

Responses from P191 Assessment Consultation

Consultation Issued 06 September 2005

Representations were received from the following parties

No	Company	File number	No BSC Parties Represented	No Non-Parties Represented
1.	EDF Energy	P191_AR_001	9	0
2.	National Grid	P191_AR_002	1	0
3.	Scottish and Southern	P191_AR_003	6	0
4.	British Gas Trading	P191_AR_004	1	0
5.	RWE Npower	P191_AR_005	10	0
6.	Scottish Power Plc	P191_AR_006	6	0
7.	British Energy	P191_AR_007	5	0
8.	CE Electric	P191_AR_008	1	0

P191 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	David Lewis
Company Name:	EDF Energy
No. of BSC Parties Represented	9
Parties Represented	EDF Energy Networks (EPN) plc; EDF Energy Networks (LPN) plc EDF Energy Networks (SPN) plc; EDF Energy (Sutton Bridge Power) EDF Energy (Cottam Power) Ltd; EDF Energy (West Burton Power) Ltd; EDF Energy plc; London Energy plc; Seeboard Energy Limited
No. of Non BSC Parties Represented (e.g. Agents)	0
Non Parties represented	0
Role of Respondent	Supplier/Generator/ Trader

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P191 better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s)	Yes	In expanding the definition of a BM Unit to include a Power Park Module, P191 makes the process of registering a wind farm or other intermittent power source easier by avoiding the need to register the site as a non-standard BM Unit. This will make the administration process far simpler than at present, thus better facilitating the efficiency of the market (Objective D).
2.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	No	
3.	How many Power Park Modules is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential

Q	Question	Response	Rationale
4.	How many wind farms similar in configuration to that at Blacklaw is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
5.	Does P191 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale	No	

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Please send your responses by **17:00 on Monday 19 September 2005** to modification.consultations@elexon.co.uk and please entitle your email 'P191 **Assessment Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Modification Group.

Any queries on the content of the consultation pro-forma should be addressed to Tom Bowcutt on 020 7380 4309, email address thomas.bowcutt@elexon.co.uk.

P191 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

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Respondent:	<i>Mark Duffield</i>
Company Name:	<i>National Grid plc</i>
No. of BSC Parties Represented	
Parties Represented	
No. of Non BSC Parties Represented (e.g. Agents)	
Non Parties represented	
Role of Respondent	<i>Transmission Company</i>

Q	Question	Response <small>Error! Bookmark not defined.</small>	Rationale
1.	Do you believe Proposed Modification P191 better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s)	Yes	<p>It is our view that the Proposed Modification P191 would better facilitate the Applicable BSC Objectives:</p> <p>Promoting efficiency in the implementation and administration of the balancing and settlement arrangements</p> <p>National Grid does not believe that the existing arrangements whereby each Power Park Module may only register itself as a Balancing Mechanism Unit (BMU) through the Non-Standard BMU Registration process is the most efficient process by which Power Park Modules can be registered. Rather as P191 proposes National Grid believes that it would be more efficient if an owner of a Power Park Module were to be able to register a single Power Park Module as a single BMU through the standard BMU Registration procedures. With the forecast numbers of Power Park Modules due to be connected to the Total System over the coming years a number of which</p>

Q	Question	Response Error! Bookmark not defined.	Rationale
			will be registered as BMUs it is National Grid's view that should a single Power Park Module have to be registered as a BMU through the non-standard BMU registration procedure on each occasion this would represent a significant burden upon the administrative arrangements under the BSC. National Grid does not believe that this administrative burden is appropriate given that National Grid also believes that the registration of a single Power Park Module as a single BMU can be accommodated in the same manner as the configurations currently permitted by the BSC to register as a BM Unit under the standard BM Unit Registration process.
2.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	No	National Grid does not believe that there are any appropriate alternative solutions to the original P191 Amendment Proposal. Although it may be possible for more than 1 Power Park Module to form a single BM Unit (as has been the case historically) it is by no means the case that this can be accommodated in every situation. To derive a methodology that could consistently allow a number of Power Park Modules to form a BM Unit without being subject to the non-standard BM Unit registration process would be problematic. In each case National Grid would need to consider each individual connection to ensure that National Grid's operational ability to know the magnitude of Power flows entering the Transmission System is not prejudiced and that the GB Transmission System cannot be paralleled by a User's System in the event of a fault on the GB Transmission System. It is likely therefore that to establish an alternate methodology National Grid would have to examine each proposed "non-standard" connection against the proposed methodology. In effect this would mean that the same workload would have to be undertaken by National Grid as it would under the non-standard BM Unit registration process but in a single tranche rather than as each connection applies to register its BM Units. Such a process would not be more efficient but rather would simply concentrate the workload over a much shorter period of time.

