

## Stage 05: Business Requirements Solution

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

► 05 Implementation Phase

# P231 and 232: Business Requirements Solution

P231 introduces procedures to clarify responsibilities and activities to enable the electricity market to return to normal operations in the event of a Black Start Period or Fuel Security Code event.

P232 introduces transparency with regard to the compensation arrangements for Parties who have been the recipient of an Emergency Instruction during a Black Start Period or Fuel Security Code event, and introduces a methodology for calculating a Single Imbalance Price to apply for the contingency period.



The Authority approved Modifications P231 and P232 on 25 June 2009 to be implemented on 5 November 2009



High Impact:  
A new BSCP is required



Medium Impact:  
Updates to Code Subsidiary Documents are required



Low Impact:  
LWIs need to be produced by ELEXON and the BSC Agent

P231 and P232  
Business Requirements  
Solution

22 July 2009

Version 1.0

Page 1 of 22

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## Contents

|          |  |           |
|----------|--|-----------|
| <b>1</b> | <b>Summary</b>                                   | <b>3</b>  |
| <b>2</b> | <b>P231 Solution</b>                             | <b>4</b>  |
| <b>3</b> | <b>P232 Solution</b>                             | <b>7</b>  |
| <b>4</b> | <b>P231 Impacts &amp; Approved Costs</b>         | <b>10</b> |
| <b>5</b> | <b>P232 Impacts &amp; Approved Costs</b>         | <b>13</b> |
| <b>6</b> | <b>Requirements Mapping</b>                      | <b>15</b> |
| <b>7</b> | <b>BSCP</b>                                      | <b>17</b> |
| <b>8</b> | <b>Implementation</b>                            | <b>20</b> |
| <b>9</b> | <b>Further Information</b>                       | <b>21</b> |
|          | <b>Attachment A: P231 Proposed Legal Text</b>    | <b>21</b> |
|          | <b>Attachment B: P232 Alternative Legal Text</b> | <b>21</b> |
|          | <b>Attachment C: Draft P231 and P232 BSCP</b>    | <b>21</b> |



**Any questions?**

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## About This Document:

This document is the Business Requirements Solution (BRS) for P231 'Black Start and Fuel Security Code Procedures under the Balancing and Settlement Code (BSC)' and P232 'Black Start and Fuel Security Compensation and Single Imbalance Price Derivation'. It summarises the changes required to the BSC Central Systems, Code Subsidiary Documents and Configurable Items to implement the approved Proposed P231 solution and the approved Alternative P232 solution.

The requirements in this document are based on the P231 and P232 solutions. We will issue a new BRS if the proposed requirements differ significantly during the implementation of these modifications.

For further detail on the background, solution and discussions surrounding P231 and P232 please see the IWA, Assessment Report and Modification Report. These documents are on the [P231](#) and [P232](#) pages of the ELEXON website.

P231 and P232  
Business Requirements  
Solution

22 July 2009

Version 1.0

Page 2 of 22

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## Why Change?

In the event of a Black Start or Fuel Security Code (FSC) event, BSC Parties are expected to adhere to certain procedures within the BSC. P231 and P232 address a number of issues which the industry has with the current arrangements, such as the lack of a clear recovery process to return the market back to normal operations and a lack of transparency within the compensation arrangements.

- A 'Black Start' is a recovery process for restoring energy to the Transmission System, as most power stations rely on power from the Transmission System, to be able to generate, will not function. This can be either a partial or total system shutdown which leads to the suspension of normal market operations.
- A 'FSC event' occurs when the Secretary of State directs power stations or the Transmission Licensee (National Grid) to operate in a certain way which results in normal market operating conditions becoming impractical.

## Solution

The solution is described in sections 2 and 3. The legal text is available as an attachment. The major development from these Modifications is the production of a new Balancing and Settlement Code Procedure (BSCP) which will sit with the Panel.

## Impacts & Approved Costs

There is a small P231 Service Provider impact for documentation changes only of £3,150. There is no Service Provider impact for P232.

The cost to implement P231 in a BSC Systems Release is £7,770 (incl Service Provider costs above), and P232 is £6,820.

There will be an impact on Change Delivery to produce the new BSCP and on Stakeholder Assurance to produce a Local Working Instruction (LWI) regarding the BSCCo's role within the claims compensation process.

There is an impact on Service Delivery to update the Credit Default Process and Analysis LWI, as well as develop a LWI for the Return to Normal Market Operations and a LWI for the Single Imbalance Price calculation.

## Implementation

P231 and P232 are to be implemented as part of the November 2009 BSC Systems Release, go-live 5 November 2009.

## What is the FSC?

The FSC is the Fuel Security Code, which can be invoked by the Secretary of State in national interest if extreme circumstances arise. It currently sits with DECC (Department of Energy and Climate Change) and supersedes the Grid Code and the BSC.

P231 involves the:

- Commencement of a Black Start Period;
- Processes to return normal market operation following a Black Start event which resulted in the suspension of normal market operation;
- Clarification that complying with a FSC direction would not lead to a breach of the BSC; and
- Recalculation of BSC Parties' Energy Indebtedness during a Black Start Period.

