November 2003

Modification Proposal P140 Consultation Document

Modification Proposal P140 'Revised Credit Cover methodology for Interconnector BM Units'

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I CONTENTS TABLE

1 INTRODUCTION

This document provides background information on Modification Proposal 140 ("P140"), 'Revised Credit Cover methodology for Interconnector BM Units', and a consultation questionnaire. The information provided is as follows:

- History of the Proposal;
- Description of the Proposal;
- Principles of Credit Cover and the Energy Indebtedness calculation;
- Previous ISG and SSMG discussion of this issue;
- Initial Assessment of the Proposal;
- Proposal Requirements; and
- Initial conclusions

Responses to the consultation proforma should be sent to modifications@elexon.co.uk by 12.00 on Monday 17 November 2003.

2 HISTORY OF THE PROPOSAL

P140 was raised by EdF Trading Ltd on 21 August 2003 (reference 1). ELEXON presented an Initial Written Assessment (reference 2) to the Balancing & Settlement Code Panel ('the Panel') at its meeting on 11 September 2003. The Panel agreed with the recommendation in the IWA that P140 should be submitted to a three month Assessment Procedure to be carried out by the Settlement Standing Modification Group (SSMG). The Assessment Report is scheduled to be presented at the Panel meeting on 11 December 2003.

The Panel noted the following issues brought to its attention in the IWA and determined that these form the Terms of Reference of the SSMG:

- the need to determine the impact upon the systems and processes used by the BSC Agent Systems (in particular ECVAA and CRA);
- the need to determine the impact upon the timing and performance of the calculation of Credit Cover Percentage (CCP) carried out for each Settlement Period by the ECVAA;
- the need to determine whether or not Final Physical Notifications (FPNs) are a good proxy for Deemed Metered Volumes historically (as submitted by the Interconnector Administrator to SAA after the event);
- If FPNs are determined to have been a good proxy for Deemed Metered Volumes historically, there will be a need to determine whether controls are in place to ensure that this continues to be the case in future;
- The need to determine whether reliance on information provided by the Interconnector Administrator will cause difficulties in calculating CCP during periods of Transmission Company Outages; and
- The need to determine the impact upon the systems and processes used by BSCCo for maintaining and monitoring current components of the CEI calculation.

3 DESCRIPTION OF THE PROPOSAL

P140 proposes that the Credited Energy Indebtedness (CEI) calculation be modified such that Credit Assessment Credited Energy Volume (CAQCE) for Interconnector BM Units be based upon Period FPN (FPN_{ij}) rather than Credit Assessment Load Factor (CALF) and Generation and Demand Capacities (GC/DC).

The basis of the current calculation of CEI for Interconnector BM Units is explained in section 5 of this document, which includes a worked example.

4 PRINCIPLES OF CREDIT COVER AND THE ENERGY INDEBTEDNESS CALCULATION

Under the BSC trading arrangements, payments to and from Parties in respect of Trading Charges arising on any particular Settlement Day are made, on average, twenty nine calendar days later. Thus, at any given time, Parties may have debts (or be due payments) in respect of Trading Charges incurred, on average, over the previous twenty nine days. The purpose of Credit Cover is to ensure that, should a Party default on payments, sufficient collateral is available to pay these debts.

After Gate Closure for each Settlement Period the Energy Contract Volume Allocation Agent (ECVAA) calculates the Credit Cover Percentage (CCP) for each Party. This reflects their Energy Indebtedness, which is an approximation of their expected Trading Charges for the last 29 days, divided by the amount of Credit Cover they have lodged. Should this CCP exceed defined thresholds then the Credit Default provisions specified in Section M3 of the Code will be triggered, in order to prevent the market from being exposed to unsecured liabilities.

The calculation of Energy Indebtedness is itself a composite of two sub-calculations – Actual Energy Indebtedness (AEI) and Credit Assessment Energy Indebtedness (CEI), with the latter used for that portion of the 29 day period for which Interim Information Settlement Run data is not available. These calculations are prescribed in Section M, 'Credit Cover and Credit Default', of the BSC. No attempt is made here to further explain the use of AEI as no changes are suggested to this calculation under P140. An overview of the current rules for calculating CEI is given below so that the basis of the current baseline may be understood.