Q	Question	Response Error! Bookmark not defined.	Rationale
			<p>National Grid also believes that there are likely to be fewer “non-standard” Power Park Module configurations likely to come on line in the coming years. The majority of the existing “non-standard” connections were designed under the Scottish connection arrangements. Since BETTA Go-Live connections have been designed under the GB SQSS, which while this does not preclude Windfarms consisting of more than one Power Park Module should mean that the occurrence of “non-standard” connections becomes more rare. Therefore given both the difficulties in establishing a robust alternate methodology and the fact that it is likely that there will be fewer “non-standard” connections in the future National Grid believe that there is little benefit in attempting to derive a complex solution to a problem that may be at worst negligible in the medium to long term.</p>
3.	How many Power Park Modules is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
4.	How many wind farms similar in configuration to that at Blacklaw is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
5.	Does P191 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale	No	

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P191 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	<i>Andrew Colley</i>
Company Name:	<i>Scottish and Southern Energy</i>
No. of BSC Parties Represented	<i>6</i>
Parties Represented	<i>SSE Energy Supply Ltd, SSE Generation Ltd, Keadby Generation Ltd, Medway Power Ltd, Southen Electric Power Distribution plc, Scottish Hydro-Electric Power Distribution Ltd</i>
No. of Non BSC Parties Represented (e.g. Agents)	<i>0</i>
Non Parties represented	
Role of Respondent	<i>Supplier/Generator/Trader/LDSO</i>

Q	Question	Response Error! Bookmark not defined.	Rationale
1.	Do you believe Proposed Modification P191 better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s)	Yes	The modification seeks to amend the BSC to more efficiently manage emerging technologies. Other industry Codes have recognised changes required to deal with these technologies, such as the Grid Code, and in recognising the existence of Power Park Modules the BSC will align itself with industry. This will help to simplify the rules by providing a common reference point across industry Codes and as such will facilitate applicable objective c) by removing ambiguity in the BM Unit registration process and removing a potential barrier to entry. Additionally, the change will reduce the administration overhead borne by Elexon in handling future applications by reducing the need to seek and prepare for Panel authorisation of non-standard BM Units, such facilitating applicable objective d) by improving the efficiency of BSCCo.

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2.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	No	
3.	How many Power Park Modules is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
4.	How many wind farms similar in configuration to that at Blacklaw is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
5.	Does P191 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale	No	

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Respondent:	Danielle Lane
Company Name:	BGT
No. of BSC Parties Represented	
Parties Represented	
No. of Non BSC Parties Represented (e.g. Agents)	
Non Parties represented	
Role of Respondent	

Q	Question	Response <small>Error! Bookmark not defined.</small>	Rationale
1.	Do you believe Proposed Modification P191 better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s)	Yes	The proposal will improve the administrative arrangements for registration of windfarms and so meet objective d. P191 will also provide for more equitable treatment of wind farms and other renewable generation by reducing a barrier to entry. In doing so it will further objective c. In addition, aligning the definition of Power Park Module with that in the Grid Code and CUSC will improve clarity to participants and so also better facilitate objectives c and d.
2.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	No	

Q	Question	Response <small>Error! Bookmark not defined.</small>	Rationale
3.	How many Power Park Modules is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
4.	How many wind farms similar in configuration to that at Blacklaw is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
5.	Does P191 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale	No	

