

February 2002

**MODIFICATION REPORT**  
**MODIFICATION PROPOSAL P48-**  
**Half Hourly Receipt and Publication**  
**of BSAD**

Prepared by ELEXON on behalf of the Balancing  
and Settlement Code Panel

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### b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	Energywatch
Core Industry Document Owners	Various

### c Related Documentation

Reference	Document
Reference 1	Assessment Report for Modification Proposal P48 'Half Hourly Receipt and Publication of BSAD' (009MMU Version 1.0 issued on 14 February 2002)
Reference 2	Initial Written Assessment for Modification Proposal P48 'Half Hourly Receipt and Publication of BSAD' (IWA048 Version 1.0 issued on 15 November 2001)

Copies of these documents can be obtained from the ELEXON website at [www.elexon.co.uk](http://www.elexon.co.uk)

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## 1 SUMMARY AND RECOMMENDATIONS

### 1.1 Recommendation

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Assessment Phase and the resultant findings of this report, the BSC Panel recommends:

**That the Proposed Modification, as set out in Section 6 of this Modification Report, be approved with an implementation date of [1 April 2002].**

It should be noted that the software implementation of Modification Proposal P48 will be achieved as part of the BSC Systems Release 2 implementation of Modification P8. The first phase, to be achieved by 1 April 2002, will allow the half hourly receipt of Balancing Services Adjustment Data (BSAD) and the use of this data in the calculation of Indicative Energy Imbalance Prices. The second phase, scheduled for August 2002, will report the BSAD used within this calculation on the Balancing Mechanism Reporting Service (BMRS).

### 1.2 Background

Modification Proposal P48 was raised by NGC on 1 November 2001 and proposes that BSAD be sent to the BMRA on a half hourly basis. The Proposal also suggests that this data be published on the BMRS. The half hourly receipt and publication of BSAD by the BMRA is intended to be in addition to existing obligations within Section Q of the BSC for the Transmission Company to send BSAD to the BMRA at the day-ahead and day-after stages. The Transmission Company is currently working on the necessary changes to send half hourly BSAD to the BMRA by 1 April 2002. The necessary software changes to the BSC Central Systems will be put in place as part of the P8 Enduring Solution within Central Systems.

The Panel considered the Initial Written Assessment for Modification Proposal P48 (Reference 2) at the meeting of 15 November 2001 and agreed to submit the Modification Proposal to a three month Assessment procedure to be undertaken by the Pricing Issues Modification Group (PIMG).

The PIMG considered Modification Proposal P48 during two meetings on 21 November 2001 and 8 January 2002. The Assessment Report for Modification Proposal P48 (Reference 1) was submitted for consideration at the Panel meeting of 14 February 2002. The Panel agreed with the determinations of the PIMG and decided to submit Modification Proposal P48 to the Report Phase, with a recommendation that the proposed Modification be approved with an implementation date of [1 April 2002].

### 1.3 Rationale for Recommendations

The Panel noted that both the PIMG and all of the assessment consultation responses supported the Modification Proposal, and that the PIMG believed Modification Proposal P48 would better facilitate the achievement of Applicable BSC Objectives.

The Panel agreed with the PIMG determination that Modification Proposal P48 would improve pricing signals given to participants in the market and aid transparency by providing, as near real time as possible, a view of the latest forward actions taken by the

Transmission Company for any Settlement Period. This modification, when fully implemented within BSC Central Systems, would also assist the aim of providing a single source (website) of information about the market.

On this basis, the Panel supported the PIMG assertion that Modification Proposal P48 better facilitates achievement of Applicable BSC Objectives 3(c) and 3(d), as follows:

- (c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity;
- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

## 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.

This Modification Report is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') and none of the facts, opinions or statements contained herein may be relied upon by any other person.

An electronic copy of this document can be found on the BSC website, at [www.elexon.co.uk](http://www.elexon.co.uk)

## 3 PURPOSE AND SCOPE OF THE REPORT

BSC Section F 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. This report has been drafted in accordance with the obligations set out in Section F of the Code.

## 4 HISTORY OF PROPOSED MODIFICATION

Modification Proposal P48 was raised by NGC on 1 November 2001. Modification Proposal P48 proposes that BSAD be sent to the BMRA on a half hourly basis. The Proposal also suggests that this data be published on the BMRS. This half hourly receipt and publication of BSAD by the BMRA is in addition to existing obligations within Section Q of the BSC for the Transmission Company to send BSAD to the BMRA at the day-ahead and day-after stages. The Transmission Company is currently working on the necessary changes to send half hourly BSAD to the BMRA by 1 April 2002. The necessary software changes to the BSC Central Systems will be put in place as part of the P8 Enduring Solution within Central Systems. As noted in Section 1, the ability to receive half hourly BSAD and to use it in calculating Indicative Energy Imbalance Prices will be available within the March 2002 software release. The publication of this BSAD on the BMRS will be available from August 2002<sup>1</sup>.

