
Meeting name BSC Panel

Date of meeting 13 December 2007

Paper Title ASSESSMENT REPORT FOR MODIFICATION PROPOSAL P215 'REVISED CREDIT COVER METHODOLOGY FOR GENERATING BM UNITS'

Purpose of Paper For Decision

1. PROPOSED MODIFICATION

- 1.1. Proposed Modification P215 seeks to amend the Balancing and Settlement Code ('the Code') to allow certain types of BM Units¹ (defined as 'Credit Qualifying BM Units') to have their Credit Cover calculated using Final Physical Notifications (FPN), instead of using Credit Assessment Load Factor (CALF) values as in the current methodology.

2. ALTERNATIVE MODIFICATION

- 2.1. Alternative Modification P215 seeks to amend the Code to allow 'Credit Qualifying BM Units' to have their Credit Cover calculated using FPN. Additionally, 2 Working Days after Gate Closure, Metered Volumes from a Central Data Collection Agent run would be used in the Credit Cover of CVA registered Credit Qualifying BM Units (SVA registered Credit Qualifying BM Units would use FPN over a 5 Working Day CEI period).

3. POTENTIAL FOR DIFFERENT IMPLEMENTATION DATES

- 3.1 The provisional Implementation Dates suggested in the Assessment Report are subject to confirmation by the Panel. As noted in the P215 Assessment Report, National Grid supplied a revised assessment of the system impact of the P215 Proposed and Alternative Modifications that identified associated cost and timescale impacts. The P215 Modification Group believed that these impacts were of sufficient materiality that other system implementation options for delivery of the P215 Proposed and Alternative Modifications should be explored that would mitigate the system impact on National Grid. The Group's final considerations, views and recommendations on P215 apply regardless of the National Grid costs but took into account that it was requested that an alternative system solution should be considered that could have a more reasonable associated cost. The Panel will be given an update on alternative system solutions and their associated costs.
- 3.2 If the Panel does not agree that a system solution to mitigate the impact on National Grid should be used in P215 implementation, this should be taken into account in the consideration of provisional Implementation Dates.

¹ The original wording in the Modification Proposal refers to these as 'generating BM Units', a term that is not defined in the BSC. During the Definition and Assessment Procedures, the Modification Group concluded that a new BSC-defined term was required to reflect the intention of the Modification Proposal.

4. RECOMMENDATIONS

4.1. Having considered, and taken into due account, the contents of the P215 Assessment Report, the Panel is invited to:

- a) NOTE the P215 Assessment Report and the recommendations of the P215 Modification Group;**
- b) AGREE a provisional recommendation as to whether Proposed Modification P215 should or should not be made, noting that the Group were SPLIT on this matter; and**
- c) AGREE a provisional recommendation that Alternative Modification P215 should be made; and**
- d) DETERMINE in light of the revised Impact Assessment information whether implementation of the P215 Proposed or Alternative Modification should include changes to National Grid systems or a solution which would avoid such changes; and**
- e) AGREE the draft legal text for Proposed Modification P215; and**
- f) AGREE the draft legal text for Alternative Modification P215; and**
- g) AGREE that Modification Proposal P215 be submitted to the Report Phase; and**
- h) AGREE that the P215 draft Modification Report be issued for consultation and submitted to the Panel for consideration at its meeting of 17 January 2008; and**
- i) IF P215 is to be implemented without changes to National Grid Systems, AGREE a provisional Implementation Date for Proposed Modification P215 of 6 November 2008 if an Authority decision is received on or before 30 April 2008, or 25 June 2009 if the Authority decision is received after 30 April 2008 but on or before 13 November 2008; and**
- j) IF P215 is to be implemented without changes to National Grid Systems, AGREE a provisional Implementation Date for Alternative Modification P215 of 6 November 2008 if an Authority decision is received on or before 27 March 2008, or 25 June 2009 if the Authority decision is received after 27 March 2008 but on or before 30 October 2008; OR**
- k) IF P215 is to be implemented with changes to National Grid Systems, AGREE a provisional Implementation Date for both Proposed and Alternative Modification P215 of 25 June 2009 if an Authority decision is received on or before 30 June 2008, or 5 November 2009 if the Authority decision is received after 30 June 2008 but on or before 28 November 2008.**

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ELEXON Change Delivery

List of attachments:

- Attachment A: Assessment Report for Modification Proposal P215
- Attachment B: Attachment 1 to the Assessment Report – Draft legal text for the Proposed Modification
- Attachment C: Attachment 2 to the Assessment Report – Draft legal text for the Alternative Modification
- Attachment D: Attachment 3 to the Assessment Report – P215 Analysis
- Attachment E: Attachment 4 to the Assessment Report – FPN 'Gaming' Analysis
- Attachment F: Attachment 5 to the Assessment Report – Collated P215 consultation responses
- Attachment G: Attachment 6 to the Assessment Report – BSC Agent impact assessment
- Attachment H: Attachment 7 to the Assessment Report – Collated Party and Party Agent impact assessments
- Attachment I: Attachment 8 to the Assessment Report – Transmission Company impact assessment
- Attachment J: Attachment 9 to the Assessment Report – Updated BSC Agent impact assessment
- Attachment K: Attachment 10 to the Assessment Report – Revised Transmission Company analysis