

Stage 03: Draft Solution to Identify Impacts

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

P259: Provision of Applicable Balancing Services Volumes for Interconnectors

The Grid Code requires Interconnectors built after 1 April 2005 to be able to provide Mandatory Frequency Response to the System Operator. The Transmission Company submits related volume data to Settlement, but may not know to which BM Unit the data relates. Assigning this data incorrectly will expose the Interconnector Error Administrator to Imbalance Charges.

P259 aims to enable the volume data to be assigned to the correct BM Unit. It also proposes that the Balancing Mechanism Reporting Service publishes related Interconnector information.



High Impact:
Interconnector Error Administrators



Medium Impact:
National Grid and BSC Agents (Settlement Administration Agent and Balancing Mechanism Reporting Agent)



Low Impact:
Interconnector Administrators

P259
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Impacts

15 June 2010

Version 1.0

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About this document:

This document is the Draft Solution to Identify Impacts for P259. It summarises the different solution options being considered by the P259 Modification Group and details the changes, to the extent the Group has been able to identify them, required to participants' systems and BSC Central Systems to implement the potential solutions.

Requirements are based on the P259 solution options being considered by the Group. The Group has yet to decide on the final P259 solution, and the requirements set out in this document may change during the P259 Assessment Procedure.

This document is intended to facilitate assessment of the impact of implementing the different P259 solution options. You should assess impacts and submit responses in accordance with the Change Proposal Circular (CPC) or other covering documents supplied with this Draft Solution.

We expect P259 to impact the Transmission Company, BSC Agents (BMRA and SAA), and Interconnector Error Administrators (IEAs) and Interconnector Administrators (IAs) for any Interconnectors commissioned after 1 April 2005 (i.e. BritNed). We do not expect there to be any impact on existing Interconnectors, but we are asking IEAs and IAs for existing Interconnectors to confirm this via this impact assessment.

After discussing the results of this impact assessment, the Group will issue a consultation inviting Parties' views on the merits of its chosen solution option(s). The consultation will give generators who provide Mandatory Frequency Response services an opportunity to provide their views on P259.



Any questions?

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The P259 Modification Group has agreed that several solution options should be impact assessed by BSC Agents, the Transmission Company (National Grid) and Interconnectors. The aim of this impact assessment is to determine the costs, impacts and implementation lead times associated with the options currently under consideration, in order to:

- Help the Group choose between the various options and decide which option(s) should be progressed further;
- Obtain cost and impact information for inclusion in the P259 industry consultation;
- Obtain lead times to help the Group determine the P259 implementation approach for inclusion in the industry consultation; and
- Confirm that Interconnectors that are not required by the Grid Code to be able to provide Mandatory Frequency Response are not impacted by the solutions.

National Grid (NG) is investigating the impact on it if it is required to allocate Applicable Balancing Services Volume Data (ABSVD) to a Production BM Unit or a Consumption BM Unit based on whether ABSVD is positive or negative. This is a requirement under some of the solution options. Information from NG may help the Group decide whether to progress such solutions.

Solution options

The P259 Modification Proposal set out three potential solution options, one of which (option 3) had two sub-options. The Group agreed not to impact assess solution options 1 (do nothing), 3a) (new BM Unit) and 3b) (only 1 BM Unit per IEA) which were suggested in the Modification Proposal.

Subject to further information from ELEXON and NG, the Group agreed to impact assess the following solutions. Note that the numbering of these options is consistent with the solutions in the P259 Modification Proposal, with options 1 and 3 omitted as they are not included in this impact assessment:

- **Option 2:** The Settlement Administration Agent (SAA) assigns ABSVD to the correct Interconnector Error Administrator (IEA) BM Unit (from P259 Modification Proposal).
- **Option 4:** NG assigns ABSVD to a new Interconnector User BM Unit (or BM Unit pair) and the Interconnector Administrator (IA) reports an equal energy volume for the same BM Unit. This BM Unit volume is netted off the Interconnector Metered Volume by the SAA in determining the IEA Metered Volume (i.e. the Imbalance or error volume), as normal.

The Code would be changed to allow IEAs or other Parties to register an additional BM Unit or BM Unit pair for ABSVD/Frequency Response, and would require the IEA to do so if no other Party (or Parties) does.

- **Option 5:** NG assigns ABSVD to a new IEA BM Unit (or BM Unit pair); the ABSVD is then applied to the IEA's energy accounts directly (i.e. in line with the standard operation of ABSVD). Multiple BM Units or BM Unit pairs might be registered, with the IEA as Registrant and Lead Party.

