

November 2002

**Modification Proposal P98: 'Dual
Notification of Contract Positions'
Requirements Specification**

Document Reference	P098AS
Version no.	1.0
Issue	FINAL
Date of Issue	1 November 2002
Reason for Issue	Issued for Industry and BSC Central Service Agent Impact Assessment
Author	ELEXON

I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	30/10/02	Mandi Francis		Change Delivery
1.0	01/11/02	Change Delivery		

Version	Date	Reviewer	Signature	Responsibility
0.1	01/11/02	Mike Downing		Change Planning
0.1	01/11/02	Tom Bowcutt		Change Delivery
0.1	01/11/02	SSMG		
1.0	01/11/02	Impact Assessment		

Version	Date	Approver	Signature	Responsibility
1.0		Mike Downing		Change Planning

Version	Date	Authorisation	Signature	Responsibility

b Distribution

Name	Organisation

c Change History

Version 0.1 issued for initial internal and Settlement Standing Modification Group review.

Version 1.0 issued for Industry and BSC Central Service Agent Detailed Level Impact Assessment

d Changes Forecast

None

e Related Documents

Reference 1	Modification Proposal P98 'Dual Notification of Contract Positions' 2 September 2002
Reference 2	Initial Written Assessment of Modification Proposal P98 'Dual Notification of Contract Positions' (P098IR V1.0) 6 September 2002
Reference 3	MP4 Dual Notification Requirements Specification (014AAR, V1.0) 24 May 2001
Reference 4	Modification P4 – Dual Energy Contract Notification (MR004, V1.0) 3 September 2001

f 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 and the consultation process now taking place in relation thereto. 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	Change History.....	2
d	Changes Forecast	2
e	Related Documents.....	2
f	Intellectual Property Rights and Copyright.....	2
II	Contents Table	3
1	Introduction	4
1.1	Background and Scope	4
1.2	Purpose and Structure of Document	4
1.3	Glossary.....	5
2	Requirements Specification for Modification Proposal P98 'Dual Notification of Contract Positions'	6
2.1	Requirements Specification Overview.....	6
2.2	Dual Notification Process.....	12
2.3	Failures of the ECVAA System.....	26
2.4	Scope of Trading Disputes.....	27
2.5	Failure of Party Agent Notification Systems	27
2.6	Metered Volume Reallocation Notifications	27
3	Other Changes Required	28
3.1	Potential Changes to External Systems.....	28
3.2	Potential Changes to Industry Documentation	28
4	Development Process	29
4.1	Design	29
4.2	Testing	29
4.3	Implementation	30

1 INTRODUCTION

1.1 Background and Scope

This Requirements Specification for Modification P98 'Dual Notification of Contract Positions' (Reference 1) forms the basis for an impact assessment of the implementation and associated issues should this Modification be adopted. This Requirements Specification defines the requirements for implementation of the Modification without any evaluation or assessment of the Modification itself. This accords with the Code Section F 2.6.6.

Modification Proposal P98 was raised by Dynegey UK Limited on 2 September 2002, and the Initial Written Assessment for Modification P98 (Reference 2) was considered by the Panel at its meeting of 12 September 2002. The Panel agreed to submit Modification Proposal P98 to a three month Assessment Procedure at that meeting.

The Modification proposes that a voluntary dual notification system be implemented within the BSC Systems, to sit along side the existing single notification process. It should be noted that Modification Proposal P98 seeks to build on the solution developed for Modification Proposal P4 'Dual Notification' (Proposed Modification) (Reference 3 and 4)

The Settlement Standing Modification Group (SSMG) met on 10 October 2002 and 16 October 2002, during which time the requirements of the Modification were determined and agreed. This Requirements Specification represents the outcome of those meetings.

1.2 Purpose and Structure of Document

The primary purpose of this document is to specify the requirements for the requisite changes to Central Services, BSC Parties and Party Agents and to the Code, Subsidiary and Industry documentation, in sufficient detail to enable all impacted BSC Agents, Parties, Party Agents and documentation owners to provide an impact assessment of the changes required to support this Modification Proposal.

In particular the main purpose of this document is to specify ELEXON's (representing the Modification Group) requirements for the requisite change to Central Services functionality in sufficient detail to allow the BSC Central Service Agent to provide an initial detailed assessment of the following:

- An assessment of the cost of any changes to the contractual baseline.
- An assessment of the elapsed time required to implement the changes.
- A proposed testing strategy for the changes.
- A proposed release and acceptance strategy (e.g. whether to phase the implementation to provide a quick solution to urgent operational issues).

For the purposes of this assessment, the BSC Central Service Agent should assume that the changes will be implemented as a standalone development project managed by ELEXON.

The document is structured as follows:

- Section 2 specifies the required functionality for the changes defined within the Modification Proposal.

- Section 3 specifies the associated industry changes to support the functionality defined in Section 2.
- Section 4 specifies ELEXON's requirements for involvement in the design and testing process.

1.3 Glossary

The following acronyms have been used throughout this document (excluding acronyms used in the Technical Glossary):

ACK	Acknowledgement
AFR	Acceptance Feedback Report (ECVAA – I028 / E0281, ECVAA – I029 / E0291)
BSC	Balancing and Settlement Code
ECVAA	Energy Contract Volume Aggregation Agent
ECVN	Energy Contract Volume Notification
ECVNA	Energy Contract Volume Notification Agent
ECVNAA	Energy Contract Volume Notification Agent Authorisation
FSN	File Sequence Number
FTP	File Transfer Protocol
MVRN	Metered Volume Reallocation Notification
MVRNA	Metered Volume Reallocation Notification Agent
MVRNAA	Metered Volume Reallocation Notification Agent Authorisation
NACK	Negative Acknowledgement
RFR	Rejection Feedback Report (ECVAA – I009 / E0091, ECVAA – I010, E0101)
SSMG	Settlement Standing Modification Group
URS	User Requirements Specification

2 REQUIREMENTS SPECIFICATION FOR MODIFICATION PROPOSAL P98 'DUAL NOTIFICATION OF CONTRACT POSITIONS'

It should be noted that the following description and definition of the dual notification process is based, as much as is possible, on the existing single notification process, in an attempt to minimise the impact on BSC Parties and their notification agents.

It should be noted that the following definition and description, is for the implementation of the dual notification system within the BSC Systems, within the existing Energy Contract Volume Aggregation Agent (ECVAA) system, i.e. along side the single notification process.

It should be noted that the description and definition focuses on the dual notification process for Energy Contract Volume Notifications (ECVNs), since this is the greatest volume process. Section 2.3 details the dual notification process for Metered Volume Reallocation Notifications (MVRNs), focusing on the differences between the ECVNA and MVRN processes to avoid repetition.

2.1 Requirements Specification Overview

Under the current single notification process, the Authorisation is set up for the nominated ECVNA to notify on behalf of a specified pair of counterparties, and their nominated Energy Accounts. Any notification received from the Authorised ECVNA is validated by the ECVAA to ensure that the counterparties and nominated Energy Accounts are those that the ECVNA is authorised for.

The submitting ECVNA uses a combination of the 'ECVN ECVNAA Id' and 'ECVN Reference Code' in the E0041 (ECVN submission) to indicate whether the notified volumes are additional to those already in the database, or overwrites for existing volumes.

On receipt of the E0041, ECVAA validates the submission. Currently if any part of the submission fails validation, or is to be refused under Credit Default rules, then the submission is rejected in entirety.

Where the submission is accepted, an Acceptance Feedback Report (AFR) is generated, containing the detail of what has been accepted by the ECVAA. The contract volumes are placed in a table waiting for Gate Closure for the Settlement Period. At this point, they can be overwritten and / or added to, up to Gate Closure for the relevant Settlement Period.

At Gate Closure for each Settlement Period, the contract volumes for that Settlement Period are 'pulled out' and the Credit check performed. Where there is to be a rejection on the grounds of credit default rules, then the relevant contract volumes are rejected, using the RFR.

The same process is used for MVRNs, noting that there is additional validation to ensure that the MVRN has not exceeded 100% reallocation.

Under dual notification, the Authorisation is set up such that each counterparty nominates an ECVNA, to notify on behalf of that counterparty under dual notification. The Authorisation will specify the pair of counterparties, their nominated Energy Accounts and their nominated ECVNA.

