

1 June 2001

URGENT MODIFICATION REPORT

MODIFICATION PROPOSAL P16

Removal of Restriction for Submitting Summer Demand Capacity and Generation Capacity

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

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a Authorities

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b Distribution

Name	Organisation
Ofgem	
BSC Panel	
Parties and interested third parties	

c Intellectual Property Rights and Copyright

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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.

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

2 EXECUTIVE SUMMARY

On 23rd May 2001, Northern Electric plc submitted Modification Proposal P16. The proposal is attached as Annex 1.

The current version of the Code precludes Suppliers from revising Generation Capacity (GC) and Demand Capacity (DC) for the Summer 2001 BSC Season (1st June to 31st August 2001). The first Relevant BSC Season is defined in Section K.3.4.9 of the BSC as the period from the Go-Live date (27 March 2001) to the end of the next following BSC Season (31 August 2001).

Northern Electric plc considers that the values of DC originally submitted by Suppliers for the first BSC Season do not now correctly reflect changes arising from the April contracting round and other parties have supported this view additionally citing reduced summer demands. Since values of DC and GC are key factors in the determination of a Party's Credit Cover Percentage, any over-estimate of demand may require the provision of extra credit cover by the Trading Party. The proposal seeks to remedy this by deleting the clause in Section K.3.4.9 of the BSC which defines the first relevant BSC Season. Given the adverse impact the existing GC and DC values may have on Parties' credit cover, Northern Electric plc requested that this modification be treated as an Urgent Code Modification, in accordance with section F2.9 of the BSC. This view was supported by the BSC Co (ELEXON). The Panel Chairman and a number of Panel Members agreed this recommendation on 25th May. The Authority endorsed the recommendation on the same day. It was agreed that a Modification Group would not be assembled for this proposal because of the exceptionally short time-scales involved and the contained nature of the modification proposal. Details of the timetable proposed by the Panel and agreed by the Authority are provided in Section 8.

The draft Modification Report was issued to BSC parties for consultation on 30th May. It included two options to enable implementation of the modification, developed after discussion with ELEXON's legal advisers. The original and alternative legal drafting were included in the draft report and are set out in Annex 2. Parties were asked to respond on:

1. Whether parties be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive).
2. Which set of changes should be progressed:
 - Option 1 (Modification Proposal 16 - Enhanced); or
 - Option 2 (Modification Proposal 16 - Alternative).
3. Support (or reject) that the proposed changes would better facilitate the applicable BSC objectives:
 - Promoting efficiency in the implementation and administration of the balancing and settlement arrangements' as the justification for the modification.
 - 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.

The deadline for responses to the consultation was 08:00h on 31st May 2001. Seven Parties responded to the Consultation, all of whom supported the modification. Of the seven responses, two supported Option 1 and five supported Option 2. The Panel met on 31st May and considered the modification in light of the results of the consultation exercise. It considered that of the two options Option 2 better achieved the intent of the original proposal. The Panel recommends to the Authority that:

1. Option 2 (Modification Proposal 16 - Alternative) should be implemented as soon as possible (see 2 below). The Modification better meets two of the Applicable BSC Objectives, as set out in Paragraph 3 of Condition 7A of the Transmission Licence:
 - 'Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements', because it would enable the calculation of Energy Indebtedness to more accurately reflect a Trading Party's actual contract position;
 - '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', as it reduces the additional costs that Parties might incur as a result of providing excessive credit cover.

This view has been supported by consultation with Trading Parties.

2. The modification should be given effect from the 1st June 2001.

The Panel recommended that, subject to the Authority's approval of this recommendation, ELEXON should notify Parties via an ELEXON Circular that they may make revisions to values of GC and DC within 5 Working Days of receipt of that approval from the Authority.

The Panel noted that whilst the CRA systems are able to process a retrospective update to DC or GC, this will not feed into the calculations of Energy Indebtedness performed by the ECVAA for Settlement Periods which have already passed. Parties should therefore ensure that they have sufficient credit in place to cover Settlement Periods which fell in the period prior to their revised values becoming effective in the ECVAA system.

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.

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 by the Authority, ELEXON is responsible for overseeing the implementation of that amendment (including any consequential changes to systems, procedures and documentation).

