

November 2001

**INITIAL WRITTEN ASSESSMENT OF
MODIFICATION PROPOSAL P048**

**Half Hourly Receipt And
Publication of BSAD Data**

Prepared By ELEXON Limited

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a Distribution

Name	Organisation
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	BSC Parties
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	National Electricity Consumers Council
	Core Industry Document Owners
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1 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

2 EXECUTIVE SUMMARY

An initial assessment of Modification Proposal P048 has identified the following potential areas of impact:

- Changes would be required to Section Q of the Balancing and Settlement Code;
- Changes would be required to BMRA processes and to relevant documentation. Furthermore, changes could potentially be required to BMRA Systems. The nature and scope of these changes depend substantially on the implementation of Modification P008 (as part of the System Release 2 Project.)

This assessment has also identified significant issues regarding the impact of P048 on the System Release 2 Project. The Assessment Procedure will investigate and report on these issues.

It is recommended that this proposal be progressed directly to the Assessment Phase, pursuant to Section F2.6 of the BSC. It is considered that the best approach would be for the existing Pricing Issues Modification Group (PIMG) to take the modification through the Assessment Procedure and gain a better understanding of the modification proposal, in particular:

- the examination of the Modification Proposal; and
- consideration of the issues raised in the Initial Assessment.

It is recommended that the Assessment Period be set at three months. The Modification Group should be requested to complete and submit the Assessment Report to the Panel in time for the meeting on 14 February 2002.

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 and 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

4.1 Background

The BSC currently states that Balancing Services Adjustment Data (BSAD) will be sent to the BMRA by the Transmission Company not later than 17:00 hours at the day-ahead stage, with a post-event update on the day next following the relevant Settlement Day (Section Q6.3.1 of the BSC). This means that any pre-Gate Closure actions undertaken by the Transmission Company after 17:00 at the day-ahead stage, which possibly have an impact on BSAD values, will not be included in the calculation of the Indicative System Buy Price and the Indicative System Sell Price. The outcome of such actions is currently processed via a post-event update and does not feed into the calculations until the Interim Information (II) Run.

BSAD data is currently being published on the Transmission Company web site at the day-ahead stage. However, this appears to take place outside the jurisdiction of the BSC. According to section Q6.3.4(b) of the BSC, it is BSCCo's responsibility to ensure that BSAD data is displayed on the BSC website. No definite time-scale is formally specified in the BSC for publishing such data.

Furthermore, it has been noted that some of the systems and procedures already being developed in the context of modification P008 coincide, at least in kind, with systems and procedures that would be required to support Modification Proposal P048. Consequently, it would be relevant to ascertain whether these P008 systems and procedures, currently subsumed under the System Release 2 Project, will meet proper standards and be robust enough to cope with the more dynamic flow of BSAD data envisioned by Modification Proposal P048.

4.2 Modification Proposal P048

Modification P048 proposes that a half-hourly update to the BSAD data be sent by the Transmission Company to the BMRA as soon as possible after Gate Closure. It is the Proposer's intent that the Transmission Company will continue submitting BSAD data at the day-ahead stage, in addition to the proposed half-hourly updates.

Modification P048 is introduced with two immediate aims:

- (1) To allow the most up-to-date Balancing Services Adjustment Data (BSAD) to be published on the BMRS; and
- (2) To allow accurate calculation and prompt reporting of the Indicative System Buy Price and the Indicative System Sell Price.

These aims seek to further the following BSC objectives:

- 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;
- Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

Apropos the first aim, it is the Proposer's view that a move to half-hourly submission of BSAD data at Gate Closure should be accompanied by the data being published on the BMRS, instead of on the

Transmission Company web site. BSC Section 6.3.4 explicitly recognises the eventual desirability of displaying BSAD data on the BMRS. Furthermore, the capability to publish BSAD data is already being developed by the BMRA in the context of implementing Modification P008. Since Section Q6.3.4(b) of the Code formally states that the BSCCo will ensure that such data is displayed on the BSC web site, it is understood that the Proposer's view applies to the BSC web site as well as the Transmission Company web site.

The second aim is more substantial and may significantly improve the accuracy of indicative system price information available to BSC Parties if and when Transmission Company actions after 17:00 at the day-ahead stage happen to entail significant changes to BSAD data.

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

5 IMPACT ON BSC SYSTEMS AND PROCESSES

BSC System / Process	Potential Impact of Proposed Modification
Registration	No impact identified at this time
Contract Notification	No impact identified at this time
Credit Checking	No impact identified at this time
Balancing Mechanism Activities	No impact identified at this time
Collection and Aggregation of Metered Data	No impact identified at this time
Supplier Volume Allocation	No impact identified at this time
Settlement	No impact identified at this time
Clearing, Invoicing and Payment	No impact identified at this time
Reporting	Changes to the frequency of BSAD data flows from the Transmission Company to the BMRA. Currently BSAD data is published prior to 17:00 at the day-ahead stage. P048 proposes that an update be sent for each Settlement Period as soon as possible after Gate Closure, so that up-to-date BSAD data can be displayed on the BMRS and included in the calculation of indicative system prices.
Dispute Resolution	No impact identified at this time