It is expected that the ECVNAA Id provided will be the same for both ECVNAs, in order that the notifications submitted against that Authorisation can be recognised by the ECVAA and the associated contract volumes applied to the correct counterparty and Energy Account combination.

Any notification received from the Authorised ECVNAs are validated by the ECVAA to ensure that the counterparties and nominated Energy Accounts are those that the ECVNA is authorised for.

Under dual notification, if a pair of counterparties wishes to use single notification, then the Authorisation is set up such that each Counterparty nominates the same ECVNA, to notify on their behalf. The Authorisation will specify the pair of counterparties, their nominated Energy Accounts and the nominated ECVNA.

As the Authorisation process is paper based manual process, it is not envisaged that this will require material changes to the Authorisation process for Parties.

The ECVNA uses a combination of the 'ECVN ECVNAA Id' and 'ECVN Reference Code' in the E0041 (ECVN submission) to indicate whether the notified volumes are additional to those already in the database, or overwrites for existing volumes.

For the dual notification process, it is envisaged that these data items will also be the basis on which notifications are matched:

On receipt of the E0041, ECVAAs validates the submission. If any part of the submission fails validation, or is to be refused under Credit Default rules, then the contract volumes for the affected Settlement Periods are rejected individually (using the CD2 group of the RFR).

Where the submission is accepted, the contract volumes are submitted for matching. Where the notification is the first of the two to be submitted, then it is expected that a 'no match' report will be generated for the entire notification. It is expected that the 'no match' report have the same structure as the AFR, and will therefore contain the same information.

Where there matches for individual Settlement Periods, then an Acceptance Feedback Report (AFR) is generated, containing the detail of what has been accepted and matched by the ECVAAs. A 'no match' report can be generated for the Settlement Periods that are not matched.

The transaction references in the reports will provide the sequence of acceptances and no matches, and these can be seen on the web view.

The matched contract volumes are placed in a table waiting for Gate Closure for the Settlement Period. At this point, they can be overwritten and / or added to, up to Gate Closure for the relevant Settlement Period.

Modification Proposal P98 also seeks to implement a web based view of the matching of notifications, this could look as follows:

For each Authorisation Reference (ECVNAA Id)

Counterparty 1:	Counterparty 2:	Matched Volumes:
Volumes Submitted against each Settlement Period	Volumes Submitted against each Settlement Period	Latest matched volume against all SPs
Transaction of last submitted notification	Transaction of last submitted notification	N/A

i.e. each BSC Party can see their position for each Authorisation they have, and each counterparty.

This web based view could be applied to single notification as well, such that Parties can determine their position at all times from the viewer.

At Gate Closure for each Settlement Period, the contract volumes for that Settlement Period are 'pulled out' and the Credit check performed. Where there is to be a rejection on the grounds of credit default rules, then the relevant contract volumes are rejected, using the RFR.

The same process is used for MVRNs, noting that there is additional validation to ensure that the MVRN has not exceeded 100% reallocation.

There is the potential to extend the web based reporting to enable notifications to be amended via the internet. The potential process is for a BSC Party to log on using their ECVNA Id and ECVNAA Id, which gives access to the contract volumes available for amendments under the relevant Authorisation.

The following diagrams provide a high level overview of the single notification process (current process) and the proposed dual notification process.

2.1.1 Dual Notification Process: No Change to ECVAA Functionality

As noted above, the intent is to implement dual notification alongside the current single notification process, attempting to minimise the impact on the single notification processing, whilst keeping the two processes as similar as possible, in order to minimise impact on those Parties choosing to use dual notification.

On this basis, it should be noted that there is no change to the following ECVAA functionality required to support dual notification:

- **Credit Procedures** – Credit default, credit checking and other related procedures. Since the dual notification submissions will not be treated any differently to currently, other than the requirement to match contract volumes prior to submission onwards within ECVAA, the process will be the same as that currently defined, undertaken to the same timescales.
- **Authorisation Terminations and Other Authorisation Activities** – All other Authorisation activities, such as requesting the termination of an Authorisation, requesting Key changes etc. will remain as currently defined.
- **Use and Handling of File Sequence Numbers (FSNs)** – Since the dual notification submissions will not be treated any differently to currently, the process will be the same as that currently defined, noting the requirement to receive and process reports in the order of submission, and return feedback reports (AFRs and RFRs) in the correct sequential order. Handling of out of sequence files will not require amendment specific to dual notification. Therefore it should be noted that the same issues with out of sequence files will exist with dual notification as with the current single, but that the issues are unlikely to be exacerbated by use of dual notification.
- **Clock Change Rules** - Since the dual notification submissions will not be treated any differently to currently, other than the requirement to match contract volumes prior to submission onwards within ECVAA, the processing of clock change notifications will be the same as that currently defined.
- **Forward Contract Report** – The Forward Contract Report (ECVAA – I022. E0222) will continue to provide a forward looking view of the contract volumes held by the ECVAA for each BSC Party, against Authorisation and counterparty. Under dual notification, the forward contract report will contain this information for the contract volumes that have been matched, and therefore no amendment to usage or format is envisaged. It is not intended to amend the Forward Contract to report unmatched volumes.

- **End of Day Report** – The End of Day Report (ECVAA – I014, E0141) provides a view of the notifications processed by ECVAA during the preceding Settlement Day, and this supports the dual notification functionality. Therefore, it is not intended that the format or usage of this report be amended.

2.1.2 Potential Amendments to the Single Notification Process

It should be noted that there is no requirement to amend the single notification process to support dual notification. Dual notification, as specified in the following sections of this Requirements Specification can be implemented entirely without impact on the current single notification process.

However, there are potential enhancements to the current single notification process that could be implemented to bring it in line with the dual notification process. These can be summarised as follows:

- Functionality to specify who wishes to receive Acceptance Feedback Reports and Rejection Feedback Reports for each Authorisation.

For a single notification, each Authorisation specifies the counterparties and the submitting notification agent. Currently, all of these three will each receive RFRs and AFRs, as generated. However, where the notification agent is the same as one of the counterparties, this duplicates the reports received, and the implementation of dual notification has the potential to increase this duplication further by introducing another notification agent.

Therefore, as specified in section 2.2.2, the parties / notification agents to receive the AFRs and RFRs can be specified. For example, where counterparty 1 is the same party as the notification agent, then the counterparty can choose not to receive the RFRs and AFRs, instead these can be received and acted upon by the notification agent.

- ECVAA business validation at Settlement Period level.

Currently if any part of a notification submitted fails business validation, the notification is rejected in entirety. However, as specified in section 2.2.3, dual notification proposes to validate at Settlement Period level, such that Settlement Periods that pass validation are accepted, and only those Settlement Periods that fail validation are rejected. This does not require amendment to the format of the RFRs and AFRs, only to the interpretation.

