

<b>Modification Proposal</b>	<b>MP No: P1</b> <i>(mandatory by BSCCo)</i>
<b>Title of Modification Proposal</b> <i>(mandatory by proposer):</i> Extension Of The Definition Of ECVAA Systems Failure For Permitting Post Gate Closure Notification	
<b>Submission Date</b> <i>(mandatory by proposer):</i> 27 March 2001	
<b>Description of Proposed Modification</b> <i>(mandatory by proposer):</i> Failure of the ECVAA systems currently invokes recovery procedures that allow members to make notifications after Gate Closure. This proposed modification seeks to extend the definition of the ECVAA systems to include the High Grade Service communications medium provided by Elexon from the member to the central ECVAA systems. This would require change to Section P 5.1.1 (b) and (c) and a possible additional clause 5.2.5. It is proposed that the modification is applied retrospectively to take effect from March 27th 2001.	
<b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <i>(mandatory by proposer):</i> The current recovery procedures have an inconsistent treatment in relation to a member's inability to submit contract notifications due to a failure of systems provided by Elexon, in that a central system failure is included in recovery procedures but a communications failure is not. From a member's perspective a central system failure or a communications failure would equally frustrate contract notifications. Failure to receive notifications increases potential imbalance and hence could have a significant effect on imbalance prices when in fact there were no changes in market conditions. Moreover, such inconsistent treatment implies that a member would be exposed to imbalance charges in the event of a communications failure, but would be protected from such charges through the ECVAA recovery procedures in the event of a central system failure.	
<b>Impact on Code</b> <i>(optional by proposer):</i> The impact on the Code would be to require a change to Part P 5.1.1(b) and (e), and the possible insertion of a new clause at 5.2.5 as suggested in the attached.	
<b>Impact on Core Industry Documents</b> <i>(optional by proposer):</i> None envisaged.	
<b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b> <i>(optional by proposer):</i> The impact of the modification would be to include a High Grade Service failure to be one of the events which invokes the recovery procedures used in the event of an ECVAA service failure.	
<b>Impact on other Configurable Items</b> <i>(optional by proposer):</i> None envisaged.	

## Modification Proposal

**MP No: P1**  
(mandatory by BSCCo)

### **Justification for Proposed Modification with Reference to Applicable BSC Objectives** (mandatory by proposer):

Justification for Modification:

Depending upon the cause of the communications failure, failure to receive notifications may affect one or multiple members. A communications failure affecting a member such as a power exchange would be generally known across the industry. As a consequence, significant imbalance price changes may result. As such, neither prices nor charges would reflect changes in underlying market conditions or operational conditions. Thus, the objective of imbalance charges would be perverted.

Where members cannot make notifications the aggregate imbalance energy quantities would be expected to rise, thereby capturing more bids and offers in the imbalance mechanism with the likely consequence of more volatile and extreme imbalance charges occurring than would otherwise attain. Where it becomes known that there is an increased requirement for balancing power, imbalance market bids and offers may respond to the imbalance market "squeeze" further exacerbating price volatility.

Communications failure would frustrate normal operational procedures for members as, in seeking to avoid imbalance charges arising from such failure, they would be forced to adopt recovery procedures which could have a consequential adverse effect on normal business operations. ECVAA/Elexon may also be unable to cope with the support and recovery procedures implied by one, several, or all members being unable to make notifications.

Exposure to imbalance charges arising from communications failure cannot be insured against nor can it be mitigated by the use of a telecommunications provider other than Energis.

Applicable BSC Objectives:

BSC Objective 4,

- promoting efficiency in the implementation and administration of the balancing and settlement objectives.

Transmission Licence Condition 7A(3), effectively,

- the efficient, economic and co-ordinated operation of the transmission system,

- promoting effective competition in the generation and supply of electricity,

- promoting efficiency in the implementation of balancing and settlement arrangements.

### **Details of Proposer:**

**Name:** Peter Cox

**Organisation:** OM London Exchange Ltd.

**Telephone Number:** 020 7815 8500

**Email Address:** peter.cox@omgroup.com

### **Details of Proposer's Representative:**

**Name:** Xavier Bruckert

**Organisation:** UK Power Exchange

**Telephone Number:** 020 7815 8552

**Email Address:** xavier.bruckert@omgroup.com

## Modification Proposal

**MP No: P1**  
*(mandatory by BSCCo)*

### Details of Representative's Alternate:

**Name:** Andrew Foster

**Organisation:** UK Power Exchange

**Telephone Number:** 020 7815 8529

**Email Address:** andrew.foster@omgroup.com

### Attachments: YES

#### If Yes, Title and No. of Pages of Each Attachment:

Proposed redraft of Part 5 of the BSC "FAILURES OF THE ECVAAS SYSTEM" (3 pages)