The aim of all these options is that the IEA is not at risk of exposure to Imbalance Charges due to an Interconnector's delivery of an instructed Frequency Response volume, only for over- or under-delivery of that volume (i.e. the same as for generators that provide Mandatory Frequency Response).

Variants around BM Units and ABSVD assignment

Both option 4 and option 5 have variants related to the number of BM Units involved (whether a single BM Unit or a BM Unit pair is used) because it is not yet clear what impacts, benefits and disadvantages are associated with:

- Allowing an Interconnector User or IEA to register a single BM Unit which can receive both positive and negative volumes as required. A concern is that BSC System validation of BM Unit volumes may restrict the allocation of negative volumes to the Production BM Unit (and vice versa); and
- Allowing an Interconnector User or IEA to register a BM Unit pair which will have ABSVD assigned to either the Production BM Unit or Consumption BM Unit by NG depending on whether ABSVD is positive or negative.

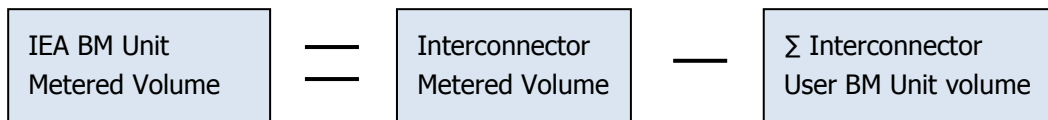
Impact on other Interconnectors

The Group believes that none of the solution options under consideration, as described in this document, will have any impact on Interconnectors (including on the IA or IEA) that are not required by the Grid Code to be able to provide Mandatory Frequency Response to the System Operator. This is because the Group believes that:

- None of the solutions impact the existing IEA BM Unit pair;
- None of the solutions impact the operation of the IA;
- None of the solutions impact the IEA, unless the IEA needs to act (e.g. to register a new BM Unit); the IEA would only be required to act if it is associated with an Interconnector that is obligated to provide Mandatory Frequency Response; and
- None of the solutions affect existing Interconnectors which provide Frequency Response on a commercial (non-mandatory) basis because any Imbalances associated with commercial Frequency Response are dealt with contractually (not through the use of ABSVD).

Settlement of Interconnector volumes

The Interconnector Error Administrator (IEA) is allocated any Metered Volume of energy that remains when all volumes notified by Interconnector Users have been deducted from the Metered Volume of the Interconnector. The IEA BM Unit Metered Volume (i.e. the error volume) is:



Interconnector User BM Unit volumes are determined by the IA based on energy volume notifications received from Interconnector Users and any adjustments made by the IA. The remaining IEA BM Unit Metered Volume is the error volume and will incur Imbalance charges.

For each half hour Settlement Period the SAA allocates the IEA Metered Volume (i.e. the error volume) to either the IEA's Consumption or Production BM Unit based on the direction of the error. The SAA allocates the IEA's volume to the IEA Production BM Unit if it is positive and to the IEA Consumption BM Unit if it is negative.

Settlement of Mandatory Frequency Response by generators

Payment for delivery of Mandatory Frequency Response volumes is dealt with outside the BSC, under the CUSC. Generators' notified energy volumes are adjusted using ABSVD so that any Frequency Response which NG has directed them to supply is taken into account. This ensures that they are not exposed to Imbalance Charges under the BSC for providing Mandatory Frequency Response.

ABSVD is equal to the Frequency Response volume that the generator has been instructed to deliver by NG. NG notifies the SAA of the ABSVD and which generator's Production BM Unit to allocate the ABSVD to. ABSVD for generators is always assigned to the Production BM Unit since the generator's Metered Volume is always positive.

The SAA takes the ABSVD into account when calculating Imbalance Charges. If the generator delivers exactly the Frequency Response volume it was directed to supply it will not incur Imbalance Charges for doing so. However, any deviation from the generator's energy volume position including ABSVD (including any deviation due to under- or over-delivery of Frequency Response) will incur Imbalance Charges. Settlement under the BSC does not distinguish what part of any Imbalance is due to under- or over-delivery of Frequency Response and what part has other causes.

Settlement of Mandatory Frequency Response by Interconnectors

No existing Interconnectors are currently obliged to provide Mandatory Frequency Response volumes at the direction of NG, but new Interconnectors commissioned after 2005 (including BritNed) will be required to do so. Under the existing arrangements Metered Volumes resulting from the provision of Mandatory Frequency Response by an Interconnector will be allocated to an IEA BM Unit (i.e. as they are not User volumes this is the only possible result).

