67/012

INITIAL WRITTEN ASSESSMENT for Modification Proposal P138

Contingency Arrangements in relation to Implementation of Demand Control Measures pursuant to Grid Code OC6

Prepared by: ELEXON[1] Limited

Date of issue:	5 September 2003	**Document reference:**	P138IR
Reason for issue:	For Panel Decision	**Issue/Version number:**	Final/1.0

This document has been distributed in accordance with Section F2.1.10[2] of the Balancing and Settlement Code.

RECOMMENDATIONS

On the basis of the initial assessment BSCCo recommends that the Panel:

- **NOTE the results of the Initial Written Assessment;**
- **DETERMINE that Modification Proposal P138 should be submitted to the Assessment Procedure;**
- **AGREE the Assessment Procedure timetable such that a Assessment Report should be completed and submitted to the Panel for consideration at their meeting of 11 December 2003;**
- **DETERMINE that the Assessment Procedure should be undertaken by the Pricing Standing Modification Group supported by members of the Volume Allocation Standing Modification Group and Licensed Distribution System Operators ; and**
- **AGREE any refinement to the Modification Group Terms of Reference.**

[1] ELEXON Ltd currently fulfils the role of the Balancing and Settlement Code Company ('BSCCo'), pursuant to Annex X-1 of the Balancing and Settlement Code (the 'Code').

[2] The current version of the Code can be found at www.elexon.co.uk/ta/bscrel_docs/bsc_code.html

CONTENTS TABLE

SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as BSCCo has been able to assess the following parties/documents have been initially identified as being potentially impacted by Modification Proposal P138.

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

Estimated cost for progressing P138 through Modification Procedures	**£ 42,300 + 80 ELEXON man days**

1 DESCRIPTION OF PROPOSED MODIFICATION

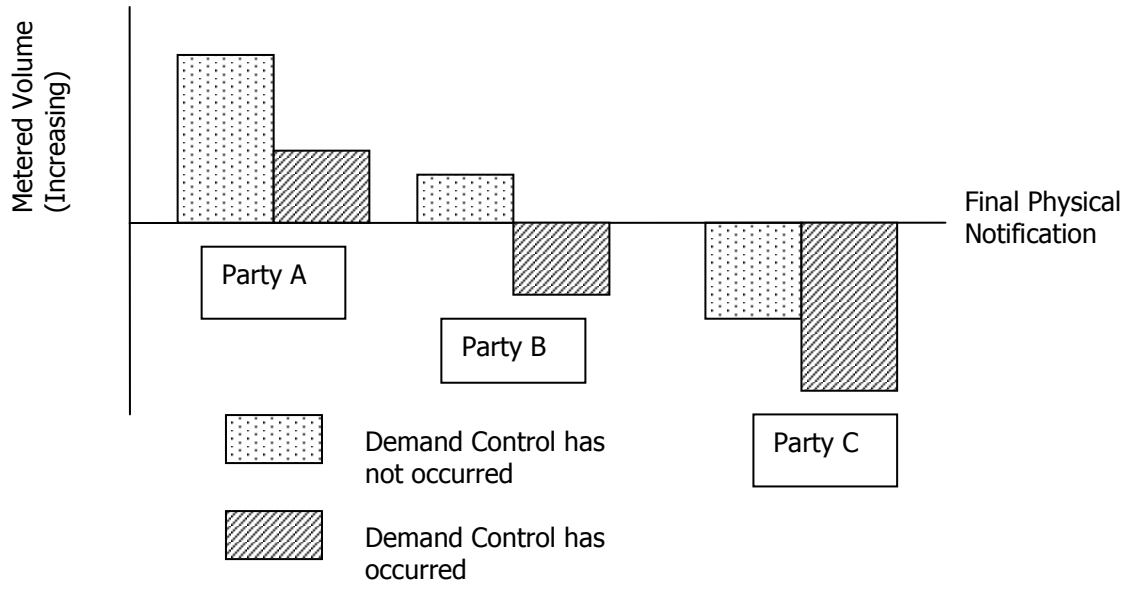
1.1 Modification Proposal

Modification Proposal P138 'Contingency Arrangements in relation to Implementation of Demand Control Measures pursuant to Grid Code OC6' (P138) was raised on 8 August 2003 by Innogy PLC. Modification P138 aims to bring Demand Control within the provisions of the Balancing and Settlement Code (the Code).