### Commencement of a Black Start Period

**For a Black Start event**, the BSC currently states that the Panel determines the Settlement Period where the Total / Partial Shutdown of the Transmission System commenced. In practice the Panel determination would simply be based on the Transmission Company's (National Grid) declaration (see the [P231 Assessment Report and BSCP](#) for further details).

For the P231 solution:

1. REQ A1: The commencement of a Black Start Period is initiated with National Grids notification to BSCCo (under OC9.4 of the Grid Code) that a Total/Partial Shutdown is in existence and that the market has entered a Black Start Period. BSCCo will communicate this to BSC Parties.
2. REQ A2: Following National Grid's notification that a Total/Partial Shutdown is in existence, National Grid will determine the indicative start time and date of the Total/Partial Shutdown and inform users of the Grid Code and BSCCo. After receipt of National Grid's notification regarding the start time, BSCCo will determine the Settlement Period and Settlement Date in which the Total/Partial Shutdown occurred and communicate this as the start of the Black Start Period to all BSC Parties and BSC Agents.

### Return of Normal Market Operations following a Black Start Period

The BSC currently states that the Panel determines the Settlement Period where normal operations apply following a Black Start Period.

For the P231 solution, several key steps (which are not described in the BSC) are to occur beforehand to ensure a prompt and orderly return to normal operation of the BSC arrangements. These steps are:

3. REQ A3: National Grid will keep BSC Parties informed (via BSCCo) of the energisation status of the Transmission System and BSCCo will keep BSC Parties informed of the status of the relevant BSC systems.
4. REQ A4: The Panel will determine the Single Imbalance Price (the pricing methodology itself is covered in P232; the timing of the determination is a P231 requirement).
5. REQ A5: Once the Transmission System and BSC Systems are restored and capable of normal operation, the BSC Panel (following industry consultation) will determine the time and date (i.e. exact Settlement Period) for the start of normal BSC market operation and will communicate this to BSC Parties.
6. REQ A6: The ECVA will send normal reports (i.e. the ECVA-I014 Notification Report and ECVA-I022 Forward Contract Report) to BSC Parties prior to normal market operations, informing BSC Parties of their contract positions. It should be noted that

any Volume Notifications received by the ECVAAs relating to Settlement Periods prior to normal market resumption will be treated as null by the ECVAAs.

7. REQ A7: Upon the completion of REQ A5, BSC Parties are able to submit Volume Notifications to ECVAAs in order to notify their contract position for the first Settlement Period of 'normal market operations' and beyond.
8. REQ A8: BSC Parties should submit Physical Notifications relating to their required physical position for the first Settlement Period after the return to normal market operations at least 10 hours prior to the return to normal operations. (Note, the requirements surrounding the submission of Physical Notifications to National Grid are incorporated in the Grid Code. These are not being amended as part of Modification P231 and REQ8 is not being added as a BSC obligation. However failure to comply with REQ A8 could result in the relevant Party being out of balance at the return to normal market operations).
9. REQ A9: National Grid may determine up until one hour before the Settlement Period when normal market operations are due to commence that normal operations should not commence (in accordance with OC9.4.7.9 of the Grid Code). If National Grid determines that normal market operations should not commence, then it will inform the Panel (via BSCCo) who will determine a revised time and date.

## Clarification Regarding BSC Defaults and FSC Events/ Black Start Periods

**In a FSC event**, the FSC provisions supersede those of the BSC. This means that a BSC Party will not be in breach of the BSC, if the cause of that breach was from complying with a direction issued to them specifically under the provisions of the FSC.

If BSCCo is unaware of an FSC direction and a Party breached their Credit Default threshold as a direct result of taking action under an FSC direction, BSCCo would notify that default to industry in accordance with the BSC rules. It is therefore imperative that BSCCo is made aware of an FSC direction to avoid taking such action. However there is no obligation under the FSC for BSCCo to be informed of FSC directions.

For the P231 solution the following requirements have been included:

10. REQ A10: It is the responsibility of the Lead Party of BM Units who have received a direction from the Secretary of State (or, if empowered by the Secretary of State to do so, National Grid) during that FSC event to inform BSCCo if a Credit Default situation occurs.

In addition, a statement will be included in the BSC to explicitly state that:

11. REQ A11: a BSC Party will not be in breach of the BSC as a direct result of complying with an FSC direction; and
12. REQ A12: BSCCo will not provide authorisation to place a Party in Credit Default if the reason for the breach of the Credit Default threshold is proved to be an FSC direction.

**For a Black Start event**, the BSC states that the value of Credit Assessment Energy Indebtedness shall be set to zero for all Trading Parties in relation to Settlement Periods which fall within a Black Start Period. However, with the introduction of changes to the credit arrangements, the Credit Assessment Energy Indebtedness is not the only component of the credit calculation.