The modification procedures culminate in a modification report to the Authority, which normally contains the Panel's recommendation on whether or not a proposed modification should be approved and a proposed date for its implementation, together with a detailed assessment of the proposal in question. The report forms the basis upon which the Authority will decide whether to approve, direct or reject a modification proposal.

The Transmission Company or ELEXON may recommend that a Modification Proposal be treated as urgent, subject to approval by the Authority. The procedure for progressing an Urgent Modification Proposal is set out in Sections F2.9 and B4.6 of the Code. These urgent procedures allow the normal modification procedures to be circumvented as necessary to fit with the urgency of the matter. In such cases, the Authority will confirm the timetable and procedure that should apply. The timetable and procedure directed by the Authority must be adhered to, along with any other special instructions. A statement containing the reasons why the Panel (or Panel Chairman) consider the Proposal should be treated as urgent must be included in the Urgent Modification Report, together with a description of the extent to which the procedure followed deviated from the normal modification procedure.

Depending on the urgency of the matter, it may not be possible to establish a Modification Group or undertake detailed assessment of the modification proposal. The level of detail and analysis presented in this Urgent Modification Report therefore represents the full extent of relevant information regarding the modification proposal that could be collated within the time available.

4 DESCRIPTION OF PROPOSED MODIFICATION

On 23rd May, Northern Electric plc submitted Modification Proposal P16. It states that the intention of this proposal is to enable Trading Parties to notify values of Generation Capacity (GC) and Demand Capacity (DC) in relation to the Summer 2001 BSC Season. This action is currently precluded through the definition of the first relevant BSC Season contained in Paragraph K.3.4.9 of the BSC.

Under the BSC, GC and DC are employed in the credit assessment process. The modification would enable the credit assessment process to better reflect the actual contract position of a Trading Party during the Summer season and reduce the need for Trading Parties to provide excessive credit cover.

A copy of the Modification proposal is available on the ELEXON website (www.elexon.co.uk) and is replicated in Annex 1 of this document.

5 BACKGROUND

In the credit assessment process, a Trading Party's Energy Indebtedness in relation to a given Settlement Period is calculated based on their actual contract position and an estimate of their import or export capability. This estimate is derived from the Balancing Mechanism Credit Assessment Import Capability (BMCAIC) which is calculated for a Consumption BM Unit or the Balancing Mechanism Credit Assessment Export Capability (BMCAEC) for a Production BM Unit.

BMCAIC and BMCAEC are calculated from the product of the Credit Assessment Load Factor (CALF), which is determined by the Panel, and the Demand Capacity or Generation Capacity, which is notified to the CRA by the Trading Party. That is,

$$\text{BMCAIC} = \text{DC} * \text{CALF}$$

$$\text{BMCAEC} = \text{GC} * \text{CALF}$$

The calculations employed in the credit checking process are detailed in Section M of the Code: Credit Cover and Credit Default.

On June 1st 2001, new CALF values will become effective in relation to the Summer BSC Season. The Summer BSC Season runs from 1st June until 31st August.

Section K.3.4 of the BSC describes how Trading Parties should notify in good faith, their anticipated values of GC and DC for each BM Unit for each BSC Season. However, Section K.3.4.9 states that for the purposes of notifying seasonal estimates of GC and DC, the 'first relevant BSC Season shall be the period from the Go-Live date to the end of the next following BSC Season.' This means that the first Relevant BSC Season for GC and DC effectively runs from 27th March until 31st August 2001.

Furthermore, Section K.3.4.3 sets out the criteria for revisions to DC and GC within a BSC Season. In summary, Trading Parties must notify a change of GC or DC for a BM Unit, if the actual or expected metered volumes in a season exceeds or is expected to exceed the current GC or DC, by more than 1% or 0.5 MW. Actual or expected decreases in GC or decreases in the magnitude of DC (that is, DC would become less negative) within a BSC Season, are precluded as the quantity relates to the maximum magnitude expected in a season, and thus do not track a falling value.

Therefore, whilst CALF values are changing for the Summer 2001 BSC Season, the Code, as presently drafted precludes Trading Parties from making revised estimates of their DC or GC for this season. This anomaly may adversely affect some Trading Parties, requiring them to lodge an inappropriate amount of credit.

