

November 2001

**INITIAL ASSESSMENT OF
MODIFICATION PROPOSAL P47 -
Termination Process for ECVNA and
MVRNA Authorisations**

Prepared by ELEXON Limited

Document Reference	IWA047
Version no.	1.0
Issue	FINAL
Date of Issue	15 November 2001
Reason for Issue	Issue for Panel Decision
Author	ELEXON

I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	31/10/01	Mandi Francis		
0.2	06/11/01	Mandi Francis		
1.0	09/11/01	Mandi Francis		

Version	Date	Reviewer	Signature	Responsibility
0.1	01/11/01	Ann McNaughton		Trading Development
0.1	01/11/01	Clive Cushen		Design Authority
0.1	01/11/01	Kris Clapham		Legal
0.1	01/11/01	Modifications		Modifications
0.2	07/11/01	Chris Rowell		Trading Strategy
1.0	09/11/01	Chris Rowell		Trading Strategy

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 Intellectual Property Rights and Copyright

This document contains materials the copyright and other intellectual property rights in which are vested in ELEXON Limited or which appear with the consent of the copyright owner. These materials are made available for you to review and to copy for the purposes of the establishment, operation or participation in electricity trading arrangements in Great Britain under the BSC. All other commercial use is prohibited. Unless you are a person having an interest in electricity trading in Great Britain under the BSC you are not permitted to view, download, modify, copy, distribute, transmit, store, reproduce or otherwise use, publish, licence, transfer, sell or create derivative works (in whatever format) from this document or any information obtained from this document otherwise than for personal academic or other non-commercial purposes. All copyright and other proprietary notices contained in the original material must be retained on any copy that you make. All other rights of the copyright owner not expressly dealt with above are reserved.

II CONTENTS TABLE

I	Document Control	2
a	Authorities	2
b	Distribution	2
c	Intellectual Property Rights and Copyright.....	2
II	Contents Table	3
1	Summary	4
2	Introduction	5
3	Purpose and Scope of the Report	6
4	Description of the Modification Proposal	7
5	Impact on BSC Systems and Processes	8
6	Impact on Other Systems and Processes Used by Parties	9
7	Impact on Documentation	10
7.1	Impact on Balancing and Settlement Code	10
7.2	Impact on Code Subsidiary Documents	13
7.3	Impact on Core Industry Documents.....	14
8	Impact on Other Configurable Items	15
9	Impact on ELEXON	16
10	Impact on Financial Arrangements and Budget	17
11	Impact on BSC Agent Contractual Arrangements	18
12	Process and Timetable for Progressing the Proposal	19
13	Issues	20
Annex 1 – Modification Proposal		21
Modification Proposal Attachment – Panel paper 27/010		24

1 SUMMARY

Modification Proposal P47 was submitted on 24th October 2001 and was raised under the provisions of the Balancing and Settlement Code (the Code), Section F 2.1.1 (d) (iv) which allows a Modification to be raised by the Panel, *"on the recommendation of BSCCo to rectify manifest errors in or to correct minor inconsistencies (or make other minor consequential changes) to the Code."*

The Modification Proposal seeks to address a minor inconsistency between the Code and the Energy Contract Volume Aggregation Agent (ECVAA) system functionality (and ECVAA documentation) and Code Subsidiary Documentation in the area of Metered Volume Reallocation Notification Agent (MVRNA) and Energy Contract Volume Notification Agent (ECVNA) Authorisation Termination Requests.

The interpretation of the relevant section (Section P 2.2.2 and 3.2.2) of the Code requires that ECVNA and MVRNA Authorisation Termination Requests become effective on receipt by the ECVAA. However, operationally the ECVAA requires 1 calendar day notice to ensure that the Notification Agents (ECVNAs and MVRNAs) Authorisations are terminated for complete Settlement Days. The one calendar day requirement of ECVAA is supported by the associated BSC Procedure (BSCP 71 'ECVNA and MVRNA Registration, Authorisation and Termination') and the ECVAA system documentation and ECVAA Service Description.

A minor amendment to the relevant Sections of the Code is required (Section P 2.2.2 and 3.2.2, described in Section 7.1 of this Initial Written Assessment) to align it with operational practicalities.

An initial assessment of Modification Proposal P47 has identified that the only potential area of impact is the minor textual amendment to the Code Section P 2.2.2 and 3.2.2.