For the P231 solution the following requirement has been included:

13. REQ A13: The BSC will be amended so that the value of Energy Indebtedness (to include Credit Assessment Energy Indebtedness and Metered Energy Indebtedness) is

set to zero for all Settlement Periods which fall within a Black Start Period. Also the value of Actual Energy Indebtedness is set to zero/nullified for all Settlement Days affected by the Black Start Period. This would therefore ensure that Parties can not incur any indebtedness during the Black Start Period.

P232 involves the:

- Single Imbalance Price calculation methodology;
- Process for submitting claims; and
- Procedures for making determinations in relation to claims.

### Single Imbalance Price

P232 introduces a Single Imbalance Price calculation methodology for Settlement Periods which fall under a Black Start Period or FSC event by expanding BSC Section T1.6 to include the following requirements:

1. REQ B1: A Single Imbalance Price is to be derived by taking the mean of the System Buy Price (SBP) and System Sell Price (SSP) for a given Settlement Period over a pre-defined number of days (no Volume Notifications or Bids or Offers would be included) in order to seek to determine a 'proxy' for the bulk price of electricity during the Black Start Period or FSC event.
2. REQ B2: The default approach is to use the data over the previous 30 Settlement Days before the beginning of the Black Start Period or FSC event. However a Settlement Period that was subject to a FSC event or instruction, a Black Start Period or an Emergency Instruction would not be used and would be replaced with another appropriate historical Settlement Period.
3. REQ B3: A Single Imbalance Price is to be calculated for each of the 48 Settlement Periods in a Settlement Day. The relevant price from those 48 Settlement Periods would be used for the corresponding Settlement Period that occurs during the FSC event or Black Start Period. This means that each full Settlement Day within the FSC event or Black Start Period would have the same set of 48 prices, although the price may differ between Settlement Periods.
4. REQ B4: The Panel are to determine an alternative pricing methodology if the Panel deemed it to be more appropriate as a 'proxy' for the bulk price of electricity during the Black Start Period or FSC event.
5. REQ B5: Once the methodology has been agreed for the entire Black Start Period or FSC event, any review of the methodology which results in an adjustment, can be implemented going forward only (not retrospectively once it has first been agreed).
6. REQ B6: For Clock Change days that occur during the Black Start Period or FSC event, Settlement Periods 3 and 4 shall be excluded for a short day and be used twice for a long day. For Clock Change days that occur during the historical period, the period shall be increased to 31 days with the Clock Change day being discounted.

### Claim Application Process

As currently set out in the BSC, market participants can claim in the below circumstances:

- In the case of a Black Start Period, an application can be made by the Lead Party of a BM Units who has 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).
- In the case of a FSC event, an application can be made by the Lead Party of a BM Unit who has received a direction from the Secretary of State (or, if empowered by the Secretary of State to do so, National Grid) during that FSC event.
- Also in the case of a FSC event, an application can be made by the Lead Party of a BM Units who has received a direction from the Secretary of State (or, if empowered by the Secretary of State to do so, National Grid) which has been made in anticipation of a FSC event (if the anticipated FSC event does not eventuate).

An application for compensation can only be made:

- in the case of Black Start for 'Avoidable Costs' (as defined in the BSC); or
- in the case of a FSC event for 'Exceptional Costs' (as defined in the FSC) actually incurred (i.e. no advance payments).

P232 confirms the process for submitting claims for compensation as follows:

7. REQ B7: Any application for compensation is to be made up of the Claim form, a Statement of Claim, the total amount (£) being claimed and any supporting evidence.
8. REQ B8: Claimants are allowed 20 Working Days (or such period that the Panel may determine) to submit a claim from the conclusion of a Black Start Period.
9. REQ B9: Claimants are allowed 60 days (or such period that the Panel may determine) to submit a claim from the conclusion of an FSC event.
10. REQ B10: Claimants wishing to request additional time to submit their claim in relation to a Black Start Period or FSC event should submit an 'Application to extend allocated time-frame for claim submission' within the above timescales.
11. REQ B11: The Panel, or the Claims Committee, can ask for any extra evidence or information from the claimant (beyond the timescales set out above) as they see fit.

Three claims forms are to be developed and included in the new BSCP, as follows:

12. REQ B12: a Black Start Period claim form (which must be submitted within 20 Working Days from the end of the Black Start Period);
13. REQ B13: a FSC event claim form (which must be submitted within 60 Days from the end of the FSC event, or within 60 Days from the end of an anticipation period for an FSC event<sup>1</sup>); and
14. REQ B14: an 'Application to extend allocated time-frame for claim submission' form (which shall be submitted in advance of the deadlines as stated in REQ B12 and REQ B13 (20 Working Days or 60 days)).

### **'Warm Up' or 'Hot Standby' Costs**

15. REQ B15: Costs incurred when there is a change in operation and no corresponding change in Imports or Exports are allowed to be claimed as 'Avoidable Costs' (as defined in the BSC) for Lead Parties of BM Units who have received an Emergency Instruction under a Black Start Period.

