

## Phase

[Initial Written Assessment](#)[Definition Procedure](#)[Assessment Procedure](#)[Report Phase](#)[Implementation](#)

## P388 'Aligning the P344 and P354 Solutions'

P388 seeks to align the P354 solution with the P344 solution by aligning the Supplier Volume Allocation (SVA) Metering System Register processes that holds both Secondary Balancing Mechanism Unit (SBMU) and Applicable Balancing Services Volume Data (ABSVD). It will update the process for aggregating National Grid ABSVD inputs in the SVAA, and remove conflicting definitions of shared defined items in the BSC legal text.

This Report Phase Consultation for P388 closes:

**5pm** on Tuesday 30 July 2019

The Panel may not be able to consider late responses.



The BSC Panel initially recommends **approval** of P388

This Modification is expected to impact:

- Supplier Volume Allocation Agent (SVAA)
- Settlement Administration Agent (SAA)
- National Grid Electricity System Operator (NGESO)

## Contents

<b>1</b>	<b>Summary</b>	<b>3</b>
<b>2</b>	<b>Why Change?</b>	<b>4</b>
<b>3</b>	<b>Solution</b>	<b>7</b>
<b>4</b>	<b>Impacts &amp; Costs</b>	<b>9</b>
<b>5</b>	<b>Implementation</b>	<b>12</b>
<b>6</b>	<b>Panel's Initial Discussions</b>	<b>13</b>
<b>7</b>	<b>Report Phase Consultation Questions</b>	<b>Error! Bookmark not defined.</b>
<b>8</b>	<b>Recommendations</b>	<b>14</b>
	<b>Appendix 1: Glossary &amp; References</b>	<b>15</b>

## About This Document

This is the P388 Draft Modification Report, which ELEXON is issuing for industry consultation on the BSC Panel's behalf. It contains the Panel's provisional recommendations on P388. The Panel will consider all consultation responses at its meeting on 8 August 2019, when it will agree a final recommendation to the Authority on whether or not the change should be made.

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach.
- Attachment A contains the draft redlined changes to the BSC for P388.
- Attachment B contains the specific questions on which the Panel seeks your views. Please use this form to provide your responses to these questions, and to record any further views/comments you wish the Panel to consider.
- Attachment C contains the business requirements that are amended by P388.



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P388  
Report Phase Consultation

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Page 2 of 15

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### Why Change?

The P344 and P354 solutions when combined create duplicate, incoherent and contradictory sets of obligations and defined terms. If the solutions are not aligned the legal integrity of the BSC deteriorates and there is a risk that erroneous data is entered into Settlement.

### Solution

Align the P344 and P354 solutions defined terms and processes to enable the receipt, storage and processing of both Secondary Balancing Mechanism Unit (SBMU) related data and Applicable Balancing Services Volume Data (ABSVD).

This solution would enable aligned processes for:

- MSID Pair Delivered Registration
- MSID Pair Delivered Volume Allocation
- Delivered Volume Aggregation

### Impacts & Costs

The only ELEXON cost will be to change the relevant sections of the BSC (~£1,440). Whilst minor amendments to the Flow inputs to SVAA designed under P354 are required, this will not impact the overall costs of delivering the P354 solution. We do not anticipate any impacts or costs for industry participants, but we seek confirmation of this via this consultation). NETSO have indicated that the impact of this modification would be small (<£10k).

### Implementation

P388 is recommended for implementation on 1 April 2020 to align with the approved P354 Implementation Date.

### Recommendation

The Panel initially unanimously believes that P388 better facilitates Applicable BSC Objective (d) and so should be **approved**. Their initial recommendation is that P388 should be implemented as a **Self-Governance Modification**.

## 2 Why Change?

### Background

#### P344 'Project TERRE'

**P344** introduced a new BSC Party Role called a Virtual Lead Party (VLP) who will act as an Independent Aggregator in the Supplier Volume Allocation market. An Independent Aggregator is a Party who bundles changes in consumer's loads or distributed generation output for sale as a balancing service but do not simultaneously supply the customer with energy. P344 will enable VLPs to provide TERRE, a Replacement Reserve balancing service.

Balancing Services delivered by a VLP will therefore affect Metered Volumes at Boundary Point Metering Systems and therefore the Imbalance Position of the registered Supplier at those sites. To ensure that no Supplier is adversely impacted by these actions P344 introduces obligations on the VLP to inform the Supplier Volume Allocation Agent (SVAA) of the sites within its portfolio that it will be using to provide Balancing Services in the form of MSID Pairs. P344 also introduces obligations on the VLP to inform SVAA of the volume deviation of each site it has used to provide Balancing Services in the form of MSID Pair Delivered Volume.