It is therefore recommended that the Modification Proposal is progressed as follows:

- **Modification Proposal P47 should be submitted directly to the Report Phase in accordance with Section F 2.7 of the Code;**
- **The Panel APPROVE the Modification Proposal and recommend Approval to the Authority;**
- **The Panel AGREE an implementation date for the Modification Proposal of one week after Authority Decision; and**
- **The Modification Report for Modification Proposal P47 should be submitted to the BSC Panel for consideration at their meeting of 13 December 2001.**

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 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 DESCRIPTION OF THE MODIFICATION PROPOSAL

The Modification Proposal is seeking to remove a discrepancy between the interpretation of the Code and the operational implementation and representation in the Code Subsidiary Documents and Service Specifications (such as the User Requirements Specification).

The Modification Proposal was raised as a consequence of the Panel agreement to the recommendation (made in Panel Paper 27/010) that a Modification Proposal be raised to amend the Code, under the provisions of Section F 2.1.1 (d) (iv) which allows a Modification to be raised by the Panel, *"on the recommendation of BSCCo to rectify manifest errors in or to correct minor inconsistencies (or make other minor consequential changes) to the Code."*

The Panel Paper 27/010 'Minor Inconsistency in the Termination Process for ECVNA and MVRNA Authorisations' details the inconsistency between the Code and the Energy Contract Volume Aggregation Agent (ECVAA) system functionality and documentation, and Code Subsidiary documentation in the area of Metered Volume Reallocation Notification Agent (MVRNA) and Energy Contract Volume Notification Agent (ECVNA) Authorisation Termination Requests.

The Code, at Section P 'Energy Contract Volumes and Metered Volume Reallocations' 2.2.2 and 3.2.2 state, as follows, that the Authorisation Termination Requests for Energy Contract Volume Notification Agents (ECVNAs) and Metered Volume Reallocation Notification Agents (MVRNAs) are effective on receipt:

*"BSC Section P 2.2.2 An ECVNA Authorisation may be terminated by notice, given in accordance with BSCP 71, by either of the Relevant Contract Parties or the Energy Contract Volume Notification Agent to **(and effective when received by)** the Energy Contract Volume Aggregation Agent, which notice shall specify:"*

*"BSC Section P 3.2.2 A MVRNA Authorisation may be terminated by notice, given in accordance with BSCP 71, by any one of the Lead Party, Subsidiary Party or Metered Volume Reallocation Notification Agent to **(and effective when received by)** the Energy Contract Volume Aggregation Agent, which notice shall specify:"*

However, the associated BSC Procedure 71 'ECVNA and MVRNA Registration, Authorisation and Termination' and the ECVAA BSC Agent System and supporting documentation (including the ECVAA Service Description) provide for a 1 calendar day buffer on receipt of the Authorisation Termination request, to ensure that Notification Agents (ECVNAs and MVRNAs) are terminated for complete Settlement Days.

The Modification Proposal, via the attached Panel Paper 27/010, states that to amend the ECVAA system to accord with the Code interpretation, would cost between £40,000 and £60,000 and would require amendment to the ECVAA system documentation, and Code Subsidiary documentation (BSCP 71).

Therefore the amendment to the Code is the preferred option, as it is believed that the intent of the Code is to support the current operational status of the ECVAA system, and that this discrepancy therefore does not accord with the intent of the Code in this instance.

A copy of the Modification Proposal, 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 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	No Impact Identified at this time
Contingencies	No Impact Identified at this time
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
BSC Parties	No Impact Identified at this time
Transmission Company	No Impact Identified at this time

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: Contingencies	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	<p>Amendments to Section P should be made as follows:</p> <p><i>"BSC Section P 2.2.2 An ECVNA Authorisation may be terminated by notice, given in accordance with BSCP 71, by either of the Relevant Contract Parties or the Energy Contract Volume Notification Agent to (and effective when received by) the Energy Contract Volume Aggregation Agent, which notice shall specify:"</i></p> <p><i>"BSC Section P 3.2.2 A MVRNA Authorisation may be terminated by notice, given in accordance with BSCP 71, by any one of the Lead Party, Subsidiary Party or Metered Volume Reallocation Notification Agent to (and effective when received by) the Energy Contract Volume Aggregation Agent, which notice shall specify:"</i></p> <p>This represents the full extent of the impact of this Modification Proposal on the Code.</p>
Q: Balancing Mechanism Activities	No Impact Identified at this time
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

BSC Section	Potential Impact of Proposed Modification
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	No Impact Identified at this time
Party Service Lines	No Impact Identified at this time
Data Catalogues	No Impact Identified at this time
Communication Requirements Documents	No Impact Identified at this time
Reporting Catalogue	No Impact Identified at this time