For example, the Summer CALF values for Suppliers of domestic customers have increased in comparison to the Spring Supplier values, in line with the flatter Supplier demand profiles. However, the Supplier is prevented from revising estimates of DC to reflect the expected lower demand of the Summer. Therefore, the BMCAIC derived from CALF and DC would be an overestimate of the Supplier's Demand during the Summer 2001 Season. This feeds into the calculation of Energy Indebtedness and correspondingly, would require the provision of additional Credit Cover by the Party.

6 EXTENT TO WHICH THE PROPOSED MODIFICATION WOULD BETTER FACILITATE THE APPLICABLE BSC OBJECTIVES

The modification is sought as it is seen as better achieving the applicable BSC Objectives, as set out in Paragraph 3 of Condition 7A of the Transmission Licence.

- The proposer cites in the application, 'Promoting efficiency in the implementation and administration of the balancing and settlement arrangements' as the justification for the modification.
- ELEXON additionally consider that it could be justified under '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', as it avoids the Party having to provide excessive credit cover.

7 STATEMENT OF URGENCY

The Modification Proposal has been treated as Urgent on the basis that the Summer BSC season begins on June 1st 2001, and for the modification to have maximum benefit revised GC or DC values should be effective from this date, or as close to it as can reasonably be achieved.

The BSC Panel Chairman sought the views of Panel Members, who supported the recommendation that the Modification Proposal be treated as urgent.

The Panel recommendation to treat the Modification as Urgent has been ratified by the Authority.

8 DETAIL OF PROCEDURE AND TIMETABLE FOLLOWED

The key steps that have been adopted in progressing this Urgent Modification Proposal are as follows:

- i) On 23rd May 2001, Northern Electric plc raised Urgent Modification Proposal P16 - Removal of Restriction for Submitting Summer Demand Capacity and Generation Capacity;
- ii) On 25th May 2001, BSCCo recommended to the Panel Chairman that this be treated as an Urgent Modification. The Panel Chairman sought the views of Panel Members, who supported the recommendation that the Modification Proposal be treated as urgent (In accordance with the procedures set out in F2.9 of the BSC);
- iii) On the 25th May, the Panel recommendation to treat the Modification as Urgent was ratified by the Authority and agreed the process and timetable set out in iv) to viii) below;
- iv) This assessment of the proposal was prepared by ELEXON and released for Consultation on 30th May 2001.
- v) Parties were requested to respond to the Consultation by 08:00h on Thursday 31st May 2001.
- vi) Comments received as a result of the consultation were collated, summarised and are included in Annex 4 of this report.
- vii) The Panel met on 31st May 2001 and considered the responses to the consultation. The Panel agreed the recommendations in this report;
- viii) This report is to be issued to Ofgem for consideration by 18:00h on 31st May 2001.

Deviations from the normal Modification Procedures (as prescribed by Section F of the BSC) have been as follows:

- i) In view of the nature and the perceived urgency of the Proposal, no Initial Written Assessment was undertaken and no Modifications Group was formed;
- ii) The draft Urgent Modification Report was accordingly sent out for consultation, without prior presentation to the Panel or a Modifications Group.
- iii) Legal opinion was sought as to how the objectives of the Modification Proposal may best be delivered through the Code;
- iv) Responses to the consultation were presented to the Panel. The consultation document and responses formed the basis of the final Report to the Authority; and
- v) The final Report additionally reflects the discussions and recommendation of the Panel.

9 THE CONSULTATION PROCESS

9.1 Consultation Report

The report issued for consultation drew recipients' attention to a number of issues for consideration. These are reproduced in 9.2 below.

9.2 Issues for Consideration

Modification Proposal 16 seeks to remove the clause in the BSC which defines the first relevant BSC Season as being the period from Go-Live (i.e. 27 March 2001) to the end of the following BSC Season (i.e. the end of the Summer Season on 31 August 2001). The change is being sought to enable Trading Parties to register revised estimates of DC or GC in relation to the Summer BSC Season.