MSID Pair Delivered Volume forms the basis of the adjustments made to the Supplier's Imbalance Position to rectify any impact as a result of the actions taken by a VLP.

The below diagram illustrates the new VLP entity compared with an existing BSC Party operating in the BM.



P344 was implemented on 28 February 2019 to enable the registration of VLPs. However, the P344 legal text introduced a P344 Final Implementation Date, which is when the non-registration elements of the P344 solution will go live. The P344 Final Implementation Date is triggered by a notification from the National Electricity Transmission System Operator (NETSO) and is expected to be in December 2019.



Project TERRE (Trans European Replacement Reserve Exchange) is a European project to implement a new Replacement Reserve (RR) balancing product, which has been developed by a group of European Transmission System Operators (TSOs), including the GB TSO as National Grid Electricity System Operator (ESO).

Project TERRE will enable all TERRE participating Balancing Service Providers (BSPs) (defined as a market participant with reserve-providing groups able to provide balancing services to TSOs) to submit bids to National Grid on an hourly basis to fulfil 15 minute delivery periods.

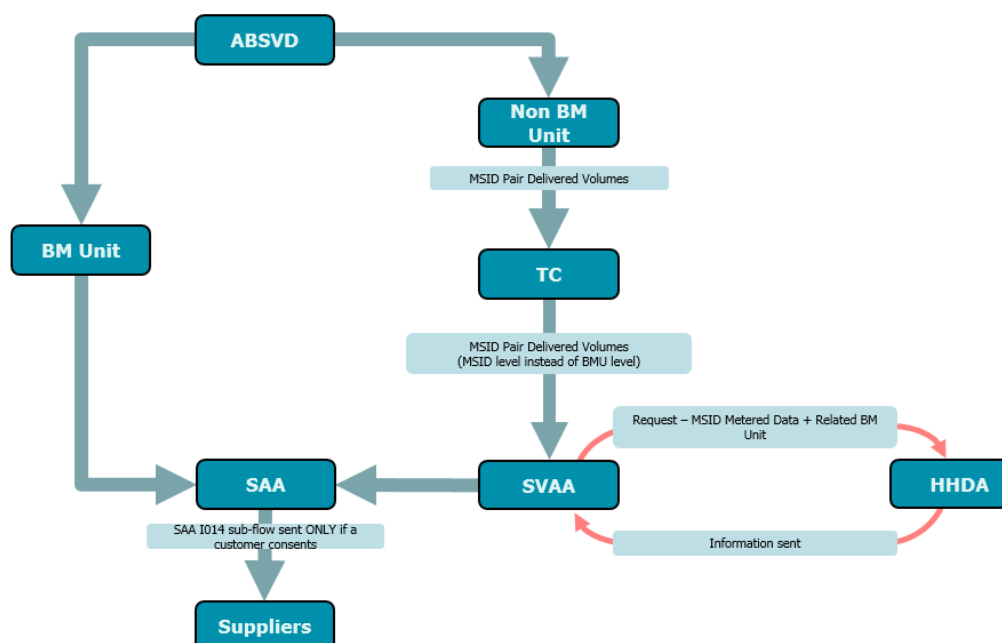
## P354 'ABSVD'

The P354 solution rectifies a defect in the current arrangements for notifying Applicable Balancing Services Volume Data (ABSVD). P354 obligates the National Electricity Transmission System Operator (NETSO) to provide ABSVD for non-BM Balancing Services providers to BSC Central Systems for allocation to the appropriate Supplier BM Unit to correct their Energy Imbalance position.

Balancing Services actions delivered by a Non-BM Balancing Service Provider will affect the metered volumes at sites and therefore the Imbalance Position of the registered Supplier of those sites. To ensure that no Supplier is adversely impacted by these actions P354 introduces obligations on NETSO to inform SVAA of the sites that they will be using to provide Balancing Services in the form of MSID Pairs. P354 also introduces obligations on NETSO to inform SVAA of the volume deviation of each site they have used to provide Balancing Services in the form of MSID Pair Delivered Volume.

MSID Pair Delivered Volume forms the basis of the adjustments made to Supplier Imbalance Positions to rectify any impact on the actions taken by NETSO.

The below diagram illustrates the ABSVD process.