4.1 Current rules for calculating Credit Assessment Energy Indebtedness (CEI)

Credit Assessment Energy Indebtedness is calculated as:

$$CEI_{pj} = - (?_{a,i} CAQCE_{iaj} - ?_{a} QABC_{aj})$$

Where $QABC_{aj}$ is the Account Bilateral Contract Volume in MWh.

With Credit Assessment Credited Energy Volume (CAQCE) for the Lead Energy Account for a Production BM Unit defined as:

$$CAQCE_{iaj} = (SPD * BMCAEC_{i}) - ?_{a} CAQCE_{iaj}$$

With CAQCE for the Lead Energy Account for a Consumption BM Unit defined as:

$$CAQCE_{iaj} = (SPD * BMCAIC_{i}) - ?aCAQCE_{iaj}$$

With BM Unit Credit Assessment Export Capability (BMCAEC) defined as:

$$BMCAEC_i = CALF_i * GC_i$$

With BM Unit Credit Assessment Import Capability (BMCAIC) defined as:

$$BMCAIC_i = CALF_i * DC_i$$

With Generation Capacity (GC) defined as:

$$GC = G / SPD$$

Where G is the value of positive QM_{ij} notified under Section K3.4.1(a) of the Code in relation to the relevant BSC Season and SPD is the Settlement Period Duration (in hours).

With Demand Capacity (DC) defined as:

$$DC = D / SPD$$

Where D is the value of negative QM_{ij} notified under Section K3.4.1(a) of the Code in relation to the relevant BSC Season and SPD is the Settlement Period Duration (in hours).

4.1.1 Sub-component of CEI (1): Credit Assessment Load Factor (CALF)

CALF values are calculated on a seasonal basis by the BSCCo according to the prevailing principles or guidance established by the Panel under BSC Clause M1.5.1. The Panel has delegated responsibility for maintaining and updating these principles to the Imbalance Settlement Group (ISG).

Currently, the BSCCo calculates CALF values on a seasonal basis in accordance with the CALF Guidance document (reference 4). For each BM Unit type, the principle applied seeks to generate a CALF value equivalent to the average historical performance of the BM Unit, or of other BM Units of its type where no historical data is available.

The Lead Party of a BM Unit may raise an appeal against an assigned CALF value within two months of a change to the principles or guidance being determined by the Panel or ISG, or of being notified of a new CALF value. The Panel, or ISG, hears any appeals that are raised.

For further information on CALF, please see Section M1.5 of the Code and the CALF Guidance document (http://www.elexon.co.uk/DOCS/ta/market_data/CALF_Guidance.pdf).

4.1.2 Sub-component of CEI (2): Generation and Demand Capacity (GC/DC)

Currently the Lead Party of each BM Unit sets its own GC/DC values by nominating the maximum magnitude positive and negative BM Unit Metered Volumes (QM_{ij}) that they anticipate the BM Unit will reach during each BSC Season. These half hourly MWh values are then divided by the Settlement Period Duration to give hourly MW Generation and Demand Capacity values. The timescales for QM_{ij} submissions are governed by BSCP15 which currently states that a Party should make these at least 10 Working Days prior to the start of a BSC Season.

BSC Parties are obliged to resubmit higher magnitude QM_{ij} values mid-season if they become aware that their maximum Metered Volumes will exceed those declared by more

than the smaller of 0.5 MW or 1% of GC/DC. The Panel may also request that the Party re-estimate the values they have submitted.

For further information on GC/DC, please see Section K3.4 of the Code and BSCP15 'BM Unit Registration' (reference 5).

4.1.3 Worked example of the CEI calculation

As outlined above, the current CAQCE calculation seeks to predict the physical performance of the BM Unit based upon its average historical performance. The CEI calculation then takes the difference between this prediction and the Account Bilateral Contract Volume (QABC) in a Settlement Period as a proxy for expected imbalance volumes.

If a BM Unit experiences high volatility in its metered volumes, there may be considerable difference between its actual metered volumes for any given Settlement Period and its average predicted metered volumes. The disparity between the two will be treated as an indicative imbalance volume by which the Party is either short or long.

The reason why this can cause problems may be best understood in the context of a worked example where an Interconnector User experiences a reversal in the direction of their energy flows between BSC Seasons.