### **Interim Payments**

16. REQ B16: Interim payments (only for 'Avoidable Costs' or 'Exceptional Costs' actually incurred) shall be applied for, and processed, in the same manner as for a BSC Parteis final or overall claim.

### **Publication of Claims Data**

17. REQ B17: Two sets of cost data relating to all claims (and this data alone) are to be published:
  - The total amount (£) received in claim applications; and
  - The total amount (£) approved for payment.

### **Claims Committee for Claim Determination**

18. REQ B18: The Panel may establish a Claims Committee, which shall be chosen by the BSC Panel and may consist of the BSC Panel, for the determination of all applications

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<sup>1</sup> An 'anticipation period for an FSC event' is when an FSC direction is given when it is thought a FSC event is likely to occur, but it may or may not result in exceptional market conditions.



for compensation received from BSC Parties related to either a Black Start Period or a FSC event.

- 19.REQ B19: The BSC Panel, or the Claims Committee as delegated, will determine the process for the determination of each individual claim.
- 20.REQ B20: There are no limits on the use of technical experts or groups of experts to sit on a Claims Committee (or sub committee of the Claims Committee) to provide determinations or advise as to the veracity of the Claims.
- 21.REQ B21: Claims shall have a 'zero floor', meaning no negative determination is to be made.
- 22.REQ B22: Claims can be withdrawn by the Claimant at any stage of the process up until the determination is made.

## **Cost Recovery**

- 23.REQ B23: If the Authority determines costs are to be recovered under the BSC for Exceptional Costs claims, a funding shares type methodology shall be used (this requirement is to be introduced to the new BSCP as guidance only).

**Cost of P231**

P231 is to be implemented as part of a BSC Systems Release, taking 21 mandays at a cost of £7,770 to the industry!

**Approved Costs (combined P231 and P232 implementation costs)**

| ELEXON Cost |         | Service Provider cost | Total Cost     |
|-------------|---------|-----------------------|----------------|
| Man day     | Cost    |                       |                |
| 54          | £11,090 | £3,150                | <b>£14,240</b> |

**Impacts****Impact on BSC Systems and process**

| BSC System/Process                              | Potential impact   |
|---|--|
| Energy Contract Volume Allocation Agent (ECVAA) | <ul style="list-style-type: none"> <li>ECVAA would be required to send reports to industry prior to normal market operations, informing Parties of their market positions.</li> <li>Any Volume Notifications in place during the Black Start Period would be nullified before being sent to the SAA.</li> <li>The Credit Assessment Energy Indebtedness, Metered Energy Indebtedness and Actual Energy Indebtedness are to be set to zero/nullified for Settlement Periods/Dates affected by a Black Start Period. This is to be done manually within the BSC Systems and would therefore ensure that Parties can not incur any indebtedness during the Black Start Period.</li> </ul> |
| Balancing Mechanism Reporting System (BMRS)     | <ul style="list-style-type: none"> <li>The BMRS would be required to operate normally where possible although indicative prices would not be accurate.</li> <li>The BMRS may be used to provide information to the industry in relation to the state of the Transmission System and various IT systems.</li> </ul>   |
| Central Data Collection Agent (CDCA)            | <ul style="list-style-type: none"> <li>The CDCA would operate normally, although Aggregation Runs may be delayed.</li> </ul>   |
| Supplier Volume Allocation Agent (SVAA)         | <ul style="list-style-type: none"> <li>The SVAA would operate normally, although Volume Allocation Runs may be delayed.</li> </ul>   |
| Settlement Administration Agent (SAA)           | <ul style="list-style-type: none"> <li>Settlement Runs could be delayed until data is available.</li> </ul>  |
| Funds Administration Agent (FAA)                | <ul style="list-style-type: none"> <li>Payment Runs could be delayed until data is available and funds are able to be transferred.</li> </ul>  |

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

There is no impact on any of the contractual arrangements.

**Impact on BSC Agent**

| Document                     | System                                     | Potential impact  |
|------------------------------|--|---|
| Local Work Instruction (LWI) | Balancing Mechanism Reporting Agent (BMRA) | Displaying the Single Imbalance Price (modifying the SSP and SBP, excluding Bids and Offers and BSAD) |

P231 and 232  
Business Requirements  
Solution

22 July 2009

Version 1.0

Page 10 of 22

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|                              |       |   |
|------------------------------|-------|---|
| Business Process Model (BPM) | BMRA  | Displaying the Single Imbalance Price (modifying the SSP and SBP, excluding Bids and Offers and BSAD) |
| LWI                          | SAA   | Modifying the SSP and SBP, excluding Bids and Offers and BSAD   |
| BPM                          | SAA   | Modifying the SSP and SBP, excluding Bids and Offers and BSAD   |
| LWI                          | ECVAA | Setting Energy Indebtedness for a Party to zero   |
| BPM                          | ECVAA | Setting Energy Indebtedness for a Party to zero   |

#### Impact on BSC Parties and Party Agents

BSC Parties will be required to familiarise themselves with the solution and assess any changes to their working processes. Volume Notification Agents will need to ensure their processes allow for the resubmission of contracts for affected periods.