## What is the issue?

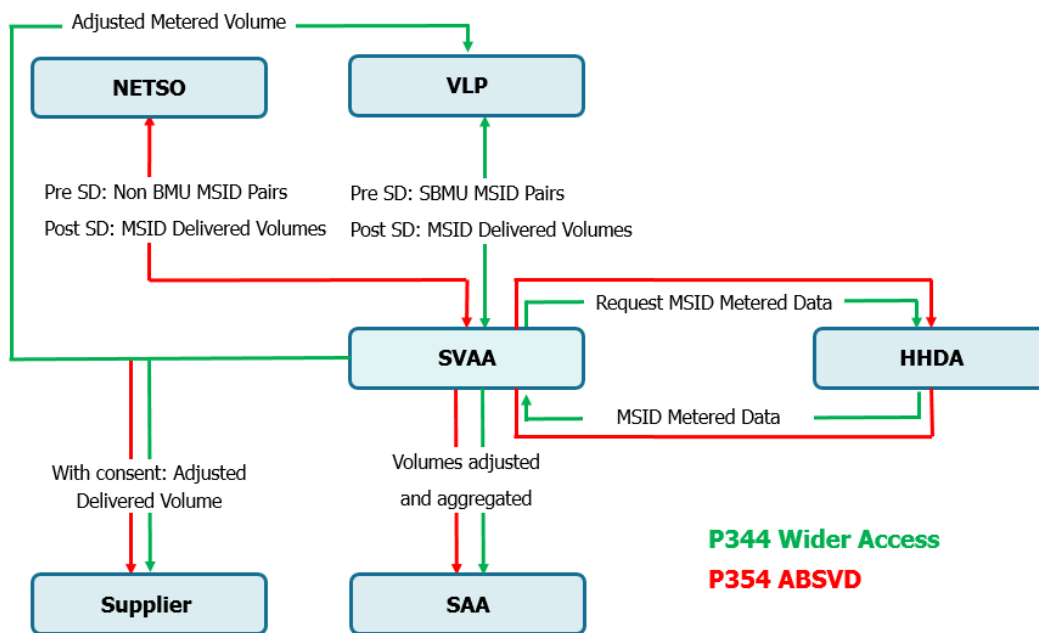
P344 and P354 were designed in parallel to share processes in regards to recording MSID Pairs on the SVA Metering System Register maintained by SVAA, MSID Pair Delivered Volume allocation, subsequent Delivered Volume aggregation and Supplier Primary BM Unit adjustment.

However, as neither BSC Modification had been approved while drafting the shared processes they could not be aligned in their design phases as they could not reference nor interact with the other solution.

P344 and P354 will introduce two independent solutions which when combined create duplicate, incoherent and contradictory sets of defined terms and obligations. If the solutions are not aligned the legal integrity of the BSC deteriorates and there is a significant risk that erroneous data is entered into Settlement.

Both P344 and P354 solutions seek to adjust a Suppliers Imbalance Position for actions taken by a third party i.e. VLP actions in P344 and Non-BM Balancing Service Provider actions in P354. Both solutions mandate the creation of a register to record MSIDs used by these third parties and identify the impacted Supplier. Delivered volumes are collected and compared against metered volumes at the relevant Boundary Point Metering System to be used in calculating an adjustment to the Imbalance position of the impacted Supplier.

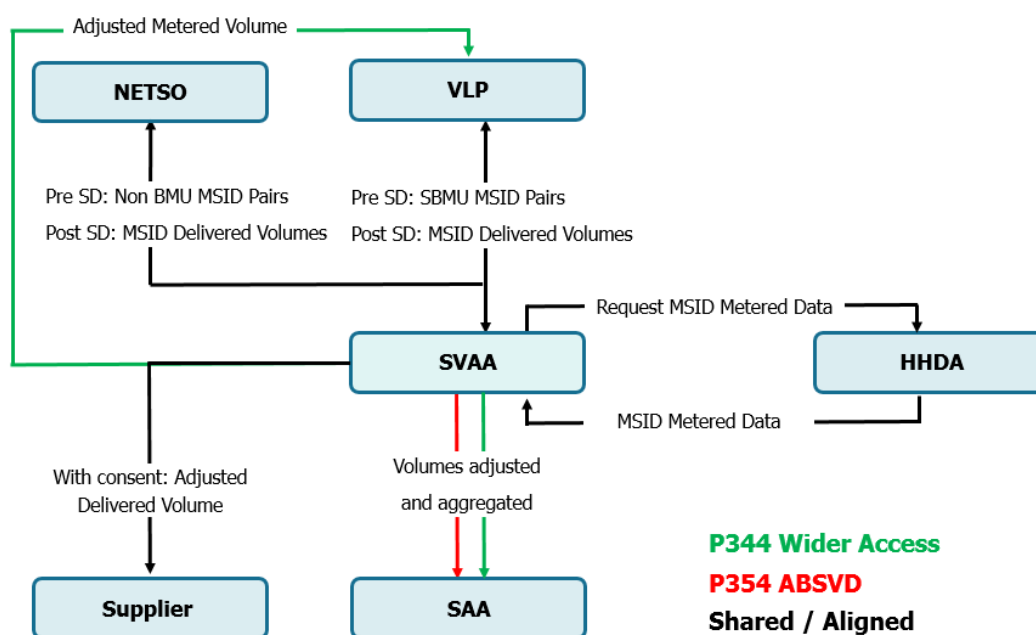
The below diagram shows where there would be duplicate processes without the alignment.