There are currently no provisions in the Code that relate to the impact of Demand Control measures as defined by the Grid Code OC6. The proposer believes that tighter system margins have increased the risk that a period of Demand Control could occur and a period of Demand Control would have a number of consequences:

- During a period of demand control, those parties who are affected would have a lower Metered Volume than if the demand control had not occurred. This would affect their imbalance position by lengthening their position and so those parties who were short would be less short, or possibly long, and those parties who were long would be longer (as shown in Figure 1);
- The change of imbalance position created by the period of Demand control could mean that Parties face significant costs; and
- Residual Cashflow Reallocation Cashflow (RCRC) could be high and unpredictable.

Figure 1



The Proposer therefore believes that a modification to the Code is required to include measures that will cater for the implementation of a Demand Control instruction pursuant to Grid Code OC6; including:

- An instruction issued by the Transmission Company for Demand Control as defined in the Grid Code OC6 would be considered to be an Offer;
- The Transmission Company would provide details to ELEXON of the Parties that were affected by the Demand Control and approximately by how much each Party was affected in the form of a Demand Control Offer Profile of Imbalances. These details would have been provided to the Transmission Company by Local Distribution System Operators (LDSOs) as this is a current requirement of the Grid Code OC6;

- Affected Parties would receive a Marginal Offer Price for this Demand Control Offer Profile; and
- Affected Parties expected Metered Volume would be adjusted by the amount provided by the Transmission Company so that Parties position would be the same whether or not the Demand Control had occurred.

The Proposer recognises that the difference between a Metered Volume if Demand Control had occurred compared to that had Demand Control not occurred could only ever be estimated, however there are various tools to aid this estimation. Primarily the information from LDSOs regarding the details of the Demand Reduction that has occurred could be used but this could be supplemented by information taken from National Grid Company's (NGC's) Demand Forecast and the comparison of the affected Parties Contracted and Metered Volumes. An initial estimate could be calculated in time for the Initial Interim (II) or Settlement Final (SF) run, and then further information could be added to obtain a more accurate estimate at any time up to the Final Run (RF) run. The proposer also believes that if the Demand Control was carried out via a voltage reduction, deemed profiles could be used to estimate the initial volume of the deemed offer.

The Proposer believes that P138 better facilitates Applicable BSC Objectives:

- (b) 'The efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System' by ensuring that Demand Control is utilised effectively under the BSC, and that ensuring that the cost of Demand Control is appropriately incurred by NGC. The proposer also believes that P138 also better facilitates Applicable BSC objective; and
- (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' by removing the risk of Parties being exposed to high and unpredictable Imbalance charges and RCRC during a Demand Control Period.

Urgent Modification Request

P138 was submitted with the request that it be treated as an Urgent Modification Proposal so that it would follow the same timetable as P135 'Marginal System Buy Price During Periods of Demand Reduction' as the Proposer believed that P138 addresses the same issue as P135. ELEXON do not support the request for Urgency and therefore did not recommend to the Panel Chairman that the proposal should be treated as an Urgent Modification Proposal (in accordance with Code Section F2.9.1)

To determine whether or not to recommend Urgent Status, ELEXON considered the following questions:

- Is it likely that the identified defect will compromise the integrity of the Settlement process?

  No, P138 will not affect the way Settlements is undertaken, it merely seeks to provide a mechanism for treating certain Demand Control instructions as Balancing Mechanism actions;

- Is it likely that the identified defect will result in disproportionate costs on impacted parties?

