

ASSESSMENT REPORT for Modification Proposal P168 'Publication of BMU GC and DC values on ELEXON website'

Prepared by: P168 Modification Group

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RECOMMENDATIONS

The P168 Modification Group invites the Panel to;

- **AGREE that the Proposed Modification P168 should be made;**
- **AGREE a provisional Implementation Date for the Proposed Modification P168 of 10 Working Days after an Authority decision;**
- **AGREE that Modification Proposal P168 be submitted to the Report Phase; and**
- **AGREE that the draft Modification Report be issued for consultation and submitted to the Panel Meeting of 11 November 2004.**

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¹ The current version of the Balancing and Settlement Code (the 'Code') can be found at [ELEXON - Balancing and Settlement Code \(BSC\) – Live Version](#)

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SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as the P168 Modification Group has been able to assess, the following parties/documents would be impacted by the implementation of Modification Proposal P168.

| Parties | Sections of the BSC | Code Subsidiary Documents | |
|---|---------------------------------------|---|--|
| Suppliers <input checked="" type="checkbox"/> | A <input type="checkbox"/> | BSC Procedures <input type="checkbox"/> | |
| Generators <input checked="" type="checkbox"/> | B <input type="checkbox"/> | Codes of Practice <input type="checkbox"/> | |
| Licence Exemptable Generators <input checked="" type="checkbox"/> | C <input type="checkbox"/> | BSC Service Descriptions <input type="checkbox"/> | |
| Transmission Company <input checked="" type="checkbox"/> | D <input type="checkbox"/> | Service Lines <input type="checkbox"/> | |
| Interconnector <input checked="" type="checkbox"/> | E <input type="checkbox"/> | Data Catalogues <input type="checkbox"/> | |
| Distribution System Operators <input type="checkbox"/> | F <input type="checkbox"/> | Communication Requirements Documents <input type="checkbox"/> | |
| Party Agents | | | |
| Data Aggregators <input type="checkbox"/> | G <input type="checkbox"/> | Reporting Catalogue <input checked="" type="checkbox"/> | |
| Data Collectors <input type="checkbox"/> | H <input type="checkbox"/> | MIDS <input type="checkbox"/> | |
| Meter Operator Agents <input type="checkbox"/> | J <input type="checkbox"/> | Core Industry Documents | |
| ECVNA <input type="checkbox"/> | K <input type="checkbox"/> | Grid Code <input type="checkbox"/> | |
| MVRNA <input type="checkbox"/> | L <input type="checkbox"/> | Supplemental Agreements <input type="checkbox"/> | |
| BSC Agents | | | |
| SAA <input type="checkbox"/> | M <input type="checkbox"/> | Ancillary Services Agreements <input type="checkbox"/> | |
| FAA <input type="checkbox"/> | N <input type="checkbox"/> | Master Registration Agreement <input type="checkbox"/> | |
| BMRA <input type="checkbox"/> | O <input type="checkbox"/> | Data Transfer Services Agreement <input type="checkbox"/> | |
| ECVAA <input type="checkbox"/> | P <input type="checkbox"/> | British Grid Systems Agreement <input type="checkbox"/> | |
| CDCA <input type="checkbox"/> | Q <input type="checkbox"/> | Use of Interconnector Agreement <input type="checkbox"/> | |
| TAA <input type="checkbox"/> | R <input type="checkbox"/> | Settlement Agreement for Scotland <input type="checkbox"/> | |
| CRA <input type="checkbox"/> | S <input type="checkbox"/> | Distribution Codes <input type="checkbox"/> | |
| Teleswitch Agent <input type="checkbox"/> | T <input type="checkbox"/> | Distribution Use of System Agreements <input type="checkbox"/> | |
| SVAA <input type="checkbox"/> | U <input type="checkbox"/> | Distribution Connection Agreements <input type="checkbox"/> | |
| BSC Auditor <input type="checkbox"/> | V <input checked="" type="checkbox"/> | BSCCo | |
| Profile Administrator <input type="checkbox"/> | W <input type="checkbox"/> | Internal Working Procedures <input checked="" type="checkbox"/> | |
| Certification Agent <input type="checkbox"/> | X <input type="checkbox"/> | Other Documents | |
| MIDP <input type="checkbox"/> | | Transmission Licence <input type="checkbox"/> | |
| Other Agents | | | |
| SMRA <input type="checkbox"/> | | | |
| Data Transmission Provider <input type="checkbox"/> | | | |

*P168 requires no changes to any systems or processes used by Parties. However, P168 impacts Parties to the extent that the GC and DC values for their BM Units would be made available to all interested parties via the BSC Website. Publication of GC and DC values may also aid Parties in carrying out certain activities, such as monitoring their submitted BM Unit Metered Volume estimates and undertaking market analysis.

1 DESCRIPTION OF PROPOSED MODIFICATION AND ASSESSMENT AGAINST THE APPLICABLE BSC OBJECTIVES

1.1 Modification Proposal

1.1.1 Aim of Modification Proposal

Modification Proposal P168 'Publication of BMU GC and DC values on ELEXON website' ('P168') was raised by SmartestEnergy Ltd ('the Proposer') on 27 July 2004.

P168 proposes that Generation Capacity (GC) and Demand Capacity (DC) values be published on the BSC (ELEXON) Website for all live BM Units. The Proposer argues that this data should be made available to participants in order to aid market analysis, and that its publication would further the openness and transparency of the electricity market.

The Proposer therefore believes that P168 would better facilitate Applicable BSC Objective (c):

'Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity'.

Publication of GC and DC values on the BSC Website requires a Modification Proposal, since such data falls within the category of Confidential Information under the Balancing and Settlement Code ('the Code').

1.1.2 Code's existing definition of Confidential Information

Annex X-1 of the Code defines Confidential Information as being:

'in relation to a Party, all data, documents and other information supplied to that Party, that Party's Party Agent or any nominee of that Party by or on behalf of another Party (or Party Agent) or by or on behalf of the Panel, any Panel Committee, any Modification Group, a BSC Agent or a Market Index Data Provider under or pursuant to the provisions of the Code or any Code Subsidiary Document and, additionally, where the Party is a Supplier who was also a Distribution System Operator [...] any data and other information which is held in respect of a Customer and which was previously acquired by that Supplier acting in its capacity as such a Distribution System Operator'.