#### Proposed solution

The BSC will be amended to align the P344 and P354 solutions defined terms and processes to enable the receipt, storage and processing of both Secondary Balancing Mechanism Unit (SBMU) related data and Applicable Balancing Services Volume Data (ABSVD).

The below diagram shows where there would be duplicate processes would be aligned under P388.



#### SVA Metering System Register

P344 and P354 both require that a BSC Party to inform Supplier Volume Allocation Agent (SVAA) of the contents of their Balancing Services portfolio by submitting MSID Pairs to the Supplier Volume Allocation Agent (SVAA).

Both solutions were written to capture MSID Pairs from a singular data source and have minor format discrepancies in regards to required data items. A combined solution is needed to accept MSID Pairs from multiple sources and be able to store and differentiate between MSID Pairs for different Balancing Services.

The customer consent flag will be included for both the MSID Import and Export part of the pair (under P354 it would be one flag for both).

#### Delivered Volume aggregation

P344 and P354 both require that SVAA aggregate MSID Delivered Volumes per impacted Supplier BM Unit. However, the P344 solution includes a correction for GSP Group Correction Factor whilst P354 does not.

This Modification proposes to align the solutions by applying GSP Group Correction Factor to the P354 ABSVD volumes to ensure that all volumes in Settlement have been adjusted consistently.

## **Conflicting definitions**

A number of conflicting definitions have been identified as each solution has defined items in the context of their own solution. The definitions shall be expanded to include reference to both P344 and P354 solutions respectively.

## **Manifest Errors**

A number of small errors / typos / incorrect references have been identified in both the P344 and P354 texts which can be rectified

## **Legal text**

Proposed changes to the BSC to deliver P388 are in Attachment A.

## **Are there any alternative solutions?**

P388 proceeded straight to Report Phase and was not considered by a Workgroup. As such, there is no Alternative Modification.



### Estimated central implementation costs of P388

#### ELEXON costs

Implementing the document changes required by this Modification will cost approximately £1,440.

#### BSC Central Systems

This Modification will align the P344 and P354 solutions and consequently will amend some of the system calculation steps, but will not affect the calculated outcomes. We do not expect these impacts to materially alter the previously reported P354 costs of £300k.

### Indicative industry costs of P388

We do not anticipate there to be any market participant impact or costs arising from the implementation of this solution as the changes do not impact any Party obligations or data flows. We seek confirmation of this via this consultation.

#### Impact on BSC Parties and Party Agents

Party/Party Agent	Potential Impact
-------------------	------------------

We anticipate this Modification will not directly impact Parties over and above impacts already identified through Modification P354. The inputs and outputs for the P344 and P354 solutions are not changing.

#### Impact on the National Electricity Transmission System Operator (NETSO)

The NETSO has indicated, subject to detailed impact assessment which will be included in the Draft Modification Report, the impact of this modification would be small (<£10k).

#### Impact on BSCCo

Area of ELEXON	Potential Impact
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ELEXON will be required to implement this Modification

#### Impact on BSC Systems and processes

BSC System/Process	Potential Impact
SVAA	The SVAA will be required to apply the Group Correction Factor to the LLF adjusted ABSVD Delivered Volumes to align with P344 solution.
SAA	Double counting of Balancing Volumes will be avoided with the aligned P388 solution.

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Potential Impact
None identified	

Impact on Code	
Code Section	Potential Impact
Section H	Clarification of terminology
Section J	Changes to referenced Agent's Metering System
Section Q	Additional or amended information in MSID Pairs
Section S	Additional or amended process for Pair Delivered Volumes
Section T	Changes to defined terms
Section X-1	Changes to defined terms
Section V	New reporting information
Section X-2	Changes to defined terms
Annex S-2	The SVAA will be required to apply the Group Correction Factor to the LLF adjusted ABSVD Delivered Volumes to align with P344 solution.