  No, whilst it is true that the Demand Control instructions may affect the metered positions of certain market parties, ELEXON believe this effect not be disproportionate. For example, if NGC issued instructions to one Distribution Network Operator to reduce demand by five percent in one Grid Supply Point (GSP) Group then only the Parties operating in that GSP Group would be affected (by reducing their outturn metered values). If the system is short (which would be the case for Demand Control) and a Party is short (insufficient contracted generation to meet demand) this would make the participant "less short" and less exposed to System Buy Price. If a Party is long then the Party would be "more long" and would receive more Market Price (reverse imbalance price); and

- Is it likely that any failure to expedite resolving the issue will introduce uncertainty into the market?

No, the Code is clear on the treatment of Demand Control as for certain Demand Control instructions direct to a BSC Party are dealt with in Section Q5.1.3 and makes no provisions for instructions to Distribution Network Operators.

Furthermore, P138 addresses a different issue from P135 (Marginal System Buy Price during Demand Reduction), i.e. P138 seeks to provide a new mechanism for dealing with certain Demand Control instructions issued by NGC, whereas P135 seeks to provide more appropriate price signals to incentivise Market Participants to contract forward in order to mitigate the risk of not being able to achieve a balanced position (particularly in times of energy shortage).

ELEXON therefore believed that P138 would benefit from a non-urgent timetable for Assessment in order to fully assess the Proposal against the Applicable BSC Objectives.

1.2 Issues raised by the Modification Proposal

An initial assessment of Modification Proposal P138 has identified the following potential areas of impact and issues which will need to be considered and addressed in progressing the Modification Proposal.

Definition of Marginal Offer Price

Point 1 in the 'Description of Proposed Modification' states that Demand Control Instructions will be treated as Offers, with an Offer Price equal to the 'Marginal Offer Price prevailing for the Demand Control Settlement Period'. However, it does not explain in detail how this Marginal Offer Price should be calculated. Should the calculation take into account the various forms of tagging used in the calculation of System Buy Price (SBP) (e.g. De Minimis tagging, arbitrage tagging, Net Imbalance Volume (NIV) tagging)? Is it only Offers that are eligible to set the Marginal Price, or Energy Balancing Services Adjustment Data (BSAD) also?

It should be noted that a number of current pricing Mods (P135, P136 and P137) share the concept of a 'Marginal Offer Price' with P138. However, Section F requires that P138 be defined and assessed against the current BSC baseline. Therefore the Modification Group will need to define the 'marginal Offer price' in a way that's appropriate to P138 (which may not necessarily be the same definition that's appropriate for pricing purposes).

A further complexity with P138 is that it uses the Marginal Offer Price to set the price of Demand Control 'Offers'. Clearly, to avoid circularity, the Offer stack used to calculate the P138 marginal price will need to exclude those Demand Control 'Offers'. However, this doesn't necessarily mean that Demand Control 'Offers' should be excluded from the Offer stack used in the calculation of system prices. The Modification Group will need to take a view on this.

Interaction with Existing BSC Arrangements for Demand Control Instructions

Although P138 makes no mention of this, there are already arrangements in Grid Code BC2.9 and BSC Code Q5 to treat certain Demand Control Instructions as Bid Offer Acceptances. These provisions apply only to Demand Control Instructions issued in relation to a particular BM Unit (and not to Demand Control Instructions issued to an LDSO, which affect all Supplier BM Units in the affected GSP Group). However, the fact that there are these existing provisions raises the following issues:

- Should P138 apply to those Demand Control Instructions which are already covered by the BSC definition of Bid Offer Acceptance (BOA)? Or is it only intended to apply to those which currently aren't covered under the BSC?
- Given that there are these existing provisions, is it actually appropriate to introduce entirely new provisions into Section G? Possibly an alternative would be to extend the existing provisions in Grid Code BC2.9 and BSC Q5?