BSCCo is included as a Party for the purposes of the above definition. Since GC and DC values are issued to BSCCo by the Central Registration Agent (CRA), this data therefore constitutes Confidential Information for the purposes of the Code.

1.1.3 Code's existing rules regarding Disclosure of Confidential Information

Section H4.2 prohibits Disclosure of Confidential Information, except where it falls within an exception described in H4.2.3 or where its Disclosure is expressly permitted within another part of the Code (for instance, in Section V 'Reporting'). This obligation applies to each BSC Party (including BSCCo), who are defined as Restricted Parties for such purposes.

H4.2.3 allows Confidential Information to be Disclosed by a Restricted Party to the Authority, or in the following circumstances:

- The Restricted Party is permitted to Disclose the Confidential Information under the terms of a Nominated Agreement, or to comply with any Relevant Instrument or Legal Requirement;
- The Restricted Party believes, on reasonable grounds, that market arrangements set out or contemplated by the Code require or permit it to Disclose the Confidential Information;

- The person to whose affairs the Confidential Information relates gives prior written consent to the Disclosure;
- The Confidential Information is already in the public domain; or
- The person to whom the Confidential Information is Disclosed is an Affiliate of the Restricted Party.

However, Confidential Information which a Restricted Party is permitted or obliged to Disclose under H4.2.3 does not cease to be regarded as Confidential Information by virtue of such Disclosure – and therefore may not be further Disclosed by the recipient. Disclosure of GC and DC values by BSCCo using the BSC Website would therefore not qualify as an exception under H4.2.3.

Under Section B3 of the Code, the BSC Panel ('the Panel') also has a restricted ability to Disclose data. However, this Section prohibits the Panel from Disclosing any Trading Data unless this is expressly provided for by Section V.

Section V states that 'where data is or may be published pursuant to this Section V, such data shall not be regarded as Confidential Information for the purposes of H4.2' (V1.3.1(b)). Examples of BM Unit information which Section V permits to be published on the BSC Website include Credit Assessment Load Factor values and BM Unit identification numbers (IDs).

Section V does not provide for GC and DC values to be Disclosed by BSCCo. Currently, individual BSC Parties receive GC and DC values for their own BM Units (or, where a Party is part of a Trading Unit, for all BM Units in that Trading Unit) via the CRA-I014 flow. However, Parties wishing to receive other Parties' CRA-I014 flows can only do so by submitting a report request to BSCCo under BSCP41 'Report Requests and Authorisation', and obtaining the consent of the other Party in accordance with H4.2.3.

A modification to the Code is therefore required before GC and DC values can be published by BSCCo on the BSC Website.

1.1.4 Process followed to date

The P168 Initial Written Assessment (IWA, Reference 1) was presented at the Panel Meeting held on 12 August 2004, where the Panel determined that P168 should be submitted to a one-month Assessment Procedure by a new Modification Group composed of members of the Governance, Settlement and Volume Allocation Standing Modification Groups. The issues raised by BSCCo and the Panel during the Initial Assessment of P168 formed the basis of the Terms of Reference for the P168 Modification Group (P168 MG), and can be found in Annex 2 along with details of the Group's membership.

During the one-month Assessment timetable the P168 MG held two meetings, on 16 August and by teleconference on 1 September 2004. An England and Wales industry consultation was issued (Reference 2), and the responses received are summarised in Section 6 and attached as Annex 3.

At its meeting on 2 September 2004, the Panel noted that (following BETTA Go-Active on 1 September) it was now required under the GB Code to make its recommendation in respect of any Modification Proposal in the context of the wider GB arrangements. The Panel additionally noted that, in order to aid it in making such a recommendation, any Assessment Report presented after 1 September must contain an assessment of the Modification Proposal against the amended GB Applicable BSC Objectives – including a GB-wide industry consultation.

The Panel therefore agreed that the Assessment Procedure for P168 should be extended by one month, in order that a GB consultation be undertaken by industry (including any new Scottish BSC Parties) and a GB Assessment Report be presented at its meeting of 14 October 2004.

A GB Assessment Consultation was subsequently issued by the P168 MG (Reference 3), inviting interested parties to raise any additional issues relating to the GB-wide context. Those participants who had previously responded to the England and Wales consultation were requested to resubmit their earlier responses only if they identified any additional GB issues.

No responses were received to the GB consultation. The Group held a further meeting on 22 September 2004 to undertake its evaluation of P168 in a GB context.

A summary of the P168 MG's discussions and recommendations is provided in Sections 1.2-1.6. The Group also commissioned impact assessments from BSCCo and the Transmission Company, and summaries of the impacts returned can be found in Sections 4, 5 and 7. A copy of the Transmission Company's analysis is attached as Annex 4.

Draft legal text has been provided, and is attached as Annex 1.

1.1.5 Interaction with Modification Proposal P169

Modification Proposal P169 'Publication of BMU names on ELEXON website' ('P169') was also raised by SmartestEnergy Ltd on 27 July 2004, and proposes that BM Unit names be published against the existing BM Unit IDs on the BSC (ELEXON) Website. Since the defects identified by P168 and P169 are similar, the Panel agreed that the two Proposals should be considered by the same Modification Group.

The Panel initially determined that the Proposals should be progressed separately under a one-month Assessment Procedure for P168 and a two-month Assessment Procedure for P169. The Panel requested that the P168 discussions focus only on developing the solution for publishing GC and DC values, with any broader issues relating to Confidential Information or data publication to be considered under P169.

Although the Panel subsequently extended the P168 Assessment timetable by one month in order to undertake a GB-wide consultation, the two Proposals were still progressed separately by the Modification Group. However, it should be noted that the Modification Group expressed a preference for the Alternative Modification P169, which would negate the need for P168.

The P169 Assessment Report will also be presented to the Panel at its meeting of 14 October 2004 (Reference 4).

1.2 Proposed Modification

The P168 MG agreed that, under P168, GC and DC values should be published as part of the existing 'Registered BMU' spreadsheet within the Central Registration Service (CRS) Registration Data section of the BSC Website. The Group agreed that this spreadsheet should continue to be updated on its current weekly basis.

