

INITIAL ASSESSMENT OF MODIFICATION PROPOSAL P49

**Timing of Publication of Indicative P18 Option A Prices on
the BMRS**

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Distribution

Name	Organisation
BSC Panel	
BSC Parties	
BSC Agents	
The Authority	
National Electricity Consumers Council	
Core Industry Document Owners	
BSC Website	

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1 SUMMARY

Modification Proposal P49 was submitted on 31 October 2001 by the Panel. The Modification Proposal seeks to modify the BSC so as to correct an omission in the legal drafting for Modification P18 Option A.

Modification Proposal P18 Option A excludes Bid/Offer Acceptances (BOAs) excluded from imbalance price calculations for a Settlement Period if the Continuous Acceptance Duration (CAD) of a single acceptance or a group of acceptances is less than the Continuous Acceptance Duration Limit (CADL).

When the Panel determined the definition of CAD whilst agreeing P18 Option A, it also recognised that there would need to be a delay of up to 45 minutes in reporting Indicative Pricing Data by the Balancing Mechanism Reporting Agent (BMRA) on the Balancing Mechanism Reporting System (BMRS) when the enduring solution of Modification Proposal P18A starts to be implemented in the BSC Systems on 27 March 2002. This delay after the end of the relevant Settlement Period has already been incorporated in the Service Description for the BMRA and in the software changes for the enduring solution.

Unfortunately, a corresponding change to an existing paragraph in Section V was omitted from the legal drafting for Modification Proposal P18 Option A such that Section V still refers to a delay of 15 minutes. As a result of the omission in the legal drafting of the BSC, the enduring solution for Modification Proposal 18 Option A will be inconsistent with the BSC when it is implemented in 2002.

Section V, paragraph 2.3.3(b), of the BSC currently requires the BMRA to publish Indicative Data on the BMRS 15 minutes after the end of a Settlement Period. Once Modification P18A is implemented in the BSC Systems, the BMRA will not be able to capture the necessary data and carry out the required calculation within the 15 minutes specified by the BSC. Instead, the BMRA will start to calculate Energy Imbalance Prices 35 minutes after the end of the Settlement Period and publish the prices on the BMRS by 45 minutes after the end of the Settlement Period. If Section V is not changed as originally intended when P18 Option A was agreed, the BMRA would be in breach of the BSC.

An initial assessment of Modification Proposal P49 has identified the following potential areas of impact:

- Section V, paragraph 2.3.3(b) of the BSC will need to be changed so as to allow the BMRA to publish Indicative Data up to 45 minutes after the end of the relevant Settlement Period as originally agreed when P18 Option A was authorised; and
- If a change to Section V is not implemented by 27 March 2002 then the BMRA will be inconsistent with the BSC as it will not be able to display the Energy Imbalance Prices on the BMRS within the required timescale.

Any consideration of the appropriateness of this delay is outside the scope of this Modification Proposal and is being progressed by Modification Proposal P38.

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd. on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

3 PURPOSE AND SCOPE OF THE REPORT

Section F of the BSC sets out the procedures for progressing proposals to amend the BSC (known as 'Modification Proposals'). These include procedures for proposing, consulting on, developing, evaluating and reporting to the Authority on potential modifications.

The BSC Panel is charged with supervising and implementing the modification procedures. ELEXON provides the secretariat and other advice, support and resource required by the Panel for this purpose. In addition, if a modification to the Code is approved or directed by the Authority, ELEXON is responsible for overseeing the implementation of that amendment (including any consequential changes to systems, procedures and documentation).

When a new proposal to modify the BSC is made, it is the responsibility of the Panel to determine how it should be progressed. Options include submitting the proposal to a Definition Procedure¹, submitting it to an Assessment Procedure², amalgamating the proposal with another proposal³, or proceeding directly to the Report Phase⁴. With a view to assisting the Panel in taking this decision, ELEXON prepares this initial written assessment of the implications of the Modification Proposal as soon as reasonably practicable after the proposal is made⁵. ELEXON endeavours to complete this initial assessment such that it can be reviewed by the Panel at the Panel meeting at which the relevant Modification Proposal is first to be considered.

This initial assessment provides a preliminary view on the following:

- the potential impact of the proposed modification on BSC Systems and processes;
- the potential impact of the proposed modification on other systems and processes used by Parties;
- the potential impact of the proposed modification on the BSC, Code Subsidiary Documents and Core Industry Documents;
- the potential impact of the proposed modification on ELEXON;
- the potential impact of the proposed modification on BSC financial arrangements & budget;
- the potential impact of the proposed modification on BSC Agent contractual arrangements;
- The process and timetable that should be adopted for the progression of the Modification Proposal, in light of its complexity, importance and urgency; and
- Issues that will need to be considered and addressed in progressing the Modification Proposal (including the potential need for impact assessments, consultation and analyses).

