

CP1504 'Amend BSCP201's references to dual/single pricing following implementation of P305'



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About This Document

This document is the Change Proposal (CP)1504 Final CP Report which ELEXON has published following the final decision from the Balancing and Settlement code (BSC) Panel to approve CP1504.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the Panel's views on the proposed changes and the views of respondents to the CP Consultation, along with the final decision on whether to approve this change.
- Attachment A contains the approved redlined changes to deliver the CP1504 solution.
- Attachment B contains the full responses received to the CP Consultation.

CP1504
Final CP Report

19 April 2018

Version 1.0

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1 Why Change?

Background

[BSCP201 'Black Start and Fuel Security Contingency Provisions and Claims Processes'](#) describes the steps to be taken if there is a Black Start or a Fuel Security event, and supports the rules in [BSC Section G 'Contingencies'](#).

A Black Start, as defined in the Grid Code, is a recovery process for restoring electricity on the Transmission System and thereby on Distribution Systems. In certain Black Start situations, BSC Section G3.2 'Variation of rules' requires:

- Suspension of the normal imbalance pricing calculations; and
- Application of a special single imbalance price determined by the BSC Panel in accordance with [BSC Section T 'Settlement and Trading Charges'](#) 1.7 'Single imbalance price'.

A Fuel Security Code (FSC) event occurs when the Secretary of State directs Power Stations and/or the Transmission Company to operate in specific ways. For example, a Power Station with a particular fuel type could generate more or less energy in order to balance the System, rather than a Power Station which would otherwise provide that service.

In certain FSC events, the Secretary of State can direct the Panel to determine and apply a special single imbalance price for a specified period, in accordance with BSC Section T1.7. This is recognised in BSC Section G4.2 'Single Imbalance Price'.

The last significant changes to BSCP201 were made in March 2014 for the implementation of [P276 'Introduce an additional trigger/threshold for suspending the market in the event of a Partial Shutdown'](#). At that time, the BSC operated dual imbalance pricing (i.e. the System Buy Price (SBP) and System Sell Price (SSP) had different calculations and values). The parts of BSCP201 that cover the determination and application of the special single imbalance price therefore refer to suspending dual pricing and applying a 'single imbalance price'.

What is the issue?

Following the implementation of P305, BSCP201's references to replacing dual pricing with a single imbalance price could cause confusion and should be amended.

[P305 'Electricity Balancing Significant Code Review Developments'](#), implemented in November 2015, replaced the dual imbalance pricing with a single imbalance price (it retained the calculation of SBP and SSP but set them to equal each other). This means that, in certain Black Start or Fuel Security situations, the normal single imbalance price calculations will be suspended and replaced with a special single imbalance price determined under BSC Section T1.7.



What is Imbalance Pricing?

Generators and Suppliers (BSC Parties) contract energy from one another for specified half hour periods (Settlement Periods). A Party is in imbalance if its contracted volume differs from the amount delivered. In such circumstances, the BSC Party is then subject to imbalance charges administered by ELEXON.

Approved solution

[CP1504 'Amend BSCP201's references to dual/single pricing following implementation of P305'](#) will amend references to imbalance pricing contained in BSCP201 so that:

- References to suspending dual imbalance pricing will be re-worded to suspending normal imbalance pricing;
- References to applying a single imbalance price will be reworded to applying a Contingency Imbalance Price; and
- Contingency Imbalance Price will be defined in the BSCP as 'any imbalance price(s) determined in accordance with BSC Section T1.7 for the purpose of BSC Section G'.

Additionally, BSCP201 refers to the Department of Energy and Climate Change 'DECC', which is out of date. Instead of changing to the Department for Business, Energy and Industrial Strategy 'BEIS', BSCP201 will refer to activities being conducted 'on behalf of' or by 'a representative of' the Secretary of State so as to be future-proof. This has been included as a Housekeeping Change.

Proposer's rationale

These changes will improve clarity and avoid confusion in a Black Start or FSC event. They will also future-proof against any further changes to imbalance pricing or government departments, thus avoiding the need for future CPs.

Approved redlining

Attachment A contains the approved changes to BSCP201, to deliver CP1504.

3 Impacts and Costs

Central impacts and costs

Central impacts

CP1504 will require changes to BSCP201. As the Panel owns this BSCP, CP1504 was presented to the Panel for approval on 12 April 2018. Minor corresponding changes will be needed to ELEXON's local working instruction (LWI) on Black Start and Fuel Security events. No system changes are required for this CP and there will be no impacts on BSC Agents.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none">• BSCP201• ELEXON LWI	<ul style="list-style-type: none">• <i>None</i>

Central costs

The central implementation costs for CP1504 will be approximately £360, one and a half ELEXON working days, to implement the relevant document changes.

BSC Party & Party Agent impacts and costs

Participant impacts

We do not expect CP1504 to impact any BSC Parties or Party Agents as it clarifies existing BSC rules.

The one respondent to the CP Consultation noted an 'extremely minor' impact, in order to update documents and processes. The scale of the impact was 'non-quantifiable' and no costs would be incurred.

4 Implementation Approach

Approved Implementation Date

CP1504 has been approved for implementation on **1 November 2018** as part of the November 2018 BSC Release.

The November 2018 Release is the next appropriate Release to include this CP.

5 Industry Views

We received one response to the CP Consultation, which agreed with the CP's solution, redlining and proposed implementation approach. You can find the full response in Attachment B.

Summary of CP1504 CP Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the CP1504 proposed solution?	1	0	0	0
Do you agree that the draft redlining delivers the intent of CP1504?	1	0	0	0
Will CP1504 impact your organisation?	1	0	0	0
Will your organisation incur any costs in implementing CP1504?	0	1	0	0
Do you agree with the proposed implementation approach for CP1504?	1	0	0	0
Do you have any further comments on CP1504?	0	1	0	0

Comments on the proposed redlining

No comments were received on the draft redlined text for CP1504.

Panel's final views

CP1504 was presented to the Panel for decision at its meeting on 27 March 2018 ([Panel 277/05](#)).

The Panel Unanimously agreed with the proposed changes and did not have any direct comments of CP1504.

A Panel member noted that there is no BSC guidance note for a Black Start event and questioned whether it would be helpful for industry to have one. BSCP201 has been written with a greater focus of the steps to be taken under such circumstance than would normally be included in a BSCP in order to ensure clarity. ELEXON informed the Panel member that, should they believe this extra detail is not sufficient, ELEXON would work to create a relevant guidance note.

Final decision

The Panel:

- **APPROVED** CP1504 for implementation on 1 November 2018 as part of the November 2018 BSC Release.

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code
BSCP	Balancing and Settlement Code Procedure
CP	Change Proposal
FSC	Fuel Security Code
LWI	Local Working Instruction
SBP	System Buy Price
SSP	System Sell Price

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2	BSCPs page on the ELEXON website	https://www.elexon.co.uk/bsc-and-codes/bsc-related-documents/bscps/
2	BSC Sections page on the ELEXON website	https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/bsc-sections/
2	P276 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p276-introduce-an-additional-triggerthreshold-for-suspending-the-market-in-the-event-of-a-partial-shutdown/
2	P305 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p305/
6	Panel277 Meeting summary section on the ELEXON website	https://www.elexon.co.uk/meeting/bsc-panel-meeting-277/