The Group's rationale in developing this solution is summarised in Section 1.3 below.

1.3 Issues raised by the Proposed Modification

1.3.1 Format and frequency of publication

The P168 MG noted that GC and DC values had previously been published by BSCCo as part of the 'Registered BMU' spreadsheet within the CRS Registration Data section of the BSC Website. The Group noted that these values had been published from shortly after NETA Go-Live until December 2003, when they were withdrawn following BSCCo's legal advice that the data falls within the category of Confidential Information under the Code.

The P168 MG noted that the aim of Modification Proposal P168 is therefore to reinstate GC and DC values on the BSC Website, by amending Section V of the Code in order to expressly provide for their publication.

The Group noted that the Modification Proposal does not prescribe the format or frequency under which GC and DC values would be published. The Proposer's Representative clarified that the intention of P168 was that the data be published within the 'Registered BMU' spreadsheet as previously, and that this spreadsheet continue to be updated on its current weekly basis.² The P168 MG accepted this clarification, and also noted that the Panel had expressed its preference for this solution at its August meeting. However the Group noted that since the removal of GC and DC values from the website, Modification P123 had been implemented to allow Parties to downwardly-revise DC twice during a BSC Season.³ The P168 MG therefore considered whether any additional or alternative reporting requirements should be developed as a result of P123, but agreed that none were required.

The P168 MG therefore agreed that GC and DC values should be published as previously within the 'Registered BMU' spreadsheet, and that this should continue to be updated on its current weekly basis. The Group noted that BSCCo receives GC and DC values from the CRA as part of the CRA-I020 flow (Operations Registration Report) sent to ELEXON's Trading Operations Market Analysis System (TOMAS) – and that the values would therefore need to be extracted from TOMAS before they could be published on the BSC Website.

1.3.2 Consideration of GB-wide arrangements following BETTA Go-Active

The P168 MG did not believe there to be any additional GB issues, arising from the extension of the England and Wales trading arrangements to Scotland under BETTA, which should be considered in the context of P168. The Group noted that no such issues had been identified by respondents to the P168 GB Assessment Consultation (see Section 6 below).

1.3.3 Consideration of draft legal text

The P168 MG reviewed the proposed legal drafting for P168 and agreed that the proposed text addressed the issue identified by the Modification Proposal.

A copy of the draft legal text is attached as Annex 1.

1.4 Assessment of how the Proposed Modification would better facilitate the Applicable BSC Objectives

The unanimous view of the P168 MG is that P168 should be made.

- The majority of the Group agreed that P168 would better facilitate Applicable BSC Objective (c), since publication of GC and DC values would promote the transparency of the market and thereby facilitate competition.
- One member of the Group – while noting that there did not appear to be any downside to publishing GC and DC values – stated that they found it difficult to say whether this would better facilitate competition, since it was not clear how the data would be used by participants. However, this member agreed with the recommendation of the Group that P168 should be made, as they believed publication of the data to be in the interests of transparency and since Parties had indicated that they would find such data useful.

² The existing 'Registered BMU' spreadsheet is published by BSCCo every Monday, and contains the previous Friday's data. The spreadsheet currently provides Party names and Party IDs against each BM Unit ID. GC and DC values had previously been published as two additional columns of data.

³ Modification Proposal P123 'Assessment of Credit Cover following a change in a Party's Portfolio' (implemented 27 February 2004).

The following represents a summary of the Group's rationale in recommending that P168 should be made.

Principle of market transparency

The P168 MG agreed that it did not believe there to be any reason why GC and DC values needed to be Confidential Information under the Code, and the Group did not identify any loss to the owners of BM Units which would result from the publication of their GC and DC values. The Group agreed that it was in the interest of a fully transparent and competitive market for such information to be made available to all participants.

The P168 MG suggested that, since no Parties had objected to BSCCo's previous publication of GC and DC values, publication of such values was therefore welcomed by industry and widely held to be non-contentious.

An attendee suggested that larger Parties or those with a longer history of market participation could already derive GC and DC using existing available data, such as the Maximum Import Limit/Maximum Export Limit. The Group considered that non-publication of GC and DC values therefore potentially discriminated against small Parties or new entrants, since these would not necessarily have the resources or knowledge required to undertake such calculations.

However, another attendee stated their view that making data available only aids transparency to the extent that the data is useful to industry.

Usefulness of data

The P168 MG therefore considered the potential uses of GC and DC values by participants.

BSCCo reported that it had received seven calls to the ELEXON Helpdesk requesting GC and DC values since the data had been removed from the website in December 2003. The Group noted that these calls had been raised by a mixture of large Parties, small Parties and consultants.

Members of the Group suggested that the data would help participants with market-modelling activities, such as monitoring Parties' individual interactions and positions or identifying mothballed plant. The Group therefore considered that GC and DC values may be particularly useful to small players or new entrants seeking to better understand the market. Other members also noted that the information might be useful to large or existing Parties as a means to monitor the conversion of their submitted maximum and minimum BM Unit Metered Volume estimates into GC and DC values by the CRA. These members considered that publishing GC and DC values on the BSC Website would also provide Parties with an easy reference point for viewing their own data.

Industry support for publication

In order to provide more detail in support of these views, the P168 MG agreed that the P168 Assessment Consultation should seek to identify whether participants believe such data to be useful and the activities in which it would be used. The Group also agreed to seek the views of small players and new entrants as to whether the current non-publication of GC and DC values represents a barrier to participation in the market.

Although the majority of respondents to the Assessment Consultation did not believe non-publication of GC and DC values to be a barrier to participation in the market, the majority of respondents did believe non-publication of this data to be a barrier to market transparency – and therefore agreed that P168 would better facilitate Applicable BSC Objective (c). Respondents to the consultation argued that publication of GC and DC values would aid market analysis and help Parties monitor their own values. More detail regarding the responses can be found in Section 6.

Having considered the Assessment Consultation responses, the P168 MG unanimously confirmed its recommendation that P168 should be made.

However, it should be noted that the Modification Group expressed a preference for the Alternative Modification P169, which would negate the need for P168. More information can be found in the P169 Assessment Report.