NG will allocate ABSVD to an IEA BM Unit to offset the instructed Frequency Response volume, so that the IEA does not incur Imbalances Charges for delivery of Mandatory Frequency Response by the Interconnector. However, unlike ABSVD for generators, which is always allocated to the Production BM Unit, ABSVD for an Interconnector must be allocated to either the Production or Consumption BM Unit as appropriate (i.e. the same

IEA BM Unit which has been allocated the overall error volume). NG is not able to determine the correct BM Unit with certainty, and there is therefore a risk that ABSVD will be allocated to the wrong IEA BM Unit if no change is made to the BSC arrangements.

If ABSVD is allocated to the wrong IEA BM Unit by NG the IEA will be exposed to Imbalance Charges due to delivery of Mandatory Frequency Response by the Interconnector, unless NG is requested to reallocate the ABSVD to the correct IEA BM Unit. P259 contends that this means that the BSC treats Interconnectors differently to other providers of Mandatory Frequency Response (i.e. generators), for whom there are provisions in place that ensure they do not incur Imbalance Charges for delivering instructed Frequency Response.

The aim of all the P259 solution options is that the IEA is not at risk of exposure to Imbalance Charges due to an Interconnector's delivery of an instructed Frequency Response volume, only for over- or under-delivery of that volume (i.e. the same as for generators that provide Mandatory Frequency Response).

Implicit auctions

New Interconnectors, including BritNed, will need to conduct trades via 'implicit auctions'. No Interconnectors are currently obliged to use implicit auctions, but we have explored how the current BSC arrangements could accommodate them. We recently informed the ISG of the potential approaches ([ISG112/05](#)) as follows:

- A. (No BSC impact) Implicit auction volumes are collected together with Interconnector errors and allocated to the IEA BM Units. The IA would not include implicit auction flows in Metered Volumes notified under Balancing and Settlement Code Procedure (BSCP) 04 and the SAA would therefore automatically include such flows in the IEA Metered Volumes. This is possible because:
- There are no constraints in the Energy Contract Volume Allocation Agent (ECVAA) systems preventing an IEA having Energy Contract Volume Notifications (ECVNs);
 - There are no constraints in National Grid systems or the Balancing Mechanism Reporting Service (BMRS) preventing Final Physical Notifications (FPNs) being submitted and reported for IEA BM Units; and
 - There are no constraints in the Energy Contract Volume Aggregation Agent (ECVAA) systems preventing FPNs for IEA BM Units being taken into account in credit checking.
- B. (BSC impact: changes to R7.1.2, T4.1) Implicit auction volumes are assigned to the IEA, but to a separate pair of Interconnector BM Units (i.e. not the existing IEA BM Units). This option would require the IEA to have two pairs of Interconnector BM Units; and
- C. (No BSC impact) The IEA finds a Party to be responsible for implicit auction volumes. This Party would function as a normal Interconnector User for BSC purposes.

IEAs required to operate implicit auctions therefore have to choose between option A and option C (unless they raise a Modification to amend the BSC). We understand that BritNed, the first IEA to be in this position, intends to use option A.

The options for implicit auctions are included as background information, not impact assessment. The Group must ensure that the P259 solution does not conflict with these possible approaches for implicit auctions. However, the actual process for handling implicit auctions is outside the scope of P259.

Role of the IEA

The role of the IEA is to be responsible for **any** Metered Volume not allocated to an Interconnector User (in accordance with existing BSC arrangements and the relevant Interconnection Agreement), including:

- Any amendment made to the Interconnector's operating program post Gate Closure (except to the extent that BSC R7.1.3(b) allows these to be reflected in Settlement);
- Any discrepancies caused by errors in estimating the losses on the Interconnector;
- Frequency Response¹ (or other balancing services instructed post Gate Closure, except Bid Offer Acceptances (BOAs) which are already allowed for in R7.1.3(b)); and