The Modification Proposal was raised on 23rd May 2001. Whilst it is being treated as an Urgent Modification, the timetable is for the Report to be issued to the Authority by 18:00h on 31st May 2001. Assuming an early ruling by the Authority, and giving allowance for Lead Parties to submit revised values and for these to be processed by the CRA, the changed values are unlikely to be processed until early to mid June. Thus for the Modification Proposal to be effective, in addition to allowing a new season to start on 1 June, revisions to GC and DC must also be permitted during that season.

The existing criteria for revision once within a BSC Season are set out in K 3.4.2. These require Lead Parties to notify the CRA of any upward changes, but downward changes are in practice precluded since the quantities relate to the maximum magnitude expected in a season. Had the Modification been raised (and agreed) in sufficient time to enable the BSCP 15 processes to have been followed, then this would not have been an issue. However given the proximity of the proposal relative to the proposed season change this is an issue.

Legal opinion has been sought on how this can be addressed and two options for resolving this issue have been identified:

Option 1: Modification Proposal 16 Enhanced

- Remove the clause in K 3.4.9. 'provided that the first relevant BSC season shall be the period from the Go-Live Date to the end of the next following BSC Season' as per Modification Proposal 16; AND
- Relax the timings specified in BSCP 15 (referenced in K 3.4.2) in order to expedite the necessary changes.

Option 2: Modification Proposal 16 Alternative

- Leave the clause in K 3.4.9. 'provided that the first relevant BSC season shall be the period from the Go-Live Date to the end of the next following BSC Season'; AND
- Allow, as a one-off for the first BSC Season, a right to decrease the magnitude of DC and GC in respect of the 'first relevant BSC Season'. Such revised values reflecting the Lead Party's good faith estimate of the maximum magnitude of the maximum magnitude for the remainder of the 'first relevant BSC Season'.

Option two avoids any potential issues around redefining the 'first relevant BSC Season', and minimises the need for potential Code changes. This option would be accommodated by inserting a new clause at the end of K 3.4.5.

In respect of the first relevant BSC Season, a revised estimate of the amount referred to in paragraph 3.4.1 (a) or (b) (as the case may be) may be notified by [12 June 2001].

The requirement has been set as optional, constrained only to the first relevant BSC season, and made available for a limited period (5 working days following an assumed ruling by Ofgem on 4 June).

Whilst both options achieve the same effect, Option 2 has been recommended by ELEXON for the reasons set out above. Views were sought from market participants as to whether to progress Option 1 (Modification Proposal 16 Enhanced) or Option 2 (Modification Proposal 16 Alternative).

Under either option, prior to the revised GC / DC values being applied, the current values will be employed in calculating the Energy Indebtedness by the ECVAA. Parties will need to consider this in relationship to the credit cover that they provide.

Furthermore the ECVAA system is not capable of applying a retrospective change to GC or DC and hence any change will not result in the recalculation of Energy Indebtedness calculated in relation to Settlement Periods which fell in the periods prior to the revision being made. Thus whilst the CRA could accommodate changed DC and GC values with an effective date of 1 June, these cannot be applied retrospectively in the energy indebtedness calculations.

9.3 Issues for Consultation

Parties were requested to respond (using the proforma attached in Annex 3) on the following issues in relation to this modification:

1. Should parties be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive).
2. Which set of changes should be progressed
 - Option 1 (Modification Proposal 16 Enhanced); or
 - Option 2 (Modification Proposal 16 Alternative).
3. Support (or reject) that the proposed changes would better facilitate the Applicable BSC objectives.
 - Promoting efficiency in the implementation and administration of the balancing and settlement arrangements' as the justification for the modification.
 - 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.

Seven Parties responded to the Consultation. The results are summarised in Annex 4 and the original responses are also provided. Of the seven responses, two supported Option 1 and five supported Option 2. The Panel met on 31st May and considered the Options in light of the results of the consultation exercise and the practicalities of implementing each Option. The Panel recommends that Option 2 should be adopted in order to implement Modification Proposal 16.

10 RECOMMENDATION

The Panel recommends to the Authority that:

1. Option 2 (Modification Proposal 16 - Alternative) should be implemented as soon as possible (see 2 below). The Modification better meets two of the Applicable BSC Objectives, as set out in Paragraph 3 of Condition 7A of the Transmission Licence:
 - 'Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements', because it would enable the calculation of Energy Indebtedness to more accurately reflect a Trading Party's actual contract position;
 - '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', as it reduces the additional costs that Parties might incur as a result of providing excessive credit cover.

