

P18A Review/P38 21st November 2001

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P18A Review & P38 Agenda



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- P18A Review Process & Timetable (Panel 32/021)
 - Review of Last Meeting & Subsequent Changes
 - Consultation Responses
 - Data Analysis
 - Way Forward

Timetable



ID	Task Name	Duration	Start	November						December										
				15/10	22/10	29/10	05/11	12/11	19/11	26/11	03/12	10/12								
1	P18A Review Business Requirements	41 days	18 Oct																	
2	Panel Meeting	1 day	18 Oct																	
3	Develop Terms of Reference/Panel Paper	4 days	24 Oct																	
4	Panel meeting	1 day	31 Oct																	
5	Modification Group Meeting - TOR/Understanding	1 day	02 Nov																	
6	Create Report	5 days	05 Nov																	
7	Industry Consultation (Fact Find)	6 days	12 Nov																	
8	Collate Responses	1 day	20 Nov																	
9	Modification Group Meeting	1 day	21 Nov																	
10	Create Consultation Document	2 days	22 Nov																	
11	Industry Consultation (BSC Objectives/Alternative:	5 days	26 Nov																	
12	Modification Group	1 day	03 Dec																	
13	Create Inteim Panel Report	3 days	04 Dec																	
14	Panel Paper Deadline	0 days	06 Dec																	
15	Panel Review Period	4 days	07 Dec																	
16	Panel Meeting	1 day	13 Dec																	

- Process initially concentrates on business requirements
- If recommendation is to proceed, then additional time will be required