Mechanism for Calculating Demand Control Offer Profile

Point 3 in the 'Description of Proposed Modification' states that a 'Demand Control Offer Profile' would be derived from data provided by the Transmission Company. The Modification Group will need to clarify how this profile (assumed to be a Mega Watt (MW) profile similar to a Bid Offer Acceptance) could be derived. It should be noted in this context that the impact on Suppliers' Balancing Mechanism (BM) Unit Metered Volumes, of any reduction in a customer's Metered Volumes, will vary depending on whether the customer has Half Hourly (HH) or Non-Half Hourly (NHH) metering:

- If the customer has HH metering, the reduction will be attributed to that customer's Supplier; but
- If the customer has NHH metering, the reduction will be smeared across all NHH Suppliers in the GSP Group.

Interaction with Non-Delivery Rules

In treating the Demand Control Instructions as Offer Acceptances, P138 presumably intends that the Lead Parties of the affected BM Units should have both their Energy Imbalance Cashflow and their BM Unit Cashflow adjusted:

- When calculating Energy Imbalance Charges, the Settlement system takes Offer Acceptances into account, insulating Parties from imbalance charges on the accepted volume.
- When calculating BM Unit Cashflows, the Settlement system pays for Offer Acceptances at the Offer Price (which in the case of P138 will be a marginal Offer price).

However, the Settlement system will only be able to achieve both these objectives if the Supplier BM Units affected have accurate Final Physical Notifications (FPNs). In general, this is likely to be harder for Supplier BM Units than for generators, due to their lack of control over their demand. Any inaccuracy in demand FPNs will potentially undermine the effectiveness of the P138 mechanism.

For example, suppose that Demand Control is invoked, reducing a Supplier BM Unit's Metered Volumes from 400 MW (200 MWh) to 360 MW (180 MWh). However, due to errors in demand forecasting the Supplier submitted an FPN of 350 MW. Under these circumstances, the error in the FPN will lead to Non-Delivery Rules 'clawing back' the Offer Payment:

- In order to reflect the Demand Control Instruction, an Acceptance must be entered into Settlement at the level of 310 MW (i.e. 40 MW below the 350 MW FPN). This will create a 20 MWh acceptance volume, to be taken into account in the Settlement process.
- However, because the original FPN was too low (i.e. 350 MW rather than 400 MW), the Offer Payment will be entirely 'clawed back' by Non-Delivery Charges.

The Modification Group may therefore need to consider the interaction between P138 and the rules for Non-Delivery Charges.

Impact on the Transmission Company

The Modification notes that there may be a requirement to amend OC6 of the Grid Code. Any likelihood of proposed change should be considered by the Modification Group prior to changes being developed via the normal route for changes to the Grid Code.

Interaction with Fuel Security Periods

The Modification Group should consider any interaction between Demand Control periods and Fuel Security periods.

Impact on Manifest Errors

It should be assessed whether this Modification could give rise to a new type of Manifest Error which would require a new procedure to be developed. The pricing process could be drawn out over fourteen months and would be handled through normal reconciliation runs, however, any new Manifest Error type would require a new disputes process to be developed.

Interaction with other Modifications

P135 'Marginal System Buy Price During Periods of Demand Reduction', P136 'Marginal Definition of the 'Main Energy Imbalance Price' and P137 'Revised Calculation of System Buy Price and System Sell Price'

P135, P136 and P137 have been raised and consider a Marginal pricing method as opposed to an average pricing method. P135 in particular looks at a marginal pricing mechanism during periods of Demand Control. Although P138 should be progressed against the current baseline, consideration should be given to its interaction with P135, P136 and P137.

P80 'Deemed Bid/Offer Acceptances for Transmission System Faults' and P87 'Removal of Market Risk Associated with the Operation of a Generator Inter-Trip Scheme'

The Modification Group should consider the issues raised in the Authority's decision letters for these Modification Proposals.

P71 'Transfer of Imbalances caused by Balancing Services to the Transmission Company Energy Account'

P71 introduced the concept of an Applicable Balancing Service (QAS). This is where the Transmission Company determines an energy volume associated with the provision of Balancing Services for a BM Unit and Settlement Period. These volumes are then removed for the Energy Account of the balancing service provider and transferred to the Energy Account of the Transmission Company, thus removing the balancing service provider from exposure to the consequences of Imbalance. The Modification Group should consider whether a similar approach could be adopted as the solution to P138.