#### Impact on Transmission Company

No impact (National Grid have confirmed no impact to the Grid Code).

#### Impact on ELEXON

| Area of ELEXON's business | Potential impact   |
|---------------------------|--|
| Service Delivery          | <ul style="list-style-type: none"> <li>A new LWI is to be developed with regard to ELEXON's responsibilities during the Black Start Recovery Process, including restoration of the BSC Systems, restoring BSCCo systems and processes, communication with the Transmission Company,</li> <li>Update the Credit Default Process and Analysis Local Working Instruction (LWI) for the Energy Indebtedness solution.</li> <li>Review Logica's LWIs and BPM</li> <li>Review the BSCP and relevant Code Subsidiary Documents</li> </ul> |
| Change Delivery           | BSCCo would need to implement the proposed changes. This process is likely to include Code Subsidiary Document drafting and education.   |
| Corporate Assurance       | Evaluate impacts on ELEXONs Business Continuity and Disaster Recovery procedures.  |

#### Impact on Code

| BSC section | Potential impact  |
|-------------|---|
| Section G   | <p>Amendments to clarify obligations on:</p> <ul style="list-style-type: none"> <li>The BSC Panel;</li> <li>BSCCo;</li> <li>BSC Parties;</li> <li>BSC Agents; and</li> <li>The Transmission Company.</li> </ul> |

|           |  |
|-----------|--|
| Section H | Amendments to state that a BSC Party complying with an FSC direction will not be in breach of the BSC.   |
| Section M | Amendments to state that BSCCo will not provide authorisation to place a Party in Credit Default if the reason for breaching the Credit Default threshold was due to an FSC direction. |

| Impact on Code Subsidiary Documents |  |
|-------------------------------------|--|
| New BSCP                            | A new BSCP will be created to outline the procedures relating to the duration of a Black Start Period / FSC event, and the return to normal market operations.   |
| ECVAA Service Description           | The ECVAA Service Description is to be updated with details regarding the entry of zero values for Credit Energy Indebtedness (CEI) and Metered Energy Indebtedness (MEI) for all Settlement Periods which are affected by the extraordinary market conditions and the entry of zero values for the Actual Energy Indebtedness (AEI) of all Settlement Days which are affected by the extraordinary market conditions. |

| Impact on Core Industry Documents and other documents   |                  |
|---|------------------|
| Document  | Potential impact |
| No impact on Core Industry Documents or other documents.<br>(Please see note under 'Impact on Transmission Company' re the Grid Code) |                  |

| Impact on other Configurable Items        |
|---|
| No other Configurable Items are impacted. |

| Other Impacts                          |
|--|
| No other impacts have been identified. |



## Cost of P232

P232 is to be implemented as part of a BSC Systems Release, taking 21 mandays at a cost of £6,820 to the industry!

## 5 P232 Impacts & Approved Costs

### Approved Costs

See Section 4 'Approved Costs' for the combined costs of implementing P231 and P232.

### Impacts

#### Impact on BSC Systems and process

No impact anticipated on BSC Systems, as they currently must have the capability to cater for a Single Imbalance Price if required. This is likely to be via manual processes to enter this data into Settlement.

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

There is no impact on any of the contractual arrangements.

#### Impact on BSC Agent

There is no impact on the BSC Agent for this change.

#### Impact on BSC Parties and Party Agents

There is no day-to-day impact for BSC Parties or Party Agents. However should a Black Start of FSC event occur then BSC Parties affected by the event will need to follow the amended processes should they wish to submit a claim for compensation.

#### Impact on Transmission Company

No impact (National Grid have confirmed no impact to the Grid Code).

#### Impact on ELEXON

| Area of ELEXON's business | Potential impact  |
|---------------------------|---|
| Stakeholder Assurance     | An LWI will be developed regarding BSCCo's role in assisting the BSC Panel or the Claims Committee (if delegated).  |
| Service Delivery          | <ul style="list-style-type: none"> <li>An LWI will be developed regarding the calculation of the Single Imbalance Price and its introduction into the BSC Systems with the Panel approval process and liaising with National Grid.</li> <li>Review the BSCP and relevant Code Subsidiary Documents</li> </ul> |
| Change Delivery           | BSCCo will need to implement the proposed changes. This process is likely to include Code Subsidiary Document drafting and education.   |

#### Impact on Code

| Code section  | Potential impact                                       |
|---------------|--|
| B (The Panel) | The Panel are responsible for Panel Committees and the |

P231 and 232  
Business Requirements  
Solution

22 July 2009

Version 1.0

Page 13 of 22

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### Implementation

Further cost savings are expected if both P231 and P232 are implemented together.

|  |  |
|--|--|
|  | delegation of power, reference to the Claims Committee is required.                              |
| G (Contingencies)  | This section is to include updates to the Avoidable Costs and timetable for evidence submission. |
| P (Energy Contract Volumes and Metered Volume Reallocations) | Capitalisation of 'clock change' and 'clock change day'.   |
| Q (Balancing Mechanism Activities)                           | Capitalisation of 'clock change' and 'clock change day'.   |
| T (Settlement and Trading Charges)                           | Methodology for setting the Single Imbalance Price is to be updated in this section.             |
| Annex X-1 (General Glossary)                                 | Definition of 'Clock Change' and 'Clock Change Day' to be added.                                 |