Party X is an Interconnector User with two Interconnector BM Units. Figure 1 shows their declared GC/DC values

BM Unit ID	BM Unit Type	Generation Capacity	Demand Capacity
I_PRODUCTION	Production Interconnector BM Unit	500 MW	0 MW
I_CONSUMPTION	Consumption Interconnector BM Unit	0 MW	- 500 MW

Figure 1: Declared GC/DC values for the BM Units used in the worked example

4.1.3.1 CALCULATION OF CALF

Let us assume that during the Summer 2003 BSC Season, the Interconnector User mostly exported energy volumes from the Interconnected System to England and Wales. Over the course of the season, the average hourly metered volume for I_PRODUCTION was 250 MWh, and the average hourly metered volume for I_CONSUMPTION was - 50 MWh.

The CALF values applied to the equivalent BSC Season of the subsequent BSC Year (Summer 2004 in this case) will be calculated from dividing this average hourly metered volume of the BM Unit by its GC or DC (dependent on P/C Status). Results of this calculation are shown in Figure 2.

BM Unit ID	Average hourly metered volume (MWh) (numerator) (a)	GC or DC, dependent on P/C Status (MW) (denominator) (b)	CALF ((a) / (b))
I_PRODUCTION	250	500	0.5000
I_CONSUMPTION	- 50	- 500	0.1000

Figure 2: Calculation of CALF values based upon historical performance data

4.1.3.2 CALCULATION OF BMCAEC/BMCAIC

M1.6 of the BSC states that the BM Unit Credit Assessment Export Capability (BMCAEC) for a Production BM Unit will be its CALF multiplied by the GC. The BM Unit Credit Assessment Import Capability (BMCAIC) for a Consumption BM Unit will be its CALF multiplied by the DC[1].

Therefore the BMCAEC and BMCAIC calculated for the pair of Interconnector BM Units during the Summer 2004 BSC Season will be as shown in Figure 3.

BM Unit ID	CALF (a)	GC or DC, dependent on P/C Status (b)	BMCAEC / BMCAIC (MW) ((a) * (b))
I_PRODUCTION	0.5000	500	250 (BMCAEC)
I_CONSUMPTION	0.1000	- 500	- 50 (CMCAIC)

Figure 3: Calculation of BMCAEC/BMCAIC based upon CALF and GC/DC

4.1.3.3 CALCULATION OF CAQCE

The calculation of CAQCE is defined in M1.2 of the BSC but may be briefly summarized as the aggregation of all BMCAECs and BMCAICs attributable to a Lead Party, net of any volumes covered by Metered Volume Reallocation Notifications (MVRNs), multiplied by the Settlement Period Duration (0.5).

Assuming no MVRNs are in place, the example would yield a CAQCE per Settlement Period of 100 MWh, based upon (250 * 0.5) + (- 50 * 0.5).

4.1.3.4 CALCULATION OF CEI

The Credited Energy Indebtedness for a Trading Party is calculated as:

$$CEIpj = -(?_{a,i}CAQCE_{iaj} - ?_{a}QABC_{aj})$$

where QABC is the Account Bilateral Contract Volume in MWh.

The sign convention of the CEI calculation is therefore such that in Settlement Periods when the Trading Party has an Account Bilateral Contract Volume that is either more positive, or less negative, than their CAQCE then positive CEI equivalent to the difference will be calculated. Conversely, when the Account Bilateral Contract Volume is either less positive, or more negative, than their CAQCE then negative CEI equivalent to the difference will be calculated.

Let us assume that during the Summer 2004 BSC Season, the direction of the Interconnector User's trades reverses and that they mostly import energy volumes to the

[1] It should be noted that there is an element of interaction between P140 and Modification Proposal 139 'Removal of Trading Unit restriction on Interconnector Users' ('P139') in this area. P139 proposes to allow Interconnector BM Units to join multiple BM Unit Trading Units. Within Trading Units, the P/C Status of all BM Units is set in the same direction (ie either all Production, or all Consumption) based upon the sum of the Relevant Capacities, pursuant to K3.5 of the BSC. Trading Unit status can therefore impact upon whether BMCAEC or BMCAIC is generated for each constituent BM Unit.

Interconnected System from England and Wales. Over the course of the season, the average hourly metered volume for I_PRODUCTION is 50 MWh, and the average hourly metered volume for I_CONSUMPTION was - 250 MWh (ie an average hourly net flow of -200 MWh).