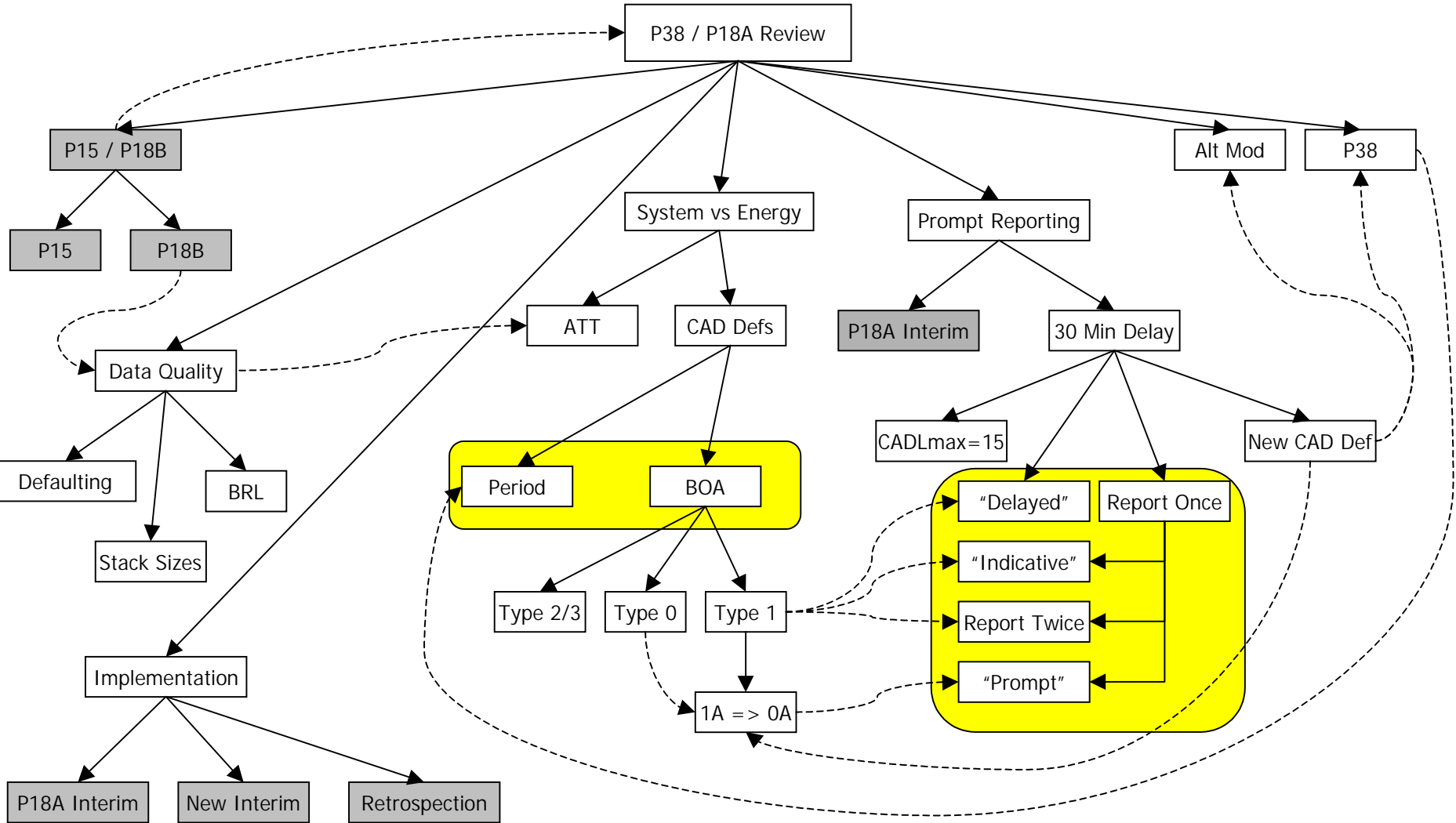
Today's Modification Group



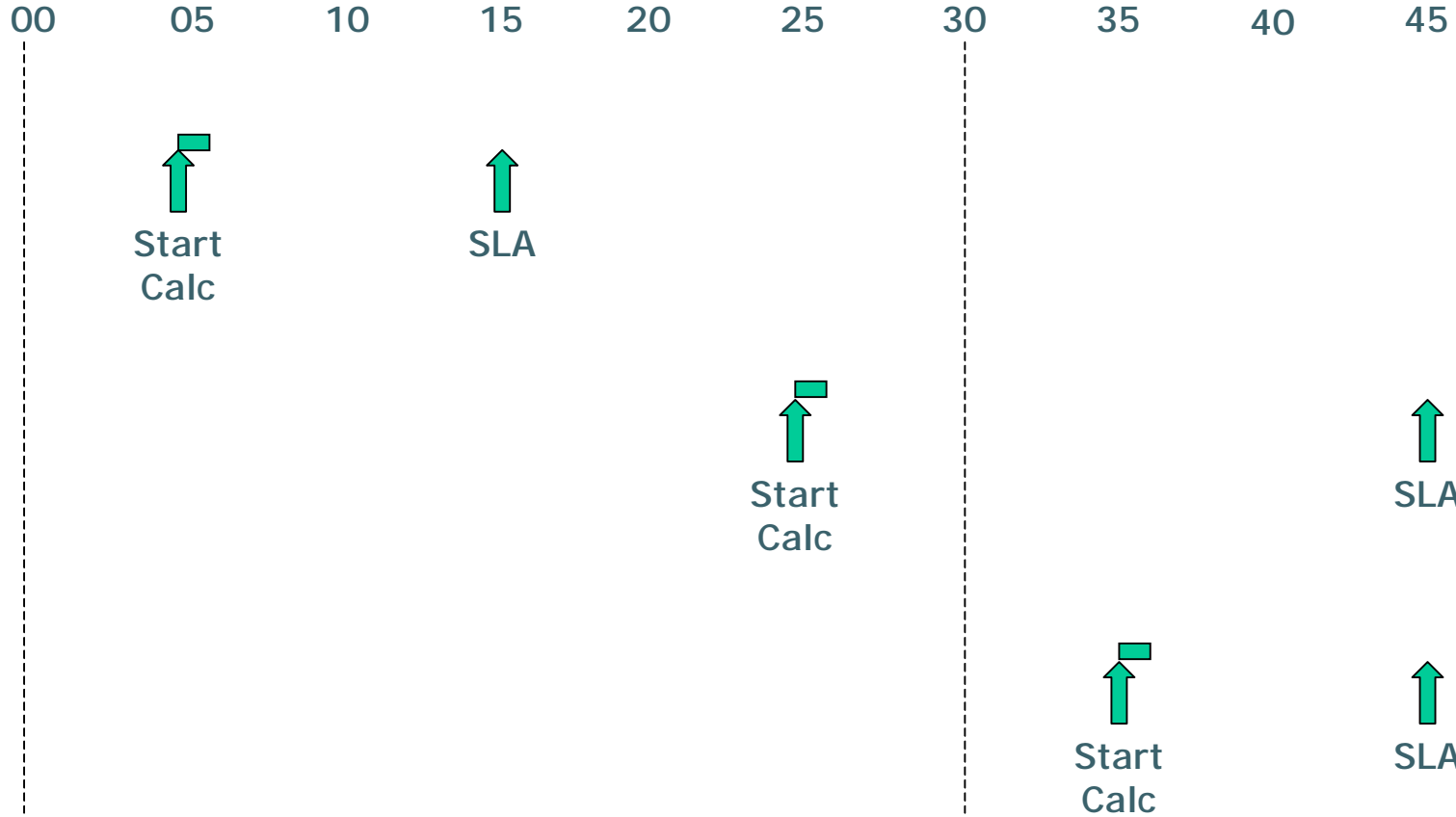
- Draw conclusions from consultation
- Scope of P18A Review
- Decide on Consultation
 - Is prompt price reporting an issue in BSC System Release 2?
 - Does any Alternative Modification to P38 need to include the second objective of not linking data between Periods?
 - Refine consultation into a smaller number of options
 - What are the applicable BSC Objectives for each option:
 - For prompt price reporting?
 - For any change to CAD Definition?