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Respondent:	<i>John Stewart</i>
Company Name:	<i>RWE Npower</i>
No. of BSC Parties Represented	<i>10</i>
Parties Represented	RWE Trading GmbH, RWE Npower plc, Npower Commercial Gas Ltd, Npower Co-gen Trading Ltd, Npower Direct Ltd, Npower Ltd, Npower Northern Ltd, Npower Northern Supply Ltd, Npower Yorkshire Ltd, Npower Yorkshire Supply Ltd
No. of Non BSC Parties Represented (e.g. Agents)	<i>None</i>
Non Parties represented	<i>None</i>
Role of Respondent	<i>Supplier/Generator/ Trader / Consolidator / Exemptable Generator / Party Agent</i>

Q	Question	Response Error! Bookmark not defined.	Rationale
1.	Do you believe Proposed Modification P191 better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s)	Yes	We believe proposed modification P191 does better facilitate the achievement of the Applicable BSC Objectives by removing potential barriers to entry to wind farms with. We also believe that P191 simplifies the current administrative arrangements and better aligns the BSC with the CUSC and Grid Code.
2.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	No	No comment
3.	How many Power Park Modules is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential

Q	Question	Response Error! Bookmark not defined.	Rationale
4.	How many wind farms similar in configuration to that at Blacklaw is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
5.	Does P191 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale	No	No comment

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Respondent:	Mike Harrison
Company Name:	ScottishPower Plc
No. of BSC Parties Represented	6
Parties Represented	Scottish Power UK plc; ScottishPower Energy Management Ltd.; ScottishPower Generation Ltd; ScottishPower Energy Retail Ltd.; SP Transmission Ltd; SP Man web plc.
No. of Non BSC Parties Represented (e.g. Agents)	0
Non Parties represented	Please list all non Parties responding on behalf of (including the respondent company if relevant).
Role of Respondent	Supplier / Generator / Trader / Consolidator / Exemptible Generator

Q	Question	Response Error! Bookmark not defined.	Rationale
1.	Do you believe Proposed Modification P191 better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s)	YES	We believe that P191 better facilitates the achievement of BSC Objective (d) Promoting efficiency etc, by reducing the administrative burden of dealing with non-standard BM Unit applications for wind farm developments. To the extent that P191 will also reduce the administrative burden for potential wind farm developers and that reduces or removes a barrier to entry we also believe that P191 will better facilitate the achievement of BSC Objective (c) Promoting competition etc. We agree with the Modification Group that the proposed change should not preclude developers using the non-standard application route should they wish to do so.

Q	Question	Response Error! Bookmark not defined.	Rationale
2.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	YES	<p>We believe that windfarms with connection arrangements similar to Blacklaw should also be covered directly by the provisions of section K. It is important for windfarm developers to be certain at an early stage of the project what the BM Unit arrangement is going to be. To include this type of site in the BSC is relatively simple (see drafting below) and will provide developers with the comfort needed to finalise the windfarm design and let contracts without having to use the non-standard application process. We do not believe that the provisions set out below would create any more onerous burden on BSCCo or the Transmission Company than the original proposal while better facilitating the achievement of the BSC Objectives.</p> <p>Draft Alternative Modification:</p> <p>Amend K1.6.2 to read: For the purposes of paragraphs 1.6.1 and 3.1.4, a "Site" is: etc</p> <p>Insert a new clause (b) into K3.1.4 to read: <i>any Power Park Module for whose Exports the Metering System(s) is or are registered in CMRS, provided that where a number of Power Park Modules are connected at a Site which has a single connection to the rest of the Total System those Power Park Modules shall constitute a single BM Unit.</i></p> <p>Renumber remaining paragraphs of K3.1.4</p> <p>Do not make the change to K3.1.4(a) proposed in P191 Original.</p>
3.	How many Power Park Modules is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
4.	How many wind farms similar in configuration to that at Blacklaw is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential

Q	Question	Response Error! Bookmark not defined.	Rationale
5.	Does P191 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale	Yes / No	It is important that the developer can ascertain at an early stage in the development process the exact nature of the BSC obligations. The inclusion of Black law-type sites in the Code provisions should ensure both more efficiency in the implementation and administration of the balancing and settlement arrangements and reduced risk and hence reduced cost for the developer. We therefore commend to you the alternative drafting included in our answer to Q2.