1.5 Governance and regulatory framework assessment

The P168 MG discussed whether there were any wider common-law confidentiality rights which might override the provisions of the Code. The Group noted BSCCo's legal advice that, under the existing provisions of V1.3, Parties 'irrevocably and unconditionally' consent to publication of data on the BSC Website (as well as the use and Disclosure of that data by other Parties) where such data is published under paragraph V4 of the Code. The Group noted BSCCo's legal view that no additional confidentiality waiver by Parties would be required in respect of their GC and DC values – since this data would be published in accordance with paragraph V4 under the P168 legal text, and the views of Parties regarding its publication would have been sought during the P168 consultations.

2 COSTS⁴

PROGRESSING MODIFICATION PROPOSAL

| | |
|------------------------|-------------------------|
| Demand Led Cost | £500* |
| ELEXON Resource | 35 man days* £6,360* |

*Adjusted to reflect one-month extension to P168 Assessment Procedure timetable.

IMPLEMENTATION COSTS

| | | Stand Alone Cost | P168 Incremental Cost | Tolerance |
|--|-----------------------------|------------------|-----------------------|-----------|
| Service Provider⁵ Cost | Change Specific Cost | 0 | 0 | N/A |
| | Release Cost | 0 | | N/A |
| | Incremental Release Cost | 0 | 0 | N/A |
| | Total Service Provider Cost | 0 | 0 | N/A |

⁴ Clarification of the meanings of the cost terms in this section can be found in Annex 5 of this report.

⁵ BSC Agent and non-BSC Agent Service Provider and software costs.

| | | | | |
|---|--|---|---|-----|
| Implementation Cost | External Audit | 0 | 0 | N/A |
| | Design Clarifications | 0 | 0 | N/A |
| | Additional Resource Costs | 0 | 0 | N/A |
| | Additional Testing and Audit Support Costs | 0 | | N/A |
| Total Demand Led Implementation Cost | | 0 | 0 | N/A |

| | | | | |
|--|--|--------------------------|------------------------|--------|
| ELEXON Implementation Resource Cost | | 39 man days* £11,700* | 9 man days* £2,700* | +/- 5% |
| Total Implementation Cost | | £11,700 | £2,700 | +/- 5% |

* The recommended Implementation Date for P168 is 10 Working Days following an Authority decision, with the Code and ELEXON reporting changes to take effect from this date. Although there is also a minor impact on the Reporting Catalogue, the recommendation of the P168 MG is that the Reporting Catalogue change be made at a later opportune date as part of a scheduled release in order to only incur the incremental cost shown above (see Section 9 for further details).

ONGOING SUPPORT AND MAINTENANCE COSTS

| | Stand Alone Cost | P168 Incremental Cost | Tolerance |
|-----------------------------------|------------------|-----------------------|-----------|
| Service Provider Operation Cost | 0 | 0 | N/A |
| Service Provider Maintenance Cost | 0 | 0 | N/A |
| ELEXON Operational Cost | 0 | 0 | N/A |

3 RATIONALE FOR MODIFICATION GROUP'S RECOMMENDATIONS TO THE PANEL

The unanimous recommendation of the P168 MG is that P168 should be made with an Implementation Date of 10 Working Days following an Authority decision. The Group agreed that publication of GC and DC values on the BSC Website would increase the transparency of the electricity market. The Group considered that publication of this data could enable participants to achieve greater understanding of the market through modelling activities, and would aid Parties in monitoring their own GC and DC values.

More detail regarding the recommendation of the P168 MG is contained in Section 1.4 above, whilst the rationale for the proposed Implementation Date can be found in Section 9.

However, it should be noted that the Modification Group expressed a preference for the Alternative Modification P169, which would negate the need for P168. More information can be found in the P169 Assessment Report.

4 IMPACT ON BSC SYSTEMS AND PARTIES

An assessment has been undertaken in respect of BSC Systems and Parties, and the following have been identified as impacted by P168.

4.1 BSCCo

The table below provides a summary of the effort required by BSCCo to support the implementation of P168. Full cost information can be found in Section 2 of this report.

| BSCCo Function | Estimated Impact of P168 |
|----------------------------------|---|
| BSC Configuration Administration | 2 man days' effort would be required to implement changes to Section V of the Code. |
| Market Monitoring | ½ man day's effort would be required to add new 'GC' and 'DC' fields to the TOMAS manual report template used to produce the 'Registered BMU' spreadsheet. |
| BSC Website | ½ man day's effort would be required to amend the existing explanatory text for the 'Registered BMU' spreadsheet on the CRS Registration Data page (Market Data section). |
| CVA Programme | 5 man days' effort would be required to amend the Reporting Catalogue as part of a scheduled Release. Alternatively, 35 man days' effort would be required to amend the Reporting Catalogue as a stand-alone change. |
| Corporate Assurance | 1 man day's effort would be required to provide assurance to the CVA Programme and amend BSCCo's Obligations Register. |

The P168 MG considered the similarities between the estimated BSCCo implementation effort for P168 and for the Proposed Modification P169. The Group noted BSCCo's advice that combining the implementation of P168 and the Proposed Modification P169 would incur only the P168 costs, due to the similarities in the solutions (and since the Proposed Modification P169 is estimated to require less effort than P168).

The P168 MG also noted the Alternative Modification being considered for P169, under which all BM Unit registration data contained in the CRA-I020 flow (including GC and DC values) would be published on the BSC Website. The Group noted that if the P169 Alternative was implemented P168 would no longer be required.

The P168 MG therefore considered that it would be desirable for the Authority to make its decisions regarding P168 and P169 simultaneously.

4.2 BSC Systems

P168 has no impact upon any BSC Systems.

4.3 Parties and Party Agents

P168 requires no changes to any systems or processes used by Parties. However, P168 impacts Parties to the extent that the GC and DC values for their BM Units would be made available to all interested parties via the BSC Website. Publication of GC and DC values may also aid Parties in carrying out certain activities, such as monitoring their own values and undertaking market analysis.