### Impact on Code Subsidiary Documents

| Document  | Impact   |
|---|--|
| New BSCP  | A new BSCP will document all the processes, forms and guidance.  |
| BSCP18 'Corrections to Bid-Offer Acceptance Related Data' | A reference to the process of entering the Single Imbalance Price into Settlement (which will be contained in the new BSCP) should be included here. |

### Impact on Core Industry Documents and other documents

No Core Industry Documents are impacted (National Grid have confirmed no impact with the Grid Code).

### Impact on other Configurable Items

No other Configurable Items are impacted.

### Other Impacts

No other impacts have been identified.



## Solution by Requirements

The table below shows where each requirement shall be placed for implementation.

| Solution by Requirements |   |        |   |
|--------------------------|---|--------|---|
| P231                     | Location                                    | P232   | Location  |
| REQA1                    | BSC Section G 3.1.2 (a); BSCP S2 Recov Proc | REQB1  | BSC Section T 1.6.1A (a); SAA SD; BSCP18  |
| REQA2                    | BSC Section G 3.1.2 (b); BSCP S2 Recov Proc | REQB2  | BSC Section T 1.6.1A (a), (b) & (c)   |
| REQA3                    | BSC Section G 3.1.4; BSCP S2 Recov Proc     | REQB3  | BSC Section T 1.6.1A (a)  |
| REQA4                    | BSCP S2 Recov Proc                          | REQB4  | BSC Section T 1.6.1A & 1.6.2  |
| REQA5                    | BSC Section G 3.1.2 (c); BSCP S2 Recov Proc | REQB5  | BSCP S3 Int + Tim   |
| REQA6                    | BSCP S2 Recov Proc                          | REQB6  | BSC Sections P 1.2.5; Q 4.2.1; T 1.6.1A (d), (e) & (f); T 4.2.2 (c) & (d); Annex X-1 'General Glossary' |
| REQA7                    | BSCP S2 Recov Proc                          | REQB7  | BSC Section G 3.3.1B; S3 Int + Tim  |
| REQA8                    | BSCP S2 Recov Proc                          | REQB8  | BSCP S3 Int + Tim   |
| REQA9                    | BSC Section G 3.1.2 (e); BSCP S2 Recov Proc | REQB9  | BSCP S3 Int + Tim (as per FSC)  |
| REQA10                   | BSCP S2 Recov Proc                          | REQB10 | BSC Section G 3.3.1A (a); BSCP S3 Int + Tim   |
| REQA11                   | BSC Section H 3.1.3                         | REQB11 | BSC Section G 3.3.1A (b); BSCP S3 Int + Tim   |
| REQA12                   | BSC Section M 3.4.3A & 3.4.3B               | REQB12 | BSCP S4 Forms   |
| REQA13                   | BSC Section G 3.2.1A; ECVA SD               | REQB13 | BSCP S4 Forms   |
|                          |   | REQB14 | BSCP S4 Forms   |
|                          |   | REQB15 | BSC Section G 3.3.2 & 3.3.4   |
|                          |   | REQB16 | BSCP S5 Guidance  |
|                          |   | REQB17 | BSCP S1 Intro, S3 Int + Tim   |
|                          |   | REQB18 | BSC Section B 3.5.1   |
|                          |   | REQB19 | BSCP S5 Guidance  |
|                          |   | REQB20 | BSCP S5 Guidance  |
|                          |   | REQB21 | BSC Section G 3.3.6 (b)   |
|                          |   | REQB22 | BSCP S5 Guidance  |
|                          |   | REQB23 | BSCP S3 Int + Tim   |

## Recommendation

REQB21: The P232 Modification Group recommends Parties submit claims which are easy to verify if they require swift payment!

## Solution by Configurable Items

The table below shows what Configurable Items are to be updated with:

| Configurable Items with Requirements Mapped                   |  |
|---|--|
| BSC Section / Configurable Item                               | Requirement(s)   |
| BSC Section B   | REQB18   |
| BSC Section G   | REQA1; REQA2; REQA3; REQA5; REQA9;<br>REQA11; REQA12; REQB7; REQB10; REQB11;<br>REQB15; REQB21 |
| BSC Section M   | REQA13   |
| BSC Section P   | REQB6  |
| BSC Section Q   | REQB6  |
| BSC Section T   | REQB1; REQB2; REQB3; REQB4; REQB6  |
| BSC Section X-1   | REQB6  |
| New BSCP S1 Introduction                                      | REQB17   |
| New BSCP S2 Black Start and FSC<br>Market Recovery Procedures | REQA1; REQA2; REQA3; REQA4; REQA5; REQA6;<br>REQA7; REQA8; REQA9; REQA10; REQA11;<br>REQA12;   |
| New BSCP S3 Interface and<br>Timetable                        | REQB7; REQB8; REQB9; REQB10; REQB11;<br>REQB17; REQB23   |
| New BSCP S4 Appendices (Forms)                                | REQB12; REQB13; REQB14   |
| New BSCP S5 Guidance  | REQA8; REQB16; REQB19; REQB20; REQB22  |
| BSCP18  | REQB1  |
| ECVAA Service Description                                     | REQA13   |