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P191 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS – POWER PARK MODULES AS BM UNITS

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Respondent:	<i>Martin Mate</i>
Company Name:	<i>British Energy Power & Energy Trading Ltd</i>
No. of BSC Parties Represented	<i>5</i>
Parties Represented	<i>British Energy Power & Energy Trading Ltd, British Energy Generation Ltd, Eggborough Power Ltd, British Energy Generation (UK) Ltd, British Energy Direct Ltd</i>
No. of Non BSC Parties Represented (e.g. Agents)	<i>-</i>
Non Parties represented	<i>-</i>
Role of Respondent	<i>Supplier/Generator/Trader/Consolidator/Exemptable Generator/Party Agent</i>

Q	Question	Response	Rationale
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Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P191 better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s)	No	<p>P191 would reduce the administrative overhead of processing a certain group of non-standard BM Unit applications, and the number of BM Units and meters required, thus better meeting BSC Objective (d) relating to efficiency.</p> <p>However, allowing all Power Park Modules to automatically qualify as BM Units would remove protections for the Transmission Company and BSC Parties in general:</p> <ol style="list-style-type: none"> 1. Information about the likely behaviour of potentially large component blocks of generating units within the site would be lost to the TC and other parties; as would the opportunity to control (if only by switching off) blocks within the site. This could make system operation and balancing, paid for by all parties, more difficult. 2. Submission of aggregate data to the TC and BSCCo is possible in a manner not available to generating units not in a Power Park Module. 3. Individual components within a Power Park Module could be used by parties for post-gate self-balancing and delivery of potential balancing services in a manner not available to similar generation not in a Power Park Module. I.e. the ability to swap generation from individual generating units within the BM Unit. 4. The number and hence cost of settlement quality meters is reduced in a manner not available to similar generation not in a Power Park Module. <p>These effects act against better meeting BSC Objective (b) relating to efficient, economic and co-ordinated operation of the transmission system and (c) relating to competition in the generation and supply of electricity. On balance, we prefer to retain the existing provisions which provide opportunity to reject applications which do not meet the strict interpretation of the Code. This also encourages parties to seek approval in advance for non-standard BM Units rather than wait until after design and/or works have been completed and change would be very expensive and potentially delay commissioning.</p>
2.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	Yes	<p>The reason for our objection to the proposal as drafted is that certain protections for the Transmission Company and other BSC Parties would be lost if any Power Park Module were automatically allowed to form a BM Unit.</p> <p>These objections would be overcome if, for example there was:</p> <ol style="list-style-type: none"> (a) a limit to the size of a Power Park Module which automatically qualified as a single BM Unit, or (b) a limit to the size of individually and independently switchable blocks of generating units within the Power Park Module which did not require separate BM Units (50 MW, say); <p>with, in each case, the agreement of the Transmission Company to the BM Unit arrangement.</p>

Q	Question	Response	Rationale
3.	How many Power Park Modules is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
4.	How many wind farms similar in configuration to that at Blacklaw is your company likely to build in the next five years? (All replies to this question will be treated confidentially)		Confidential
5.	Does P191 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale	Yes	See below.

Observations and analysis

1. *BSC K1.1 & 1.2 require each boundary point to be metered and the flows attributable to a Party.*

2. *BSC K2.1 requires all direct connections to the Transmission System to have a Boundary Point Metering System registered in CMRS. Licensable Generating Plant (one or more Generating Units managed as one power station) and Interconnectors must also have metering registered in CMRS. Exempt generators may be registered in CMRS or (by a Supplier) in SMRS.*
3. *BSC K3.1.2 requires a separate BM Unit for the smallest separately controllable components of import/export attributable to a party, with the explicit exception of control of supplier demand by teleswitching.*
4. *BSC K3.1.4 lists specific cases deemed to satisfy the requirements of 3.1.2, including any Generating Unit or CCGT Module with metering registered in CMRS and a supplier Base BM Unit. There is an implicit assumption that (a) the import/export at individual boundary points and (b) the components of plant and equipment behind the boundary point of sites registered in SMRS are deemed not to be separately controllable. This seems to extend to embedded exemptable generation registered in SMRS, where no consideration is given to the components of the exemptable generation at a boundary point.*

For Licensable Generating Plant with Generating Units connected at Boundary Points, points 2, 3 and 4 above together create the firm requirement for each generating unit to be a BM Unit in its own right.