Review of Last Meeting And Subsequent Changes

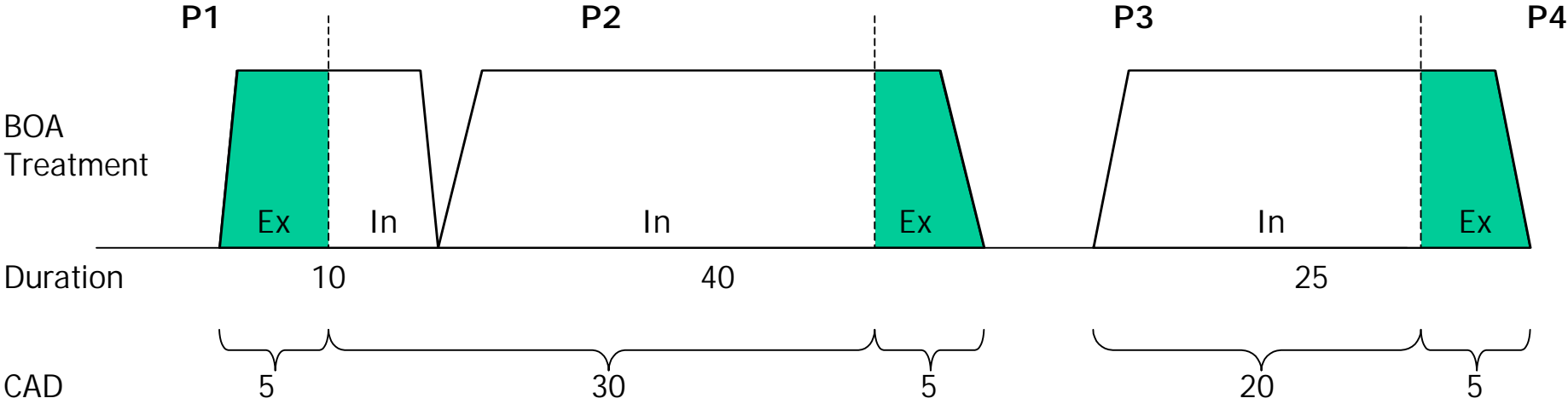
Scope Review



P18A Price Reporting



P38 - Example



- P38 Option 1: Ex | In | Ex | In | Ex
- P38 Option 2: ← No Change → Ex ← NC →
- P38 Option 3: ← No Change → In ← NC →