Justification for P138

P138 asserts that (if the Modification is not made) Parties will be subject to high and unpredictable imbalance charges. The rationale for this is not entirely clear. In many cases Demand Control will have the effect of reducing the imbalance charges paid by Parties (by reducing their exposure to SBP, for example). The Modification Group may wish to consider the justification for P138

These issues are recommended for inclusion in the Modification Group's Terms of Reference.

2 INITIAL ASSESSMENT OF IMPACTS OF MODIFICATION PROPOSAL

2.1 Impact on BSC Systems and processes

An initial assessment has been undertaken in respect of all BSC Systems and processes and the following have been identified as potentially being impacted by the Modification Proposal

BSC System / Process	Potential Impact of Proposed Modification
Balancing Mechanism Activities	The Balancing Mechanism will be impacted since periods of demand control would be considered to be an Offer. Furthermore, the Balancing Mechanism may be impacted as the Marginal Offer Price to be paid for imbalances relevant to the Demand Control Settlement Period will need to be calculated.
Settlement	Settlement would be affected as the calculations performed would need to take into account the periods of Demand Control and the revised Metered Volumes.
Reporting	There may be an impact on reporting as there may be a need to report the Offer Prices for Parties affected by demand control in a different way to other submitted Bids and Offers.

2.2 Impact on other systems and processes used by Parties

An initial assessment has been undertaken in respect of systems and processes used by parties and the following have been identified as potentially being impacted by the Modification Proposal.

System / Process	Potential Impact of Proposed Modification
Settlement	Where Parties verify the Settlement Report / Settlement calculations, then there may be an impact on any systems or processes in place to take account of the amended calculation.

2.3 Impact on documentation

2.3.1 Impact on Balancing and Settlement Code

An initial assessment has been undertaken in respect of all Sections of the Code and the following Sections have been identified as potentially being impacted by the Modification Proposal.

Item	Potential Impact of Proposed Modification
Section G: Contingencies	Amendments may be required to describe the process of Parties receiving the Marginal Offer Price for a Demand Control Offer Profile of Imbalances for the relevant Demand Control Settlement Period.
Section Q: Balancing Mechanism Activities	Amendments may be required to describe the process of Parties receiving the Marginal Offer Price for a Demand Control Offer Profile of Imbalances for the relevant Demand Control Settlement Period.
Section T: Settlement and Trading Charges	Amendments will be required to note the differing price calculation for periods of Demand Control.

Item	Potential Impact of Proposed Modification
Section X: Definitions and Interpretation	New definitions may be required, for example a definition of a period of Demand Control.

2.3.2 Impact on Code Subsidiary Documents

An initial assessment has been undertaken in respect of all Code Subsidiary Documents and the following documents have been identified as potentially being impacted by the Modification Proposal.

Item	Potential Impact of Proposed Modification
Settlement Administration Agent Service Description	Changes will be required to describe the process of altering the Metered Volumes of affected Parties and allowing those affected Parties to receive the Marginal Offer Price for that Metered Volume.

2.4 Impact on Core Industry Documents

An initial assessment has been undertaken in respect of Core Industry Documents and the following documents have been identified as potentially being impacted by the Modification Proposal.

Item	Potential Impact of Proposed Modification
Grid Code	Changes may be required to OC6 and / or BC2 to reflect the change in practise for periods of Demand Control.

2.5 Impact on Other Configurable Items

An initial assessment has been undertaken in respect of other configurable items and the following have been identified as potentially being impacted by the Modification Proposal.

Item	Potential Impact of Proposed Modification
Settlement Administration Agent User Requirement Specification	Changes will be required to describe the process of altering the Metered Volumes of affected Parties and allowing those affected Parties to receive the Marginal Offer Price for that Metered Volume.
NGC BSC Interface Specification	Changes may be required to this document to update or include new flows of information from NGC to the Balancing Mechanism Reporting Agent (BMRA) or ELEXON.
NETA Data File Catalogue	Changes to flows may be required.
Interface Definition Document	Changes to flows may be required.
Business Process Model	Changes to this Model will be required to reflect the change in practise for periods of Demand Control.