5 IMPACT ON CODE AND DOCUMENTATION

5.1 Balancing and Settlement Code

P168 would impact the following Code Sections:

| Code Section | Proposed Changes |
|-----------------------|---|
| Section V 'Reporting' | Addition of GC and DC values to the CRS registration data set out in V4.2.3, in order to expressly allow these values to be published on the BSC Website. |

5.2 Code Subsidiary Documents

P168 would impact the following Code Subsidiary Documents:

| Document | Proposed Changes |
|---------------------|---|
| Reporting Catalogue | Addition of GC and DC values to Section 8.1 'BSCCo Reports Published on BSC Website'. |

5.3 BSCCo Memorandum and Articles of Association

No impact identified.

5.4 Impact on Core Industry Documents and supporting arrangements

No impact identified.

6 SUMMARY OF CONSULTATION RESPONSES

Ten responses (representing 51 BSC Parties) were received to the P168 England and Wales Assessment Consultation.

No responses were received to the P168 GB Assessment Consultation, which invited interested parties to submit any additional issues relating to P168 in a GB-wide context.

A summary of the consultation responses is provided below, whilst the Group's discussion of these responses is contained in Section 6.2. Full copies of the consultation responses are attached as Annex 3.

| Q. | Consultation question | Yes | No | No comment/ Unsure |
|----|--|---------------------|---------|-----------------------|
| 1. | Do you believe that the Proposed Modification P168 would better facilitate the achievement of the Applicable BSC Objectives? | 9 ⁶ (50) | 0 | 1 (1) |
| 2. | Do you support the Modification Group's approach to the format and frequency of publication of GC/DC values under the Proposed Modification P168? | 10 (51) | 0 | 0 |
| 3. | Would your organisation use GC and DC values if this data was published on the BSC Website? | 9 (50) | 1 (1) | 0 |
| 4. | Do you believe that non-publication of GC and DC values represents a barrier to participation in the market? | 4 (13) | 6 (38) | 0 |
| 5. | Do you believe there are any alternative solutions or any other issues that the Modification Group has not identified and that should be considered? | 0 | 10 (51) | 0 |
| 6. | Are there any further comments on P168 that you wish to make? | 1 (1) | 9 (50) | 0 |

6.1 Modification Group's summary of the consultation responses

6.1.1 Applicable BSC Objectives

Majority view

The majority of respondents believed that P168 would better facilitate Applicable BSC Objective (c), since they considered that publication of GC and DC values would increase transparency in the market and thereby facilitate competition.

One respondent argued that, as a general rule, the more information that is published the more competitive the market becomes as a result. Another respondent believed availability of, and equality of access to, information to be important requirements for a competitive market. One respondent also considered GC and DC values to represent fundamental market information.

The majority of respondents agreed that publication of GC and DC values would aid participants in undertaking market analysis. One respondent considered that competition would be more intense if participants were able to view the activities of other Parties. Another argued that P168 would enable greater monitoring and understanding of trading activity.

One respondent argued that publication of GC and DC values would also enable BSC Parties to check that these values had been correctly calculated from their submitted BM Unit Metered Volume estimates.

No respondents identified any reason why GC and DC values should remain Confidential Information under the Code, or any loss which would result to the owners of BM Units from the publication of these values.

⁶ Number of respondents. Bracketed numbers indicate the number of Parties represented by respondents.

Minority view

However, one respondent stated that, while they were supportive of the publication of GC and DC values, they were unsure how P168 would better facilitate the Applicable BSC Objectives. This respondent considered that increased transparency alone does not necessarily increase competition.

6.1.2 Format and frequency of publication

Respondents to the consultation unanimously supported the P168 MG's approach to the format and frequency under which GC and DC values would be published.

One respondent requested that, if P168 was approved, BSCCo provide Parties with details of how to access this data.

One respondent agreed with the Group's approach of re-instating GC and DC values using the previous format and frequency of publication. The respondent considered that this represented a pragmatic approach to the issue.

This view was echoed by another respondent, who noted that the Proposer had clarified that the intention of P168 was to provide GC and DC values in the same format and at the same frequency as before their withdrawal from the website.

One respondent also noted that using the previous set up represented the least cost arrangement.

One respondent stated that publishing the information once a week would be adequate, but suggested that – if the cost was small enough – updates could perhaps be produced more frequently.

6.1.3 Use of GC and DC values

Majority view

The majority of respondents indicated that their organisations would use GC and DC values if this data was made available on the BSC Website under P168. These respondents argued that this information would be useful since it would enable Parties to monitor their own GC and DC values, and would aid participants in market modelling activities.

One respondent stated that publication of GC and DC values would provide their organisation with more information to aid them in creating their own model of the UK wholesale market and, specifically, its interaction with continental wholesale markets through the Interconnector.

One respondent believed that their organisation would use GC and DC values in the same activities for which they currently use MIL and MEL data.

Another respondent indicated that they would also use GC and DC values for ad-hoc data enquiries.

One respondent argued that the information would have different value for different participants. This respondent therefore considered that it was difficult to assess the overall value of the information, but argued that there should always be a presumption that transparency of information is useful for market development. This respondent also suggested that the value of the information might change over time.

Minority view

One respondent stated that their organisation did not plan to use GC and DC values if P168 was implemented. This respondent, whilst not opposed to publication of this data, remained unsure how it would better facilitate the Applicable BSC Objectives.

6.1.4 Potential barrier to market participation

Majority view

The majority of respondents – whilst not opposed to publication of GC and DC values – did not believe that the current non-publication of this data represents a barrier to participation in the market.

One of these respondents considered the publication of GC and DC values to be useful, rather than essential. Another respondent also stated that such data would be a 'nice to have' rather than an essential requirement.

One respondent noted that Parties currently have access to their own GC and DC values via the CRA-I014 flow, and therefore did not believe lack of access to other Parties' values to be a barrier to market participation.

Another respondent did not believe non-publication of the data to be a barrier to the market, since the respondent believed that it was possible to gather similar information by other means. However, the respondent considered that GC and DC values should be made readily available since the data did not appear to be commercially sensitive.