7.3 Impact on Core Industry Documents

Core Industry Document	Potential Impact of Proposed Modification
Grid Code	No Impact Identified at this time
Connection Use of System Code (CUSC)	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
Energy Contract Volume Notification Agent User Requirements Specification (ECVAA URS)	No Impact Identified at this time

9 IMPACT ON ELEXON

Area of Business	Potential Impact of Proposed Modification
ELEXON Systems	No Impact Identified at this time
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

No Impact Identified at this time

11 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

BSC Agent Contract	Potential Impact of Proposed Modification
Logica (BMRA, CRA, CDCA, SAA, ECVAA, TAA(CVA))	No Impact Identified at this time
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

The Initial Assessment of this Modification Proposal indicates that no further work is required to define or assess the amendments required under the provisions of the Modification Proposal. ELEXON therefore recommends that this Modification Proposal P47 'Termination process for ECVNA and MVRNA Authorisations' be submitted directly to the Report Phase with a Panel recommendation to the Authority to Approve the Modification Proposal. The draft Modification Report, including consultation responses, should be presented to the Panel at their Meeting of 13 December 2001.

13 ISSUES

There should be no issues associated with this Modification Proposal. The Modification Proposal has been raised to address a discrepancy between the interpretation of the Code and operational procedure supported by Code Subsidiary documents. Therefore an amendment to the Code is required to support what Parties and BSC Agent systems (namely ECVAA) actually do, and therefore the impact should be limited to the Code changes indicated against the BSC Section P in Section 7.1 of this Initial Written Assessment.

This 'no impact, no issues' assertion is further supported by the Modification Proposal and the attached Panel Paper 27/010 'Minor Inconsistency in the Termination Process for ECVNA and MVRNA Authorisations'.

ANNEX 1 – MODIFICATION PROPOSAL

Modification Proposal – F76/01	<p>MP No: 47</p> <p><i>(mandatory by BSCCo)</i></p>
Title of Modification Proposal <i>(mandatory by originator)</i> : Termination Process for ECVNA and MVRNA Authorisations	
Submission Date <i>(mandatory by originator)</i> : 24 October 2001	
Description of Proposed Modification <i>(mandatory by originator)</i>	
<p>The Code states that the termination is effective when given in accordance with BSCP71 and received by the Energy Contract Volume Allocation Agent (ECVAA). BSCP71 and the ECVAA User Requirement Specification (URS) state that the Authorisation termination notification becomes effective one calendar day after receipt by the ECVAA.</p> <p>It is proposed that the Code is modified to align it with the BSCP and ECVAA USR i.e. to remove the statement that an Authorisation Termination becomes effective when received by the ECVAA.</p> <p><i>“Code P 2.2.2 An ECVNA Authorisation may be terminated by notice, given in accordance with BSCP 71, by either of the Relevant Contract Parties or the Energy Contract Volume Notification Agent to the Energy Contract Volume Aggregation Agent, which notice shall specify:”</i></p> <p><i>“Code P 3.2.2 A MVRNA Authorisation may be terminated by notice, given in accordance with BSCP 71, by any one of the Lead Party, Subsidiary Party or Metered Volume Reallocation Notification Agent to the Energy Contract Volume Aggregation Agent, which notice shall specify:”</i></p>	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by originator)</i>	
<p>Under the current version of the Code an Authorisation termination submitted to the ECVAA will become effective when received by the ECVAA, it is therefore possible that an Authorisation termination can be received and become effective on the same calendar day and hence allow partial day terminations. Under the current arrangements the ECVAA is required to process Authorisations and Notifications within 60 and 15 minutes respectively. In certain circumstance this may introduce grounds for disputes.</p> <p>The current functionality of ECVAA Systems does not support an Authorisation termination notice becoming effect on the same day as it has been received by the ECVAA. To implement this requirement in the ECVAA system will require a software change, an initial estimate indicates that the costs will be in the region of £40,000 to £60,000. A modification to the Code is therefore considered to be a more cost effective option than a change to the ECVAA software.</p>	