3 IMPACT ON BSCCO

An initial assessment has been undertaken in respect of BSCCo and the following have been identified as potentially being impacted by the Modification Proposal.

Area of Business	Potential Impact of Proposed Modification
BSCCo Systems	There may be an impact on TOMAS if a manual solution involving TOMAS is chosen.
BSCCo Procedures	They may be an impact on TOMAS Local Working Instructions if a manual solution involving TOMAS is chosen.
Other (e.g. costs, staffing, etc.)	There may be an impact if a manual solution involving TOMAS is chosen as this will have associated operational costs.

4 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

An initial assessment has been undertaken in respect of BSC Agent contractual arrangements and the following have been identified as potentially being impacted by the Modification Proposal.

BSC Agent Contract	Potential Impact of Proposed Modification
Logica (BMRA, CRA, CDCA, SAA, ECVAA, TAA(CVA))	The Settlement Administration Agent (SAA) will be impacted as this is the point that the revised volumes and associated prices will enter Settlement. The SAA will need to have the facility to amend volumes and prices at this point.

5 RATIONALE FOR BSCCO'S RECOMMENDATIONS TO THE PANEL

Initial Assessment has highlighted a number of definition issues which require resolution, however the definition issues are closely linked with assessment issues and the technical solution. ELEXON therefore recommends that this Modification Proposal be submitted to a three month Assessment Procedure, to be conducted by the Pricing Standing Modification Group (PSMG) supported by members of the Volume Allocation Standing Modification Group (VASMG) and LDSOs (P138 Modification Group).

6 PROCESS, TIMETABLE AND COST FOR PROGRESSING THE MODIFICATION PROPOSAL

BSCCo recommends that P138 be submitted to a three month Assessment Procedure, to be undertaken by Pricing Standing Modification Group supported by members of the Volume Allocation Standing Modification Group and Licensed Distribution System Operators (P138 Modification Group) and that an Assessment Report be prepared for the Panel at its meeting of 11 December 2003.

Six Modification Group meetings will be required. One consultation and an Impact Assessment will be issued. Annex 2 contains a Gantt Chart showing the details of the timetable.

It is estimated that progressing P138 through the Modification Procedures will incur third party costs of £30,000 funded from the demand led budget in addition to core team staff costs and use approximately 80 ELEXON Man days. This estimate is based on current information and is subject to change.

7 DOCUMENT CONTROL

7.1 Authorities

Version	Date	Author	Reviewer	Change Reference
0.1	22/08/03	Katie Key	Justin Andrews	P138IR01
1.0	04/03/03	Katie Key		P138IR10

ANNEX 1 MODIFICATION PROPOSAL

Modification Proposal	**MP No: 138** *(mandatory by BSCCo)*

Title of Modification Proposal *(mandatory by proposer)*:

Contingency arrangements in relation to implementation of Demand Control measures pursuant to Grid Code OC6

Submission Date *(mandatory by proposer)*: 8th August 2003

Description of Proposed Modification *(mandatory by proposer)*:

This Modification is intended to provide appropriate measures in Section G of the BSC that will cater for the implementation of a Demand Control instruction pursuant to Grid Code OC6. These measures should include the following:

1. An Instruction issued by the Transmission Company in a Demand Control Settlement Period under OC6 of the Grid Code would be considered to be an Offer priced at the marginal Offer Price prevailing for the Demand Control Settlement Period;
2. Parties would receive the marginal Offer price for a Demand Control Offer Profile of imbalances for the relevant Demand Control Settlement Period;
3. The Demand Control Offer Profile would be derived from data provided by the Transmission Company to Elexon; and
4. As for accepted Offers, Parties' expected metered volume would be adjusted to reflect the volume of the Demand Control Offer Profile

The modification proposal would relate to a set of Demand Control Settlement Periods declared by the Transmission Company.