## Recommendation

The P231 and P232 Modification Groups recommended approval of the P231 Proposed and the P232 Alternative

## 7 BSCP

This section shows a suggested layout for the various sections of the BSCP and what information is required in each. The BSCP shall follow the standard format as per other BSCPs. Please refer to Attachment C for pre-drafted sections of the BSCP.

**Title:** Black Start and Fuel Security Contingency Provisions

**Number:** BSCP201

### 1) Introduction

The introduction shall describe what a Black Start Period and Fuel Security Code event are, details about the BSCP, including the procedures and the compensation arrangements.

Below is a suggested format:

#### 1.1 Introduction

This section should describe what a Black Start Period and a FSC event are (this can be taken out of the [P231](#) or [P232](#) Assessment Reports 'Why Change' section).

#### 1.2 Purpose

This section should describe in what circumstances the BSCP is to be used and reasons why the BSCP contains a 'Guidance' section.

#### 1.3 Main users and their responsibilities

The main users are:

- The Panel - to determine/approve the pricing methodology, determine when the market shall return to 'normal operation' and select members for the Claims Committee;
- BSCCo - to provide support and communications to the industry, the Panel, BSC Agents, the Transmission Company and the Authority as required (including the Single Imbalance Price calculation and other relevant information from the Transmission Company), consultation on settlement period and date when return to normal market operation, management of agents in restoring BSC systems, and the administration of the suspension of credit default;
- National Grid - to declare when the Total/Partial Shutdown of the Transmission System occurred, to communicate the status of the Transmission System to BSCCo and to help with the Panel's determination whether the market is ready to return to normal operations;
- BSC Parties - to help understand the process for submitting claims and returning the market to normal operations; and
- The Claims Committee - who will be required to determine claims.

#### 1.4 Balancing and Settlement Code provision

This section is to highlight the sections of the BSC which related to this BSCP, which are Section B 'The Panel' (B 3.5), Section G 'Contingencies' (All), Section M 'Credit Cover and Credit Default' (M 3.4) and Section T 'Settlement and Trading Charges' (T 1.6), with an explanation of why each section is relevant.

#### 1.5 Related BSCPs and other documents

This section can include:

P231 and 232  
Business Requirements  
Solution

22 July 2009

Version 1.0

Page 17 of 22

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- BSCP18 – A reference to the process in the new BSCP of entering the Single Imbalance Price into Settlement should be included here (Sections 3.3 and 3.4).
- The ECVA Service Description - to be updated with details regarding the entry of zero values for Credit Energy Indebtedness (CEI) and Metered Energy Indebtedness (MEI) for all Settlement Periods which are affected by the extraordinary market conditions and the entry of zero values for the Actual Energy Indebtedness (AEI) of all Settlement Days which are affected by the extraordinary market conditions.

## 1.6 Acronyms and Definitions

This section should include a Black Start and FSC event, plus other terms used throughout the document.

## 2) Black Start and FSC Market Recovery Procedures

This section is to contain both the procedures for returning the market back to normal operations and the process BSC Parties are to follow if applying for compensation.

This section can be broken down into four parts, as per the draft [P231 and P232 BSCP](#) included as Attachment C:

- Overview of the Proposed Modification During a Black Start Period;
  - Black Start Recovery Diagram Notes;
  - Duration and Continuation of a FSC Event; and
- Black Start Recovery Procedures (there are five procedures to be included).

## 3) Interface and Timetable Information

This section is to contain both the procedures for returning the market back to normal operations and the process BSC Parties are to follow if applying for compensation.

### *Application for compensation process*

This section shall be taken from the draft [P231 and P232 BSCP](#).

## 4) Appendices

This section is to contain four forms, which can be found in the draft [P231 and P232 BSCP](#):

- Black Start Claim Form;
- Fuel Security Event Claim Form;
- Request for Black Start Claim or Fuel Security Event Claim Time Extension; and
- Request for Withdrawal of Black Start Claim or Fuel Security Event Claim.

## 5) Guidance

### 5.1 Draft Claims Committee Terms of Reference

This section is to include the draft Claims Committee terms of reference as well as conclusions (as guidance) developed from the Modification Group, which can be found in the drafted [P231 and P232 BSCP](#). This section is to have a 'Guidance' watermark on it.