This view has been supported by consultation with Trading Parties.

2. The modification should be given effect from the 1st June 2001.

The Panel recommended that, subject to the Authority's approval of this recommendation, ELEXON should notify Parties via an ELEXON Circular that they may make revisions to values of GC and DC within 5 Working Days of receipt of that approval from the Authority.

The Panel noted that whilst the CRA systems are able to process a retrospective update to DC or GC, this will not feed into the calculations of Energy Indebtedness performed by the ECVAA for Settlement Periods which have already passed. Parties should therefore ensure that they have sufficient credit in place to cover Settlement Periods which fell in the period prior to their revised values becoming effective in the ECVAA system.

ANNEX 1 – COPY OF MODIFICATION PROPOSAL

Modification Proposal	MP No: P16 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Removal Of Restriction For Submitting Summer Demand Capacity & Generation Capacity	
Submission Date <i>(mandatory by proposer):</i> 23 May 2001	
Description of Proposed Modification <i>(mandatory by proposer):</i> Removal of "provided that the first relevant BSC Season shall be the period from the Go-Live Date to te end of the next following BSC Season." from Clause K3.4.9	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> The removal of the restriction within K3.4.9 would result in market participants being able to submit DC/GC for the Summer Season. This clause was included within the BSC to prevent many changes being submitted to DC/GC immediately following NETA Go-Live. It is now evident that due to the April contract round market participants need to submit new DC/GC values. If market participants are unable to submit new GC/DC values this could have an adverse affect on their credit cover calculation. 6	
Impact on Code <i>(optional by proposer):</i> Removal of "provided that the first relevant BSC Season shall be the period from the Go-Live Date to the end of the next following BSC Season." from Clause K3.4.9.	
Impact on Core Industry Documents <i>(optional by proposer):</i> None envisaged	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i> None envisaged	
Impact on other Configurable Items <i>(optional by proposer):</i> Non envisaged	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i> The Modification better facilitates achievement of the Applicable BSC Objective set out in Transmission Licence Condition 7A(3)(d) - promoting efficiency in the implementation and administration of balancing and settlement arrangements.	
Details of Proposer: Name: Lesley Mulley Organisation: Northern Electric plc Telephone Number: (0191) 210 2576 Email Address: lesley.mulley@northern-electric.co.uk	

Modification Proposal	MP No: P16 <i>(mandatory by BSCCo)</i>
Details of Proposer's Representative: Name: Margaret Brunton Organisation: Northern Electric plc Telephone Number: (0191) 210 2216 Email Address: margaret.brunton@northern-electric.co.uk	
Details of Representative's Alternate: Name: Ian W Fothergill Organisation: Northern Electric plc Telephone Number: (0191) 210 2840 Email Address: ian.fothergill@northern-electric.co.uk	
Attachments: NO If Yes, Title and No. of Pages of Each Attachment:	

ANNEX 2 – LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION

In order to give effect to the Modification, amendments are required to Section K, of the BSC:

CHANGES REQUIRED FOR OPTION 1

3.4.9 For the purposes of this paragraph 3.4:

(a) a "BSC Season" shall be as follows:

- (i) BSC Spring shall be 1st March to 31st May inclusive;
- (ii) BSC Summer shall be 1st June to 31st August inclusive;
- (iii) BSC Autumn shall be 1st September to 30th November inclusive; and
- (iv) BSC Winter shall be 1st December to 28th (or 29th, as the case may be) February inclusive;

~~provided that the first relevant BSC Season shall be the period from the Go Live date to the end of the next following BSC Season.~~

(b) a year means any period of 12 months.

Additional (undefined changes) would also be required to allow 'downward' changes to be made during the course of the BSC Summer Season.

CHANGES REQUIRED FOR OPTION 2

3.4.5 In respect of a relevant BSC Season, a revised estimate of the amount referred to in paragraph 3.4.1(a) or (b) (as the case may be) shall be notified pursuant to paragraph 3.4.2(c) as soon as reasonably practicable after the Lead Party becomes aware that, or ought reasonably to have become aware that the criteria referred in paragraphs 3.4.3(a) or 3.4.3(b) (as the case may be) have been met, provided that the Lead Party shall have no obligation to submit a revised estimate of any such amount more than 20 Business Days after the Initial Settlement Run in respect of the last Settlement Period in that BSC Season has occurred. In respect of the first relevant BSC Season, a revised estimate of the amount referred to in paragraph 3.4.1 (a) or (b) (as the case may be) may be notified by [12 June 2001].