Description of Issue or Defect that Modification Proposal Seeks to Address *(mandatory by proposer)*:

There are currently no provisions in the BSC that relate to the impact on BSC parties of Demand Control measures as set out in Grid Code OC6. This Modification Proposal seeks to address this defect by introducing contingency provisions into Section G of the BSC.

Tighter system margins have apparently increased the risk that Demand Control could be implemented. A Demand Control event would have a number of consequences including:

i. Some parties being forced into a long imbalance position as a result of their customers being affected by Demand Control;
ii. Parties thus affected could face potentially significant costs; and
iii. Residual reallocation cashflows could be high and unpredictable

Currently NGC has the perverse incentive of implementing demand control as a free option rather than contracting forward for an appropriate level of reserve, thus creating a higher probability of demand control being exercised.

Impact on Code *(optional by proposer)*:

Revisions to Section G

Impact on Core Industry Documents *(optional by proposer)*:

Revisions may be required to OC6 of the Grid Code, particularly in relation to information provision from the Network Operators to the Transmission Company.

Modification Proposal	**MP No: 138** *(mandatory by BSCCo)*

Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties *(optional by proposer)*:

None

Impact on other Configurable Items *(optional by proposer)*:

Justification for Proposed Modification with Reference to Applicable BSC Objectives *(mandatory by proposer*

The proposal will better facilitate Objective (b) of the BSC in relation to the efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System by ensuring that Demand Control periods will be utilised effectively under the BSC. Furthermore, the proposal will create the correct incentive for NGC to ensure that the cost of demand control is appropriately incurred.

By treating demand control as a BM action and removing the potential financial risks associated with Demand Control measures, the proposal will better facilitate Objective (c) of the BSC in relation to the promotion of effective competition in the generation and supply of electricity, and (so far as is consistent therewith) promoting such competition in the sale and purchase of electricity. Specifically the proposal will remove the risk that parties are exposed to high and unpredictable imbalance charges and residual cashflow reallocation cashflows during a Demand Control Period.

Details of Proposer:

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Attachments: NO

If Yes, Title and No. of Pages of Each Attachment:

ANNEX 2 GANTT CHART

ID	Task Name	Duration	Start	Finish
1	Panel Meeting	0 days	Thu 11/09/03	Thu 11/09/03
2	1st Modification Group Meeting	0 days	Mon 15/09/03	Mon 15/09/03
3	Research	14 days	Mon 15/09/03	Thu 02/10/03
4	2nd Modifcation Group Meeting	0 days	Thu 02/10/03	Thu 02/10/03
5	Research	6 days	Fri 03/10/03	Fri 10/10/03
6	3rd Modification Group Meeting	0 days	Fri 10/10/03	Fri 10/10/03
7	Draft Requirement Specification	9 days	Mon 13/10/03	Thu 23/10/03
8	4th Modifcation Group Meeting	0 days	Thu 23/10/03	Thu 23/10/03
9	Update Document	1 day	Fri 24/10/03	Fri 24/10/03
10	Impact Assessment Period	8 days	Mon 27/10/03	Wed 05/11/03
11	5th Modifcation Group Meeting	0 days	Wed 05/11/03	Wed 05/11/03
12	Draft consultation document	2 days	Thu 06/11/03	Fri 07/11/03
13	Consultation Period	11 days	Mon 10/11/03	Mon 24/11/03
14	Draft Assessment Report and legal text	11 days	Mon 10/11/03	Mon 24/11/03
15	Collate Consultation Responses	2 days	Tue 25/11/03	Wed 26/11/03
16	6th Modification Group Meeting	0 days	Wed 26/11/03	Wed 26/11/03
17	Update Reports	4 days	Thu 27/11/03	Tue 02/12/03
18	Internal Paper Day	0 days	Tue 02/12/03	Tue 02/12/03
19	Panel Meeting	0 days	Thu 11/12/03	Thu 11/12/03