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<sup>1</sup> Prior to the full software implementation of Modification P8, BSAD will continue to be displayed, as now, on the NGC website.

The Panel considered the Initial Written Assessment for Modification Proposal P48 (Reference 2) at the meeting of 15 November 2001 and agreed to submit the Modification Proposal to a three month Assessment procedure to be undertaken by the PIMG.

The PIMG considered Modification Proposal P48 during two meetings on 21 November 2001 and 8 January 2002. For reasons of efficiency, both of these meetings were combined with a meeting of the PIMG for other modifications. A consultation was issued to industry on 11 January 2002. Responses from the consultation were circulated to the PIMG for consideration and comment.

The PIMG felt that the improved accuracy of Indicative Energy Imbalance Prices available to BSC Parties and the half hourly publication of BSAD would promote effective competition in the generation and supply of electricity by improving the pricing signals given to participants in the market. The Group also felt that Modification Proposal P48 would promote efficiency in the administration of the balancing and settlement arrangements as it would aid transparency by providing, as near real time as possible, a view of the latest forward actions taken by the Transmission Company for any Settlement Period.

The Assessment Report for Modification Proposal P48 (Reference 1) was submitted for consideration at the Panel meeting of 14 February 2002.

The Panel noted that both the PIMG and all of the assessment consultation responses supported the Modification Proposal, and that the PIMG believed Modification Proposal P48 would better facilitate the achievement of Applicable BSC Objectives.

The Panel agreed with the PIMG determination that Modification Proposal P48 will improve pricing signals given to participants in the market and aid transparency by providing, as near real time as possible, a view of the latest forward actions taken by the Transmission Company for any Settlement Period. This modification, when fully implemented within BSC Central Systems, would also assist the aim of providing a single source of information (website) about the market.

On this basis, the Panel supported the PIMG assertion that Modification Proposal P48 better facilitates achievement of the Applicable BSC Objectives 3(c) and 3(d), as follows:

- (c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity;
- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements. The Panel agreed with the recommendations of the PIMG and agreed to submit Modification Proposal P48 to the Report Phase, with a recommendation that the proposed Modification be approved with an implementation date of [1 April 2002].

## **5 DESCRIPTION OF PROPOSED MODIFICATION**

Modification Proposal P48 proposes that BSAD be sent to the BMRA on a half hourly basis. The Proposal also suggests that this data be published on the BMRS. The half hourly receipt and publication of BSAD by the BMRA is intended to be in addition to existing obligations within Section Q of the BSC for the Transmission Company to send BSAD to the BMRA at the day-ahead and day-after stages.

## 6 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION

### 6.1 Conformed Version

#### Section Q 'Balancing Mechanism Activities'

Q6.3.1 subject to paragraph 6.3.4, to the BMRA:

(i) (in relation to all such Settlement Periods) not later than 17:00 hours on the preceding day, and

(ii) (in relation to each such Settlement Period) as soon as reasonably practicable after Gate Closure for, and in any event not later than end of, such Settlement Period the Transmission Company's estimate (at the relevant time of sending) of Balancing Services Adjustment Data as described in paragraph 6.3.2;

#### Section V 'Balancing Mechanism Activities'

V2.6.3 (b) Indicative Balancing Services Adjustment Data are the data submitted by the Transmission Company to the BMRA pursuant to Section Q6.3.1(a) in respect of each Settlement Period in ~~the next succeeding a~~ Settlement Day.

### 6.2 Clean Version

#### Section Q 'Balancing Mechanism Activities'

Q6.3.1 (a) subject to paragraph 6.3.4, to the BMRA:

(i) (in relation to all such Settlement Periods) not later than 17:00 hours on the preceding day, and

(ii) (in relation to each such Settlement Period) as soon as reasonably practicable after Gate Closure for, and in any event not later than end of, such Settlement Period the Transmission Company's estimate (at the relevant time of sending) of Balancing Services Adjustment Data as described in paragraph 6.3.2;

#### Section V 'Balancing Mechanism Activities'

V2.6.3 (b) Indicative Balancing Services Adjustment Data are the data submitted by the Transmission Company to the BMRA pursuant to Section Q6.3.1(a) in respect of each Settlement Period in a Settlement Day.

## **7 ASSESSMENT**

The implementation of Modification Proposal P48 has the following impacts:

- The Balancing and Settlement Code, Sections Q6.3.1 and V2.6.3; and
- Transmission Company systems and processes.

The only impact on Core Industry Documents identified is to the BSAD Methodology Statement, which is being progressed by the Transmission Company. It is anticipated that these changes will be in place by 1 April 2002.

## **8 SUMMARY OF REPRESENTATIONS**

To be completed following draft Modification Report consultation.

## **ANNEX 1 – REPRESENTATIONS**

To be completed following draft Modification Report consultation.