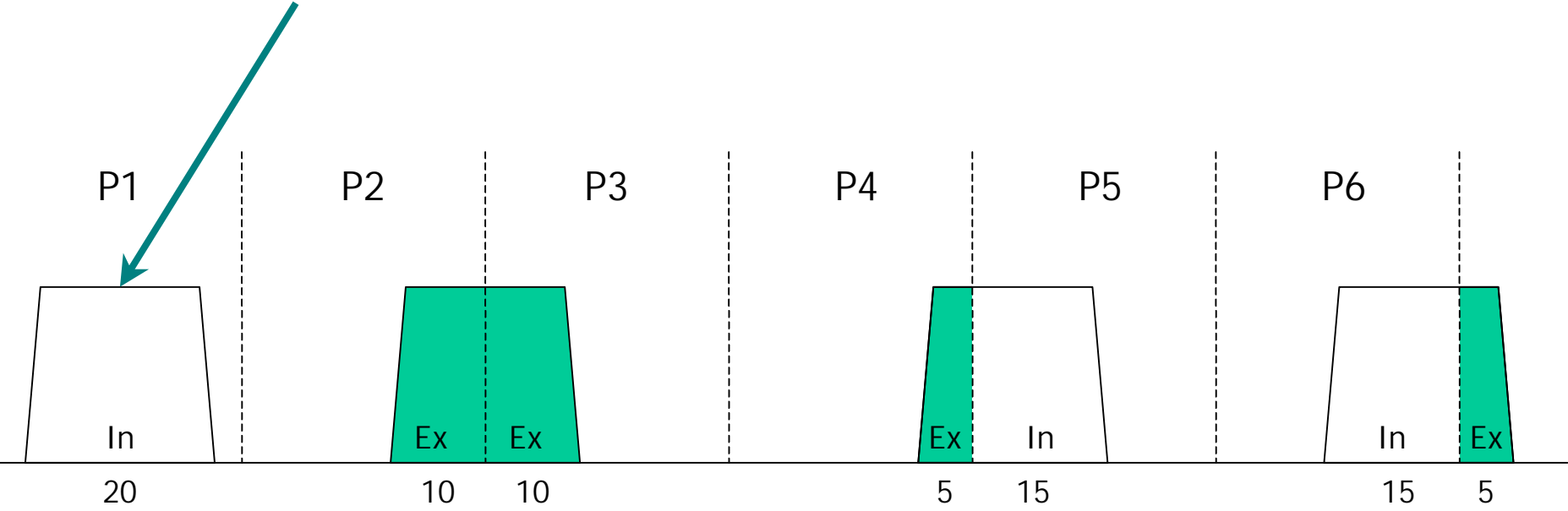
Which is the most appropriate Definitional Alternative?