One respondent did not believe non-publication of GC and DC values to be a barrier to new entrants or small Parties, since they argued that MIL and MEL data can be used to derive the same information. Since MIL and MEL values are available publicly to non-Parties as well as existing Parties, the respondent did not consider this to be a barrier to new entrants. The respondent stated their view that the cost and effort of deriving the information using existing data was the same for all participants, and that if non-publication of GC and DC discriminated against competition then this would therefore apply equally to all participants – including both large and small Parties and non-Parties. The respondent did not believe that non-Parties or smaller players would lack the knowledge needed to obtain the information using existing data.

Minority view

A minority of respondents did believe that non-publication of GC and DC values represents a current barrier to participation in the market.

One of these respondents argued that, since GC and DC values were previously published and studied by those participants that operated in the market before December 2003, non-publication of this data has represented a barrier to any participants entering the market since the withdrawal of this information from the website.

Another respondent stated that they believed there to be some evidence from small suppliers that access to such information could affect potential new entrants.

One respondent argued that if the information is not made available this could create a precedent for removing other useful information. This respondent clarified to BSCCo that they would be concerned if the criteria used for publishing data was its value rather than improving transparency, since they believed this to be a narrower definition that could result in other data not being published in the future. The respondent argued that, as GC and DC values were previously made available without any detriment to the market or complaint about commercial confidentiality, there should be no reason to oppose implementation of P168.

One respondent considered that it was unlikely that any potential new entrants would be put off by the lack of this information, and therefore did not agree that non-publication of GC and DC values represents a barrier to entry. However, this respondent did consider that non-publication of data represents a barrier to competition within the market if the information is not made available equally to all participants.

6.1.5 Alternative solutions/other issues

No respondents believed there to be any alternative solutions or other issues which had not been considered by the Modification Group.

One respondent noted that the proposed solution would be easily implemented and relatively low cost.

Another respondent noted the advice contained in the consultation document that if the potential Alternative Modification P169 was implemented, P168 would no longer be required.

6.1.6 Further comments

One respondent reiterated their view that, while they were not opposed to P168, they remained unsure as to how publication of GC and DC values would better facilitate the Applicable BSC Objectives.

6.2 Comments and views of the Modification Group

The P168 MG noted the views provided in the Assessment Consultation responses. The Group noted that the examples given by respondents of how GC and DC values would be used were quite broad, and contained general references to market modelling. However, the Group did not believe this to indicate a limited use for the data, but that participants wished to keep the details of how they would use such data confidential.

The P168 MG had no further comments on the consultation responses.

7 SUMMARY OF TRANSMISSION COMPANY ANALYSIS

7.1 Analysis

The Transmission Company did not believe P168 to have any impact on its ability to discharge its responsibilities under the Transmission Licence, its systems or processes, or any Core Industry Document.

The Transmission Company expressed its view that P168 would better facilitate Applicable BSC Objective (c), since it believed the Proposal to be consistent with general support across the industry for greater transparency in the electricity market.

The Transmission Company confirmed that its assessment applied on a GB-wide basis.

A copy of the Transmission Company's analysis and impact assessment is contained in Annex 4.

7.2 Comments and views of the Modification Group

The P168 MG noted the analysis and views of the Transmission Company.

8 SUMMARY OF EXTERNAL ADVICE

None commissioned.

9 IMPLEMENTATION APPROACH

The P168 MG noted the relatively small costs associated with amending the Code and BSCCo's reporting practice in order to publish GC and DC values on the BSC Website. The Group unanimously agreed the desirability of GC and DC values being reinstated on the website as soon as possible.

The P168 MG therefore agreed to recommend a Code Implementation Date for P168 of 10 Working Days after an Authority decision, with the publication of GC and DC values to take effect from this date.⁷

The P168 MG noted that P168 would also result in a minor impact on the Reporting Catalogue, since this document mirrors the reporting requirements of Section V. The Group agreed that the changes to the Reporting Catalogue should be implemented at a later opportune stage as part of a scheduled release in order to minimise the cost of these changes. The Group considered that no risk would result from delaying the Reporting Catalogue changes since the obligations of Section V would take precedence in the event of any perceived inconsistency between the Code and this Code Subsidiary Document.

The P168 MG considered that the proposed Implementation Date for P168 would therefore strike a balance between the desirability of reinstating publication of GC and DC values as soon as possible, and the cost-efficiencies of delivering Code Subsidiary Document changes in a scheduled release.

The P168 MG considered the similarities between the estimated BSCCo implementation effort for P168 and for the Proposed Modification P169. The Group noted BSCCo's advice that combining the implementation of P168 and the Proposed Modification P169 would incur only the P168 costs, due to the similarities in the solutions (and since the Proposed Modification P169 is estimated to require less effort than P168).

The P168 MG also noted the Alternative Modification being considered for P169, under which all BM Unit registration data contained in the CRA-I020 flow (including GC and DC values) would be published on the BSC Website. The Group noted that if the Alternative Modification P169 was implemented P168 would no longer be required.

The P168 MG therefore considered that it would be desirable for the Authority to make its decisions regarding P168 and P169 simultaneously. The proposed Implementation Dates for P169 Proposed and Alternative Modifications are also 10 Working Days following an Authority decision.

10 DOCUMENT CONTROL

10.1 Authorities

| Version | Date | Author | Reviewer | Change Reference |
|---------|----------|-----------------|-----------------|---------------------------|
| 0.1 | 24/08/04 | Kathryn Coffin | P168 MG | For MG review |
| 0.2 | 02/09/04 | Kathryn Coffin | Roger Salomone | For chairman review |
| 0.2 | 02/09/04 | Kathryn Coffin | P168 MG | For MG review |
| 0.2 | 02/09/04 | Kathryn Coffin | Sarah Parsons | For technical review |
| 0.3 | 23/09/04 | Kathryn Coffin | Roger Salomone | For chairman review (GB) |
| 0.3 | 23/09/04 | Kathryn Coffin | P168 MG | For MG review (GB) |
| 0.3 | 23/09/04 | Kathryn Coffin | Sarah Parsons | For technical review (GB) |
| 0.4 | 05/10/04 | Kathryn Coffin | Change Delivery | For quality review |
| 1.0 | 08/10/04 | Change Delivery | BSC Panel | For Panel decision |

⁷ As the 'Registered BMU' spreadsheet is published every Monday using the previous Friday's data, the first publication of GC and DC values on the BSC Website would therefore occur on the first Monday following the Code Implementation Date for P168.