ANNEX 3 – CONSULTATION PROFORMA

Please indicate in the table below your support for the questions posed by the Modification P16 Consultation document.

Responses should be returned to ELEXON **by 8am on Thursday 31st May** to the following e-mail address:

modifications@elexon.co.uk (entitle your e-mail 'P16 Modification Report Comments')

Name:				
Organisation:				
Telephone:				
E-mail:				
	Question	Support	Reject	No opinion
1	Do you support or reject that Parties should be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive)			
2	Which set of changes should be progressed? (Answer: Option 1 or Option 2)	Option -		
3	Do you support or reject that the proposed changes would better facilitate the applicable BSC objectives: <ul style="list-style-type: none"> Promoting efficiency in the implementation and administration of the Balancing and settlement arrangements 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 			
Comments:				

ANNEX 4 – CONSULTATION RESPONSES

The results of the ELEXON consultation exercise were that:

- A total of 7 responses were received at ELEXON by the deadline of 8am on 31st May 2001;
- All 7 respondents said that they supported the proposal that Parties should be permitted to submit revised GC and DC values corresponding to the Summer Season 2001;
- 5 respondents supported Option 2 (Modification Proposal 16 Alternative);
- 2 respondents supported Option 1 (Modification Proposal 16 Enhanced);
- All 7 respondents agreed that the proposed changes would better facilitate the applicable BSC Objective: Promoting efficiency in the implementation and administration of the Balancing and Settlement arrangements;
- 6 respondents agreed that the proposed changes would better facilitate the applicable BSC Objective: Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting competition in the sale and purchase of electricity. 1 respondent expressed no opinion.

No	Company	File Number	Option	Comment
1.	Centrica	P16_UMR_001	2	
2.	SEEBOARD plc	P16_UMR_002	2	
3.	Lakeland Power Ltd	P16_UMR_003	2	
4.	Powergen	P16_UMR_004	1	
5.	Npower	P16_UMR_005	1	Suggest that additional wording is required for Section K.3.4.2(b) of the Code in respect of Option 1.
6.	Vattenfall AB	P16_UMR_006	2	
7.	ScottishPower	P16_UMR_007	2	Expressed support for Option 2

P16_UMR_001 - Centrica

Name: Danielle Lane				
Organisation: British Gas Trading				
Telephone: 01753 758156				
E-mail: Danielle.Lane@centrica.co.uk				
	Question	Support	Reject	No opinion
1	Do you support or reject that Parties should be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive)	Support		
2	Which set of changes should be progressed? (Answer: Option 1 or Option 2)	Option – 2		
3	Do you support or reject that the proposed changes would better facilitate the applicable BSC objectives: <ul style="list-style-type: none"> Promoting efficiency in the implementation and administration of the Balancing and settlement arrangements 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 	Support		
Comments:				

P16_UMR_002 – SEEBOARD plc

Name: Dave Morton				
Organisation: SEEBOARD plc				
Telephone: 0190 328 3465				
E-mail: iss_architecture@seeboard.com				
	Question	Support	Reject	No opinion
1	Do you support or reject that Parties should be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive)	Yes		
2	Which set of changes should be progressed? (Answer: Option 1 or Option 2)	Option 2		
3	Do you support or reject that the proposed changes would better facilitate the applicable BSC objectives: <ul style="list-style-type: none"> Promoting efficiency in the implementation and administration of the Balancing and settlement arrangements 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 	Yes Yes		
Comments:				

P16_UMR_003 – Lakeland Power Limited

Name: Coby Jones				
Organisation: Lakeland Power Limited				
Telephone: 01229 845630				
E-mail: cjones2@edisonmisson.com				
	Question	Support	Reject	No opinion
1	Do you support or reject that Parties should be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive)	YES		
2	Which set of changes should be progressed? (Answer: Option 1 or Option 2)	Option -2		
3	Do you support or reject that the proposed changes would better facilitate the applicable BSC objectives: <ul style="list-style-type: none"> Promoting efficiency in the implementation and administration of the Balancing and settlement arrangements 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 	YES		
Comments:				