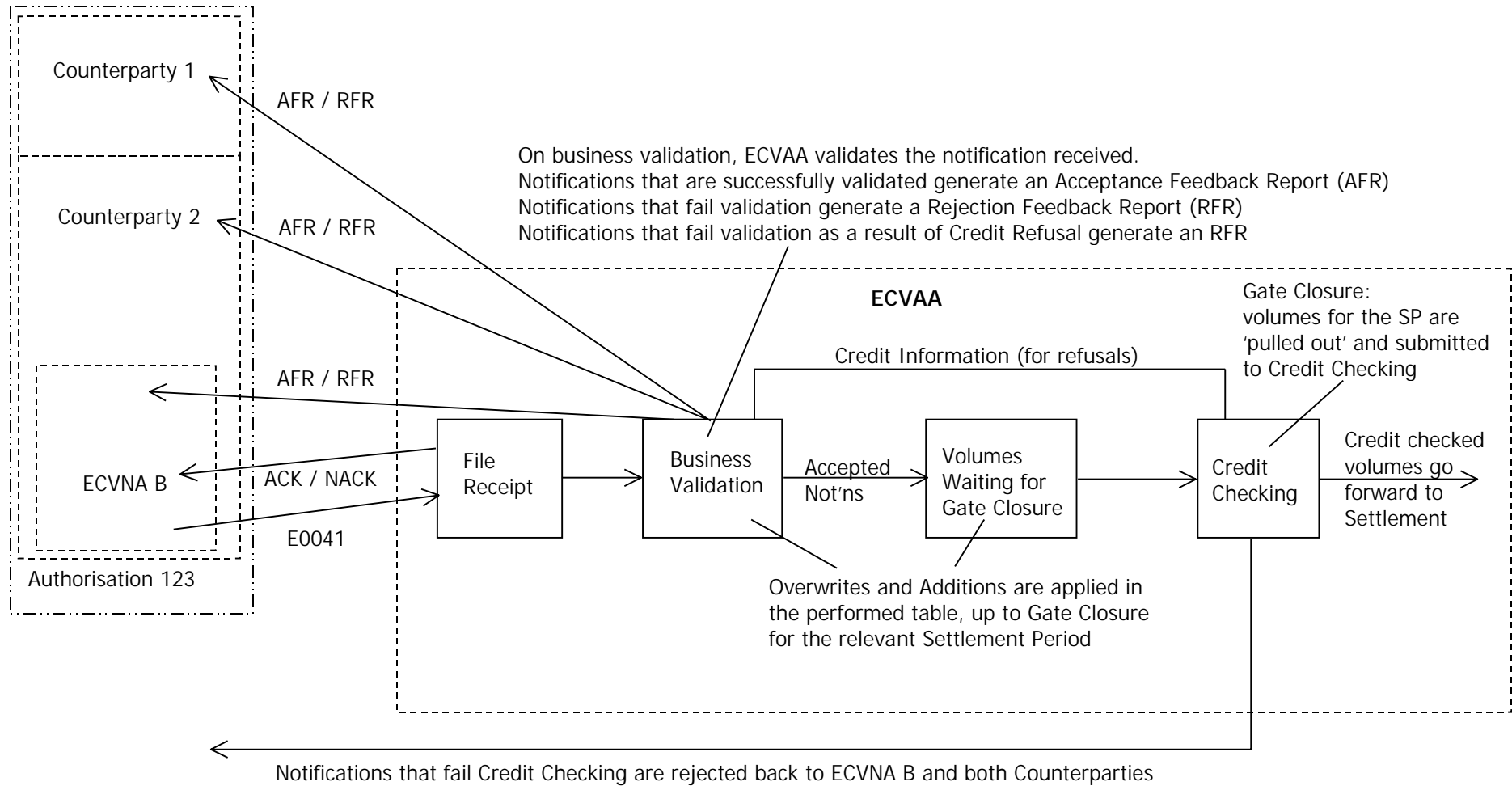
- Web Based View of Contract Positions.

Dual notification proposes to implement a facility to view contract positions on the internet, as a web based viewing facility. As specified in section 2.2.7, contract positions will be available to view for each counterparty against each Authorisation.

- Web Based Entry of Contract Positions.

Dual notification proposes to implement a facility to submit contract positions via the web front end of the web based view of contract positions, i.e. on the internet. As specified in section 2.2.8, contract positions will be available for amendment for each counterparty against each Authorisation.

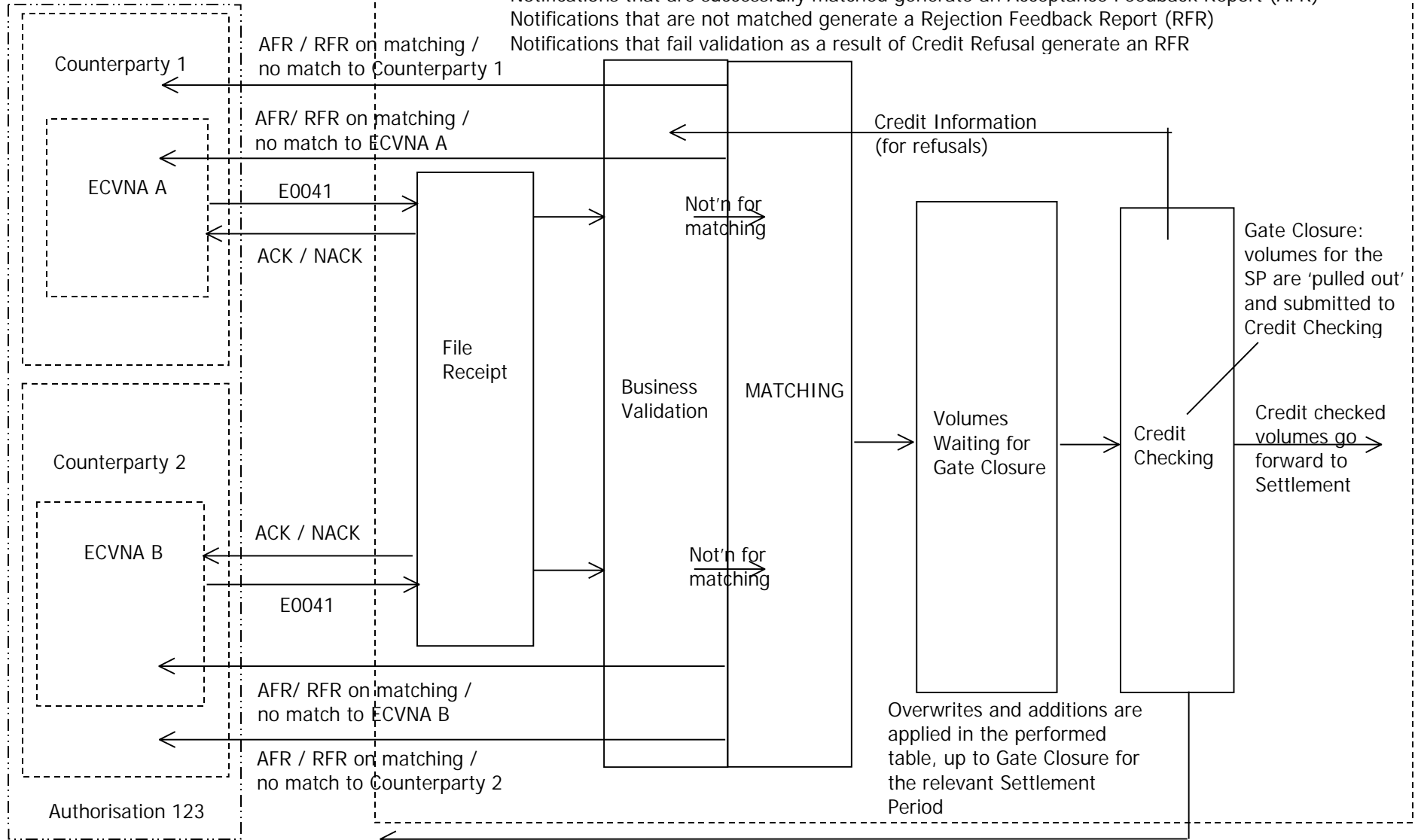
Current Notification



P98 Notification

ECVAA

On business validation, ECVAA validates the notification received.
 Notifications that fail validation generate a Rejection Feedback Report (RFR)
 Successful validations go to matching.
 Notifications that are successfully matched generate an Acceptance Feedback Report (AFR)
 Notifications that are not matched generate a Rejection Feedback Report (RFR)
 Notifications that fail validation as a result of Credit Refusal generate an RFR



Notifications that fail Credit Checking are rejected back to ECVNA's A and B and both Counterparties

2.2 Dual Notification Process

2.2.1 Notification Agent Authorisations

It should be noted that the Authorisation process currently defined can be retained without change for single notification. It is expected that where this was required to be the case, that a different Authorisation form (for example, BSCP71/01a) would be utilised to request Authorisation for dual notification Authorisations.

However, it should be noted that the following section assumes a change to the single notification process to align it with the proposed process for dual notification, noting that such alignment of processing will reduce overheads for all, by removing the requirement to run two parallel processes.

At a high level, the Authorisation process will be retained as is, except for the addition of a field on the requesting form to define the nominated ECVNA for EACH counterparty.

For example:

Form BSCP71/01 extends the information required to include Energy From: counterparty 1, Energy Account and notifying ECVNA; and Energy To: counterparty 2, Energy Account and notifying ECVNA. Where both the counterparties specify the same ECVNA, this indicates a requirement to use the single notification process for that Authorisation.

