Change Proposal – F40/01	**CP No: 1101** ***Version No: 1.0***

Title *(mandatory by originator)*

Allowing the use of IF Statements in the Aggregation Rules for CVA metering systems

Description of Problem/Issue *(mandatory by originator)*

Currently the inability to use logical 'IF' statements in the aggregation rules for CVA BM Units means that some BM Unit metered volumes are being calculated incorrectly, with a consequential impact on the credit cover calculations for those parties affected.

Certain power stations have auxiliary generating units that are switchable; i.e. they can export through either a main generating unit, or through a station transformer. This is illustrated within BSCP75 paragraph 4.1.4. This paragraph highlights the fact that when the aggregation rules for switchable auxiliary generating BM Units are submitted, the Lead Party has to make an assumption about whether that Unit will usually be exporting when the main unit is on or off, and adjust their submission appropriately. As pointed out by BSCP75 the overall Trading Unit metered volume will be correct, however the individual BM Unit metered volumes will not be correct in all circumstances. This has a consequential impact on the submission of Generation Capacity (GC) figures for those BM Units and on the credit cover provision of the Lead Party.

If the Lead Party assumes that the auxiliary unit exports through the main unit (i.e. Assumption 1 in the BSCP75 example) then when the main unit is shut down, the export data will be erroneously aggregated to the station transformer. The station demand BM Unit could then be a net exporter. Consequently the Lead Party has to ensure the station demand BM Unit has a positive GC, either at the time of initial submission or through a redeclaration. However, this capacity will have already been declared within the GC of the auxiliary BM Unit, with a consequential impact on that Party's credit cover calculation. This double-counting needlessly forces generators to provide more credit cover than necessary in a market that is already over-securitised.

Proposed Solution(s) *(mandatory by originator)*

Section R3.3.1 of the BSC allows the use logical 'IF' statements within BSCP75 following agreement from the Panel. This agreement should be granted and BSCP75 should be changed to allow the use of logical 'IF' statements within the aggregation rules.

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Justification for Change *(mandatory by originator)*
The use of logical 'IF' statements, which was allowed prior to NETA, would ensure that BM Unit metered volumes were calculated correctly thus maintaining the integrity of data used within Settlements. It would also lessen the burden of credit provision that these parties face, which is currently disproportionate to the risk they pose to the market.

Configurable Items Potentially Affected by Proposed Solution(s) *(optional by Originator)*
BSCP75

Impact on Core Industry Documents *(optional by originator)*

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

Requested Implementation Date ***(mandatory by originator)***
June 2005

Reason:
A timely implementation would help rectify an issue that has been outstanding since NETA Go Live.

Agreed Release/Implementation Date ***(mandatory by BSCCo)***

Originator's Details:

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Date **7th December 2004**

Attachments: ~~Y~~/**N*** (If Yes, No. of Pages attached:…….)
(delete as appropriate)