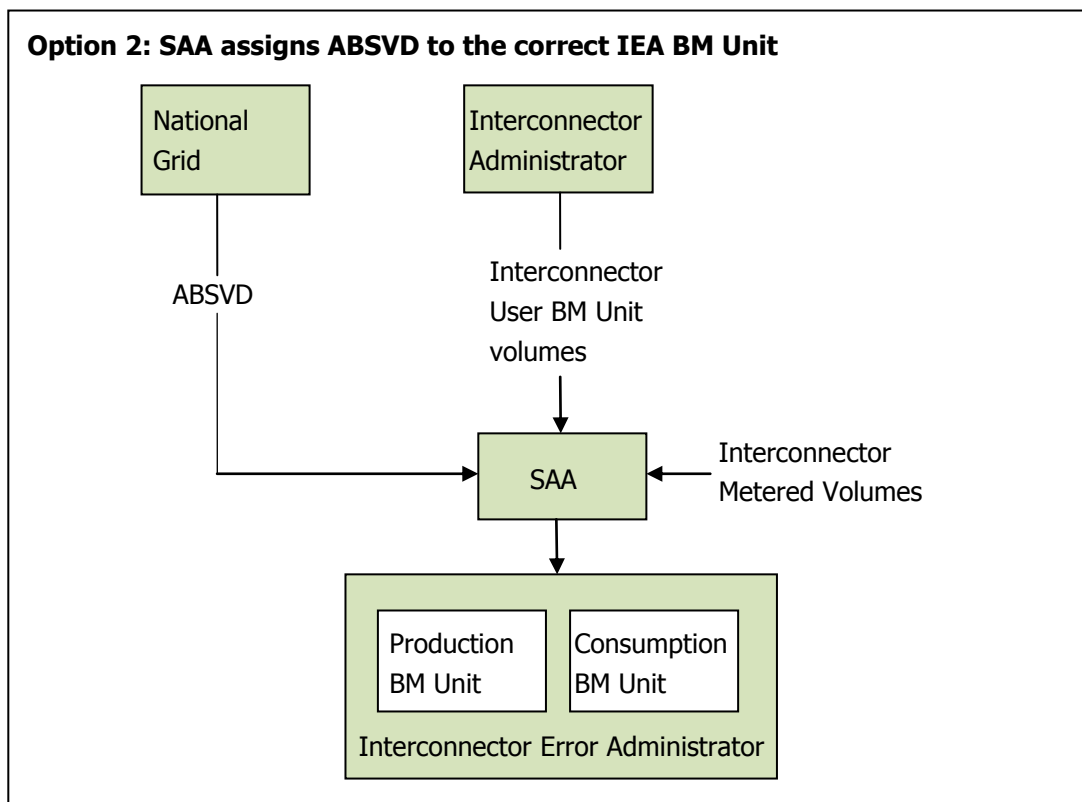
Any other volume (e.g. implicit auctions) not allocated to an Interconnector User. When the BSC was drafted it was not envisaged that the IA would implicitly allocate volumes to the IEA in this way (because at the time it was thought that Interconnector capacity would be allocated through explicit auctions rather than implicit auctions) but doing so is not inconsistent with current BSC provisions.

¹ Unless P259 introduces BSC arrangements to allocate Frequency Response to someone other than the IEA.

Option 2: SAA assigns ABSVD to the correct IEA BM Unit

This option was a suggestion in the P259 Modification Proposal. Currently NG would assign ABSVD but, as identified by P259, NG cannot determine with certainty the correct IEA BM Unit (Production or Consumption) to which the ABSVD should be assigned.

Under this option the SAA assigns ABSVD to the correct IEA BM Unit of the existing IEA BM Unit pair (either Production or Consumption), such that it is correctly taken into account in the IEA Metered Volume (i.e. the error volume, net of Interconnector User volumes).



Requirement 1: NG will notify the SAA of the appropriate ABSVD volume for the IEA with no regard to the IEA BM Unit to which it should be correctly allocated. As a default NG will notify the ABSVD against the Production BM Unit, in line with the process for generators.

Requirement 2: The SAA will determine which IEA BM Unit should be allocated the ABSVD (i.e. the same BM Unit that is allocated the IEA BM Unit Metered Volume) and allocate the ABSVD to that BM Unit. The SAA will then carry out Settlement calculations taking into account the ABSVD, in the same way it would at present.

The SAA performs the determination of which BM Unit to assign ABSVD to as part of each Settlement Run, i.e. as part of the Initial Interim (II) run, again at the Settlement Final (SF) run, and at each subsequent Reconciliation Settlement Run. Note that the result might change from one run to the next due to amendment of the physical meter readings from the Central Data Collection Agent (CDCA) or the deemed meter readings from the IA.

