

Stage 04: Final Modification Report

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

▶ 04 Report Phase

P244: Provision of BritNed flow data to the BMRS

This Modification seeks to include data relating to the Netherlands-England Interconnector on the Balancing Mechanism Reporting System (BMRS).



The Panel recommends

Approval of the Alternative Modification



The Panel recommends

Rejection of the Proposed Modification



High Impact:

Transmission Company, BMRS, BMRS users.

P244
Final Modification Report

11 December 2009

Version 1.0

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About this document:

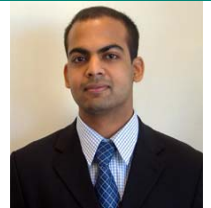
This document is a Final Modification Report, which was sent to the Authority on 11 December 2009, on behalf of the Panel. The Authority will consider the Panel's recommendations, and decide whether or not this change should be made.



Any questions?

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Why Change?

A new Interconnector, 'BritNed', which runs between the Netherlands and England is scheduled to become operational in late 2010. This Modification seeks to include data relating to the Netherlands-England Interconnector on the Balancing Mechanism Reporting Service (BMRS).

Proposed Solution

The Proposed solution seeks to publish the BritNed Interconnector data on the BMRS.

Alternative Solution

The Alternative solution seeks to publish the BritNed Interconnector data on the BMRS, and includes a flexible approach (without the need of a Modification) to accommodate future Interconnectors as separate fuel types in the BSC as and when they are operational.

Impacts & Costs

P244 will impact the Transmission Company, as the originator of the data, and the BMRA, the BSC Agent responsible for maintaining and operating the BMRS.

The estimated implementation cost is £112,900. The Panel note that another Modification P243 which also seeks to publish data on the BMRS is being progressed to identical timescales and there would be an overall 19% cost saving in progressing and implementing these Modifications together.

Implementation

The Panel recommend that P244 is implemented on:

- 04 November 2010 if an Authority decision is received on or before 28 January 2010, or
- 24 February 2011 if the Authority decision is received after 28 January 2010 but on or before 30 March 2010;

The Case for Change

The Panel believe that including the additional Interconnector data within the BMRS reports will result in better provision of information to participants, leading to improvement in self-balancing which in turn should lead to more efficient operation of the Transmission System. Greater transparency of information should also ensure effective competition in generation and supply is maintained.

Recommendations

The Panel's recommendation is that the Alternative Modification is **APPROVED**.



The BMRS

The BMRS can be accessed at:
www.bmreports.com

Interconnector data on the BMRS

The Balancing Mechanism Reporting System (BMRS) is an informational website that provides current and historic data on the electricity market, such as forecasted Demand and system prices.

At present, there are 11 'fuel type categories', including the major fuel types:

- CCGT Modules;
- Oil Plant;
- Coal Plant;
- Nuclear Plant;
- Power Park Modules;
- Pumped Storage Plant;
- Non Pumped Storage Hydro Plant;
- Open Cycle Gas Turbine Plant;
- External Interconnection flows from France to England;
- External Interconnection flows from Northern Ireland to Scotland; and
- a single category containing any other generation not covered above.

The issue

The above categories show that flows from the England-France and Northern Ireland-Scotland Interconnectors are reported separately on the BMRS.

In late 2010, a new Interconnector is scheduled to be operational. This Interconnector will run between the Netherlands and England and will be known as 'BritNed'.

However, there is no provision in the BSC to accommodate the reporting of data for the BritNed Interconnector on the BMRS. In order to publish BritNed data, in line with data already published for the French and Irish Interconnectors, BritNed will require a similar fuel type category and BSC provisions for reporting information on the BMRS.

Proposed Solution

P244 seeks to establish BritNed as an additional fuel type category on the BMRS so that its contribution to generation can be included in the relevant reports.

The BMRS reports that include a breakdown by fuel type will be modified to include an additional category for the BritNed flow. Four reports are affected:

- Instantaneous Generation by Fuel Type (FUELINST, graphical and tabular)
- HH Generation by Fuel Type (FUELHH, graphical and tabular)
- BM Unit Fuel Type (spreadsheet)
- Average Half Hourly Interconnector Flows (graphical and tabular)

To supply the necessary data to BMRS, the Transmission Company's Balancing Mechanism and Registration systems will be modified to collate and transfer the additional fuel type information.

For details of the P244 solution, please refer to the P244 Requirements Specification which is included as Attachment A

Provision for future Interconnectors

The P244 Alternative seeks to implement the same technical solution as the Proposed Modification (as detailed in the Requirements Specification), but to make allowance in the Code for future Interconnector data to be incorporated into the BMRS without the need for a Modification Proposal. This would save on the administrative costs of progressing Modification Proposals for each new Interconnector that becomes operational following P244.