P38 - Impacts Most BOA

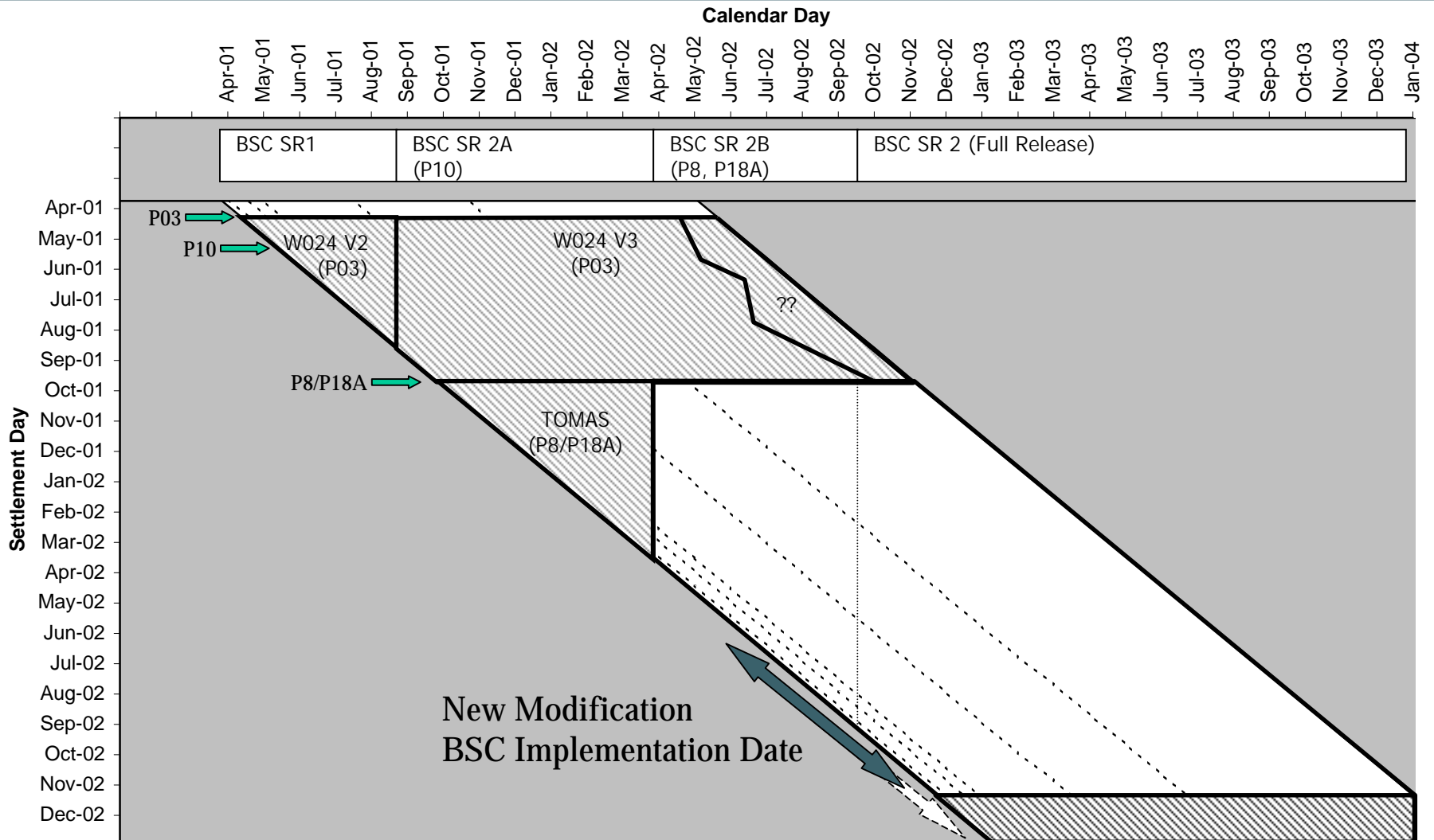


Should value of CADL be equivalent to P18A value?

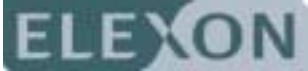
P38 will strip the leading and trailing parts of many groups of acceptances



Natural Implementation



Consultation Table



CAD	Consultation Option	Price Reporting				Complexity
		5/15 Mins	5 / 15 Mins	x / y Mins	35 / 45 Mins	
		P18A Correct	P18A Indicative	P18A Correct	P18A Correct	
Baseline P18A Definition	(i) continue with current baseline solution	-	-	-	Y	None No change
	(ii) set an explicit $CAD_{L_{max}}$ to a value less than 30 minutes	-	-	Y	-	
	(iii) calculate "P18A Indicative" prices soon after the period end	-	Y	-	-	
	(iv) calculate prices twice to produce "P18A Indicative" and corrected	-	Y	-	Y	
New Definition of CAD	(v) redefined the baselined P18A definition to create a CAD0 alternative definition	Y	-	-	-	
	(vi) propose a new CAD definition capable of prompt price reporting	Y				
	(vii) propose CAD definition P38 – a period based CAD definition	Y	-	-	-	

Low High

Consultation Responses

General Observations



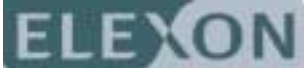
- How to quantify promptness / accuracy
 - Are both 15 and 45 minutes prompt?
 - Statistical nature of P18A prices
- Prompt price reporting
 - Views are polarised
 - Experience of Interim solution influences some views
 - i.e. anything within day is an improvement
 - both a good and bad influence
 - Not clear how a 1 hour Gate Closure would change things
 - Any proposed solutions must be clear and well presented