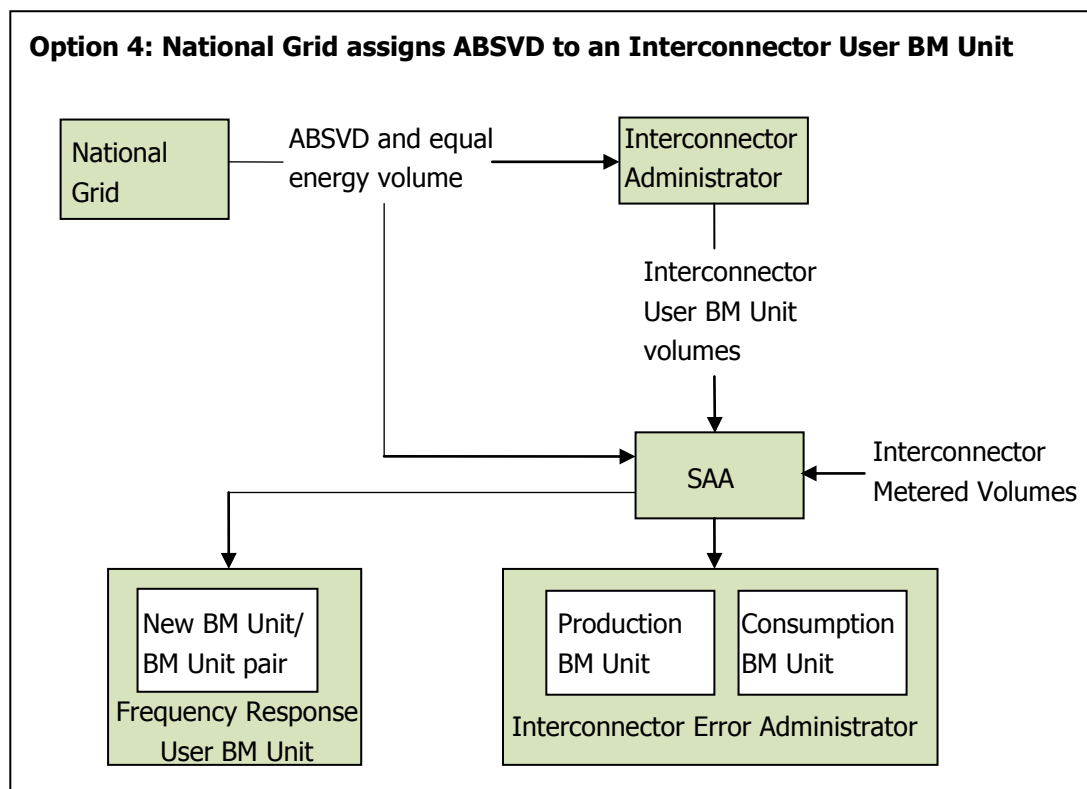
Requirement 3: The Balancing Mechanism Reporting Agent (BMRA) will report the ABSVD data as provided by National Grid. The ABSVD would therefore be reported against the Production BM Unit, regardless of whether the SAA ultimately assigns it to the Consumption BM Unit in subsequent Settlement Runs. This is consistent with the concept that the data reported on Balancing Mechanism Reporting System (BMRS) is indicative.

Option 4: National Grid assigns ABSVD to an Interconnector User BM Unit

This option was developed by the Group in the course of its considerations. In this solution NG assigns ABSVD to an Interconnector User BM Unit (or BM Unit pair) and allocates it an energy volume equal to the ABSVD. The Interconnector Administrator (IA) reports the energy volume to the SAA, as normal for Interconnector User volumes. The BM Unit's volume is netted off the Interconnector Metered Volume by the SAA in determining the IEA Metered Volume (i.e. error volume), as normal.

The Code would be changed to allow IEAs or other Parties (who could be the IA, National Grid or another User) to register an additional BM Unit or BM Unit pair for ABSVD/Frequency Response. The IEA would be required to register such an additional BM Unit or BM Unit pair if no other Party (or Parties) does. Under this solution the additional BM Units or BM Unit pairs would be used only for volumes associated with Frequency Response.

Option 4 has two potential sub-options as described below. Please highlight any differences in impacts, costs and/or lead times between these sub-options.



Variant 4A: single BM Unit

Requirement 1: The IEA can register a single Interconnector User BM Unit for Frequency Response in addition to its standard BM Unit pair (IEA Production BM Unit and IEA Consumption BM Unit) and/or any Party can register an Interconnector User BM Unit for Frequency Response in addition to a standard BM Unit pair (Production BM Unit and Consumption BM Unit).

If an Interconnector is required to be capable of providing Mandatory Frequency Response, and no other Party has registered a BM Unit for Frequency Response volumes, then the IEA of that Interconnector is obligated to do so.

This solution assumes that:

- A Party that registers an Interconnector User BM Unit for Frequency Response would be required to register a standard pair as well, if it has not registered them already;

- The Production/Consumption (P/C) status of an Interconnector User BM Unit used for Frequency Response volumes will be set to Production; and
- The Central Registration Agent (CRA) will record which of an Interconnector User's three BM Units is used for Frequency Response volumes by assigning it a new value of BM Unit Type.

Please identify any impact of these assumptions when responding to the P259 impact assessment.

Requirement 2: NG assigns ABSVD to an Interconnector User BM Unit registered for Frequency Response (or different ABSVD to multiple Frequency Response Interconnector User BM Units as appropriate).

