

<p align="center">Change Proposal – F40/02 (Page 1 of 3)</p>	<p>CP No: 601 <i>(mandatory by BSCCo)</i></p>
<p>Title <i>(mandatory by originator)</i> Implementation of the Interconnector Error Administrator BM Unit Functionality</p>	
<p>Description of Change <i>(mandatory by originator)</i></p> <p>Currently the Central Services do not support the functionality described in the User Requirements Specification regarding the utilisation of Interconnector Error Administrator BM Units either as part of the registration process, or as part of the settlements process. SAA, as implemented, allocates the Interconnector Error Amounts directly to the Energy Accounts of the Party registered in the role of IEA, therefore bypassing the requisite allocation of this amount to one of the relevant Interconnector BM Units of the Interconnector Error Administrator for that Interconnector, as a result of the functionality for these BM Units not having been implemented in the Logica Systems.</p> <p>Therefore this type of BM Unit should be implemented as defined in the Central Services specification documentation to enable allocation of the Interconnector Error into a dedicated BM Unit, prior to ongoing aggregation into the Energy Account of the BSC Party with the Interconnector Error Administrator and therefore comply with the Balancing and Settlement Code, as well as with the Central Services specification documentation.</p> <p>It should be noted that there is an interim workaround (which will also be known by this CP number) in place to ensure the allocation of the Interconnector Error Administrator amount is undertaken according to the obligations defined in the Balancing and Settlement Code.</p>	
<p>Proposed Solution(s) <i>(mandatory by originator)</i></p> <p>Each BSC Party with the Interconnector Error Administrator role should be allocated and registered against two BM Units (one Production and one Consumption) of the type 'Interconnector Error Administrator BM Units'. The CRA specification documentation should be updated to reflect how this is achieved.</p> <p>During settlement, the Interconnector BM Units should be used by SAA for the allocation of any Interconnector Error amount, according to the process defined in Section T 4.1 of the Balancing and Settlement Code and Section 5.10 SAA – F010 of the SAA User Requirements Specification. The note regarding Interconnector Users in Section 5.10 of the SAA URS is assumed to be incorrectly referencing Interconnector Users and that this should in fact refer to the Interconnector Error Administrator and this should be updated to reflect the implementation of the IEA BM Units.</p>	
<p>Justification for Change <i>(mandatory by originator)</i></p> <p>This issue currently affects both external Interconnectors'; specifically the Scottish and the French Interconnector and the associated Interconnector Error Administrator – ScottishPower and NGC respectively. The current implementation of the Interconnector Error amount allocation in the Central Services results in:</p> <ul style="list-style-type: none"> • Scottish Power and NGC being unable to charge BSUoS on the Interconnector Error Administrator (IEA) amounts, despite designing their systems in accordance with the Balancing and Settlement Code; • The IEA being unable to use Metered Volume Re-allocation Notifications (MVRNs) to re-allocate the IEA amounts back to the Interconnector Users (or any other Trading Party); 	

- The IEA amount not contributing to Energy Indebtedness calculations;
 - No Transmission Loss Multiplier (TLM) being applied to the IEA amount;
 - The IEA amount would feed into the overall TLM calculations. Thus distorting the calculations when the IEA amount is significant – this has been the case in some Settlement Periods in the early days of NETA Trading
 - The IEA amount does not attract Information Imbalance Charges; and
 - No revenue surplus reallocation accrues to IEA amounts.
- These effects are currently being mitigated by use of a short term workaround. However, the issue is such that an enduring change is required.

The Central Services specification documentation further supports the requirement for such an enduring change to be made:

CRA URS (V2.3):

Section 5.1 CRA-F001 'Register BSC Party' states

"... (f) Interconnector Error Administrator (Note: These will be associated with pseudo-BM Units and will have Energy Accounts)."

Section 5.13 CRA-F013 'BM Unit Registration' states

"... BM Units may be of 5 principle ... types: ...

(iv) Interconnector Error Administrator BM Unit"

SAA URS (V2.3):

Section 5.10 SAA-F010 'Calculate Interconnector Error' states:

"... the difference is the Interconnector Error Administrator volume which shall be allocated to the Interconnector Error Administrator BM units (or IEA BM Unit).

(The IEA BM Unit will be input into the Energy Imbalance cashflow calculation, such that the difference is subsequently applied to the Energy Account of the Interconnector Error Administrator).

The Central Service specification documentation as currently defined is consistent with the Balancing and Settlement Code obligations:

BSC Section K 5.5.2 "The Interconnector Error Administrator shall, upon its appointment as such becoming effective, automatically be allocated (and registered in respect of) two Interconnector BM Units in accordance with paragraph 5.5.5. ...

5.5.5 Each party who registers Interconnector BM Units in relation to any Interconnector will be allocated (and registered in respect of) two Interconnector BM Units designated as a Production BM Unit and Consumption BM Units respectively."

However, it is the implementation of the functionality in the Central Service Systems that is not in accordance with either the Central Services specification documentation or the Balancing and Settlement Code and therefore the system functionality should be amended to accord with both sets of documentation.

Other Configurable Items Potentially Affected by Proposed Solution(s) (optional by BSCCo)

The implemented interim workaround for the Interconnector Error Administrator BM Units can be removed on implementation of this change.

Impact on Core Industry Documents (optional by originator)

None

Related Changes and/or Projects (mandatory by BSCCo)

None

Originator's Details:

BCA Name.....

Organisation.....

Email Address.....

Date.....

[BSC Panel Representative].....

Organisation.....

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