

CP Report – CP1391

Meeting Name Imbalance Settlement Group

Meeting Date 3 June 2013

Purpose of paper For Decision

Summary This report provides details of the background, solution, impacts and industry views of CP1391 'Clarify the existing MDD registration criteria for new Suppliers within the MDD (BSCP509) and Qualification (BSCP537) procedures'. The ISG is invited to consider the report and to reach a decision on whether to approve the CP and its proposed implementation.

1. Why Change

Background

Following questions from Supplier Volume Allocation Group (SVG) Members, we have recently presented two SVG papers ([142/01](#)¹ and [144/08](#)²) clarifying the criteria under which new market participants (and specifically Suppliers) register in Market Domain Data (MDD). In the case of new Suppliers, this involves registering their Market Participant ID (MPID) with the associated Market Participant Role code and their Base BM Units.

These papers included our advice that:

- The MDD registration criteria, as set out in BSCP509³ Appendix 4.3 and introduced by Change Proposal [\(CP\) 1150](#)⁴, distinguish between:
 - New Suppliers and new Licensed Distribution System Operators (LDSOs) who, before registering MPID and Market Participant Role code in MDD, are only required to have completed Qualification to the point at which they have proven they can communicate with central BSC Systems (as per BSC Section A4.1.5) and whose Qualification does not need to have been approved by the Performance Assurance Board (PAB);
 - New Party Agents, whose Qualification needs to be approved by the PAB before they can register in MDD; and

¹ 'Registering New Participants in MDD'.

² 'Registration of New Suppliers'.

³ 'Changes to Market Domain Data'.

⁴ 'MDD Registration Principles' (implemented in 2006).

- Existing LDSOs, whose Qualification needs to be approved by the PAB before they can register Grid Supply Point (GSP) Group Distributor and Supplier Meter Registration Agent (SMRA) Appointment data in MDD;
- As noted in BSCP65⁵ Section 4.1, a new Supplier needs to register its Market Participant information within Central Registration Agent (CRA) systems and MDD systems at the same time, and the effective dates registered with the Central Registration Agent (CRA) and in MDD must match in order for central systems to interface effectively;
- BSC Section A4.1.3 requires a Party to register in CRA systems (and thereby MDD systems) promptly upon acceding to the BSC; and
- Suppliers are automatically allocated a Base BM Unit per GSP Group upon registering in CRA systems (as per BSC K3.3.1), and in accordance with BSCP65 Section 4.1 the effective dates held in CRA and MDD systems for these BM Units must match.

In SVG papers 142/01 and 144/08, we also noted that we had reviewed BSC Sections A⁶ and J⁷, and BSCPs 15⁸, 65, 509 and 537⁹, and believed them to be consistent with the exception of two minor issues which we intended to address through a CP.

What are the issues?

The two minor issues identified are:

Issue 1 - BSCP537 Section 2.1 'Qualification Process'

The existing wording of steps 2.1.19 and 2.1.20 could, if read in isolation, imply that all new market participants (and not just Party Agents and SMRAs) require PAB approval of their Qualification before registering in MDD.

The steps do cross-reference BSCP509, which states that this is not the case for new Suppliers and new LDSOs.

Issue 2 - BSCP509 entity 61 form 'BM Unit for Supplier in GSP Group'

A Supplier is required to complete an entity 61 form at the point of initial registration with the CRA. The notes for the 'Effective From Date' within the form currently state that it is "the date on which the Market

⁵ 'Registration of Parties and Exit Procedures'.

⁶ 'Parties and Participation'.

⁷ 'Qualification'.

⁸ 'BM Unit Registration'.

⁹ 'Qualification Process for SVA Parties, SVA Party Agents and CVA MOAs'.



Participant was Qualified as a Supplier". As there is no requirement for the Supplier to have completed Qualification before registering in CRA/MDD, this wording is misleading.

The entity 61 form is used to ensure that the effective from dates of Supplier's Market Participation Role and Supplier Base BM Units match. Without these matching, central systems will not interface effectively.

