

P232 Report Phase Consultation Responses

Consultation Issued on 17 April 2009

Representations were received from the following parties

No	Company	File number	No BSC Parties Represented	No Non-Parties Represented
1.	National Grid	P232_dMR_01	1	0
2.	Centrica	P232_dMR_02	10	0
3.	Uskmouth Power Company Limited	P232_dMR_03	1	0
4.	EDF Energy	P232_dMR_04	13	-
5.	SAIC Ltd. (for and on behalf of ScottishPower)	P232_dMR_05	7	0
6.	Scottish and Southern	P232_dMR_06	6	0
7.	E.ON UK (*)	P232_dMR_07	6	0

Question 1: Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P232 should not be made (and the arguments against the applicable BSC objectives)?

Please give rationale.

Summary

Yes	No	Neutral/Other
6	0	1

Responses

Respondent	Response	Rationale
National Grid	Yes	Please see response to question 1. I think hr might mean 'question 2'
Centrica	Yes	Whilst we believe that the Proposed Modification is better than the baseline, it is inferior to the Alternative Modification because the extra 60 days for a Party to submit evidence would create a delay before a Claims Committee determination. This would be less efficient under Objective (d), and the more efficient resolution provides greater

* Late Response

Respondent	Response	Rationale
		certainty which improves competition under objective (c).
Uskmouth Power Company Limited		<p>We have supported the alternative as, although the claim amount is submitted in the initial period, for smaller players more time to gather information may be helpful, but would not be believe be necessary in all circumstances. Were resources are thin, the extra time would simply ease the administrative burden on the smaller players in the market, but at the same time the process should not be dragged out.</p> <p>That said we do still think that the modification would be an improvement over the current baseline as it would add certainty to market players and increase the efficiency of the market.</p>
EDF Energy	Yes	The proposed does offer the advantage of having a guaranteed additional 60 days for claim details to be submitted. However this could prolong the claims process unnecessarily in the case that the time may not actually be required in practice. On balance this could result in a less efficient process when compared to the alternative (also see below), requiring the panel to wait for a party to submit their evidence.
SAIC Ltd. (for and on behalf of ScottishPower)	Yes	ScottishPower agree with the Panel initial views against the Proposed Modification. As stated in our Assessment Consultation response, although we feel that the Proposed Modification will be an improvement over the current baseline, we are of the opinion that the Alternative is superior and should be implemented in preference. The Panel's views of the Proposed against the applicable BSC Objectives mirror our own.
Scottish and Southern	Yes	<p>The need for P232 (and the associated P231) arose from the industry discussions and involvement with (a) Exercise Phoenix and (b) the revision of the Fuel Security Code during 2006 and 2007 respectively. This in turn lead to the raising of Issues 32 and 33 in 2008 which has lead to P232 (and P231) being raised. SSE has played an active role, from the earliest days with Exercise Phoenix, in all these developments and we therefore welcome P232.</p> <p>However, the original P232 proposal, as developed by the Modification Group, includes for an "Application to Extend Allocated time-frame for claims submission" process. We do not believe this element of the proposed solution is efficient or effective: we agree with the views that the (upto) 60 additional days would be expected to slow down the claims determination process. For this reason we not believe that P232 Original would better facilitate the achievement of the Applicable BSC Objectives.</p>
E.ON UK	Yes	But only because P232 Alternative seems a more efficient solution and thus better supports applicable objectives b, c and d.

Question 2: Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P232 should be made (and the arguments against the applicable BSC objectives)?

Summary

Yes	No	Neutral/Other
7	0	0

Responses

Respondent	Response	Rationale
National Grid	Yes	<p>P232 will clarify Transmission Company's post-event obligations and will help individual participants to have a better understanding of Black Start and FSC procedures. This will facilitate efficient and economic operation of the Transmission System (objective (b)).</p> <p>P232 will provide more detail on the Black Start and Fuel Security processes, including clarification of obligations on individual parties. This will bring about efficiencies in the administration and implementation of the BSC arrangements (objective (d)).</p> <p>The Alternative Modification removes the need to have an additional 60 day period for submission of claims evidence thereby improving the efficiency of the claims process. This will better facilitate the applicable objective (d) when compared to the Proposed Modification.</p>
Centrica	Yes	<p>For the reasons outlined by the Modification Group and supported by the Panel, the Alternative Modification can be shown to better facilitate the relevant BSC objectives. The Alternative can also be shown to better facilitate the objectives compared to the Proposed for the reasons outlined in question 1 above.</p>
Uskmouth Power Company Limited	Yes	<p>The process outlined in the alternative is flexible and would allow for additional time for players to gather information if required. The overall process looks efficient and will add clarity to the market as they will better understand the process to be followed if there is a black start or fuel security event. The certainty of a robust mechanism and clear pricing will improve the efficiency of the market.</p> <p>The setting of the single imbalance price will also now be better understood. And that will add certainty for all market players.</p> <p>We note that Elexon has tightened the legal drafting around the clock change and again support this change as it will add certainty.</p>
EDF Energy	Yes	<p>EDF Energy is happy to support the implementation of the Alternative modification. The time-scales for claim submission should be adequate, but allow BSC parties to apply for extra time should they require it.</p> <p>We support a claims determination process which would allow for individual claims to be processed as expeditiously as possible; on balance we therefore feel the alternative better achieves this end and therefore objective (d) when compared with the proposed.</p>