It should be noted that, as this document only represents a preliminary assessment of the Modification Proposal, the information contained herein will, in most cases, be superseded by the subsequent analysis and reports produced by the Modification Group to which the Panel assigns the proposal for consideration.

¹ see BSC F2.5

² see BSC F2.6

³ see BSC F2.3

⁴ see BSC F2.7

⁵ see BSC F2.1.8

4 DETAILS OF THE MODIFICATION PROPOSAL

A copy of the Modification Proposal form, as submitted by its Proposer, can be found at Annex 1 to this report.

5 IMPACT ON BSC SYSTEMS AND PROCESSES

BSC System / Process	Potential Impact of Proposed Modification
Registration	No impact
Contract Notification	No impact
Credit Checking	No impact
Balancing Mechanism Activities	No impact
Collection and Aggregation of Metered Data	No impact
Supplier Volume Allocation	No impact
Settlement	No impact
Clearing, Invoicing and Payment	No impact
Reporting	No impact
Dispute Resolution	No impact

6 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

System / Process	Potential Impact of Proposed Modification
SO and Party Systems	No impact

7 IMPACT ON DOCUMENTATION

7.1 Impact on Balancing and Settlement Code

BSC Section	Potential Impact of Proposed Modification
A: Parties and Participation	No impact
B: The Panel	No impact
C: BSCCo and its Subsidiaries	No impact
D: BSC Cost Recovery and Participation Charges	No impact
E: BSC Agents	No impact
F: Modification Procedures	No impact
G: Contingencies	No impact
H: General	No impact
I: Not Used	No impact
J: Party Agents	No impact
K: Classification and Registration of Metering Systems and BM Units	No impact
L: Metering	No impact
M: Credit Cover and Credit Default	No impact
N: Clearing, Invoicing and Payment	No impact
O: Communications	No impact

BSC Section	Potential Impact of Proposed Modification
P: Energy Contract Volumes and Metered Volume Reallocations	No impact
Q: Balancing Mechanism Activities	No impact
R: Collection and Aggregation of Metered Data from CVA Metering Systems	No impact
S: Supplier Volume Allocation	No impact
S: ANNEX S-1 Performance Levels and Supplier Charges	No impact
S: ANNEX S-2 Supplier Volume Allocation Rules	No impact
T: Settlement and Trading Charges	No impact
U: Provisions Relating to Settlement	No impact
V: Reporting	Section V, paragraph 2.3.3(b) will have to be changed so that the time limit for the BMRA to make available Indicative Data on the BMRS is increased from 15 minutes to 45 minutes.
W: Trading Queries and Trading Disputes	No impact
X: Definitions and Interpretation	No impact
X: ANNEX X-1 General Glossary	No impact
X: ANNEX X-2 Technical Glossary	No impact

7.2 Impact on Code Subsidiary Documents

Code Subsidiary Document	Potential Impact of Proposed Modification
BSC Procedures	No impact
Codes of Practice	No impact
BSC Service Descriptions	No impact
Party Service Lines	No impact
Data Catalogues	No impact
Communication Requirements Documents	No impact
Reporting Catalogue	No impact

7.3 Impact on Core Industry Documents

Core Industry Document	Potential Impact of Proposed Modification
Grid Code	No impact
MCUSA	No impact
Supplemental Agreements	No impact
Ancillary Services Agreements	No impact
Master Registration Agreement	No impact
Data Transfer Services Agreement	No impact
British Grid Systems Agreement	No impact
Use of Interconnector Agreement	No impact
Pooling and Settlement Agreement	No impact
Settlement Agreement for Scotland	No impact
Distribution Codes	No impact
Distribution Use of System Agreements	No impact
Distribution Connection Agreements	No impact

8 IMPACT ON OTHER CONFIGURABLE ITEMS

Item	Potential Impact of Proposed Modification
None	

9 IMPACT ON ELEXON

Area of Business	Potential Impact of Proposed Modification
ELEXON Systems	No impact
ELEXON Procedures	No impact
ELEXON Contracts (Excluding BSC Agent Contracts)	No impact
Other (e.g. costs, staffing, etc.)	No impact

10 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

The financial impact of this modification has not been identified at this stage.