10.2 References

| Ref | Document | Owner | Issue date | Version |
|-----|--|-------|------------|---------|
| 1 | Initial Written Assessment for Modification Proposal P168 'Publication of BMU GC and DC values on ELEXON website' ELEXON - Modification Proposal 168 | BSCCo | 06/08/04 | 1.0 |
| 2 | England & Wales Assessment Consultation for Modification Proposal P168 'Publication of BMU GC and DC values on ELEXON website' ELEXON - Modification Proposal 168 | BSCCo | 20/08/04 | 1.0 |
| 3 | GB Assessment Consultation for Modification Proposal P168 'Publication of BMU GC and DC values on ELEXON website' ELEXON - Modification Proposal 168 | BSCCo | 08/09/04 | 2.0 |
| 4 | Assessment Report for Modification Proposal P169 'Publication of BMU names on ELEXON website' ELEXON - Modification Proposal 169 | BSCCo | 08/10/04 | 1.0 |

ANNEX 1 DRAFT LEGAL TEXT

Draft legal text for P168 is included as Annex 1A, and is attached as a separate document.

ANNEX 2 MODIFICATION GROUP DETAILS

| Member | Organisation | 16/08/04 | 01/09/04 | 22/09/04 |
|-----------------|--|----------|----------|----------|
| Roger Salomone | ELEXON (Chairman) | ✓ | ✓ | ✓ |
| Kathryn Coffin | ELEXON (Lead Analyst) | ✓ | ✓ | ✓ |
| Melanie Henry | ELEXON (Lawyer) | ✓ | ✓ | ✓ |
| Colin Prestwich | SmartestEnergy (Proposer's Representative) | | ✓ | |
| Robert Owens | SmartestEnergy (Proposer's Alternate) | ✓ | ✓ | |
| Man Kwong Liu | SAIC | | ✓ | ✓ |
| Carl Wilkes | Npower | ✓ | | ✓ |
| Neil Smith | E.ON UK | ✓ | ✓ | ✓ |
| Mark Manley | Centrica | ✓ | | ✓ |
| Andrew Colley | SSE | | ✓ | |
| Helen Bray | EDF | | ✓ | |

| Attendee | Organisation | 16/08/04 | 01/09/04 | 22/09/04 |
|--------------|--------------|----------|----------|----------|
| Steve Mackay | Ofgem | ✓ | | ✓ |
| David Edward | Ofgem | | ✓ | |
| Phil Hewitt | EnAppSys | ✓ | | |

P168 Modification Group Terms of Reference

Modification Proposal P168 will be considered by the P168 Modification Group in accordance with the following Terms of Reference.

P168 – Publication of BMU GC and DC values on ELEXON website

ASSESSMENT PROCEDURE

- a) The Modification Group will carry out an Assessment Procedure in respect of Modification Proposal P168 pursuant to section F2.6 of the Balancing and Settlement Code.
- b) The Modification Group will produce an Assessment Report for consideration at the BSC Panel Meeting on 9 September 2004.⁸
- c) The Modification Group shall consider and/or include in the Assessment Report as appropriate:
 - **Format and frequency of publication** – the initial ELEXON implementation estimates within the IWA are based on the effort required to add these values to an existing spreadsheet; however the Modification Group may wish to consider any additional or alternative reporting requirements.
 - **Rationale for Disclosing previously-Confidential Information** – the Modification Group shall seek industry views via consultation as to whether GC and DC values should be made available to all interested parties, the rationale as to how this would better facilitate competition in the market, and the extent to which this data would be used by participants.
 - **Interaction with Modification Proposal P169 'Publication of BMU names on ELEXON Website' ('P169')** – the Panel has determined that P168 and P169 should be progressed separately, and that the P168 discussions focus only on developing the solution for publishing GC and DC values (with any broader issues relating to the principles of Confidential Information or data publication to be considered under P169).
 - **Additional points raised by the BSC Panel on 12 August 2004**
 - See interaction with P169 above;
 - What is the value to the recipient, and the loss to the owner, resulting from the publication of GC and DC values?
 - Include consultation question regarding whether non-publication of GC and DC values is a barrier to new entrants/small Parties.

ANNEX 3 ASSESSMENT CONSULTATION RESPONSES

Attached as separate document Annex 3A.

⁸ At its meeting of 2 September 2004 the Panel subsequently agreed to extend the Assessment Procedure for P168 by one month in order to undertake a GB-wide Assessment Consultation (see Section 1.1.4).

ANNEX 4 TRANSMISSION COMPANY ANALYSIS

| Q | Question | Response |
|---|---|--|
| 1 | Please outline any impact of the Proposed Modification (and, if applicable, any Alternative Modification) on the ability of the Transmission Company to discharge its obligations efficiently under the Transmission Licence and on its ability to operate an efficient, economical and co-ordinated transmission system. | We do not believe that the proposed modification has any impact on our ability to discharge our responsibilities under the Transmission Licence. |
| 2 | Please outline the views and rationale of the Transmission Company as to whether the Proposed Modification (and, if applicable, any Alternative Modification) would better facilitate achievement of the Applicable BSC Objectives. | We believe that the proposal better facilitates BSC Applicable Objective c) for promoting effective competition in the generation and supply of electricity and is consistent with the general support across the industry for greater transparency in the electricity market. |
| 3 | Please outline the impact of the Proposed Modification (and, if applicable, any Alternative Modification) on the computer systems and processes of the Transmission Company, including details of any changes to such systems and processes that would be required as a result of the implementation of the Proposed Modification (and, if applicable, any Alternative Modification). | There would be no significant impact on our systems or processes as a result of the implementation of this proposed modification. |
| 4 | Please outline any potential issues relating to the security of supply arising from the Proposed Modification (and, if applicable, any Alternative Modification). | No issues identified. |
| 5 | Please provide an estimate of the development, capital and operating costs (broken down in reasonable detail) which the Transmission Company anticipates that it would incur in, and as a result of, implementing the Proposed Modification (and, if applicable, any Alternative Modification). | No direct costs have been identified as a result of the changes required to implement this modification. |
| 6 | Please provide details of any consequential changes to Core Industry Documents that would be required as a result of the implementation of the Proposed Modification (and, if applicable, any Alternative Modification). | No consequential changes have been identified. |
| 7 | Any other comments on the Proposed Modification (and Alternative Modification if applicable). | No other comments. |