Requirement 3: NG allocates an energy volume (or volumes) equal to the ABSVD to the Interconnector User Frequency Response BM Unit (or Units) and notifies the IA of the energy volume(s). An Interconnector User Frequency Response BM Unit is therefore never in Imbalance.

Requirement 4: The IA reports the energy volume(s) from NG (i.e. the volume(s) equal to the ABSVD) to the SAA against the appropriate Interconnector User Frequency Response BM Unit(s).

The use of a single BM Unit for Frequency Response volumes (i.e. a single BM Unit for each Party taking responsibility for Frequency Response under the BSC) means the BM Unit will be allocated both positive and negative volumes. The volume allocated to a Frequency Response BM Unit can be either positive or negative in any Settlement Period, unlike a normal Interconnector BM Unit, which always has either a positive or negative volume depending on its P/C Status.

We believe that system validation may prevent both positive and negative volumes being assigned to the same BM Unit, so this should be considered as part of the impact assessment and any impact in this area identified.

Requirement 5: The SAA nets off the volumes of the Interconnector User Frequency Response BM Unit(s) from the Interconnector Metered Volume when determining the IEA BM Unit Metered Volume (i.e. error volume), in the normal way for Interconnector User volumes.

Variant 4B: Production and Consumption BM Unit pair

Requirement 1: The IEA can register an Interconnector User BM Unit pair (Production BM Unit and Consumption BM Unit) for Frequency Response in addition to its standard BM Unit pair (IEA Production BM Unit and IEA Consumption BM Unit) and/or Interconnector Users can register an Interconnector User BM Unit pair for Frequency Response in addition to a standard BM Unit pair.

If an Interconnector is required to be capable of providing Mandatory Frequency Response, and no other Party has registered a BM Unit pair for Frequency Response volumes, then the IEA of that Interconnector is obligated to do so.

This solution assumes that:

- A Party that registers an Interconnector User BM Unit pair for Frequency Response would be required to register a standard pair as well, if it has not registered them already;
- The CRA will record which two of an Interconnector User's four BM Units are used for Frequency Response volumes by assigning them a new value of BM Unit Type.

Please identify any impact of these assumptions when responding to the P259 impact assessment.

Requirement 2: NG assigns ABSVD to the Production BM Unit or Consumption BM Unit of an Interconnector User BM Unit pair registered for Frequency Response based on whether the ABSVD is positive or negative (or different ABSVD to the Production BM Unit or Consumption BM Unit of multiple Frequency Response Interconnector User BM Unit pairs, according to the same rules).

Requirement 3: NG allocates an energy volume (or volumes) equal to the ABSVD to the Production BM Unit or Consumption BM Unit of an Interconnector User Frequency Response BM Unit pair (or pairs) and notifies the IA of the energy volume(s). An Interconnector User Frequency Response BM Unit is therefore never in Imbalance.

Requirement 4: The IA reports the energy volume(s) from NG (i.e. the volume(s) equal to the ABSVD) to the SAA against the appropriate Production BM Unit or Consumption BM Unit of an Interconnector User Frequency Response BM Unit pair(s).

This solution assumes that since a pair of BM Units is used, with volumes allocated to Production or Consumption based on whether they are positive or negative, there is no system validation impact. Please identify any impact of this assumption when responding to the P259 impact assessment.