This means that in an average Settlement Period the CEI calculated for the Trading Party will be:

$$CEIpj = -(?_{a,i}CAQCE_{iaj} - ?_{a}QABC_{aj})$$

Therefore CEI = -(100 – - 100)

Therefore CEI = - 200 MWh

CEI is used, on average, for approximately eight of the 29 days over which Energy Indebtedness is calculated. If we assume that the above net flow is sustained by the Trading Party over this period, this will result in the estimation of their Trading Charges over these days shown in Figure 4.

CEI per SP (a)	SPs per day (b)	Average Settlement Days of CEI in EI calculation (c)	Credit Assessment Price (d)	CEI Estimation of Party's Trading Charges over eight days ((a) * (b) * (c) * (d))
- 200 MWh	48	8	£21.15 (£18 plus VAT)	**- £1,624,320**

Figure 4: Calculation of indicative CEI based upon scenario assumptions

For the avoidance of doubt, were the figures used in the scenario reversed, with the Interconnector User's behaviour such that it imported rather than exported in the former season and exported rather than imported in the latter, the estimation of the Party's Trading Charges would result in an identical magnitude figure that is positive rather than negative.

It should be further noted that this problem is not restricted to volatility in BM Unit behaviour between seasons but can also impact within seasons if the average metered volume is unrepresentative of any given spot point.

For example, let's assume that the seasonal net flows of the Interconnector User is unchanged between the Summer 2003 and the Summer 2004 BSC Season, with a net flow of 100 MWh per Settlement Period exported to England and Wales. This net flow of 100 MWh in the BSC Season is comprised from 50% of Settlement Periods where the net flow is 200 MWh, and 50% of Settlement Periods where the net flow is 0 MWh.

In each Settlement Period where the net flow is 200 MWh, a positive CEI of 100 MWh will be generated, as though the Party were 100 MWh short. Conversely, in each Settlement Period where the net flow is 0 MWh, a negative CEI of -100 MWh will be generated, as though the Party were 100 MWh long.

In this scenario, over the entire BSC Season the net estimation of the Party's imbalance will be balanced, but in every Settlement Period within the BSC Season it will be significantly

unrepresentative. If there is an aggregation of periods where the estimation is incorrect in the same direction then significant volumes of positive or negative CEI will be generated.

It is important to remember that volumes of CEI generated are aggregated with volumes of AEI when calculating the overall EI of the Party. In the example above, with aggregated CEI at circa -£1.6m, the Party could incur up to £1.6 million of actual trading charges before incurring any positive overall EI. In such a circumstance they could legitimately trade with zero Credit Cover under current trading arrangements.

It should be noted that it is not contended that the CEI calculation is wholly unproblematic for other kinds of BM Units, but that the magnitude of the problem for Interconnectors is significantly worse due to historical BM Unit behaviour being far less indicative of short term current behaviour. This has complicated previous efforts of both the ISG and the SSMG to consider whether CALF can be made to accurately predict BM Unit Metered Volumes for this BM Unit type.

5 PREVIOUS ISG AND SSMG DISCUSSION ON THIS ISSUE

The principles and guidance applied in the calculation of Interconnector CALF values has been extensively discussed by both the ISG and the SSMG during 2003.

These discussions arose from perceived flaws in the ability of the CEI calculation to generate a representative estimation of the likely physical performance of Interconnector BM Units (as CAQCE) for the reasons previously detailed. It was identified that this could lead to the calculation of significant magnitudes of negative or positive Credited Energy Indebtedness for Interconnector Users who otherwise only incurred much smaller magnitudes of negative or positive Actual Energy Indebtedness.

A number of alternative CALF methodologies based upon either the historical performance of Interconnector BM Units or the application of dass CALFs based upon Interconnector availability were considered by the ISG at its January 2003 meeting (paper ISG/24/267, reference 6), with a decision on whether to implement any of the options deferred until further modeling on the effects of such changes could be conducted.

Separately, Issue 3 'Credit Cover for Interconnectors' was raised with the SSMG by EdF Trading Ltd and discussed at its March 2003 meeting. Issue 3 raised concerns over the calculation of Energy Indebtedness for Interconnector Users and invited discussion regarding whether a better calculation could be formulated. The SSMG reverted this issue back to the ISG to determine whether there is a possible solution through the alteration of the CALF Methodology Guidelines with a proviso that were a BSC Modification deemed to be necessary that the issue should return to the SSMG for further discussion.