General Observations 2



- CAD Definitions very complex and confusing
 - Lack of clarity on operation of CAD definitions e.g. P38
 - The impact of period boundaries on solutions
- Little appetite for radical changes
 - P18A has not had chance to prove itself
 - Little criticism on how P18A splits “system” and “energy”
 - Purity still important “system” versus “energy”
 - Preference to tinker?
- Inability to make decisions without costs and timescales

Question 7



	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
NGC	5	3	1	3	1	1	1
Entergy-Koch	1	1	5	1	1	5	1
Edison Mission	2	3	1	2	5	1	0
TXU					3		5
SEEBOARD	5	3	1	3	3	3	3
London Electricity							
Slough	0	0	0	1	3	4	5
Dynegy	1	3	1	1	5	5	5
BGT	1	1	3	3	5	5	5
Innogy	3	1	3	3	3	5	1
Enron	5	3	5	5	1	1	1
Powergen	5	3	3	3	1	1	1
ScottishPower	1	1	3	3	5	5	1
Average	2.6	2.0	2.4	2.5	3.0	3.3	2.4

(Very Low - 0) (Low - 1) (Low/Med - 2) (Med - 3) (Med / High - 4) (5 - High)

The average values are too close to draw any conclusions

Attempted Summary



Approach	Party (Elexon Interpretation)	
Existing CAD / potentially improve reporting timescale	NGC, Enron, Powergen, London Electricity, SEEBOARD, Entergy-Koch	Edison Mission
CAD0 Equivalent Of P18A		Dynergy, BGT, Scottish Power
New CAD Definition potentially P38	Slough	

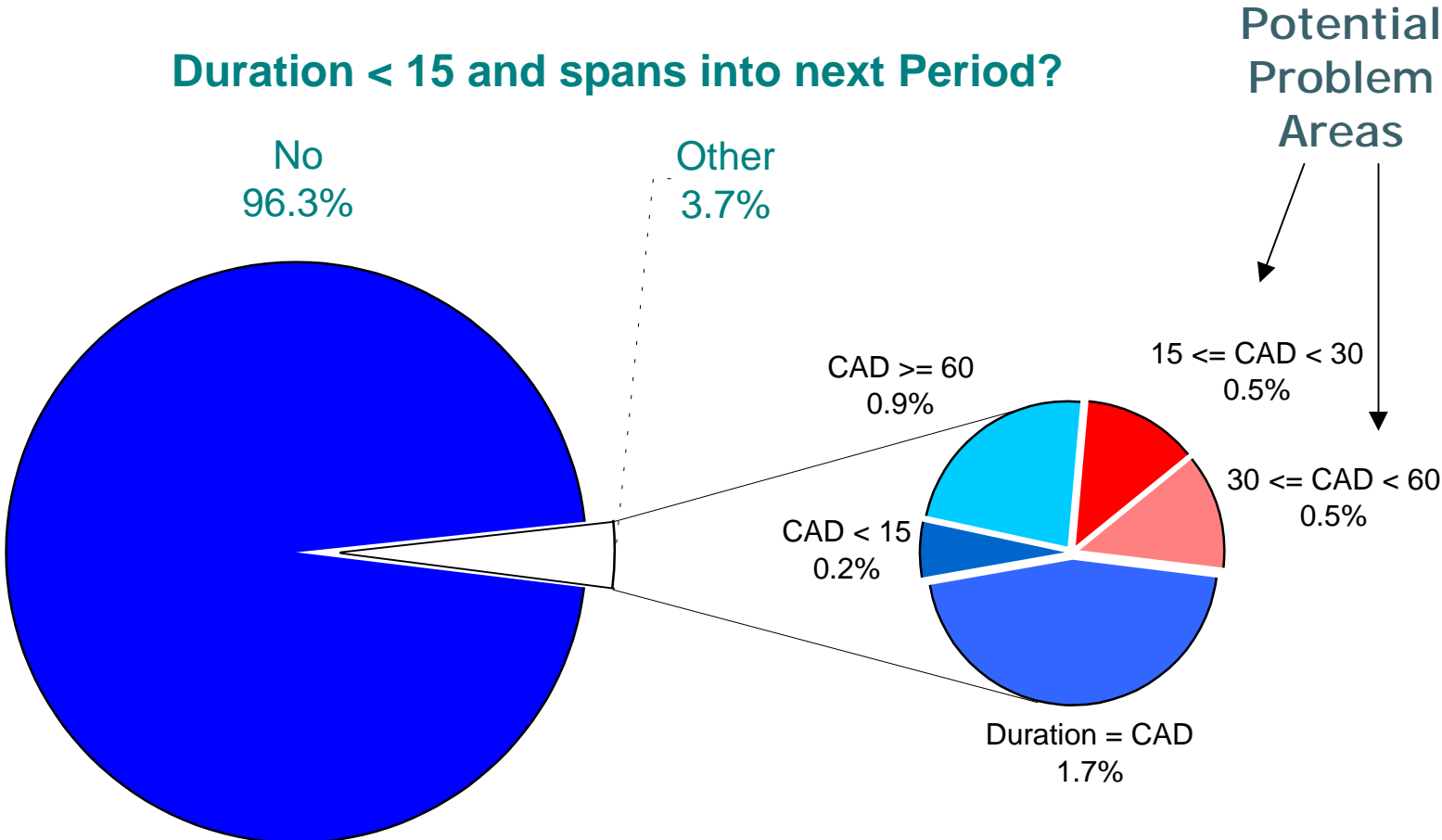
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Data Analysis