6 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

System / Process	Potential Impact of Proposed Modification
<p>Central systems and SO</p>	<p>Changes to BMRA processes may be required. Any process that uses BSAD data may be subject to change although no substantial System changes are anticipated. Design documentation, including the SPICE document, may need revision.</p> <p>The impact of P048 could be minimised by a robust implementation of P008, in particular by the implementation of a robust automated interface for BSAD data flows. Section 5.1 of the Design Specification for P008 states: "The proposed changes will formalise the data transfer format between SO and the Central Services, allow the new data items to be included and the import into the Central Systems to be automated."</p>
<p>Party Systems</p>	<p>No impact identified at this time</p>

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

BSC Section	Potential Impact of Proposed Modification
P: Energy Contract Volumes and Metered Volume Reallocations	No impact identified at this time
Q: Balancing Mechanism Activities	Revision will be required to section Q6.3 of the BSC (paragraphs Q6.3.1 and Q6.3.4)
R: Collection and Aggregation of Metered Data from CVA Metering Systems	No impact identified at this time
S: Supplier Volume Allocation	No impact identified at this time
S: ANNEX S-1 Performance Levels and Supplier Charges	No impact identified at this time
S: ANNEX S-2 Supplier Volume Allocation Rules	No impact identified at this time
T: Settlement and Trading Charges	No impact identified at this time
U: Provisions Relating to Settlement	No impact identified at this time
V: Reporting	No impact identified at this time
W: Trading Queries and Trading Disputes	No impact identified at this time
X: Definitions and Interpretation	No impact identified at this time
X: ANNEX X-1 General Glossary	No impact identified at this time
X: ANNEX X-2 Technical Glossary	No impact identified at this time

7.2 Impact on Code Subsidiary Documents

Code Subsidiary Document	Potential Impact of Proposed Modification
BSC Procedures	No impact identified at this time
Codes of Practice	No impact identified at this time
BSC Service Descriptions	Impact on the BSC Service Description for the BMRA
Party Service Lines	No impact identified at this time
Data Catalogues	Changes to the NETA Data File Catalogue(NDFC) ¹
Communication Requirements Documents	No impact identified at this time
Reporting Catalogue	Possible changes to the Reporting Catalogue in relation to the BMRA

¹ This will have a knock-on effect on other documents such as the Logica IDD.

7.3 Impact on Core Industry Documents

Core Industry Document	Potential Impact of Proposed Modification
Grid Code	There may be an impact on the Grid Code. The Grid Code itself will not change; however, the modification may require a revision to the BSAD Methodology Statement, produced in accordance with Condition 7B of the Transmission Licence.
MCUSA	No impact identified at this time
Supplemental Agreements	No impact identified at this time
Ancillary Services Agreements	No impact identified at this time
Master Registration Agreement	No impact identified at this time
Data Transfer Services Agreement	No impact identified at this time
British Grid Systems Agreement	No impact identified at this time
Use of Interconnector Agreement	No impact identified at this time
Pooling and Settlement Agreement	No impact identified at this time
Settlement Agreement for Scotland	No impact identified at this time
Distribution Codes	No impact identified at this time
Distribution Use of System Agreements	No impact identified at this time
Distribution Connection Agreements	No impact identified at this time

8 IMPACT ON OTHER CONFIGURABLE ITEMS

Item	Potential Impact of Proposed Modification
GTMA contract format	No impact identified at this time
BMRA URS	Revision may be required to the BMRA URS.
SAA URS	No impact identified at this time

9 IMPACT ON ELEXON

Area of Business	Potential Impact of Proposed Modification
ELEXON Systems	Changes may be required to systems and processes which use BSAD data (e.g., TOMAS). However, in the given time-scales, this is not a risk for the P18A Interim Solution. Many of the issues related to P048 will need to be resolved as part of the implementation of P008 regardless of the outcome of P048.
ELEXON Procedures	No impact identified at this time
ELEXON Contracts (Excluding BSC Agent Contracts)	No impact identified at this time
Other (e.g. costs, staffing, etc.)	No impact identified at this time

10 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

A detailed analysis of the financial implications of P048 has not been conducted at this stage. However two points seem worth noting:

- Many of the systems and processes that will be required to support P0048 coincide, at least in kind, with the systems and processes being developed to implement P008.
- A recommendation by the Modifications Group to implement P048 may entail delays to the System Release 2 Project.

11 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

BSC Agent Contract	Potential Impact of Proposed Modification
Logica (BMRA, CRA, CDCA, SAA, ECVAA, TAA(CVA))	There will be changes to the BMRA contract, in order to formalise half-hourly receipt and publication of BSAD data.
EPFAL (FAA)	No impact identified at this time
ESIS (TAA(SVA))	No impact identified at this time
Cap Gemini (SVAA)	No impact identified at this time
PwC (BSC Auditor, Certification Agent)	No impact identified at this time
EASL (Teleswitch Agent, Profile Administrator)	No impact identified at this time

12 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

ELEXON recommends that this Modification Proposal be progressed through the Assessment Phase, pursuant to Section F2.6 of the BSC. Assessment is recommended whilst recognising the potential impact of these changes on the System Release 2 Project and on the BMRA. It is considered that the best approach would be for the existing Pricing Issues Modification Group (PIMG) to take the modification through the Assessment Procedure. It is proposed that the Modification Group's terms of reference include:

- the examination of the Modification Proposal, and
- consideration of the issues raised in the initial assessment.