ANNEX 5 CLARIFICATION OF COSTS

There are several different types of costs relating to the implementation of Modification Proposals. ELEXON implements the majority of Approved Modifications under its CVA or SVA Release Programmes. These Programmes incur a base overhead which is broadly stable whatever the content of the Release. On top of this each Approved Modification incurs an incremental implementation cost. The table of estimated costs of implementing the Proposed/Alternative Modification given in section 2 of this report has three columns:

- **Stand Alone Cost** – the cost of delivering the Modification as a stand alone project outside of a CVA or SVA Release, or the cost of a CVA or SVA Release with no other changes included in the Release scope. This is the estimated maximum cost that could be attributed to any one Modification implementation.
- **Incremental Cost** - the cost of adding that Modification Proposal to the scope of an existing release. This cost would also represent the potential saving if the Modification Proposal was to be removed from the scope of a release before development had started.
- **Tolerance** – the predicted limits of how certain the cost estimates included in the template are. The tolerance will be dependent on the complexity and certainty of the solution and the time allowed for the provision of an impact assessment by the Service Provider(s).

The cost breakdowns are shown below:

| PROGRESSING MODIFICATION PROPOSAL | |
|-----------------------------------|---|
| Meeting Cost | This is the cost associated with holding Modification Group meetings and is based on an estimate of the travel expenses claimed by Modification Group members. |
| Legal/Expert Cost | This is the cost associated with obtaining external expert advice, usually legal advice. |
| Impact Assessment Cost | Service Provider Impact Assessments are covered by a pre-determined monthly contractual charge. Therefore the cost included in this report is an estimate based on the level of impact assessment that the modification is expected to require and may not reflect the actual cost attributed to the modification, which will be based on a percentage of the contractual impact assessment costs for each month that it is assessed. |
| ELEXON Resource | This is the ELEXON Resource requirement to progress the Modification Proposal through the Modification Procedures. This is estimated using a standard formula based on the length of the Modification Procedures. |

| SERVICE PROVIDER⁹ COSTS | |
|---|--|
| Change Specific Cost | Cost of the Service Provider(s) Systems development and other activities relating specifically to the Modification Proposal. |
| Release Cost | Fixed cost associated with the development of the Service Provider(s) Systems as part of a release. This cost encompasses all the activities that would be undertaken regardless of the number or complexity of changes in the scope of a release. These activities include Project Management, the production of testing and deployment specifications and reports and various other standard release activities. |
| Incremental Release Cost | Additional costs on top of base Release Costs for delivering the specific Modification Proposal. For instance, the production of a Test Strategy and Test Report requires a certain amount of effort regardless of the number of changes to be tested, but the addition of a specific Modification Proposal may increase the scope of the Test Strategy and Test Report and hence incur additional costs. |

| IMPLEMENTATION COSTS | |
|----------------------------------|--|
| External Audit | Allowance for the cost of external audit of the delivery of the release. For CVA BSC Systems Releases this is typically estimated as 10% of the total Service Provider Costs, with a tolerance of +/- 20%. At present the SVA Programme does not use an external auditor, so there is no External Audit cost associated with an SVA BSC Systems Release. |
| Design Clarifications | Allowance to cover the potential cost of making any amendments to the proposed solution to clarify any ambiguities identified during implementation. This is typically estimated as 5% of the total Service Provider Costs, with a tolerance of +/- 100%. |
| Additional Resource Costs | <p>Any short-term resource requirements in addition to the ELEXON resource available. For CVA BSC Systems Releases, this is typically only necessary if the proposed solution for a Modification Proposal would require more extensive testing than normal, procurements or 'in-house' development.</p> <p>For SVA BSC Systems Releases, this will include the management and operation of the Acceptance Testing and the associated testing environment.</p> <p>This cost relates solely to the short-term employment of contract staff to assist in the implementation of the release.</p> |

⁹ A Service Provider can be a BSC Agent or a non-BSC Agent, which provides a service or software as part of the BSC and BSC Agent Systems. The Service Provider cost will be the sum of the costs for all Service Providers who are impacted by the release.

| | |
|---|--|
| Additional Testing and Audit Support Costs | Allowance for external assistance from the Service Provider(s) with testing, test environment and audit activities. Includes such activities as the creation of test environments and the operation of the Participant Test Service (PTS). For CVA BSC Systems Releases, this is typically estimated as £40k per release with at tolerance of +/-25%. For SVA BSC Systems Releases this is estimated on a Modification Proposal basis. |
|---|--|

TOTAL DEMAND LED IMPLEMENTATION COSTS

This is calculated as the sum of the total Service Provider(s) Cost and the total Implementation Cost. The tolerance associated with the Total Demand Led Implementation Cost is calculated as the weighted average of the individual Service Provider(s) Costs and Implementation Costs tolerances. This tolerance will be rounded to the nearest 5%.

ELEXON IMPLEMENTATION RESOURCE COSTS

Cost quoted in man days multiplied by project average daily rate, which represents the resources utilised by ELEXON in supporting the implementation of the release. This cost is typically funded from the "ELEXON Operational" budget using existing staff, but there may be instances where the total resources required to deliver a release exceeds the level of available ELEXON resources, in which case additional Demand Led Resources will be required.

The ELEXON Implementation Resource Cost will typically have a tolerance of +/- 5% associated with it.

ONGOING SUPPORT AND MAINTENANCE COSTS

| | |
|--|---|
| ELEXON Operational Cost | Cost, in man days per annum multiplied by project average daily rate, of operating the revised systems and processes post implementation. |
| Service Provider Operation Cost | Cost in £ per annum payable to the Service Provider(s) to cover staffing requirements, software or hardware licensing fees, communications charges or any hardware storage fees associated with the ongoing operation of the revised systems and processes. |
| Service Provider Maintenance Cost | Cost quoted in £ per annum payable to the Service Provider(s) to cover the maintenance of the amended BSC Systems. |