Impact on Code Subsidiary Documents	
CSD	Potential Impact
SVAA Service Description	These documents will require amendments as a result of P388, which will be developed and consulted upon as part of the implementation phase of this Modification. These will be issued for consultation by the end of 2019.
SAA Service Description	

Impact on other Configurable Items	
Configurable Item	Potential Impact
SVAA URS	These documents will require amendments as a result of P388, which will be developed and consulted upon as part of the implementation phase of this Modification. These will be issued for consultation by the end of 2019.
SAA URS	

Impact on Core Industry Documents and other documents	
Document	Potential Impact
Ancillary Services Agreements	No impacts identified
Connection and Use of System Code	

#### Impact on Core Industry Documents and other documents

Document	Potential Impact
Data Transfer Services Agreement	
Distribution Code	
Distribution Connection and Use of System Agreement	
Grid Code	
Master Registration Agreement	
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	

#### Impact on a Significant Code Review (SCR) or other significant industry change projects

On 3 July 2019, we requested that P388 be SCR exempt, and hope to have this confirmed by the BSC Panel meeting on 8 August 2019.

#### Impact on Consumers

No impact

#### Impact on the Environment

No impact

### Recommended Implementation Date

- 1 April 2020 to align with the approved implementation date of P354, which P388 is amending

### Self-Governance

P388 will not require the Gas and Electricity Market Authority (GEMA) approval because any impact on Parties falls under the already approved P354 Modification. Consequently, P388 meets the Self-Governance Criteria and should be progressed as a Self-Governance Modification.

## 6 Panel's Initial Discussions

The Initial Written Assessment (IWA) for P388 was presented to the BSC Panel at its meeting on 11 July 2019 [BSC Panel 292/04](#). The Panel agreed to submit P388 directly to the Report Phase for consultation, as it is the changes that need to be made are self-evident. A Workgroup would offer little value. The solution can be verified via the Report Phase Consultation and so there is no reason not to proceed directly to Report Phase.

The Panel agreed with all recommendations unanimously as set out in Section 7 of this paper below and made no further comments.

### Panel's views against Applicable BSC Objectives

The Panel agreed with the Proposer that this Modification would better facilitate Applicable BSC Objective (d).

#### Applicable BSC Objective (d)

Contradictory and duplicate processes may cause confusion and risk double counting in Settlement. Both would involve wasted time and effort, firstly for Parties in understanding the sections of code and secondly for ELEXON resolving the errors in Settlement.

The Proposer believes that this Modification will have no impact on the other Applicable BSC Objectives.

Report Phase Consultation Questions
Do you agree with the Panel's initial unanimous recommendation that P388 should be approved? <i>Please provide your rationale with reference to the Applicable BSC Objectives.</i>
Do you agree with the Panel that the redlining changes to the BSC deliver the intention of P388?
Do you agree with the Panel's recommended Implementation Date?
Do you agree with the Panel's initial view that P388 should be treated as a Self-Governance Modification?
Will P388 impact your organisation? <i>If 'Yes', please provide a description of the impact(s) and any activities which you will need to undertake between the Panel's approval of P388 and the P388 Implementation Date (including any necessary changes to your systems, documents and processes).</i>
Will your organisation incur any costs in implementing P388? <i>If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs. Please also state whether it makes any difference to these costs whether P388 is implemented as part of or outside of a normal BSC Release.</i>
Do you have any further comments on P388?
The Panel invites you to give your views using the response form in Attachment B.

## 8 Recommendations

The BSC Panel initially recommends:

- That P388:
  - DOES better facilitate Applicable BSC Objective (d);
- That P388 should be **approved**;
- An Implementation Date for P388 of:
  - 1 April 2020;
- The draft BSC legal text for P388; and
- That P388 should be treated as a Self-Governance Modification.

## Appendix 1: Glossary & References

### Acronyms

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

Acronym	
Acronym	Definition
ABSVD	Applicable Balancing Services Volume Data
BM	Balancing Mechanism
BSP	Balancing Services Provider
MSID	Metering System Identifier
NETSO	National Electricity Transmission System Operator
RR	Replacement Reserves
SBMU	Secondary Balancing Mechanism Unit
SVA	Supplier Volume Allocation
SVAA	Supplier Volume Allocation Agent
TERRE	Trans European Replacement Reserves Exchange
VLP	Virtual Lead Party

### 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
	P344 - Final Modification Report	<a href="https://www.elexon.co.uk/wp-content/uploads/2016/06/P344-Final-Modification-Report.zip">https://www.elexon.co.uk/wp-content/uploads/2016/06/P344-Final-Modification-Report.zip</a>
	P354 - Final Modification Report	<a href="https://www.elexon.co.uk/wp-content/uploads/2017/01/P354-Final-Modification-Report.zip">https://www.elexon.co.uk/wp-content/uploads/2017/01/P354-Final-Modification-Report.zip</a>