At both its April and May 2003 meetings the ISG considered the results of modeling of alternative CALF methodologies (paper ISG/27/309, reference 7). The ISG agreed there was not an obvious change to the current Interconnector CALF methodology that would offer significant benefits. In particular, it was noted that there would be difficulties in achieving market fairness to all parties with some of the methodology options. As a consequence, the ISG agreed that the issue might be better pursued as a Modification to the BSC and agreed to refer it back to the SSMG.

The SSMG met to discuss this issue again during July 2003 to discuss what form a Modification to change the CEI calculation could take. The SSMG agreed that

Interconnector Users are different to other Parties because their FPN_{ij} is considered to be their deemed BM Unit Metered Volume. It was therefore agreed that there might be merit in a Modification Proposal whereby the FPN, for Interconnectors only, is used as the Credit Assessment Credited Energy Volume (CAQCE). The SSMG did not believe this should be extended to other BM Unit types as the linkage between FPN_{ij} and QM_{ij} was not automatic for other BM Unit types.

P142 was raised in accordance with the possible solution established by the SSMG.

6 INITIAL ASSESSMENT BY THE SSMG

6.1 Impact on accuracy of the calculation

The SSMG considered that a key determinant of whether it would be more appropriate to utilise FPN_{ij} rather than CALF and GC/DC must be the extent to which it more accurately estimates BM Unit Metered Volumes. They therefore requested that ELEXON conduct statistical analysis of this issue. Figure 5 summarises the outcome of this analysis.

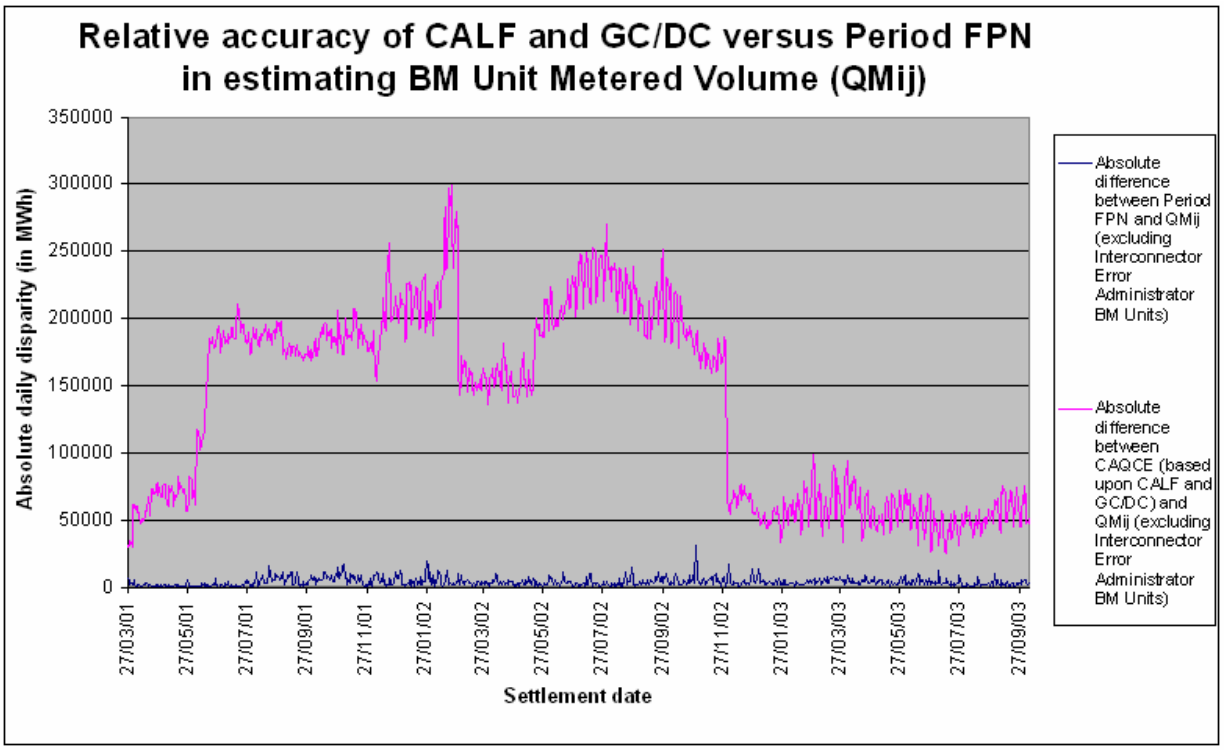

Figure 5: Relative accuracies of the current and proposed methodologies in predicting QM_{ij} for Interconnector BM Units since NETA go-live