For Licensable Generating Plant with Generating Units not individually connected at a Boundary Point, points 2 & 4 above do not obligate each unit to be registered in CMRS, only the whole. Therefore the obligation for individual BM Units (or not), arises from the 'separate control' issue in 3, which is open to interpretation, and the source of different views. An interpretation that individual generating units are capable of individual control, which seems reasonable, leads to applications for non-standard BM Units. However, in many other cases the possibility of individual control for example by switching in or out components of equipment is not considered to require non-standard BM Units.

BM Units made up of multiple generating units obtain benefits not available to other generating units required to be individually registered, with no obvious disadvantages:

- *Simplified submission of operational and balancing data to the Transmission Company.*
- *Increased flexibility for self-balancing against physical notifications and contract position after gate-closure (by ability to choose which generating units within a BM Unit deliver energy).*
- *Reduced metering requirements and cost.*

We believe the BM Unit requirement related to separate control harks back to the requirement for the Transmission Company to have information in advance about the likely normal and fault behaviour of individual inflows and outflows from the transmission system, and metered data, whether or not directly connected. Many older generators have settlement metering based on older requirements for effectively all generating units to be metered.

Over time, the Transmission Company appears to have become more relaxed about the requirement. CCGTs have less onerous metering requirements than many older generators. For NETA, it was agreed that very little operational information is required from BM Units with generation or demand less than 50 MW in E&W. Such flows are not required to be declared in advance, and can be varied freely at any time by the party responsible for the flow. Below 50 MW, only BM Units wishing to submit bids and offers to provide balancing actions at the request of the TC are obliged to provide information. For BETTA, lower thresholds were agreed for use in Scotland. Further, the TC has expressed accord with all recent applications for non-standard BM Units.

In our view, the requirement for Balancing Mechanism BM Units arises because of the operational requirements of the Transmission Company for planning and operation of the system. Under NETA, they are the smallest 'components' about which the TC requires information and potentially control in order to meet its licence conditions. A BSC could operate without BM Units, with production and consumption meters aggregated to party level (with the concept of Trading Units applied to meters) and with energy traded with the TC appearing as adjustment to party energy positions. However, having created BM Units as a convenience it is desirable to apply them equitably between parties, with underlying principles. Otherwise, as has already happened to some extent, a variety of different interpretations can arise, creating inequity and uncertainty. It appears that the principles embodied in the BSC from the time of NETA are not adequate. A clear statement of revised principle for the specification of BM Units would help, and the modification group could consider this as part of its discussions. .

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From: Lowe, Jamie [Jamie.Lowe@ce-electricuk.com] on behalf of CE Electric Change Management
Sent: 19 September 2005 14:14
To: Modification Consultations
Subject: RE: P191 Assessment Consultation: Responses due by 5pm, Monday 19 September 2005

Confidential Response

From: Modification Consultations
[mailto:modification.consultations@elexon.co.uk]
Sent: 06 September 2005 10:53
Subject: P191 Assessment Consultation: Responses due by 5pm, Monday 19 September 2005

Dear All,

At its meeting of 11 August 2005, the BSC Panel determined that Modification Proposal 191 'Revised definition of Balancing Mechanism Unit to include Power Park Module' ('P191') should be submitted to the Assessment Procedure, in accordance with paragraph F2.6 of the Code.

Accordingly, you are invited to provide responses to the attached consultation document in respect of P191 using the attached pro-forma. The consultation document is in *.doc format rather than *.pdf because the diagrams do not convert well. This document will also shortly be available to download from the BSC Website at the following address:

ELEXON - Modification Proposal 191

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Many thanks,
ELEXON Change Delivery

David White
Business Analyst
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