2. Solution

[CP1391](#) 'Clarify the existing MDD registration criteria for new Suppliers within the MDD (BSCP509) and Qualification (BSCP537) procedures' was raised on 22 March 2013 by ELEXON to address the issues set out above by proposing the following solutions:

Issue 1

Amend BSCP537 section 2.1 to clarify that a new Supplier or new LDSO does not need to have their SVA Qualification approved by the PAB before they can register in MDD. The Proposed changes to BSCP537 are provided in Attachment B.

Issue 2

Amend notes for BSCP509 entity 61 to clarify that the 'Effective From Date' (of the Supplier's Market Participation Role) must match the Effective From Date {BMUIGG} and the Supplier Base BM Unit in CRA. The Proposed changes to BSCP509 are provided in Attachment A.

3. Impacts and Costs

Central Impacts and Costs

CP1391 will require updates to BSCP509 entity 61 notes and BSCP537 Section 2.1. The estimated ELEXON effort to implement the change is detailed in the table below:

ELEXON Estimated Costs and Potential Impacts		
Document Changes	System Changes/Impacts	Total
BSCP509	No system changes or impacts identified.	1 man day equating to £240
BSCP537		(included in above)

Potential Party Impacts and Costs

As these proposed changes are for clarification purposes only, no parties would be impacted by the change or have costs associated for CP1391.

4. Implementation Approach

CP1391 is targeted for implementation as part of the November 2013 BSC Release on the 7 November 2013, which is the next available release.

5. Industry Views

ELEXON issued CP1391 for Participant Impact Assessment via CPC00727. We received ten responses of which nine agreed, and one was neutral. No respondents disagreed with the change.

The breakdown of responses are shown in the following table. The full collated participant responses to CP1391 are available on the BSC website [here](#).

Summary of Responses for CP1391			
Organisation	Capacity in which Organisation operates (Supplier, Distributor, LDSO, etc.)	Agree?	Impacted?
British Gas	Supplier, Meter Operator	Yes	No
EDF Energy	Supplier, NHHDC, HHDC, Meter Operator	Yes	No
Electricity North West	Distributor	Yes	No
Northern Powergrid	Distributor, UMSO	Neutral	No
Npower	Supplier and Supplier Agents (HH & NHH)	Yes	No
ScottishPower	Supplier, NHHDC, NHHDA	Yes	No
Southern Electric Power Distribution (SOUT)/ Scottish Hydro Power Distribution (HYDE)	Distributor	Yes	No
SSE Energy Supply Ltd	Supplier, NHHDC, Meter Operator	Yes	No
TMA Data Management Ltd	HHDC, HHDA, NHHDC and NHHDA	Yes	No
Western Power Distribution	Distributor	Yes	No

No respondents were impacted by CP1391. Only a few respondents provided comments of agreement that the change will clarify the requirements remove uncertainty and should assist new entrants on entering the market.

Comments on the Proposed Redlining

No comments were received on the proposed redlined changes to BSCP509 or BSCP537.

6. Recommendations

Assessment review

CP1391 proposes to make document changes to an MDD Entity form in BSCP509 Appendix and to the wording in BSCP537 Qualification Process, to provide clarity and to address the two minor issues identified.

The Industry Impact Assessment resulted in nine of the ten respondents agreeing with the implementation approach and implementation date while one respondent was neutral on both aspects.

As CP1391 impacts MDD processes, overseen by the SVG, the change will be presented to the SVG for approval. However due to CP1391 involving changes to BSCP537¹⁰, the CP also requires endorsement from the PAB and approval from the ISG.

Recommendation

ELEXON invites the ISG to:

- a) **APPROVE** CP1391 for implementation on 27 November 2013 as part of the November 2013 BSC Systems Release;
- b) **AGREE** with the proposed amendments to BSCP537; and
- c) **NOTE** that CP1391 was presented to the PAB on 30 May 2013 for endorsement and will be presented to SVG on 4 June 2013 for approval.

Attachments:

Attachment A – BSCP509 Appendix: MDD Entity Change Request Forms Redlining v0.1

Attachment B – BSCP537 Redlining v0.1

Attachment C – CP1391 Consultation Responses

¹⁰ The ISG and SVG share responsibility for amendments to BSCP537. The PAB use BSCP537 therefore any changes to it are presented to them for endorsement.

For more information, please

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