristics of and actors within the energy market have altered significantly in the intervening years, requiring a more regular review of tolerance parameter values to ensure that credit risk is efficiently secured. The solution therefore provides a more flexible and efficient means of reviewing parameter values and implementing recommended revisions, without the need to raise a modification, in response to the continued evolution of the market and adoption of new business models. SSE therefore agrees that the change better facilitates applicable objective d).
The Renewable Energy Company	Yes	This modification improves the efficiency in the administration of the balancing and settlement

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Respondent	Response	Rationale
(Ecotricity)		arrangements as it removes the unnecessary need to raise code modifications to amend the tolerances.

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Question 2: Do you agree with the Panel's initial unanimous recommendation that P357 should be approved?

Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

Responses

Respondent	Response	Rationale
Drax Power Limited	Yes	The solution to this modification better facilitates Applicable BSC Objective (d), it ensures that no future modifications would be required to amend the GC and DC parameters. The tolerance parameters will be reviewed and potentially updated from time to time by the BSC Panel or a delegated committee, delivering a more efficient and sensible procedure compared to current arrangements.
Flow Energy	Yes	N/A
SmartestEnergy Ltd	Yes	
SSE plc	Yes	For the reasons set out in answer to Question 1.
The Renewable Energy Company (Ecotricity)	Yes	This modification not only improves the efficiency in the administration of the arrangements, but aligns with other practices of a similar ilk, such as the Credit Assessment Price, where the value can be changed without the need for a code modification.

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Question 3: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P357?

Summary

Yes	No	Neutral/No Comment	Other
3	1	1	0

Responses

Respondent	Response	Rationale
Drax Power Limited	Yes	The redlined changes clearly remove the GC/DC parameters from BSC Section K, it enables GC and DC limits to be determined by the panel from time to time and posted on the BSC website.
Flow Energy	Yes	P357 negates the requirement for a Modification to be raised each time the tolerances need to be updated.
SmartestEnergy Ltd	No comment	
SSE plc	No	The Housekeeping change to paragraph 1.8.1 (a) (ii) is unnecessary. Under the BETTA programme, Scottish Transmission connected assets were registered within the BSC through a set of special arrangements developed solely for BETTA. Specific BDTPs, being almost equivalent to BSCPs, were developed and utilised to manage registration activities, including BDTP25, which Scottish operators were obliged to use. A key intent of Paragraph 1.8 of Section K seems to be to establish a baseline of network assets to include within the definition of a GSP Group at a given point in time - so the reference to BDTP in this sense is historic and survives. The BDTP reference therefore neither needs to be changed nor should it be changed to reference the current live procedure. It could be argued in the extreme that were this change introduced, then it could inadvertently and retrospectively invalidate the set of network assets registered at that time through the use of BDTPs; the vast majority of these assets remain in operation today and continue to contribute to the make-up of GSP Groups _N and _P.
The Renewable Energy Company	Yes	The redlined text shall deliver the intentions of this

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Respondent	Response	Rationale
(Ecotricity)		modification.

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Question 4: Do you agree with the Panel's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

Responses

Respondent	Response	Rationale
Drax Power Limited	Yes	We agree with the recommended implementation date. There is no need to delay the implementation of P357 beyond the recommend date.
Flow Energy	Yes	N/A
SmartestEnergy Ltd	Yes	
SSE plc	Yes	The date proposed strikes an appropriate balance between speed of implementation and efficient management of project costs.
The Renewable Energy Company (Ecotricity)	Yes	We agree with the recommended Implementation Date.

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Question 5: Do you agree with the Panel's initial view that P357 should not be treated as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

Responses

Respondent	Response	Rationale
Drax Power Limited	Yes	Implementing the solution will enable GC and DC limits to be updated without a modification, therefore we think this does not satisfy Self-Governance criterion (a)(V).
Flow Energy	Yes	N/A
SmartestEnergy Ltd	Yes	
SSE plc	Yes	As set out in the proposal, the change will impact the Modification procedures (on the basis that the solution amends the scenarios for which a Modification Proposal is required under the Code) and should therefore not be treated as self-governance.
The Renewable Energy Company (Ecotricity)	Yes	Due to the fact that it doesn't meet the Self-Governance criteria.

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Question 6: Do you have any further comments on P357?

Summary

Yes	No
0	5

Responses

Respondent	Response	Rationale
Drax Power Limited	No	
Flow Energy	No	N/A
SmartestEnergy Ltd	No	
SSE plc	No	
The Renewable Energy Company (Ecotricity)	No	

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