Modification Proposal – F76/01	MP No: 47 <i>(mandatory by BSCCo)</i>
Impact on Code <i>(optional by Originator)</i>	
Code Section P 2.2 "Termination of ECVNA Authorisations" and 3.1 "Termination of MVRNA Authorisation" will be impacted if the modification is approved.	
Impact on Core Industry Documents <i>(optional by Originator)</i>	
No other Code Subsidiary Document or Core Industry Document will be impacted.	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by originator)</i>	
No Impact	
Impact on other Configurable Items <i>(optional by originator)</i>	
No Impact	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by originator)</i>	
<p>Under the current version of the Code an Authorisation termination submitted to the ECVAAs will become effective when received by the ECVAAs, it is therefore possible that an Authorisation termination can be received and become effective on the same calendar day and hence allow partial day terminations. Under the current arrangements the ECVAAs is required to process Authorisations and Notifications within 60 and 15 minutes respectively. In certain circumstance this may introduce grounds for disputes.</p> <p>The current functionality of ECVAAs Systems does not support an Authorisation termination notice becoming effect on the same day as it has been received by the ECVAAs. To implement this requirement in the ECVAAs system will require a software change, an initial estimate indicates that the costs will be in the region of £40,000 to £60,000. A modification to the Code is therefore considered to be a more cost effective option than a change to the ECVAAs software.</p>	
Details of Proposer:	
<i>Name</i>	
<i>Organisation</i> <i>BSC Panel</i>	
<i>Telephone Number</i>	
<i>Email Address</i>	

Modification Proposal – F76/01	MP No: 47 <i>(mandatory by BSCCo)</i>
Details of Proposer's Representative: <i>Name</i> <i>Organisation</i> <i>Telephone Number</i> <i>Email address</i>	
Details of Representative's Alternate: <i>Name</i> <i>Organisation</i> <i>Telephone Number</i> <i>Email address</i>	
Attachments: Yes / No <i>(delete as appropriate) (mandatory by originator)</i> YES BSC Panel Paper 27/010 - 4 pages If Yes, Title and No. of Pages of Each Attachment:	

MODIFICATION PROPOSAL ATTACHMENT – PANEL PAPER 27/010

Meeting name BSC Panel

Date of meeting 30 July 2001

Paper Title MINOR INCONSISTENCY IN THE TERMINATION PROCESS FOR ECVNA AND MVRNA AUTHORISATIONS

Purpose of Paper For Decision

Synopsis A minor inconsistency has been identified in the Energy Contract Volume Notification Agent (ECVNA) and Meter Volume Reallocation Notification Agent (MVRNA) Authorisation termination process. The Code Section P states that an Authorisation termination is effective when received by the Energy Contract Volume Allocation Agent (ECVAA). This is at variance with BSCP71, the ECVAA User Requirement Specification (URS) and the BSC Systems will only allow Authorisation terminations to be effective one calendar day after receipt by the ECVAA. In accordance with the Code Section F 2.1.1 (d) (vi) ELEXON recommend that the Panel raise a Code Modification in order to address this inconsistency, and bring the Code in line with the other products and the developed systems.

1. INTRODUCTION

- 1.1 A minor inconsistency has been identified in the termination process for Energy Contract Volume Notification Agent (ECVNA) and Meter Volume Reallocation Notification Agent (MVRNA) Authorisations. The termination process, is described in the Code Section P 2.2 "Termination of ECVNA Authorisations" and 3.2 "Termination of MVRNA Authorisation".
- 1.2 The inconsistency relates to the time that termination Authorisation notifications becomes effective. The Code states that the termination is effective when given in accordance with BSCP71 and received by the Energy Contract Volume Allocation Agent (ECVAA). BSCP71 and the ECVAA User Requirement Specification (URS) state that the Authorisation termination notification becomes effective one calendar day after receipt by the ECVAA. (Attachment 1 summarises the Authorisation termination process as covered in the Code Section P and H, BSCP71, ECVAA URS and Communication Requirements Document.).
- 1.3 The process is consistent in all configurable documentation where a terminating party requests an effective termination date that is one calendar day after receipt by the ECVAA.

2. PROPOSED SOLUTION

- 2.1 Under the Code Section F 2.1.1 (d) (iv) a proposal to modify the Code may be made by the Panel "on the recommendation of BSCCo to rectify manifest errors in or to correct minor inconsistencies (or make other minor consequential changes) to the Code".
- 2.2 It is therefore proposed that the following Code amendments, under F 2.1.1 (d) (iv), are raised as a Code Modification by the Panel to address this minor inconsistency:

"Code P 2.2.2 An ECVNA Authorisation may be terminated by notice, given in accordance with BSCP 71, by either of the Relevant Contract Parties or the Energy Contract Volume Notification Agent to ~~(and effective when received by)~~ the Energy Contract Volume Aggregation Agent, which notice shall specify:"

"Code P 3.2.2 A MVRNA Authorisation may be terminated by notice, given in accordance with BSCP 71, by any one of the Lead Party, Subsidiary Party or Metered Volume Reallocation Notification Agent to ~~(and effective when received by)~~ the Energy Contract Volume Aggregation Agent, which notice shall specify:"

2.3 If this Code Modification is approved the only amendment required will be to the Code Section P paragraphs 2.2.2 and 3.2.2, as detailed above, there is no impact on Code Subsidiary Documents or BSC Systems.