It is proposed that the Assessment Report will be provided to the Panel meeting on 14 February 2002.

12.1 Outline Timetable

The recommendation to provide the Assessment Report at the 14 February 2002 meeting of the 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.)

22 November 2001	Modification Group meets to discuss content of consultation and assessment.
30 November 2001	ELEXON sends draft consultation paper and requirements specification to Modification Group members for comment.
7 December 2001	ELEXON issues consultation paper and requirements specification for consultation and assessment.
21 December 2001	Deadline for consultation and assessment responses.
9 January 2002	Modification Group meets to discuss responses, and content of Assessment Report.
21 January 2002	ELEXON sends draft Assessment Report to Modification Group members for comment.
1 February 2002	Assessment Report finalised.
8 February 2002	Assessment Report issued to Panel.

12.2 Impact Assessment Costs

Progression of the Modification Proposal will require at least two meeting of the Modification Group and the commissioning of impact assessments. It is believed to be of medium complexity and a budget of £40K should be established to enable its progress through the impact assessment stage.

13 ISSUES

The following issues need to be considered in progressing this Modification Proposal:

- It must be ascertained whether the systems and procedures which are currently being developed for P008 as part of the System Release 2 Project will meet proper standards and be robust enough to cope with the more dynamic flow of BSAD data envisioned by Modification Proposal P048.
- It must be ascertained whether a decision to implement P048 would entail delays for either phase of the System Release 2 Project.

ANNEX 1 – MODIFICATION PROPOSAL

Modification Proposal	MP No: 48 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Half Hourly Receipt And Publication Of BSAD Data	
Submission Date <i>(mandatory by proposer):</i> 01 November 2001	
Description of Proposed Modification <i>(mandatory by proposer):</i> <p>The BSC currently states that the Balancing Services Adjustment Data (BSAD) shall be sent to the BMRA by the Transmission Company not later than 17:00 hours at the day-ahead stage (section Q6.3.1), with a post-event update.</p> <p>This modification proposes that an update to the BSAD data be sent by the Transmission Company as soon as possible after Gate Closure to allow the most up to date data to be published on the BMRS, and included in the calculation of the Indicative System Buy Price and Indicative System Sell Price.</p> <p>Note that BSAD data is currently published on the National Grid website at the day ahead stage. It is National Grid's view that a move to half hourly submission of BSAD at gate closure should be accompanied by the data being published on the BMRS.</p> <p>National Grid expects to be in a position to provide this half hourly update of BSAD data by 1 April 2002.</p>	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> <p>Currently the BSAD data is sent by the Transmission Company to the BMRA not later than 17:00 hours at the day ahead stage (Q6.3.1). This means that any pre-gate closure actions undertaken by the Transmission Company after 17:00 at the day ahead stage which have an impact on BSAD will not be included in the calculation of the Indicative System Buy Price and Indicative System Sell Price. The outcome of these actions is currently included via a post-event submission of BSAD, and so does not feed into the calculation of System Sell Price and System Buy Price until the Interim Information Run.</p> <p>This modification will ensure that the most up to date BSAD data is published on the BMRS and included in the calculation of the Indicative System Buy Price and Indicative System Sell Price.</p>	
Impact on Code <i>(optional by proposer):</i> <p>Revision will be required to section Q6.3.1 and Q6.3.4 of the code.</p> <p>Q6.3.1 should be amended to state that in respect of each Settlement Period the Transmission Company shall send an estimate of the BSAD data to the BMRA as soon as possible after Gate Closure</p> <p>Q6.3.4 should be removed</p>	

Modification Proposal	MP No: 48 <i>(mandatory by BSCCo)</i>
Impact on Core Industry Documents <i>(optional by proposer):</i> None identified	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i> This modification proposal will require changes to the BMRA	
Impact on other Configurable Items <i>(optional by proposer):</i>	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i> The modification will better meet the following Applicable BSC Objectives: (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. This modification proposal will better meet these two objectives by ensuring that the most up to date information is made available to BSC Parties via publication on the BMRS, and ensure that this information is reflected in the calculation of Indicative System Buy Price and Indicative System Sell Price.	
Details of Proposer: Name: John Greasley Organisation: National Grid Telephone Number: 02476 423190 Email Address: john.greasley@uk.ngrid.com	
Details of Proposer's Representative: Name: John Greasley Organisation: National Grid Telephone Number: 02476 423190 Email Address: john.greasley@uk.ngrid.com	

Modification Proposal	MP No: 48 <i>(mandatory by BSCCo)</i>
Details of Representative's Alternate: Name: Heather Goodwin Organisation: National Grid Telephone Number: 02476 423122 Email Address: heather.goodwin@uk.ngrid.com	
Attachments: If Yes, Title and No. of Pages of Each Attachment:	