ELEXON used centrally held records of Settlement Data to conduct this analysis for the period since NETA go-live in March 2001. For each Interconnector BM Unit, for each Settlement Period, on each Settlement Date, the absolute discrepancy between FPNij and QM_{ij}, and between CAQCE (currently based upon CALF and GC/DC) and QM_{ij} was calculated. This data was then aggregated to provide a daily indication of the absolute discrepancy between both methods of predicting QM_{ij}.

This daily absolute disparity (in MWh) aggregated across all Interconnector BM Units (excluding Interconnector Error Administrator BM Units), between the current and proposed methods and actual QMij is shown in Figure 5.

Excluding Interconnector Error Administrator BM Units, SSMG analysis indicated that the average per Settlement Period discrepancy between FPN_{ij} and QM_{ij} since NETA go-live was 84.3 MWh. The average per Settlement Period discrepancy between CAQCE (based upon CALF and GC/DC) and QM_{ij} across the same period was 2,857.4 MWh. The use of CALF and GC/DC has therefore been approximately 34 times less accurate than use of FPN_{ij} would have been over this period.

Including Interconnector Error Administrator (IEA) BM Units gives a modified average per Settlement Period discrepancy between FPN_{ij} and QM_{ij} since NETA go-live of 98.5 MWh. The average per Settlement Period discrepancy between CAQCE (based upon CALF and GC/DC) and QM_{ij} across the same period was 2,871.6 MWh. The use of CALF and GC/DC has therefore been approximately 29 times less accurate than use of FPN_{ij} would have been over this period when IEA BM Units are included.

To add further context to the scale of the above figures, aggregated Interconnector Capacity per Settlement Period at times of full availability is 1,600 MWh (based upon 2,000 MW and 1,200 MW links between the Total System and France and Scotland respectively).

6.2 Analysis of benefits

During their first two meetings to discuss P140, the SSMG reached a number of provisional findings on the benefits of P140.

The SSMG agreed that Interconnector Users are disproportionately affected by inaccuracies in the CEI calculation due to a greater likelihood that historical performance measures will not accurately predict short term current performance for this BM Unit type.

The SSMG further agreed that FPN_{ij} is an accurate proxy for QM_{ij} for Interconnector Users due to its use as the basis for Deemed Metered Volumes for this BM Unit type, pursuant to Schedule 5 of the Interconnexion France-Angleterre User Guide (reference 8) and Appendix VII of the Access & Allocation Code for the Scotland-England Interconnector (reference 9).

The SSMG did not formally consider whether FPNij would provide a better proxy for QM_{ij} for other BM Unit types as this was not within the remit of P140.

The SSMG considered that P140 may facilitate more effective competition in the market upon several grounds:

Firstly, it would reduce the risk to the market of Interconnector Users accumulating unsecured liabilities. The current arrangements can lead to circumstances where the CEI estimation of Trading Charges is a significant underestimate. This raises a potential window of risk whereby an Interconnector User could default on making payments of Trading Charges whilst having insufficient Credit Cover lodged. In the event that a Party defaulting on payments runs out of Credit Cover, the FAA would recover the outstanding amounts from all other Trading Parties on the basis of their Default Shares, pursuant to Section N9 of the BSC.

Secondly, it would reduce barriers to entry. Trading Parties who wish to avoid Credit Default need to lodge sufficient Credit Cover in order that their Credit Cover Percentage, which expresses their Energy Indebtedness divided by their Credit Cover, does not breach the thresholds specified in Section M of the BSC. The current calculation can create acute short term spikes in positive CEI that are unrelated to actual Trading Charges. This may be resulting in an over provision of Credit Cover for this BM Unit type that may disincentivise

new market entrants. This also creates a distortion in that Interconnectors may be putting up more credit than others for the same level of indebtedness.

Thirdly, it provides for better accuracy in the calculation of EI for Interconnector BM Units. The current calculation can result in significant peaks and troughs in positive and negative CEI that are not representative of the likely actual Trading Charges of the Interconnector User. This may lead to an unnecessarily onerous requirement for EI monitoring, with associated costs, for Interconnector Users when compared to Lead Parties of other BM Unit types.