WARNING

The following represents an initial summary of what is a very complicated set of data. The validation of the underlying data is still ongoing. Initial analysis suggests that the data is representative and suitable for high level usage. Further refinement would be required to support adoption of any new CAD definition based on this analysis

P18A & Period Boundaries



**Actual BOA which change from less than 15, to greater than 15 = 0.3%
(50 out of 17991 during October 2001)**

CADO Equivalent of P18A



- 1490 Settlement Periods during October 2001

Day	Period	Live SBP	Test SBP	Difference
9	7	90.34	18.95	71.39
22	42	116.52	61.36	55.16
22	36	72.39	20.31	52.08
9	39	67.17	18.57	48.60
30	37	84.92	50.03	34.89
2	44	51.46	24.97	26.49
15	15	55.29	34.95	20.34
26	40	60.64	43.89	16.75
12	15	36.68	20.93	15.75
31	45	44.01	34.31	9.70
28	32	43.28	52.90	- 9.61
23	36	29.85	21.30	8.56
12	27	20.74	21.81	- 1.07

P38 High Level Analysis



	SBP	TQPAO	BMUs	SBP	TQPAO	BMUs
Pre P18A	29.41	96.31	4.09	100.0%	100.0%	100.0%
P18A	24.48	93.78	3.80	83.2%	97.4%	92.9%
P18A (CAD0)	24.24	93.65	3.78	82.4%	97.2%	92.5%
P38	23.38	88.89	3.06	79.5%	92.3%	74.8%

	SSP	TQPAB	BMUs	SSP	TQPAB	BMUs
Pre P18A	8.16	-761.11	14.23	100.0%	100.0%	100.0%
P18A	8.24	-760.64	14.02	101.0%	99.9%	98.5%
P18A (CAD0)	8.24	-760.59	14.01	101.0%	99.9%	98.4%
P38	8.22	-739.84	11.83	100.7%	97.2%	83.1%

All figures are averages per period

The "BMUs" column indicates the number of different BMUs affecting each period

P38 Price Differences



Change <= £x	P18A (CAD0)	P38	P18A (CAD0)	P38
100	3	10	0%	1%
50	1	4	0%	0%
40	1	6	0%	0%
30	2	10	0%	1%
20	2	47	0%	3%
10	3	41	0%	3%
5	1	125	0%	8%
1	6	549	0%	37%
0	1471	698	99%	47%
Total	1490	1490	100%	100%

Way Forward



- The Mods Group need to make recommendations to help guide the scope of the consultation?
- Does the Mods Group believe that
 - the P38 definition as proposed could better achieve the BSC objectives
 - the pragmatic nature of any P18A solution does not warrant the sophistication of CAD2 or CAD3 definitions.
 - there are no other known and suitable mechanisms for separating “system” and “energy” balancing actions.
 - any remaining price volatility / separation of energy is better addressed through reviewing ATT.