P16_UMR_004 – Powergen

Name: James Hawkins					
Organisation: Powergen					
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E-mail: James.hawkins@pgen.com					
	Question	Support	Reject	No opinion	
1	Do you support or reject that Parties should be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive)	Yes			
2	Which set of changes should be progressed? (Answer: Option 1 or Option 2)	Option - 1			
3	Do you support or reject that the proposed changes would better facilitate the applicable BSC objectives: <ul style="list-style-type: none"> Promoting efficiency in the implementation and administration of the Balancing and settlement arrangements 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 	Yes		No Opinion	
Comments:					

P16_UMR_005 – Npower

Name: Richard Harrison				
Organisation: Npower Limited (Innogy Group)				
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E-mail: richard.harrison@npower.com				
	Question	Support	Reject	No opinion
1	Do you support or reject that Parties should be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive)	YES		
2	Which set of changes should be progressed? (Answer: Option 1 or Option 2)	Option - 1		
3	Do you support or reject that the proposed changes would better facilitate the applicable BSC objectives: <ul style="list-style-type: none"> Promoting efficiency in the implementation and administration of the Balancing and settlement arrangements 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 	YES YES		
Comments:				
<p>1) It seems inconsistent with the intent of the BSC that the Credit Cover requirements for the Summer season should be set by reference to CALF values based on historic Load Factor for June-August but a Demand Capacity almost certainly set by higher seasonal demand levels in March or April.</p> <p>2) There is an apparent self-inconsistency in the words which the Modification Proposal seeks to remove, in that the first BSC Season can only end at the end of itself, and not at the end of the next following BSC Season. It would be much better to remove this.</p> <p>3) A temporary relaxation of the timescales in BSCP15 seems appropriate. However, is it not also necessary to amend the wording in Section K 3.4.2 (b) to say "not later than the time specified in BSCP 15 <u>in relation to</u> the relevant BSC Season", since in this case the notification would not actually be within the previous BSC Season?</p> <p>4) We assume that the intent is for the Authority to make a decision so that the Modification can be made effective for 1 June (the start of the BSC Summer Season). We would support this.</p> <p>5) We note in relation to the 3rd last and 2nd last paragraphs in section 5 of the consultation paper that BSC Section K 3.4 does not actually seem to preclude submitting revised DC, GC and QMij values at other times, provided that this represents a genuine reduction in the expected maximum positive or negative QMij to a value which has not already been exceeded within that BSC Season. However, this does not solve the basic problem arising in the first BSC Season.</p>				

P16_UMR_006 – Vattenfall AB

Name: Bo Wahrgren				
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	Question	Support	Reject	No opinion
1	Do you support or reject that Parties should be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive)	YES		
2	Which set of changes should be progressed? (Answer: Option 1 or Option 2)	Option -2		
3	Do you support or reject that the proposed changes would better facilitate the applicable BSC objectives: <ul style="list-style-type: none"> Promoting efficiency in the implementation and administration of the Balancing and settlement arrangements 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 	YES		
Comments:				

P16_UMR_007 – ScottishPower

Name: Steve Field				
Organisation: ScottishPower				
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	Question	Support	Reject	No opinion
1	Do you support or reject that Parties should be permitted to submit revised GC and DC values corresponding to the Summer Season 2001 (i.e. 1 June 2001 to 31 August 2001 inclusive)	✓		
2	Which set of changes should be progressed? (Answer: Option 1 or Option 2)	Option - 2		
3	Do you support or reject that the proposed changes would better facilitate the applicable BSC objectives: <ul style="list-style-type: none"> • Promoting efficiency in the implementation and administration of the Balancing and settlement arrangements • 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 	✓		
<p>Comments:</p> <p>ScottishPower supports Modification Proposal P16. We can see no justification for the present BSC drafting and suspect that this does not implement the New Electricity Trading Arrangements as intended. Option 2 seems to be a pragmatic way to overcome this issue and we would wish to see this implemented at the earliest opportunity.</p>				