Currently two counterparties authorise one Energy Contract Volume Notification Agent (ECVNA) to notify on their behalf, utilising the process described in BSCP 71 'ECVNA and MVRNA Registration, Authorisation and Termination'. The following figure, Figure 2.1, provides an example of how the Authorisation is structured:

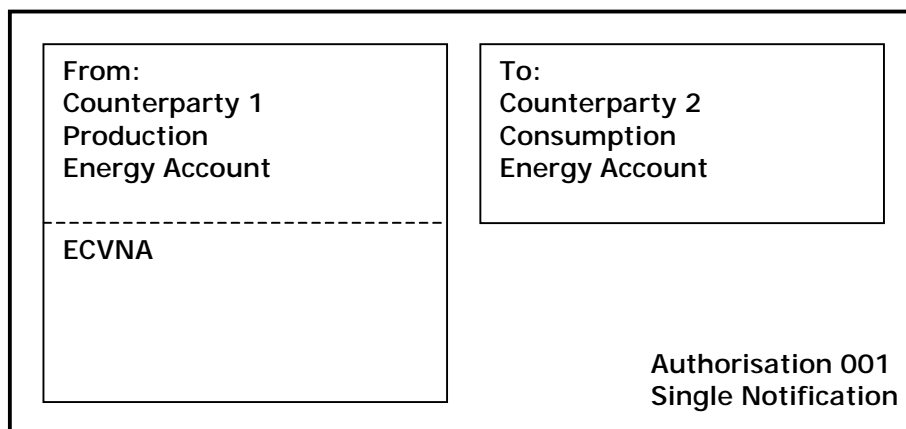


Figure 2.1: Single Notification Authorisation Process.

Figure 2.1 shows that the Authorisation encompasses each counterparty, their nominated Energy Account, and the nominated notification agent. Therefore once this authorisation is set up by the Energy Contract Volume Aggregation Agent (ECVAA), use of the Authorisation reference '001' in subsequent notifications from the ECVAA provides ECVAA with the information on the composition on the authorisation, as follows:

The ECVA – 1004 (E0041) format, for submitting notifications, is provided below, with the usage of the fields flagged, for information.

ECVNs

ECVNAA Id	Uses the Authorisation Id – from the example above '001', therefore telling ECVA the counterparty and Energy Account combination.
ECVNAA Key	Key for the submitting ECVNA for the Authorisation
ECVN ECVNAA Id	The references used to indicate whether this is an overwrite, or an addition to previous notification submissions made under this Authorisation.
ECVN Reference Code	
Effective From Date	As required
Effective To Date	As required

Energy Contract Volumes The energy contract volumes being notified under this submission.

Settlement Period

Energy contract volume

Under dual notification the intent is that each counterparty authorises an ECVNA to notify on their behalf. This would be based on the process described in BSCP 71 'ECVNA and MVRNA Registration, Authorisation and Termination'. The following figure, Figure 2.2, provides an example of how the Authorisation is structured:

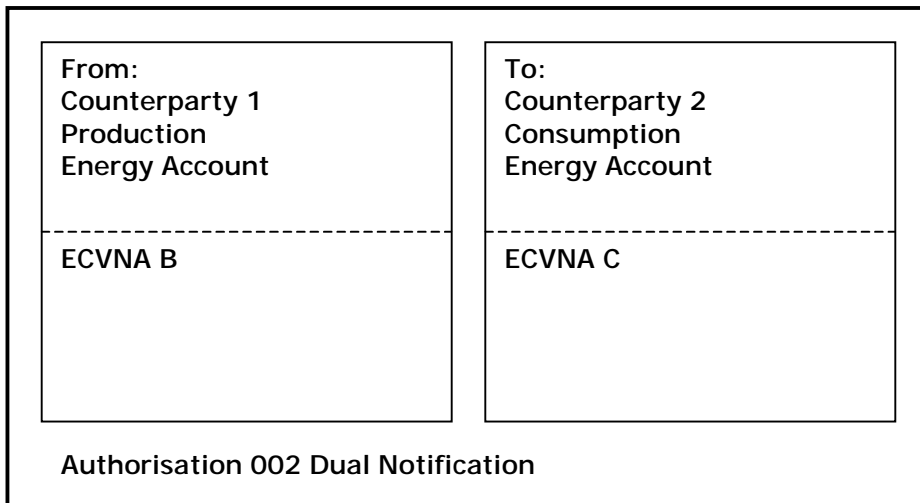


Figure 2.2: Dual Notification Authorisation Process

Figure 2.2 shows that the Authorisation encompasses each counterparty, their nominated Energy Account, and their nominated notification agent. Therefore once this authorisation is set up by the Energy Contract Volume Aggregation Agent (ECVAA), use of the Authorisation reference '002' in subsequent notifications from the ECVAA provides ECVAA with the information on the composition on the authorisation.

Therefore, the difference is that each counterparty nominates their own ECVNA, and the Authorisation encompasses both notification agents and their counterparties. ECVAA will hold the Authorisation such that, under the example provided above, it will expect a notification from ECVNA B, with Authorisation Id '002' to be submitted to the matching procedure, waiting a notification from ECVNA C with Authorisation Id '002'.

The ECVAA – I004 (E0041) format, for submitting notifications, is provided below, with the usage of the fields flagged, for information.

ECVNAA Id	Uses the Authorisation Id – from the example above '002', therefore telling ECVAA the counterparty, Energy Account and ECVNA combination.
ECVNAA Key	Key for the submitting ECVNA for the Authorisation
ECVN ECVNAA Id	The references used to indicate whether this is an overwrite, or an addition to previous notification submissions made under this Authorisation.
ECVN Reference Code	
	Both notification agents will be required to submit exactly the same details here in order to get a match, and in order to provide ECVAA with the information as to whether this is an additive or overwrite to previously notified contract volumes.
Effective From Date	As required
Effective To Date	As required
Energy Contract Volumes	The energy contract volumes being notified under this submission.
Settlement Period	
Energy contract volume	

This mechanism for submitting Authorisations could also be applied to those wishing to utilise the single notification process. Figure 2.3 below indicates the scenario where there is the requirement for an Authorisation to indicate that any submissions made under the relevant Authorisation Id (in the example, provided, Authorisation id '003') are to be treated as a single notification and put through the process accordingly.

It is envisaged that this approach to the Authorisation process would follow the manual process required for the manual process of submitting an Authorisation request. Currently, under BSCP71, there is a requirement to submit three copies of form BSCP71/01 (one from each counterparty and one from the ECVNA, in order to provide privacy in the provision of the password for each 'submitter'), which are then matched by the ECVAA, validated and the Authorisation created.

Under dual notification, the same process would be utilised, except that the BSCP71/01 form would be amended such that each counterparty would include the nomination of their ECVNA on the form. Where the counterparty and the ECVNA are the same organisation, then it is expected that only one form need be submitted by the counterparty / ECVNA pair.

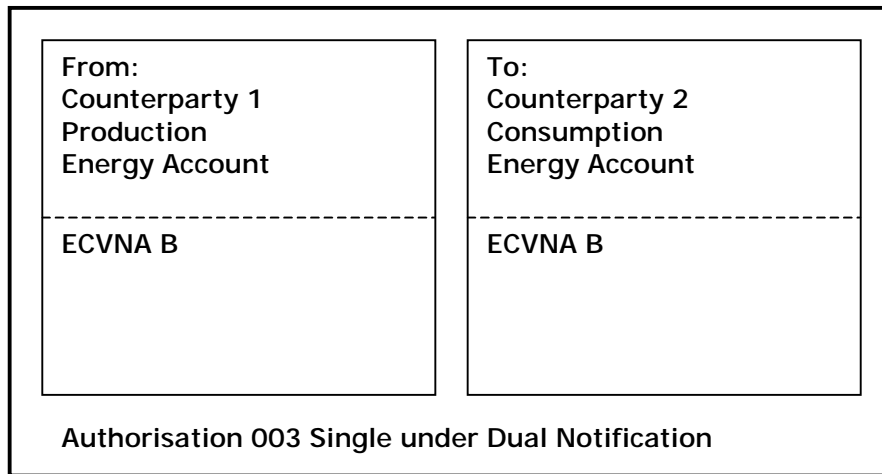


Figure 2.3: Single under Dual Notification

ECVAA will validate and process the Authorisations as currently specified and will provide the same ECVNAA Id back to both ECVNAs, and an ECVNAA Key specific to each ECVNA.

