

Change Proposal – BSCP40/02

CP No: 1247

*Version No: 1.0
(mandatory by BSCCo)***Title:** BMRS Amendment to Report Interconnector SO-SO Prices Separately from Other System Messages**Description of Problem/Issue** *(mandatory by originator)*

The Balancing Mechanism Reporting Service (BMRS) has a System Warning page, which displays messages sent to BMRS by National Grid. At market start-up (in 2001) it was envisaged that this page would be used primarily for System Warnings as defined in the Grid Code. However, National Grid also uses it for other purposes. In particular, they currently send two messages per day specifying the prices for SO-SO Interconnector Trades (on the French and Moyle Interconnectors). For example, the messages sent on 19 April 2008 were as follows:

2008-04-19 14:43	NATIONAL GRID NOTIFICATION of prices for SO to SO Transactions over the National Grid/RTE Interconnector. Prices cover 23:00hrs tonight to 23:00hrs tomorrow (local time) and are in GBP/MWh. From RTE: Offer 88.77; Bid 1.71. From NGC: Offer 250; Bid 0.
2008-04-19 14:43	NATIONAL GRID NOTIFICATION of prices for SO to SO Transactions over the National Grid/SONI Interconnector. Prices cover the 24 hour period commencing 06:00hrs tomorrow (local time) and are in GBP/MWh. From SONI: Offer 430; Bid 0. From NGC: Offer 250; Bid 0

These SO-SO Interconnector messages already form the majority of the messages displayed on the page, and there is a concern that they may mask more critical messages. This issue will become significantly worse in September 2008, when the pricing regime for SO-SO trades on the French Interconnector changes. At that point National Grid will be providing separate prices for each of the six traded blocks agreed between it and RTE in the day, and may also be changing prices within the day. The number of messages received per day will therefore increase significantly. This change is an interim change which will be followed in Autumn 2009 by a more fundamental change which is still being defined where we could see hourly prices, revised up to 24 times per day and relating to specific blocks of volume.

This Change Proposal is intended to address the interim issue of lack of clarity of other messages which may be more important to the market being subsumed by SO-SO prices information. It is anticipated that a more sophisticated price reporting mechanism may be required in Autumn 2009.

Proposed Solution *(mandatory by originator)*

The proposed solution is to remove the messages relating to SO-SO prices from the System Warning page, and put them on a new page instead. The new page will be similar to the existing System Warning page, but display only those messages that relate to SO-SO prices. It is proposed that any warning whose text contains the phrase “prices for SO to SO transactions” (in any combination of upper or lower case) will be treated as falling into that category.

Note that no change is proposed to the interface between National Grid and BMRA, or to the format of the Tibco messages published to Parties. The only change is to the way System Warnings are displayed on the public (‘Low Grade’) and private (‘High Grade’) websites. The required changes to the BMRS software can therefore be summarised as follows:

- The system must categorise all System Warnings received into SO-SO price messages (i.e.

those whose text contains the phrase “prices for SO to SO transactions” in any combination of upper or lower case) and others;

- The existing System Warning page must be amended to display only those messages that are not SO-SO price messages;
- A new page must be created to display those messages that are SO-SO price messages.

The help text for the new page will also explain the business rules around price re-declaration. In this interim solution, the latest sent prices for a particular date and time will be the prevailing prices. BMRS Users viewing the data will be able to use the date/time stamp on a message along with its content (date, time, interconnector etc) to establish the prevailing prices.

Justification for Change *(mandatory by originator)*

National Grid is currently working with RTE to implement some changes to the way system operator to system operator (SO-SO) trading is undertaken. The changes are driven by both the GB regulator and European Regulatory bodies which are particularly seeking to develop increased harmonisation and flexibility on interconnectors between member state countries electricity markets. The changes represent improvements to the current arrangements to ensure more market reflective prices are offered by each party. For example overnight offer prices which are cost reflective are not normally the same as peak period offer prices. The current regime for SO-SO trading only allows for one price per 24 hour period. A key part of delivering this operational change is to develop the information provision mechanism in parallel.

The BSC does not explicitly recognise the use of the System Warning interface for purposes other than Grid Code System Warnings. However, since the market went live in 2001 the interface has in fact been used for a number of such purposes e.g. Pre-Gate Closure BM Unit Transactions, SO-SO Prices and Emergency Instruction details. The main reason for doing this has always been to minimise the cost of software change to the BMRS and to National Grid systems. However, it is clearly important that these additional uses of the System Warning interface do not undermine its primary purpose of providing reliable reporting of Grid Code System Warnings. ELEXON believes allowing a significant increase in the volume of SO-SO price messages reported on the System Warning page could do just that.

It should also be noted that ELEXON and Logica have been working together to introduce new technology and development processes into BMRS in order to lower the cost of system change. As a result the cost of making this BMRS change is now lower than it would have been in the past.

Because these changes to the BMRS are only an interim solution (pending further requirement changes in 2009), a relatively simple solution is proposed. In particular, BMRS is only required to recognise messages relating to SO-SO trades, and display them on a separate page. It is **not** required to process or interpret the data contained within the messages.