Respondent	Response	Rationale
SAIC Ltd. (for and on behalf of ScottishPower)	Yes	ScottishPower agree with the Panel's initial views against the Alternative Modification. We agree that the Alternative solution is superior to that of the Proposed and the Alternative should be made. Again, the Panel's views against the Objectives match ours.
Scottish and Southern	Yes	<p>The need for P232 (and the associated P231) arose from the industry discussions and involvement with (a) Exercise Phoenix and (b) the revision of the Fuel Security Code during 2006 and 2007 respectively. This in turn lead to the raising of Issues 32 and 33 in 2008 which has lead to P232 (and P231) being raised. SSE has played an active role, from the earliest days with Exercise Phoenix, in all these developments and we therefore welcome P232.</p> <p>We have been mindful of the differences between P232 Original and Alternative. We believe that the proposed timings outlines for the Alternative conform with the latest version of the Fuel Security Code (and associated Guidance Note).</p> <p>For this reason we believe P232 Alternative would better facilitate the achievement of the Applicable BSC Objectives by clarifying what would happen with respect to the method/approach for BSC Parties to claim for costs arising from a black start and/or Fuel Security Code incident and for the handling of the validation of those claims through a predefined claims assessment process in a timely manner.</p> <p>By clarifying this in advance of such an event occurring (we hope it will never occur, but we must plan for it nevertheless) our industry has been able to have the luxury of time to consider all the issues involved and the how we might best address them. If P232 (and P231) were not to be implemented then the issues surround the claims process (post event) would have to be addressed 'on the hoof' at the same time as market participants and key stakeholders are trying to address the incident itself (which must, at that time, be the first priority). To do a P232 change at that time of system (as well as personal) stress would, in our view, lead to a less than optimal solution being arrived at, which could also give rise to (potentially huge) unintentional consequences at the time. Furthermore, in bringing forward P232 Alternative (and P231) at this time we have been able to utilise the information and understanding built up, across the industry, over the past three years in the most appropriate way to come to a sensible, pragmatic and workable solution which better meets the applicable objectives.</p>
E.ON UK	Yes	As above, P232 Alternative can be said to support BSC objectives b, c and d. Improving Parties' understanding of their obligations, the SIP they may expect and the process for cost compensation under the BSC in the event of a Black Start or Fuel Security Code period should help achieve co-ordinated operation of the GB Transmission System by providing reassurance that reasonable costs incurred in assisting the SO are recoverable. Likewise effective competition amongst generators and efficiency in the implementation and administration of the balancing and settlement arrangements are also supported by having a transparent claim process and SIP mechanism in place.

Question 3: Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P232?

Please give rationale.

Summary

Yes	No	Neutral/Other
7	0	0

Responses

Respondent	Response	Rationale
National Grid	Yes	-
Centrica	Yes	-
Uskmouth Power Company Limited	Yes	-
EDF Energy	Yes	We support the proposed implementation date which should be as soon as practicable. Given that this is mainly driven by the drafting of the new BSCP, the 4 month lead time seems reasonable.
SAIC Ltd. (for and on behalf of ScottishPower)	Yes	The Modification should be implemented as soon as possible.
Scottish and Southern	Yes	It seems a pragmatic approach given the additional tasks involved post approval but prior to implementation.
E.ON UK	Yes	This seems appropriate; this should be implemented as soon as practicable but cost-savings by combining in one BSCP with related P231 understandable.

Question 4: Do you agree with the Panel's view that the legal text (for both the Proposed and the Alternative) provided in the draft Modification Report delivers the solution agreed by the Modification Group?

Please give rationale.

Summary

Yes	No	Neutral/Other
6	1	0

Responses

Respondent	Response	Rationale
National Grid	Yes	-
Centrica	Yes	-
Uskmouth Power Company Limited	No	We understand that Elexon has tightened the wording around the clock change provisions, which we agree are an improvement over the text circulated with the report.
EDF Energy	Yes	-
SAIC Ltd. (for and on behalf of ScottishPower)	Yes	-
Scottish and Southern	Yes	It appears to delivers the solution agreed by the Modification Group.
E.ON UK	Yes	It appears appropriate.

Question 5: Are there any further comments on P232 that you wish to make?

Responses

Respondent	Response	Rationale
National Grid	No	-
Centrica	No	-
Uskmouth Power Company Limited	No	
EDF Energy	No	
SAIC Ltd. (for and on behalf of ScottishPower)	No	-
Scottish and Southern	No	Nothing further at this time.
E.ON UK	Yes	Only that it could perhaps be clarified re. the Claim Application Process (p8) that as the SO confirmed to one of the Modification group meetings, all instructions received by generators during a Black Start are effectively 'emergency instructions' and thus related avoidable costs are eligible for compensation.

Respondent	Response	Rationale
		<p><i>ELEXON response: Called respondent, and confirmed the sentence on Page 7 of the Modification Report was satisfactory:</i></p> <p><i>In the case of a Black Start Period, by the Lead Party of BM Units who have received an Emergency Instruction during that Black Start Period (to clarify, any instruction from National Grid during a Black Start Period is to be considered an Emergency Instruction for the purposes of Black Start compensation);</i></p> <p><i>The respondent was happy her concern was reflected in the Modification Report.</i></p>