The Modification Group recognised that any changes to the BMRS have potential impact on users that need to be considered. The P244 Alternative would therefore require that when new Interconnector data is to be added to BMRS, the proposed changes must be issued for industry consultation and be approved by the BSC Panel.

Process

The proposed process for adding new Interconnector data would be as follows:

- Transmission Company notifies BSCCo of a new Interconnector and the impact on its systems to provide associated data to BMRS.
- BSCCo initiates an impact assessment for changes to the BMRS.
- BSCCo presents details of the change, including costs, to the BSC Panel.
- Panel initiates an industry consultation on the proposed changes.
- BSCCo collates responses and makes a recommendation to the Panel
- Panel considers responses and determines whether to approve changes to systems.

In practice, the Panel may choose to delegate its responsibility for approving changes to a Panel Committee; for changes relating to BMRS this would typically be the Imbalance Settlement Group (ISG).

5 Impacts & Costs

Costs

| ELEXON Cost | | ELEXON Service Provider cost | Total Cost |
|-------------|--------|------------------------------|----------------|
| Man days | Cost | | |
| 37 | £8,200 | £14,700 | £22,900 |

Transmission Company cost

Estimated cost of £90,000 for the design, build and testing (system, regression and user acceptance) of changes to Transmission Company systems.

Total estimated cost for P244: £112,900.

Impacts

Impact on BSC Systems and process

| BSC System/Process | Potential impact |
|--------------------|--|
| BMRS | Changes are required to receive and validate the data and make this available to participants via the website and the TIBCO messaging service. |

Impact on BSC Agent/service provider contractual arrangements

| |
|-------------------------------------|
| BSC Agent/service provider contract |
| None |

Impact on BSC Parties and Party Agents

BMRS High Grade users will be able to receive the additional data via the website and/or TIBCO messaging. Low Grade users will be able to receive the additional data through via the public website. Both types of user may need to alter systems or processes to accommodate the changes.

Impact on Transmission Company

Changes required to the Balancing Mechanism (BM) and Registration systems to collate and submit the BritNed data to the BMRS.

Impact on Code

| Code section | Potential impact |
|--------------|---|
| Section Q | This section will need amendment to reference BritNed as one of the fuel type categories used for BMRS reporting. |

Impact on other Configurable Items

| Configurable Item | Potential Impact |
|--|--|
| Interface Definition and Design (IDD) Part 1 | Changes to this document will be required to reference the additional fuel type. |



The Panel's recommended implementation approach is for P244 (Proposed or Alternative) to be implemented on:

- 04 November 2010 if an Authority decision is received on or before 28 January 2010, or
- 24 February 2011 if the Authority decision is received after 28 January 2010 but on or before 30 March 2010.

The Panel note that another Modification P243, which also seeks to publish data on the BMRS is being progressed to identical timescales and that there is a cost saving (overall cost saving of 19%) in implementing these Modifications together.

Both Modifications (P243 and P244) could be implemented alone, if the Authority were to reject one of the two Modifications or if it was recommended that P243 and P244 should be implemented separately. However, a more efficient route would be to implement both Modifications together and included them as part of a standard BSC Systems release.

Recommendation

The Panel recommends approval of the P244 Alternative Modification

P244 Proposed and Alternative

The unanimous view of the Panel is that both the Proposed and Alternative Modifications **WOULD** both better facilitate the achievement of Applicable BSC Objectives (b) and (c) when compared to the current BSC baseline. The arguments made by the Panel in support were as follows:

Applicable BSC Objective (b)

- P244 would ensure the efficient operation of the Transmission System as having full visibility of the effect of the new Interconnector alongside the other existing fuel types will better enable market participants to self-balance, thus reducing the amount of balancing activity required on the part of the Transmission Company.

Applicable BSC Objective (c)

- P244 would promote effective competition as the change improves the transparency and availability of information, ensuring all market participants (not just those directly involved with new Interconnector) have appropriate access to its operational data.

In addition to the above, the Panel also believed that the Alternative better facilitated Applicable BSC Objective (d) as:

- P244 would promote efficiency in the administration and implementation of the balancing and Settlement arrangements by allowing for future changes in this area to be progressed with lower administrative overheads while ensuring any developments remain under the authority of the BSC Panel.

Therefore, the Panel recommendation is that the Alternative Modification should be made as it takes the Proposed Solution one step further by including flexibility in accommodating future Interconnectors in the BSC.

What were the Panel's initial views?

The Panel considered the Group's Assessment Report at its meeting in November 2009.