### 5.2 Guidance

This section can be broken down into five sections, as per the drafted [P231 and P232 BSCP](#):

- Role of the Claims Committee and Experts;

- Role of the Claims Committee and ELEXON;
- Confidentiality;
- FSC Costs; and
- Interim Payments



## 8 Implementation

### Recommendation

Modification Groups recommend approval of the P231 Proposed and the P232 Alternative

### ELEXON Implementation Activities

The following are to be completed by ELEXON for implementation:

1. Draft and implement new BSCP.

This needs to be reviewed by industry, including a walkthrough, and approved by the Panel.

2. Update the ECVA Service Description.

This needs to be reviewed by BSC Agents, the industry and approved by the ISG.

3. Update BSCP18.

This needs to be reviewed by the industry and approved by the ISG.

4. Complete required LWIs:

- Return to Normal Market Operations LWI;
- Application of the Single Imbalance Price Methodology LWI;
- Administration of the Claims Committee and Claims Process LWI; and
- Credit Default and Analysis LWI;

These needs to be drafted by Stakeholder Assurance and Service Delivery and reviewed internally.

5. Review Service Providers procedures

The LWI and BPM updates completed by the BSC Agent need to be reviewed by ELEXON

**Proposer's Quote:**

"These new procedures increase transparency within the BSC arrangements!"

**Legal Text**

The following legal text has been approved for the Modification:

**Attachment A: P231 Proposed Legal Text**

- P231 Proposed Legal Text v0.9

**Attachment B: P232 Alternative Legal Text**

- P232 Alternative Legal Text v0.8

**BSCP****Attachment C: Draft P231 and P232 BSCP**

- All sections drafted and approved by the P231 and P232 Modification Groups

Complete versions of all Modification documentation are available on the [P231](#) and [P232](#) pages of the ELEXON website.

**Useful Links**

| Useful Links             |  |
|--------------------------|--|
| Document                 | Link   |
| Issue 32 Report          | <a href="#">Issue 32 Report</a>  |
| Issue 33 Report          | <a href="#">Issue 33 Report</a>  |
| FSC Guidance Note        | <a href="#">FSC Guidance Note</a>  |
| P231 Assessment Report   | <a href="#">P231 Assessment Report</a> (please open the P231 Assessment Report Documents zip-file)           |
| P232 Assessment Report   | <a href="#">P232 Assessment Report</a> (please open the P232 Assessment Report Documents zip-file)           |
| P231 Modification Report | <a href="#">P231 Modification Report</a> (please open the P231 Report Phase Consultation Documents zip-file) |
| P232 Modification Report | <a href="#">P232 Modification Report</a> (please open the P231 Report Phase Consultation Documents zip-file) |

**Terms used in this Document**

| Acronyms Definitions |  |
|----------------------|--|
| Acronym              | Definition                               |
| BM                   | Balancing Mechanism                      |
| BMRS                 | Balancing Mechanism Reporting System     |
| BPM                  | Business Process Model                   |
| BSAD                 | Balancing Services Adjustment Data       |
| BSC                  | Balancing and Settlement Code            |
| BSCCo                | Balancing and Settlement Code Company    |
| BSCP                 | Balancing and Settlement Code Procedures |
| CDCA                 | Central Data Collection Agent            |

| Acronyms Definitions |   |
|----------------------|---|
| ECVAA                | Energy Contract Volume Administration Agent |
| FAA                  | Funds Administration Agent                  |
| FSC                  | Fuel Security Code                          |
| LWI                  | Local Work Instruction                      |
| SAA                  | Settlement Administration Agent             |
| SBP                  | System Buy Price                            |
| SSP                  | System Sell Price                           |
| SVAA                 | Supplier Volume Allocation Agent            |

| Defined Terms            |   |
|--------------------------|---|
| Terms                    | Definition  |
| Avoidable Costs          | Costs that a BM Unit has incurred due to 'relevant change' in Exports and/or Imports of that BM Unit during a Settlement Period as are specified in or determined pursuant to the relevant contingency provision.<br><br>Under Black Start conditions 'warm up' and 'hot standby' costs can be claimed.                     |
| Black Start              | A 'Black Start' is a recovery process for restoring energy to the Transmission System, as power stations that rely on power from the Transmission System to generate will not be able to function. This can be either total (whole system, very unlikely) or partial (certain areas of the transmission system lose power). |
| Black Start Period       | A 'Black Start Period' is the time from Settlement Period to Settlement Period, where the market is not under 'normal operating condition' as a result of a Total or Partial Shutdown.  |
| Claims Committee         | The collection of people, selected by the Panel under section B 3.5 of the BSC, which shall assess claims for compensation received from BSC Parties resulting from a Black Start or FSC instruction.   |
| Exceptional Costs        | Costs incurred by a BSC Party (including National Grid) which would not have been incurred if it were not for a direction or directions given by the Secretary of State under Electricity Act 1989.   |
| Fuel Security Code       | The Fuel Security Code provides an administrative structure designed to enable compliance with directions issued under section 34 or 35 of the Electricity Act by the Secretary of State to be effected with the minimum of interference with normal market arrangements.   |
| Fuel Security Code Event | A 'FSC event' occurs when a direction provided by the Secretary of State results in the market not being able to operate under 'normal operating conditions'.   |