Once the Authorisation has been set up, then notifications can be submitted as described in the following sections.

2.2.2 AFR and RFR Reporting Requirements

For a single notification, each Authorisation specifies the counterparties and the submitting notification agent. Currently, all of these three will each receive RFRs and AFRs, as generated. However, where the notification agent is the same as one of the counterparties, this duplicates the reports received, and the implementation of dual notification has the potential to increase this duplication further by introducing another notification agent.

For example, in the example Authorisation set out in 2.2.1, for Authorisation '002':

Counterparty1 = GenA and ECVNA B = GenAPartyAgent

Counterparty 2 = SupA and ECVNA C = SupAPartyAgent

Therefore GenA will always receive 2 copies of each RFR and AFR generated. Once as the counterparty and once as the ECVNA. The same is true for SupA.

Therefore it is intended to introduce an additional field on the Request for Authorisation (form BSCP71 / 01), to specify whether reports are required. For example:

Role	Party / Party Agent Id	Feedback Reports Required?
Counterparty 1	GenA	YES / NO
Counterparty 1 nominated ECVNA	GenAPartyAgent (ECVNA B)	YES / NO
Counterparty 2	SupAPartyAgent (ECVNA C)	YES / NO
Counterparty 1 nominated ECVNA	SupA	YES / NO

ECVAA will include this information as part of the Authorisation, and will ensure that reports are generated as requested.

Each Authorisation may specify a different combination of reporting requirements. For the avoidance of doubt the reporting requirements detailed are those for the provision of the Acceptance Feedback Reports (ECVAA – I028 / 29, E0281 / E0291) and Rejection Feedback Reports (ECVAA – I009 / 10, E0091 / E0101) only. No other reports are affected by this specification.

Where the reporting requirements require amendment, then the Authorisation should be replaced with the same combination of Parties and Party Agents, with the differing reporting requirements, and effective from date specified.

2.2.3 Submission of Energy Contract Volume Notifications

It should be noted that the validation process currently defined can be retained without change for single notification. It is expected that where this was required to be the case, that a different set of validation rules would be utilised to validate dual notification submissions.

However, it should be noted that the following section assumes a change to the single notification process to align it with the proposed process for dual notification, noting that such alignment of processing will reduce overheads for all, by removing the requirement to run two parallel processes.

Once an Authorisation is set up as described in section 2.2.1, then notifications can be made against that Authorisation.

At a high level, the process for submitting and processing notifications is the same as that currently defined, with the exception of:

- The requirement, when submitting dual notifications, to agree the ECVN ECVNAA Id and ECVN Reference Code between submitting ECVNAs and counterparties, such that these fields can be used for matching purposes, as well as used to denote whether the notification is overwrite or additive; and
- Amendment to the validation and acceptance / rejection process such that each notification submitted is validated at Settlement Period level, and rejections / acceptances issued accordingly. This is a change to the current mechanism where if any part of a notification fails validation, the notification is rejected in entirety.

It is envisaged that the process for submitting notifications would be identical to that currently in place, with one exception. Where the dual notification process is being used, then it is expected that the ECVN submission (ECVAA – I004, E0041) would be populated as follows, using the example Authorisation set out in Figure 2.2 above:

ECVNA B submits the following:

ECVNAA Id	002
	thus telling ECVA A the counterparty, Energy Account and ECVNA combination.
ECVNAA Key	Key for the submitting ECVNA for the Authorisation
ECVN ECVNAA Id	ABC002
ECVN Reference Code	OVER1
Effective From Date	As agreed / required
Effective To Date	As agreed / required
Energy Contract Volumes	The energy contract volumes being notified under this submission.
Settlement Period	
Energy contract volume	

ECVNA C submits the following:

ECVNAA Id	002
ECVNAA Key	Key for the submitting ECVNA for the Authorisation
ECVN ECVNAA Id	ABC002
ECVN Reference Code	OVER1
Effective From Date	As agreed / required
Effective To Date	As agreed / required
Energy Contract Volumes	The energy contract volumes being notified under this submission.
Settlement Period	
Energy contract volume	

Thus the key difference between single and dual notification is the requirement for the counterparties and the notification agents to define and agree the convention for completing the ECVN ECVNAA Id and ECVN Reference Code such that each notification can be matched.

Therefore the overwrite and addition functions can be utilised without change.

On receipt of each notification, ECVA A either provides an Acknowledgement or a Negative Acknowledgement (ACK or NACK, respectively), depending upon whether the submission passes or fails initial validation. There will be no change to this process resulting from the implementation of dual notification. It should be noted that the same timescales for responding will be required.

Where the submission has been 'ACK'ed' by the ECVA A, then the file will be provided to the Business Loader for business validation, as currently specified.

ECVAA will validate the submission, at Settlement Period level. Where one or more individual Settlement Periods fail validation, then the Rejection Feedback Report (RFR, ECVAA-I009, E0091) will contain the relevant Settlement Periods and the reason for rejection. This functionality can be extended to submissions made under the single notification process, such that rejection and acceptance is made at Settlement Period level for each submission.

It should be noted that this is a departure from the current process where if any part of the submission fails validation, then the submission is rejected in entirety. It should further be noted that this functionality can be extended to submissions made under the single notification process.

For the avoidance of doubt, where the rejection is to be made for the reason of Credit Refusal, then it is expected that only those Settlement Periods where the contract volumes notified increase Indebtedness for the BSC Party in Credit Default (where their Permit Notification Rejection flag has been set to 'Yes' by BSCCo, i.e. under the same circumstances as currently defined for Credit Refusal) will be refused, and therefore rejected. Contract notifications for Settlement Periods where Indebtedness is decreased for the BSC Party in Credit Default will be accepted by the ECVAA and forwarded for processing.

Therefore, where any Settlement Period in the notification fails validation, the data for that Settlement Period is rejected, using the RFR with the Settlement Period and contract volume group, Group CD2, repeated as necessary, to provide details of the data for all Settlement Periods rejected.

It should be noted that where the notification is other than within day, i.e. an effective date range is specified, or where the notification is evergreen, then the Settlement Period rejections apply to all Settlement Days in the effective date range. Therefore, where the RFR provides the details of the effective dates, these will be repeats of the dates provided on the incoming notification.

The RFR will be generated to the same timescales as currently defined and the validation undertaken will be the same as that currently defined, with the exception of the validation undertaken at Settlement Period level.

On successful business validation of the notification, or Settlement Period(s) in the notification, ECVAA will forward the part(s) of the notification that have passed validation to the matching process, in order of receipt (i.e. in order to ensure the correct order of processing and therefore correct order of overwrites).

2.2.4 Time Constraints on Matching

The intent is to have a time constraint on the contract volumes to be matched, in order to minimise the volumes of data to be reported. The intent is to constrain the contract volumes for matching to a (rolling) seven (calendar) day period. The rolling seven day period will comprise the remainder of the Settlement Day on which the submission is made, plus seven full calendar days.

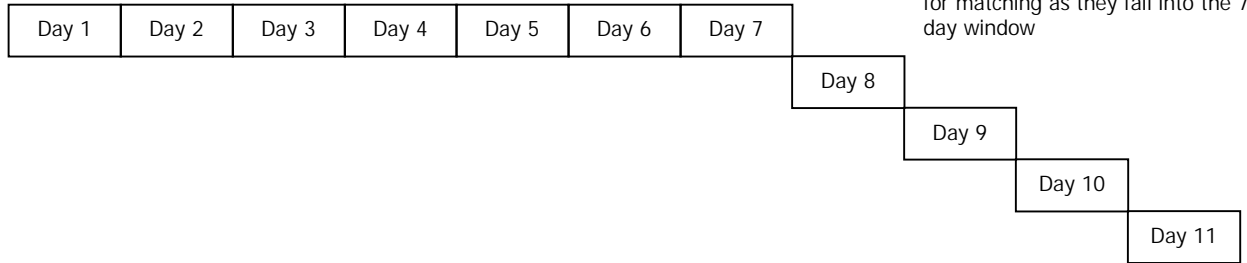
It should be noted that this time constraint does not preclude submission of a notification containing contract volumes for longer periods. The process will work broadly as set out in Figure 2.4 below. Namely, where submissions are made for periods in excess of the rolling seven day period, then the part of the notification that is within the seven period specified, will be submitted for immediate matching.