3. CONSEQUENCE OF NO CHANGE

3.1 Under the current version of the Code an Authorisation termination submitted to the ECVAA will become effective when received by the ECVAA, it is therefore possible that an Authorisation termination can be received and become effective on the same calendar day and hence allow partial day terminations. Under the current arrangements the ECVAA is required to process Authorisations and Notifications within 60 and 15 minutes respectively. In certain circumstance this may introduce grounds for disputes.

3.2 The current functionality of ECVAA Systems does not support an Authorisation termination notice becoming effect on the same day as it has been received by the ECVAA. To implement this requirement in the ECVAA system will require a software change, an initial estimate indicates that the costs will be in the region of £40,000 to £60,000. A modification to the Code is therefore considered to be a more cost effective option than a change to the ECVAA software.

4. RECOMMENDATIONS

4.1 **The Panel is invited to raise a Code Modification, in accordance with Code Section F 2.1.1 (d) (iv), to address the inconsistency identified in the process to terminate ECVNA and MVRNA Authorisations by removing "(and effective when received by)" from paragraphs P 2.2.2 and P 3.2.2.**

List of enclosures

Attachment 1: Summary of the Authorisation Termination Notification Process

ATTACHMENT 1

AUTHORISATION TERMINATION NOTICE PROCESS

The process to submit an Authorisation termination notice is covered under the Code Section P, BSCP71 ECVNA and MVRNA Registration, Authorisation and Termination and the ECVAAs URS. The next two sub-sections describe the process as documented firstly in the Code and secondly in BSCP71 and the ECVAAs URS.

CODE SECTION P PARAGRAPHS 2.2 TERMINATION OF ECVNA AUTHORISATIONS AND 2.3 TERMINATION OF MVRNA AUTHORISATIONS

The process is equivalent for both ECVNA and MVRNA Authorisation terminations and states that the termination notice is given in accordance with BSCP71 to and becomes effective when received by the ECVAAs:

"Code P 2.2.2 An ECVNA Authorisation may be terminated by notice, given in accordance with BSCP 71, by either of the Relevant Contract Parties or the Energy Contract Volume Notification Agent to (and effective when received by) the Energy Contract Volume Aggregation Agent, which notice shall specify:"

"Code P 3.2.2 A MVRNA authorisation may be terminated by notice, given in accordance with BSCP 71, by any one of the Lead Party, Subsidiary Party or Metered Volume Reallocation Notification Agent to (and effective when received by) the Energy Contract Volume Aggregation Agent, which notice shall specify:"

As the inconsistency relates to the receipt of Authorisation terminations the definition of receipt in Code documentation needs to be clearly understood. In particular the receipt of faxed documentation as this is the communication medium stipulated in BSCP71.

The receipt of faxed documentation is defined in the Code Section H 9.2.2 (c) :

"in the case of facsimile, on acknowledgement of the addressee's facsimile receiving equipment (where such acknowledgement occurs before 1700 hours on the day of acknowledgement) and in any other case on the day following the day of acknowledgement."

and the Communication Requirements Document (CRD) Section 3.1 :

"communications will be deemed to have been received by the Participant when:".... "c. For fax transmission, the fax has been sent."

In summary the Code states that a Authorisation termination notice, where an effective to date is either not specified or less than one calendar day after receipt by the ECVAAs, is effective once the fax has been sent and the terminating party has received acknowledgement.

This interpretation of the Code provisions have been discussed and agreed with the ELEXON legal representative.

BSCP71 ECVNA AND MVRNA REGISTRATION, AUTHORISATION AND TERMINATION AND ECVAA URS

BSCP71 states that the terminating party may at any time submit an "Authorisation Termination Request Form specifying the termination effective date which must be not less than 1 calendar day after the day of receipt of the request form by ECVAA."

The validation checks relating to Authorisation termination requests as detailed in the ECVAA URS (F004 & F005) states "the Termination Effective Date must not be less than one calendar day after the day of receipt of the termination request".

In summary after a party has submitted an Authorisation termination notice, the earliest time when it can become effective will be 1 calendar day after receipt by the ECVAA.