For the above reasons, the SSMG initially concluded that P140 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'.

7 PROPOSAL REQUIREMENTS

7.1 Requirements Specification

The SSMG agreed that Detailed Level Impact Assessments should be sought after the first meeting in order to establish indicative costs and suggested solutions from the BSC Agents.

The SSMG agreed the expected scope of changes for P140 and these are outlined in the attached document 'Requirements Specification for Modification Proposal P140 'Revised Credit Cover methodology for Interconnector BM Units'' (reference 3).

7.2 Initial response from BSC Agents

The NETA Central Service Agent has provided initial change specific estimates of between £157,000 and £196,000 to implement the ECVAA and CRA changes for P140.

The Transmission Company has provided an initial change specific estimate of £46,000.

The above estimates do not include any release costs or BSCCo implementation costs. These could not be accurately quantified until confirmation exists of whether P140 changes would be batched with other BSC Systems changes in a scheduled release.

8 INITIAL CONCLUSIONS

On the basis of the foregoing analysis, the SSMG has initially concluded the following:

- The historical performance of an Interconnector BM Unit, reflected in its CALF value, may be less indicative of future performance than for other BM Unit types.
- The calculation of an unrepresentative proxy of BM Unit performance using CALF and GC/DC may result in either a significant overestimation or underestimation of the expected Trading Charges for the Party.
- The SSMG agreed that moving to a FPN_{ij} based CAQCE calculation for Interconnector BM Units would result in:
    - Better protection for BSC Parties against risk, resulting from a reduced likelihood of the Trading Charges of an Interconnector User being underestimated;

  - The removal of a potential barrier to entry for Interconnector Users, resulting from a reduced likelihood of the Trading Charges of an Interconnector User being overestimated leading to provision of excessive Credit Cover; and
  - An increase in the accuracy of the calculation of Energy Indebtedness.

- For the above reasons, the SSMG initially concluded that P140 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'.

II ANNEX 1 - DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	28/10/03	Change Delivery		Initial Draft
0.2	29/10/03	Change Delivery		Updated for SSMG review
1.0	03/11/03	Change Delivery		Updated for Consultation

Version	Date	Reviewer	Signature	Responsibility
0.1	29/10/03	Change Delivery		Peer review
0.2	29/10/03	SSMG		SSMG review
1.0	03/11/03	Industry		Consultation

b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	energywatch
Core Industry Document Owners	Various

c Related Documents

Ref.	Title	Owner	Issue date	Version
1	Modification Proposal P140	EdF Trading Ltd	21/08/03	1.0
2	P140 Initial Written Assessment (IWA P140)	ELEXON	05/09/03	1.0
3	Requirements Specification for Modification Proposal P140 'Revised Credit Cover methodology for Interconnector BM Units'	SSMG	29/09/03	1.0
4	Credit Assessment Load Factor Guidance (CG010)	BSC Panel / ISG	24/04/03	5.0
5	BSCP15 'BM Unit Registration'	ELEXON	29/09/03	6.0
6	ISG/24/267 'Suggested amendments to Credit Assessment Load Factor (CALF) treatment of Interconnector BM Units'	ELEXON	28/01/03	1.0
7	ISG/27/309 'Modelling of alternative Interconnector methodologies'	ELEXON	22/04/03	1.0
8	Interconnexion France-Angleterre IFA Access Rules	NGC / RTE	31/07/02	4.0
9	Access & Allocation Code for the Scotland-England Interconnector	Scottish Hydro-Electric Transmission Ltd / SP Transmission Limited		

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III ANNEX 2 – MODIFICATION GROUP

The Panel agreed with the recommendation in the IWA that the Settlement Standing Modification Group (SSMG) be convened to progress P140, as the Modification's subject matter falls within the remit of its Terms of Reference. The table below indicates the membership of the SSMG that is considering P140:

MEMBER	ORGANISATION
Roger Salomone (Chairman)	ELEXON
Richard Hall (Lead Analyst)	ELEXON
Neil Cohen (Technical Support)	ELEXON
Steve Drummond (Proposer)	EDF Trading Ltd
Mark Manley	Centrica
Paul Jones	Powergen
Mark Pearce	National Grid Company
Joanne Ellis	Cornwall Consulting
Sharif Islam	Total Gas & Power Ltd
Jerome Williams	Ofgem