

<b>Change Proposal – BSCP40/02</b>	CP No: 1358 <i>Version No:1.0</i>
<p><b>Title:</b> Change to timeband weightings in the Market Index Definition Statement</p>	
<p><b>Description of Problem/Issue:</b></p> <p>The BSC obligates ELEXON to review annually the Market Index Definition Statement (MIDS). The MIDS defines the way the Market Index Price (MIP) – used to determine the ‘reverse’ Energy Imbalance Price – is calculated. The MIP is a volume weighted average of qualifying trades made on the power exchanges; the MIDS defines which trades qualify. We review the MIDS annually, as required by the BSC.</p> <p>At the BSC Panel meeting in October, the Panel considered the annual Review of the Market Index Definition Statement (MIDS) (<a href="http://www.elexon.co.uk/ELEXON%20Event%20Documents/188_10.pdf">http://www.elexon.co.uk/ELEXON%20Event%20Documents/188_10.pdf</a>). The MIDS sets out the calculation for the reverse energy imbalance price, and defines what trades made on the power exchanges go into that calculation. The MIDS includes a set of relevant products and timebands in which trades are made on those products, and sets weightings on them to determine which should be used to calculate the Market Index Price and Market Index Volume submitted by each power exchange in their role as Market Index Data Providers. The suitability of the current product and timeband weightings are part of the annual review.</p> <p>The review was initially issued for industry consultation, and on the basis of responses received and recommendations made by the Imbalance Settlement Group, the Panel have recommended that the weightings are set to zero for timebands; 7 and 8.</p> <p>This would mean that only trades made within 12 hours of Gate Closure (timebands one to six) are included in the calculation of the reverse imbalance price.</p> <p>Any changes are subject to Authority approval before implementation.</p>	
<p><b>Proposed Solution:</b></p> <p>The MIDS document will need to be updated to include these new products – a redlined copy is attached.</p> <p>The MIDPs would need to make changes to their systems to adjust the weightings of these timebands.</p>	
<p><b>Justification for Change:</b></p> <p>The BSC Panel has recommended this change be raised based upon the ISGs recommendation following industry consultation.</p>	
<p><b>To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code?</b></p> <p>The Market Index Definition Statement is defined in Section T 1.5 of the BSC.</p>	

<p><b>Estimated Implementation Costs:</b></p> <p>Minimal, 1 ELEXON man day equating to £240</p>
<p><b>Configurable Items Affected by Proposed Solution(s):</b></p> <p>Market Index Definition Statement - version 6.0</p>
<p><b>Impact on Core Industry Documents or System Operator-Transmission Owner Code:</b></p> <p>None</p>
<p><b>Related Changes and/or Projects:</b></p> <p>This CP is being raised in conjunction with CP1359. The expectation is that if they are both approved that they will be implemented at the same time.</p>
<p><b>Requested Implementation Date:</b></p> <p>1 April 2012</p> <p><b>Reason:</b></p> <p>Beginning of the BSC year. It has been noted that this is a Sunday; however, we see no reason as to why that should affect this. If this turns out to be an issue we will amend.</p>
<p><b>Version History:</b></p> <p>Version 1.0 was raised on 28 October 2011.</p>
<p><b>Originator's Details:</b></p> <p><b>BCA Name:</b> Ian Scougal</p> <p><b>Organisation:</b> ELEXON</p> <p><b>Email Address:</b> <a href="mailto:ian.scougal@elexon.co.uk">ian.scougal@elexon.co.uk</a></p> <p><b>Telephone Number:</b> 0207 380 4131</p> <p><b>Date:</b> 28 October 2011</p>
<p><b>Attachments:</b></p> <p>Yes</p> <p><b>No. of Pages attached:</b></p> <p>MIDS redlined (23 pages)</p>