To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code? *(mandatory by originator)*

The System Warning interface is described in Section Q6.1.14 and Annex V-1 of the BSC. This Change Proposal is intended to ensure that the intent of these BSC provisions is not undermined by excessive use of the System Warning interface for other purposes (as described on the Justification section above).

Estimated Implementation Costs *(mandatory by BSCCo)*

The development cost of amending the BMRS to provide this new data has been estimated at around £35K. There is no ongoing operational cost.

There will also be an ELEXON cost to manage the delivery of the BMRS changes. However, by including the change in the November 2008 BSC Release, which already includes significant BMRS changes (i.e. Approved Modifications P219 and P220), this cost should be minimised.

Configurable Items Affected by Proposed Solution(s) *(mandatory by originator)*

The User Requirement Specification and design documents for the BMRS will be amended to describe the new interface.

Because this change affects only the website (and not the interface to National Grid or the Tibco interface to participants) there is no impact on the IDD.

Impact on Core Industry Documents or System Operator-Transmission Owner Code *(mandatory by originator)*

None.

Related Changes and/or Projects *(mandatory by BSCCo)*

Requested Implementation Date (*mandatory by originator*)

November 08

Reason:

Implementation in November 08 is strongly recommended for the following reasons:

- No change to CVA systems is proposed in February 2009, to allow for transition to the new Isis arrangements for operation of these systems. If we miss November 2008, the next option would therefore be June 2009. This would mean a significant period of time during which the reporting of System Warnings was potentially compromised by the large volume of SO-SO price messages.
- It will lower implementation costs, as there are already significant BMRS changes in that release.

Version History (*mandatory by BSCCo*)

none

Originator's Details:

BCA Name...*John Lucas*.....

Organisation...*ELEXON*.....

Email Address...*john.lucas@elxon.co.uk*.....

Telephone Number.....*02073804345*.....

Date...*12/05/08*.....

Attachments: N
(*delete as appropriate*)

CP form Guidelines

- **Title** – mandatory completion by originator – title of Change Proposal.
- **CP No.** – mandatory completion by BSCCo – unique number allocated for each individual CP in the Change Management System.
- **Version No.** – mandatory completion by originator – when first submitted by the originator, the CP should have a version number of v0.1. Following discussions with BSCCo, any changes required following those discussions, the CP should be updated to v1.0. Should any further amendments/additions/deletions be required to the CP during its lifecycle, the version number should be updated to v2.0, v3.0, etc.
- **Description of Problem/Issues** - mandatory completion by originator - a statement of the issue/problem.
- **Proposed Solution(s)** – mandatory completion by originator – this is a single fully defined description of the proposed solution. For the following Configurable Items (Category 1) redlined changes must be included:
 - Balancing Settlement Code Procedures (BSCPs);
 - Business Definition Documents (BDDs);
 - Interface Design Document (IDD);
 - Party Service Lines (PSLs);
 - Codes of Practice (CoPs); and
 - Settlement Software Documents where describing physical interfaces.
- **Justification for Change** – mandatory completion by originator – details of the business case for implementing the proposed change. This section should also include a brief assessment of the risk associated with leaving the problem/issue unresolved, in terms of materiality and probability of occurrence.
- **To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code?** – All CPs should be raised in line with BSC section F 3.1.2 ensuring that changes to CSDs and Configurable Items should continue to facilitate the provisions as detailed in the Code and should not impose new obligations or restrictions of a material nature on Parties and Party Agents (or classes thereof) which are not authorised or envisaged by, or subsidiary to, the rights and obligations of the Parties under the Code. As such the originator should highlight the section of the BSC that their proposed change is derived from and if the proposed Change facilitates the existing arrangements in the BSC.
- **Estimated Implementation Costs** – mandatory by BSCCo – These will be broken down into Central System Costs and BSCCo Operational Costs where appropriate.
- **Impact on Configurable Item(s)** – mandatory completion by originator – a list of all Configurable Items potentially affected by proposed solution. Details of how each Configurable Item will be affected should be included, if known, and redlining of Category 1 Configurable Items must be completed.
- **Impact on Core Industry Documents or System Operator – Transmission Owner Code** – mandatory completion by originator, however, BSCCo can advise if originator is

unsure of all the impacts on documents – list of all documents potentially affected by proposed solution. These documents include any changes that will be needed to the DTC or other MRASCo Products. Details of how each document will be affected will also need to be included.

- **Requested Implementation Date and Associated Reasons** – mandatory by originator – identification of any critical milestone date(s) which need to be considered when generating possible solutions, with reasons for these. If change can be implemented at any time i.e. with no time constraints, this should be stated. This will be updated to the agreed Implementation Date once the Panel Committee has voted.
- **Version History** – mandatory completion by BSCCo – details of any previous versions of a Draft CP or details of what has changed between CP versions. If this is the first version then this will be indicated in this section.

Originator's Details – mandatory by originator – the name, organisation, email address and telephone number of the originator and the date on which the originator raised the CP.