11 IMPACT BSC AGENT CONTRACTUAL ARRANGEMENTS

BSC Agent Contract	Potential Impact of Proposed Modification
Logica Consortium (BMRA, CRA, CDCA, SAA, ECVAA, TAA(CVA))	No impact
EPFAL (FAA)	No impact
ESIS (TAA(SVA))	No impact
Cap Gemini (SVAA)	No impact
PwC (BSC Auditor, Certification Agent)	No impact
EASL (Teleswitch Agent, Profile Administrator)	No impact

12 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

- ELEXON recommends that this Modification Proposal is progressed through the Report Phase.

It is proposed that the Modification Report will be provided to the Panel meeting on 13 December 2001.

12.1 Outline Timetable

The recommendation to provide the Modification Report to the 13 December 2001 meeting of the BSC Panel is based on the following outline timetable. (This timetable has been prepared for planning purposes only. Meeting dates and other details are subject to confirmation by the Modification Group members).

20 November 2001	ELEXON issue draft Modification Report for consultation.
04 December 2001	Deadline for consultation responses.
07 December 2001	Modification Report issued to Panel.

12.2 Impact Assessment Costs

Progressing the Modification Proposal will not require any meetings of a Modification Group or the commissioning of impact assessments from Parties. It is believed to be of low complexity and a budget of £10K should be established to enable progress of the Modification Proposal through the Report Phase.

12.3 Modification Group Terms of Reference

- i) As there is no need for a Modification Group to consider the Modification Proposal, there is no need for terms of reference to be established.

13 ISSUES

The Modification Proposal raises the following issues:

- Section V, paragraph 2.3.3(b), of the BSC needs to be changed so as to allow the BMRA to publish Indicative Data up to 45 minutes after the end of the relevant Settlement Period; If a change to Section V, paragraph 2.3.3(b), of the BSC is not implemented by 27 March 2002 then the BMRA will be inconsistent with the BSC as it will not be able to display the energy imbalance Prices on the BMRS within the required timescale.

ANNEX 1 – MODIFICATION PROPOSAL – P49

Modification Proposal	MP No: P49 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Timing Of Publication Of Indicative P18 Option A Prices On The B.M.R.S	
Submission Date <i>(mandatory by proposer):</i> 31 October 2001	
Description of Proposed Modification <i>(mandatory by proposer):</i> This proposal seeks to address an anomaly within the Authorised P18A Legal Drafting. It seeks to formally record the delay to the publication of prices on the Balancing Mechanism Reporting Service (BMRS) by an additional 30 minutes to reflect the maximum length of time of the Continuous Acceptance Duration Parameter (CADL).	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> On 22 August 2001, the Authority agreed the implementation of Modification Proposal P18 Option A (P18A) with a legal effective date of 25 September 2001. During the discussions at their meeting of 12 July 2001, the Panel recognised the definition of Continuous Acceptance Duration Limit within the P18A Modification introduced a delay to the calculation of Indicative Imbalance System Prices and their subsequent publication on the BMRS. Whilst the legal drafting of the P18A Modification reflected the relevant definition of the CADL parameter an inconsistency arose during the drafting procedure. The legal text submitted to the Authority on behalf of the Panel omitted a change required to the defined timescales for reporting information relating to a Settlement Period, as defined in Section V 2.3.3 of the BSC.	
Impact on Code <i>(optional by proposer):</i> A change to Section V Paragraph 2.3.3 to reflect the delay introduced to the publication of Indicative System Prices as published on the BMRS. This Modification would seek to alter the current requirement to publish Indicative Prices within "15 minutes" of the end of the Settlement Period to add a delay of up to the maximum CADL value. Currently this additional delay would amount to 30 minutes.	
Impact on Core Industry Documents <i>(optional by proposer):</i>	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i>	
Impact on other Configurable Items <i>(optional by proposer):</i>	

Modification Proposal	MP No: P49 <i>(mandatory by BSCCo)</i>
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i> <p>This proposal brings seeks to correct an omission within the BSC drafting for P18A and to bring it into line with the stated definition of Continuous Acceptance Duration Limit. This modification seeks to address the following Applicable BSC Objective:</p> <p>(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.</p>	
Details of Proposer: <p style="padding-left: 40px;">Name: BSC Panel Organisation: BSC Panel Telephone Number: Not applicable Email Address: Not applicable</p>	
Details of Proposer's Representative: <p style="padding-left: 40px;">Name: Richard Clarke Organisation: ELEXON Telephone Number: 020 7380 4304 Email Address: richard.clarke@elexon.co.uk</p>	
Details of Representative's Alternate: <p style="padding-left: 40px;">Name: Gwilym Rowlands Organisation: ELEXON Telephone Number: 020 7380 4373 Email Address: gwilym.rowlands@elexon.co.uk</p>	
Attachments: NO If Yes, Title and No. of Pages of Each Attachment:	