The parts of the notification that are for periods beyond the seven day window will be stored and will be provided for matching as and when they fall into the rolling seven days, as described in Figure 2.4.

Notification for 11 Settlement Days submitted

Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10	Day 11
-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------

The first 7 days are submitted for immediate matching



Rolling 7 day window

Figure 2.4: Time Constraints on Dual Notification Matching

2.2.5 Matching of Contract Volumes

This is an entirely new process required to support dual notification, although it should be noted that this process can be used by single notifications. In summary:

Successfully validated notifications (or parts of) are submitted for matching:

- Where the notification is a single notification, then the notified contract volumes are automatically matched and submitted waiting for Gate Closure (noting that such volumes can be overwritten up to Gate Closure);
- Where the notification is a dual notification, then the notified contract volumes are used in the search for a match. The match status for the Settlement Periods in the contract notification are reported in the Acceptance Feedback Report (AFR);
- Where contract volumes were unmatched on the initial submission for matching, then no report is generated on their status until matching is successful, when a further AFR is generated containing the matched contract volumes;
- Where contract volumes are matched, these are submitted waiting for Gate Closure (noting that such volumes can be overwritten up to Gate Closure by subsequent matches); and
- It should be noted that there is no requirement to match, or report on, contract volumes for which Gate Closure has already passed.

Immediately on receipt of the successfully validated contract volumes, as outlined in section 2.2.3, ECVAA will commence the process of matching, as shown in Figure 2.5 below.

It should be noted that the generation of the Acceptance Feedback Report is required to be undertaken to the current timescales, i.e. the implementation of the dual notification process will not impact the current service levels for the ECVAA service.

ECVAA will use the Authorisation Id provided to determine whether this is a single or a dual notification, for the purposes of matching. Where it is a single notification (i.e. both nominated ECVNAs were the same ECVNA) then ECVAA will 'automatically match' the contract volumes, accept them and generate an Acceptance Feedback Report (AFR, ECVAA – I028, E0281) indicating that the contract volumes that

were successfully validated have been accepted, as per the current usage of the report. The matched contract volumes will be submitted to 'performed' to wait for Gate Closure.

Where the submission is for the dual notification (i.e. both nominated ECVNAs are different), then ECVA will search for a match, using the ECVN ECVNAA Id and ECVN Reference Code.

Matching is undertaken on the ECVN ECVNAA Id and ECVN Reference Code, at Settlement Day and Settlement Period level.

Where a match is found for a Settlement Day and Settlement Period, then the contract volumes so matched will be submitted to 'performed' to wait for Gate Closure. For the avoidance of doubt, these contract volumes can be overwritten until Gate Closure for the relevant Settlement Period, as per the current process.

The match will be reported using the Acceptance Feedback Report (AFR). It should be noted that where there are multiple Settlement Period matches for the same ECVN ECVNAA Id and ECVN Reference Code, then all the Settlement Periods where a match has been found will be 'batched up' and will be reported in the same AFR.

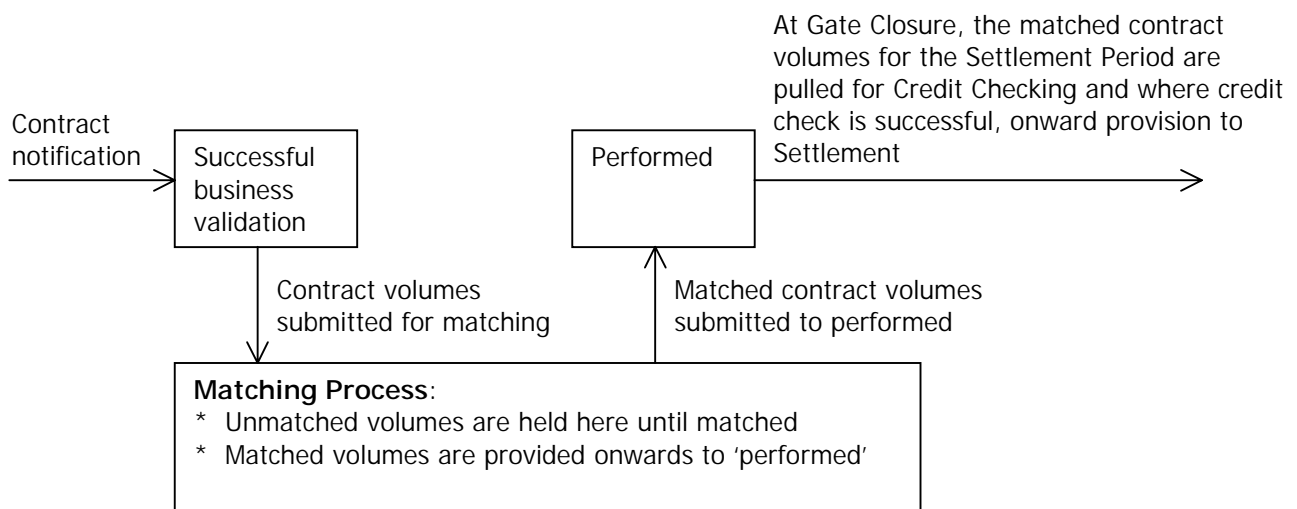


Figure 2.5: Matching Process

Where no match for is found for the contract volumes, then the no match will be reported using the AFR. It should be noted that where there are multiple Settlement Period 'no matches', then all the Settlement Periods where no match has been found will be 'batched up' and will be reported in the same AFR.

It should be noted that the search for matches will be triggered:

- On submission of a notification into the matching process, following successful business validation; and
- When the seven day rolling period 'rolls over' a Settlement Day boundary, i.e. as the 'roll over' occurs, matching will be undertaken for any notifications held pending inclusion into the seven day window.

2.2.6 Reporting Matches in the Acceptance Feedback Report

An example of the AFR format is as follows. It should be noted that the match status is included in the last group in the report, such that this group can be 'ignored' by the users of single notification, minimising impact of implementation to support dual notification.

ECVAA-I028: ECVN Acceptance Feedback

1	G	ECVN Acceptance	
	1	ECVNA Id	
	1	ECVNAA Id	
	1	ECVN ECVNAA Id	
	1	ECVN Reference Code	
	1	Effective From Date	
	O	Effective To Date	
	1	First Effective Period	
	1	File Name	
	1	Sequence Number	
	1	Transaction	
0-*	G	Energy Contract Volumes	Completed as currently specified for the single notification process
	1	Settlement Period	
	1	energy contract volume	
0-*	G	Matched Status	Completed with the matched volumes from the notification referenced above.
	1	Settlement Day	
	1	Settlement Period	
	1	energy contract volume	
0-*	G	Unmatched Status	Completed with the unmatched volumes from the notification referenced above.
	1-*	Settlement Day	
	1	Settlement Period	
	1	energy contract volume	

Where a dual notification is submitted for matching, there are several possible outcomes, and the manner in which the AFR is completed is provided:

- A notification is submitted for matching, where the other half of the notification has not been submitted by the other (counterparty) ECVNA, so none of the notification is matched.

The AFR generated will have the 'Energy Contract Volumes' group populated with all the successfully validated contract volumes (as currently specified for the AFR). The 'Matched Status' group will be absent, and the 'Unmatched Status' group will contain a repeat of the successfully validated contract volumes, against each Settlement Day.

- A notification is submitted for matching where the other half of the notification has previously been submitted, in entirety by the other (counterparty) ECVNA, so some, or all, of the notification is matched.

The AFR generated will have the 'Energy Contract Volumes' group populated with all the successfully validated contract volumes (as currently specified for the AFR). The 'Matched Status' group will be populated with all of the matched volumes, against each Settlement Day, and the 'Unmatched Status' group will any contract volumes in the original submission that failed to match, against each Settlement Day.

- A notification is submitted to 'mop up' any unmatched volumes, for example where there has been a failed match.