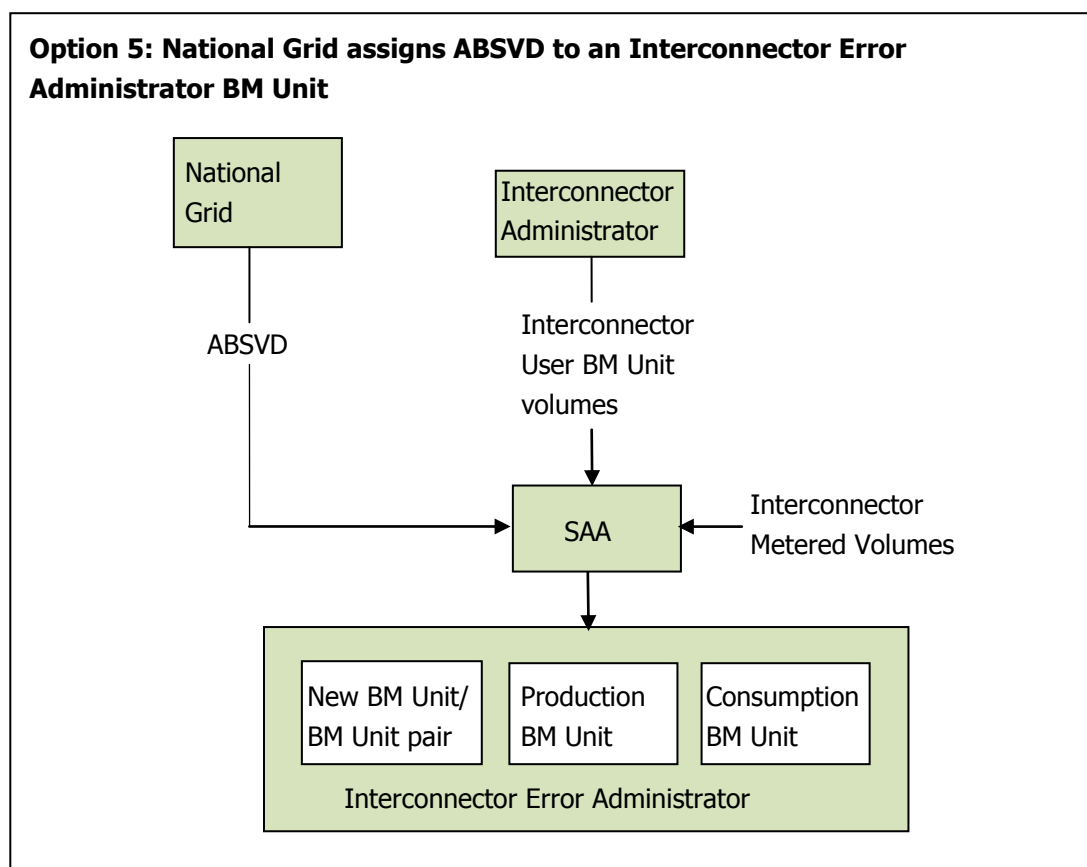
Requirement 5: The SAA nets off the volumes of the Interconnector User Frequency Response BM Unit pair(s) from the Interconnector Metered Volume when determining the IEA BM Unit Metered Volume (i.e. error volume), in the normal way for Interconnector User volumes.

Option 5: National Grid assigns ABSVD to an Interconnector Error Administrator BM Unit

This option was developed by the Group in the course of its considerations. Under this option NG assigns ABSVD to an IEA BM Unit (or BM Unit pair). The ABSVD adjusts the IEA's expected energy volume directly (i.e. in line with the standard operation of ABSVD).

The IEA may register multiple BM Units (or pairs of BM Units) if necessary to facilitate reporting of Frequency Response volumes under the relevant Interconnection Agreement. For example, if an Interconnection Agreement included provisions for allocating portions of the Frequency Response volume to individual Interconnector Users, allowing the IEA to register multiple BM Units could facilitate that (though the Frequency Response volume would remain the responsibility of the IEA for BSC purposes).

Option 5 has two potential sub-options (5a and 5b) as described below, similar to sub-options 4a and 4b. Please highlight any differences in impacts, costs and/or lead times between these sub-options.



Variant 5A: single BM Unit

Requirement 1: The IEA can register a single IEA BM Unit, or multiple IEA BM Units (i.e. not Production/Consumption pairs), for Frequency Response in addition to its standard BM Unit pair (IEA Production BM Unit and IEA Consumption BM Unit).

Requirement 2: NG will notify the SAA of the appropriate ABSVD volume for the IEA BM Unit for Frequency Response (or different ABSVD for multiple Frequency Response IEA BM Units, as appropriate).

Requirement 3: The SAA will determine which IEA Energy Account (Production or Consumption) should be allocated the ABSVD (i.e. the Account that is allocated the IEA BM Unit Metered Volume) and allocate the ABSVD to that Account. The SAA will then carry out Settlement calculations taking into account the ABSVD, in the same way it would at present.

The SAA performs the determination of which Energy Account to assign ABSVD to as part of each Settlement Run, i.e. as part of the II run, again at the SF run, and at each subsequent Reconciliation Settlement Run. Note that the result might change between runs due to amendment of the physical Meter readings from the CDCA or the deemed Meter readings from the IA.

Variant 5B: Production and Consumption BM Unit pair

Requirement 1: The IEA can register an IEA BM Unit pair (Production BM Unit and Consumption BM Unit), or multiple IEA BM Unit pairs, for Frequency Response in addition to its standard BM Unit pair.

Requirement 2: NG will notify the SAA of the appropriate ABSVD volume for the IEA BM Unit pair for Frequency Response (or different ABSVD for multiple Frequency Response IEA BM Unit pairs, as appropriate).

Requirement 3: The SAA will determine which Frequency Response IEA BM Unit (Production or Consumption) should be allocated the ABSVD and will allocate the ABSVD to that BM Unit. The SAA will then carry out Settlement calculations taking into account the ABSVD, in the same way it would at present.