The Panel unanimously agreed with the views of the Modification Group and consultation respondents that:

- both the Proposed and Alternative solutions were better than the current arrangements; and
- The Alternative Modification best facilitated the Applicable BSC Objectives.

Implementation approach

While there was unanimous agreement with the implementation approach as set out in section 6, a Panel member queried whether data on the BritNed Interconnector would be published, should BritNed become operational before P244 is implemented. The Grid representative explained that in such a situation, National Grid would not publish any information via the BMRS but that they were investigating different options to publishing this information.

Future Interconnectors

ELEXON clarified that the Alternative Modification would implement the same technical solution as the Proposed Modification (as detailed in the Requirements Specification), but to make allowance in the Code for future Interconnector data to be incorporated into the BMRS without the need for a Modification Proposal. This would result in potential system and administrative cost savings in accommodating future Interconnectors.

Panel's initial Recommendations

Having considered the P244 Assessment Report, the Panel initially recommended;

- That the Alternative Modification **should** be made;
- That the Proposed Modification **should not be** made;
- A provisional Implementation date of:
 - 04 November 2010 if an Authority decision is received on or before 28 January 2010, or
 - 24 February 2011 if the Authority decision is received after 28 January 2010 but on or before 30 March 2010.
- That P244 should be implemented with P243 so as to achieve the cost savings associated with implementing these Modifications together.

9 Report Phase Consultation Responses

Following the initial Panel discussions ELEXON issued a Report Phase consultation in November 2009. This consultation provided an opportunity for the industry to comment upon the Panel's initial recommendations.

This table summarises the Report Phase Consultation responses.

| Question | | Responses |
|----------|--|----------------------------------|
| 1 | Do you agree with the Panel's view that the Proposed Modification should be rejected? | 7 Yes - Unanimous 0 No |
| 2 | Do you agree with the Panel's view that the Alternative Modification should be approved? | 7 Yes - Unanimous 0 No |
| 3 | Do you agree with the Panel's suggested Implementation date and approach? | 7 Yes - Unanimous 0 No |
| 4 | Do you agree that the legal text delivers the intention of P244? | 7 Yes - Unanimous 0 No |
| 5 | Do you have any further comments on P244? | 1 Yes 6 No |

The full Report Phase responses can be found on the [P244](#) webpage of the ELEXON website.

Unanimous Industry Support

Respondents unanimously agree with the Panel initial recommendations that:

- Both the Proposed and Alternative Modifications are better than the current arrangements;
- The Alternative Modification better facilitates the Applicable BSC Objectives and should be approved; and
- P244 should be implemented should be implemented with P243 in a November 2010 or February 2011 BSC Systems release, so as to benefit from the cost savings of implementing these Modifications together.

One respondent noted that while the relatively high implementation costs could have a negative impact on BSC Objective (d), it was overcome by the importance of having data on the BritNed Interconnector made available to the market.

Respondents made no new arguments during the Report Phase consultation.

P244 Legal text

We received no comments on the P244 Legal text.

What are the Panel's final views?

The Panel considered the Report Phase Consultation responses and the Draft Modification Report at its meeting on 10 December 2009. The Panel unanimously believed that both the Proposed and Alternative Modifications are better than the current arrangements, but that the Alternative best facilitates the Applicable BSC Objectives.

The Panel noted that the Report Phase Consultation respondents:

- Made no new arguments during the consultation.
- Unanimously supported the Panel's recommendation that the Proposed Modification **should not** be made;
- Unanimously supported the Panel's recommendation that the Alternative Modification **should** be made
- Unanimously supported the Legal text; and
- Unanimously supported the Implementation approach (see section 6);

What happens if BritNed is operational before implementation of P244?

It was questioned what would happen to Generation data if BritNed became operational prior to implementation of P244. The Grid representative explained that if such a situation did arise, Generation data would be captured by National Grid and published in the relevant BMRS reports under the 'Other' fuel type category.

Recommendations

The Panel therefore unanimously recommends to the Authority:

- The Proposed Modification P244 **should not** be made;
- The Alternative Modification P244 **should** be made;
- An Implementation date of:
 - 04 November 2010 if an Authority decision is received on or before 28 January 2010, or
 - 24 February 2011 if the Authority decision is received after 28 January 2010 but on or before 30 March 2010; and
- The legal text for Proposed and Alternative Modifications (as contained in Attachments B and C).

11 Further Information

More information is available in:

Attachment A: P244 Requirements Specification

- Details of the P244 solution

Attachment B: Proposed Legal Text

Attachment C: Alternative Legal Text

Other related documentation, including the consultation responses can be found on the [P244](#) webpage of the ELEXON website.