The AFR generated will have the 'Energy Contract Volumes' group populated with all the successfully validated contract volumes (as currently specified for the AFR) from the submission. The 'Matched Status' group will be populated with all of the matched volumes, against each Settlement Day, and the 'Unmatched Status' group will any contract volumes in the original submission that failed to match, against each Settlement Day.

It should be noted that this level of reporting covers all circumstances for a match to occur, and reports matches and non matches. There will be no additional reporting, for example, at a specified period ahead of Gate Closure, detailing any remaining volumes that are not yet matched. Therefore it is the responsibility of the Party to maintain their 'view' of what is unmatched at any point in time.

2.2.7 Purging of Unmatched Data

At the end of every Settlement Day all matched contract volumes in the matched table for Settlement Periods already passed, i.e. that were matched after Gate Closure for the relevant Settlement Period and therefore have not been further processed, will be removed from the matched table(s).

To provide clarification, where a volume notification contains contract volumes for Settlement Periods already passed at the point of submission, which are matched, because the other volume notification was the same, then these will be matched accordingly, and placed in the matched table after the Gate Closure to which they pertain. Therefore these can be legitimately disregarded.

Unmatched volumes remaining after 7 days (again, a rolling 7 days) will be purged from the database on expiry, thus avoiding performance issues over volumes in the database.

2.2.8 Web Based Reporting

In addition to the provision of Acceptance Feedback Report detailing matched and unmatched contract volumes, it is intended that there be web based reporting available.

It is envisaged that such reporting would provide a secure view for each Party (and Party Agent) of all the notifications made against each Authorisation where that Party is a counterparty, and / or where the notification agent is (one of) the notifiers.

It is further envisaged that the web based view will also provide the ability for queries to be run on the data, and the results of such queries downloadable.

Data should be available for viewing and querying on the web for a forward period of 7 rolling days, to coincide with the forward period for matching (defined in section 2.2.4).

The web based view may be required to indicate credit default status for BSC Parties, such that the credit default status is displayed against each Party on screen, for example, as set out below.

Authorisation 002			
	Counterparty 1	Counterparty 2	
	ECVNA B	ECVNA C	
	Id of Last File Submitted (Transaction) 001	Id of Last File Submitted (Transaction) 001	
			© ELEXON Limited 2002

	Credit Default Status	Credit Default Status	
Settlement Day (Date)			

The screen should indicate the last submitted file (by indicating the 'Transaction' (reported in the Acceptance Feedback report)) that has been used to match. This will provide each counterparty / notification agent with a view as to the last file processed by the ECVAA and used in matching.

It is expected that there would be a level of colour coding to indicate where there is a match, or a set of volumes pending matching. The example provided below uses green to indicate a successful match, and red to indicate Settlement Periods waiting matching. However, it should be noted that this is an example of the potential format and structure of the web based reporting.

Examples are provided below using the differing example Authorisations set out in section 2.2.1.

Example 1: Dual Notification Submission under Authorisation 002. ECVNA B and ECVNA C have both submitted an initial file for matching. Both ECVNAs made errors in the volumes notified.

Authorisation 002			
	Counterparty 1	Counterparty 2	
	ECVNA B	ECVNA C	
	Id of Last File Submitted (Transaction) 001	Id of Last File Submitted (Transaction) 001	
Settlement Day (Date)			
Settlement Period:			Matched volume
1	10	10	10
2	100	10	-
3	15	15	15
4	15	15	15
5	15	20	-
6	20	20	20
7	20	25	-
8	25	25	25

Example 2: Dual Notification Submission under Authorisation 002. ECVNA B and ECVNA C have both submitted an initial file for matching, both ECVNAs made some errors in the volumes notified. However, overwrite volumes have since been agreed and only ECVNA C has notified them.

It can be seen that the previously matched volumes are retained for submission to performed at Gate Closure. However, the overwrite submission has meant that no volumes match for the two notifications, and therefore the table reverts to indicating that there is no match (red).

Authorisation 002			
	Counterparty 1	Counterparty 2	
	ECVNA B	ECVNA C	
	Id of Last File Submitted (Transaction) 001	Id of Last File Submitted (Transaction) 002	
Settlement Day (Date)			
Settlement Period:			Matched volume
1	10	5	10
2	100	10	-
3	15	20	15
4	15	20	15
5	15	20	-
6	20	25	20
7	20	30	-
8	25	30	25

Example 3: Dual Notification Submission under Authorisation 002. There was a previous match (Example 1), with subsequent overwrite volumes agreed, which ECVNA C notified (Example 2). ECVNA B submits the agreed overwrite volumes.

It can be seen that the previously matched volumes are overwritten by the latest match, and are waiting for submission to be performed at Gate Closure. The matched overwrite submission has meant that all volumes match for the two notifications, and therefore the table reverts to indicating that there are matches (green).

Authorisation 002			
	Counterparty 1	Counterparty 2	
	ECVNA B	ECVNA C	
	Id of Last File Submitted (Transaction) 002	Id of Last File Submitted (Transaction) 002	
Settlement Day (Date)			
Settlement Period:			Matched volume
1	5	5	5
2	10	10	10
3	20	20	20

4	20	20	20
5	20	20	20
6	25	25	25
7	30	30	30
8	30	30	30

Example 4: Single Notification Submission under Authorisation 003. Since this is a single notification (indicated by the same ECVNA for both counterparties), all volumes are automatically matched, and this is displayed.

Authorisation 003			
	Counterparty 1	Counterparty 2	
	ECVNA B		
	Id of Last File Submitted (Transaction) 001		
Settlement Day (Date)			
Settlement Period:			Matched volume
1	10	-	10
2	10	-	10
3	15	-	15
4	15	-	15
5	15	-	15
6	20	-	20
7	20	-	20
8	25	-	25

2.2.9 Web Based Notification Submission

A further enhancement to the web based facility would be to enable entry of contract volumes directly into the tables.

It is envisaged that the process could work as follows, and is summarised in Figure 2.6 below:

- Secure log on, using Party Agent Id / Party Id, Authorisation and Password, to the web 'front end', i.e. either the BSC Party or the Party Agent can use this process;
- This provides access to the contract volumes that the Authorisation is for, for example, ECVNA B (or counterparty 1) logging in under Authorisation 002, would be able to change the volumes

against counterparty 1 and ECVNA B only. ECVNA B logging in under Authorisation 003 would be able to change the volumes for both counterparties (as it is a single notification);

- The contract volumes can be amended via screen / form type entry. The submission of the contract volumes will be made to ECVAA, with the contract volumes translated into an ECVAA-I004 (E0041), i.e. in the report format, as if it were being received as an automated flow via the low or high grade service;
- Where a Party / Party Agent using dual notification agrees with the contract volumes submitted by the counterparty / party agent, then there should be a facility to accept those volumes, rather than re-enter them and submit, risking entry error;
- Once the contract volumes are submitted, it is expected that an ACK / NACK will be generated to the web screen, to confirm receipt of the volumes at the FTP;
- The 'normal' process will then apply. RFR's / AFR's will be generated as described above, via the low / high grade service. The Transaction / FSN will be ECVAA generated and will indicate that the notification was submitted via the web front end.

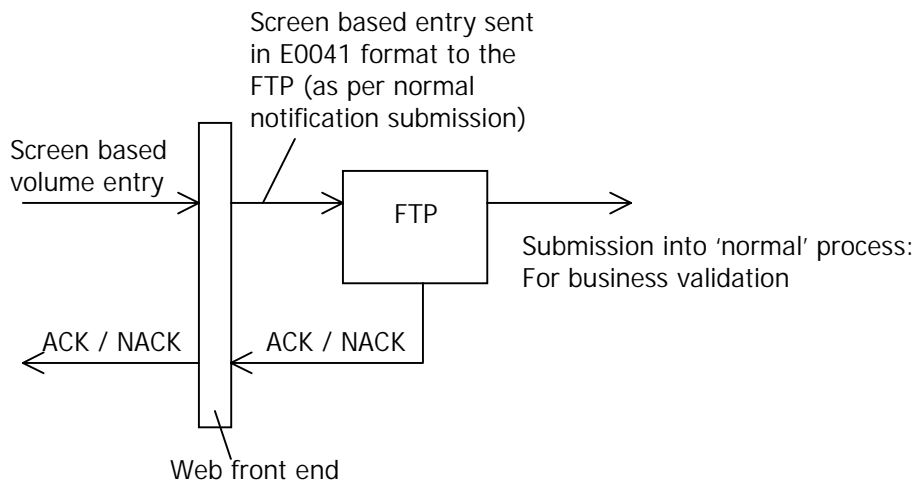


Figure 2.6: Web based Notification Entry

It should be noted that it is not intended that Parties / ECVNAs should rely solely on the web based entry for making contract notifications, in case of web unavailability.