The SAA performs the determination of which Frequency Response IEA BM Unit to assign ABSVD to as part of each Settlement Run, i.e. as part of the II run, again at the SF run, and at each subsequent Reconciliation Settlement Run. The result might change from one run to the next due to amendment of the physical Meter readings from the CDCA or the deemed Meter readings from the IA.

Why Change?

The Transmission Company currently sends the following BM Unit information for generators to the BMRA:

- Aggregate Final Physical Notification (FPN);
- Maximum Export Limit (MEL); and
- Stable Export Limit (SEL).

The BMRA publishes this information to market participants via the BMRS and TIBCO messaging software. MEL and SEL values are used for settling payments for providing Frequency Response. This information, in addition to FPN, is also useful in seeing the final position of the Frequency Response provider at any given point.

Currently, there is no mechanism to report equivalents of these values for an Interconnector as a whole. P259 contends that in order to promote effective competition in the generation and supply of electricity (i.e. in relation to provision of Frequency Response) there should be a mechanism in place for the BMRA to report these values for Interconnectors required to be able to provide Mandatory Frequency Response.

Solution

The CRA will allow the Transmission Company (National Grid) to register a 'pseudo-BM Unit' representing the Interconnector as a whole. The pseudo-BM Unit will be registered using normal BSCP15 processes, but will not have the same obligations as a real BM Unit, e.g. it will not have Aggregation Rules or Metered Volumes associated with it.

The CRA will issue this Registration data to the BMRA, ECVA and Funds Administration Agent (FAA) using the existing CRA-I015 flow. The BMRA will validate the Registration data using the existing business rules.

The Transmission Company will send the Interconnector equivalents of FPNs, MELs and SELs (hereafter called pseudo-FPNs, pseudo-MELs and pseudo-SELs, respectively) using the existing interface BMRA-I004 for sending data for other BM Units. The BMRA will process the equivalent items in the same way as for other BM Unit FPNs, MELs and SELs, i.e. BMRS will report these values on the BM Unit Data screen and the TIBCO message BMRA-I004 will include them.

The Site Help Section on the BMRS will explain the concept of pseudo-BM Units that represent the Interconnector as a whole, and will also explain the meaning of the data and the extent to which this is equivalent to generator FPNs, MELs and SELs.

Since the Transmission Company will register the pseudo-BM Unit, the pseudo-FPN data will not impact Trading Charges or Credit Cover requirements for any Party. This is because the Transmission Company is not subject to Imbalance Charges or Credit Cover requirements.

Impacts on participants

BSC Agent: The BMRA

Transmission Company: The Transmission Company, which will register a pseudo-BM Unit, in accordance with BSCP15, for each Interconnector that is required to be able to provide Mandatory Frequency Response.

Impacts

Impact on BSC Systems and process	
BSC System/Process	Potential impact
BMRA	Reporting data associated with provision of Frequency Response by Interconnectors.
SAA	Option 2: SAA assigns Interconnector ABSVD to IEA BM Unit that received the Metered Volume. Option 5: SAA assigns Interconnector ABSVD to correct Energy Account of the new IEA BM Unit or BM Unit pair (depending on solution variant).
CRA	Options 4 and 5: CRA database changed to commission new Frequency Response BM Unit or BM Unit pair (depending on solution variant) for the IEA or Interconnector Users.

Impact on BSC Parties and Party Agents	
Interconnector Administrators, Interconnector Error Administrator and BSC Agents would be impacted. Impacts vary across the various solution options.	

Impact on Transmission Company	
Depending on solution option, Transmission Company submits Interconnector ABSVD against IEA BM Unit or provides the data to the SAA.	

Impact on ELEXON	
Implementation	As part of P259 implementation ELEXON's Change Implementation Team would make Code changes and manage BSC System changes.

Impact on Code	
Code section	Potential impact
Q, Balancing Mechanism Activities	Amend Q6.4 to specify that Applicable Balancing Services Volume Data may be provided for BM Units and/or Interconnectors.
T, Settlement and Trading Charges	Option 2: Add new paragraph to T4.1 requiring the SAA to allocate Interconnector ABSVD to the IEA BM Unit that received the Metered Volume (i.e. Production BM Unit where QM_{ij} is positive and Consumption BM Unit where QM_{ij} is negative). Option 5: Add new paragraph to T4.1 requiring the SAA to assign Interconnector ABSVD to the Energy Account of the new IEA BM Unit or BM Unit pair that matches the IEA BM Unit that received the Metered Volume (i.e. Production BM Unit where QM_{ij} is positive and Consumption BM Unit where QM_{ij} is negative).
K, Classification and Registration of Metering Systems and BM Units	Options 4 and 5: amend K5.5 to reflect new configuration of IEA BM Units.