2.3 Failures of the ECVAA System

Given the above definition of the dual notification process, the process for defining and recovering from a failure of the ECVAA system (as defined in the BSC, Section P 5) requires no amendment to that for the current single notification process.

Under the BSC, Section P, 5.1.1 (c) an "ECVAA System Failure is a failure or breakdown of the ECVAA System which has the effect that the ECVAA is unable to receive Volume Notifications submitted to it by all or any Volume Notification Agents, and / or (as the case may be) to send within 20 minutes after such receipt confirmations of such receipt to all or any such agents;".

It is expected that the recovery process will require the counterparties to notifications that have failed to have been notified as a consequence of the failure of the ECVAA System to agree and notify a single notification post event, for recovery.

It should be noted that in the case of the web based contract notification submission, failures of the ECVAA System will not be redefined, and the failure will be deemed to have occurred as defined by BSC Section P 5. For the avoidance of doubt, failures of the web based front end will not constitute a failure.

2.4 Scope of Trading Disputes

It is intended that the scope of Trading Queries and Trading Disputes be extended to encompass disputes for dual notification, made in respect of:

- Erroneous matches, i.e. those where both Parties submitted a value which was matched, say 10MWh, yet a different value was provided forward to Settlement, for example 100MWh; or
- Missed matches, i.e. where both Parties submitted a value which should have been matched, yet the ECVAA failed to match them.

Further definition of the exact definition and scope of such Trading Disputes is required, however, it is not expected that this materially amend the Requirements Specification. It is sufficient, at this time, to recognise that there may be Trading Disputes resulting in amendments to contract volumes in ECVAA. It is expected that the current process for dealing with ex post amendment to ECVAA will be sufficient for the purposes of making amendments following upholding of any Trading Dispute.

2.5 Failure of Party Agent Notification Systems

Given that the dual notification process requires submissions from both parties to get a match and a volume submitted to settlement, a failure of one Party Agent's notification system causes issues in the provision of notifications for that Party Agent and associated counterparties.

There is no clear solution to this issue, as there are currently no provision in place for alternative methods of notification under single notification where the notifier's system fails, other than using the other counterparty's notification agent to make the submission (where there is an Authorisation in place). It should be noted that this is not an option for dual notifying, given the structure of the Authorisations.

The notification agent with the failed notification system would be expected to use their disaster recovery system, the web based notification submission (as set out in section 2.2.8), if available, or an exchange, if set up to do so. It is not expected that any additional provisions be put in place to cover dual notification, notification agent notification systems failure.

2.6 Metered Volume Reallocation Notifications

The process set out in sections 2.1 to 2.5 inclusive, will apply as defined to the Authorisation of MVRNAs, and the submission of MVRNs.

The exception to this is the requirement to match both the Fixed Volume Reallocation value and the Percentage Volume Reallocation for the match to be made.

For example, where a percentage of 50% and a fixed value of 10 MWh is submitted by the Lead Party's MVRNA, and a percentage of 50% and a fixed value of 15 MWh is submitted by the Subsidiary Party's MVRNA, then neither value will be matched.

3 OTHER CHANGES REQUIRED

This section defines amendments to industry systems, processes and documentation not already identified in the previous sections.

3.1 Potential Changes to External Systems

An attempt has been made to limit the impact on BSC Parties and their notification agents, and keep such impact to a bare minimum.

If single notification users wish to take up the enhancements offered by implementation of the dual notification service, then they will be impacted by the requirement to:

- Amend the manual process for Authorisation requests, as set out in sections 2.2.1 and 2.2.2;
- Amend their processing to support rejections and acceptances at Settlement Period level, rather than at notification level;
- Amend processing to support use of the web based view of contract positions; and
- Amend processing to support submission, where required, of contract volumes into the web based front end.

Where it is agreed that no changes should be made to the single notification process, then the dual notification process can be implemented with no impact on those users of the single notification process choosing not to use dual notification.

3.2 Potential Changes to Industry Documentation

The following industry document is impacted by the implementation of the dual notification process, as set out in the preceding sections of this requirements specification.

3.2.1 The Code

- Section P 'Energy Contract Volumes and Metered Volume Reallocations' requires amendment to reflect the dual notification process set out in this requirements specification;
- Section V 'Reporting' requires amendment if the web based reporting and usage is implemented; and
- Section W 'Trading Queries and Trading Disputes' requires amendment to extend the scope of Trading Disputes to cover erroneous matches, as set out in section 2.4.

3.2.2 Code Subsidiary Documents - The Reporting Catalogue and NETA Data File Catalogue

Requires amendment to reflect the changes to reporting set out in this requirements specification.

3.2.3 Code Subsidiary Documents – BSCP71 'ECVNA and MVRNA Registration, Authorisation and Termination'

Requires amendment to the Authorisation Request process (3.1, 3.2 and BSCP71/01 Form), to support the amended process for requesting Authorisations.

3.2.4 Service Description for the Energy Contract Volume Aggregation Agent

Requires amendment to reflect the changes to reporting set out in this requirements specification.

3.2.5 BSC Central Service Agent Documentation

The ECVAAs URS, System Specification, Design Specification, Operational Services Manual, and Manual System Specification require amendment to reflect the amendments set out in this requirements specification.

4 DEVELOPMENT PROCESS

For the purposes of this assessment, the BSC Central Service Agent should assume that the changes will be implemented as a standalone development project managed by ELEXON.

Notwithstanding, ELEXON recognise that responsibility for design, testing and implementation of the BSC Systems lies with the BSC Central Service Agent, and in order to gain assurance that changes made are consistent with the requirements, ELEXON requires visibility of these processes. The following sections give an indication of the control points required during design, testing and implementation and are supplied to provide a basis on which the BSC Central Service Agent can estimate.

4.1 Design

ELEXON intend that responsibility for the correctness of the design should remain with the BSC Central Service Agent, but that ELEXON should have the opportunity to review it, and identify apparent inconsistencies with the requirements. The following processes are proposed to achieve this:

- ELEXON will review changes to the User Requirement Specifications (URS), and sign the document off once review comments have been addressed.
- ELEXON will review changes to the System Specification and Design Specification, and identify any evident inconsistencies with the URS, but will not sign off the documents.

4.2 Testing

ELEXON intend that responsibility for software testing should remain with the BSC Central Service Agent, but that ELEXON should have some visibility of the process, in order to gain assurance that the integrity of Trading and Settlement is maintained. The following processes are proposed to achieve this:

- As part of the response to this document, the BSC Central Service Agent will provide a statement of their proposed testing strategy. This statement will be reviewed by ELEXON, and should explain how the BSC Central Service Agent will demonstrate that the changes are ready for live operation, and that there is no unplanned impact on pre-existing facilities.
- ELEXON will be provided for information with test plans, test scripts and other test documentation that they may request. ELEXON will review these documents, and identify any evident inconsistencies with the agreed testing strategy, but will not sign them off.
- ELEXON will have the option of witnessing appropriate elements of the BSC Central Service Agent's testing.
- The BSC Central Service Agent will provide ELEXON with a test report, summarising the testing carried out, and the results of those tests. The report will also describe any defects found during testing, and the steps taken to resolve them.

4.3 Implementation

ELEXON anticipate the following interaction with the BSC Central Service Agent's implementation process:

- As part of the impact assessment of this document, the BSC Central Service Agent will provide a high-level statement of their proposed implementation approach (describing, for example, whether a phased approach is proposed). ELEXON will review and sign off this high-level implementation strategy.
- Implementation date(s) for the changes described in this document will be agreed in advance by ELEXON and the BSC Central Service Agent.