

## Assessment Consultation Responses: P275 'Extending BSC Performance Assurance'

**Consultation issued on 30 January 2012**

We received responses from the following Parties

Company	No BSC Parties / Non-Parties Represented	Role of Parties/non-Parties represented
Western Power Distribution	4/1	Distributor/MOA
SSE PLC	6/0	Distributor/Supplier/Generator
IMserv Europe Ltd	0/6	NHHDC/DC/DA, HHMO/DC/DA
Electricity North West Ltd	1/0	Distributor
ScottishPower	1/1	Supplier/Party Agent
RWE npower Limited	9/0	Supplier/Party Agent
EON	5/0	Supplier

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

Question 1: Do you agree with the Workgroup that the legal text delivers the intention of P275?

**Summary**

Yes	No	Neutral/Other
7	0	0

**Responses**

Respondent	Response	Rationale
Western Power Distribution	Yes	n/a
SSE PLC	Yes	n/a
IMServ Europe Ltd	Yes	Having DNOs (i.e. non Trading Parties) issues also being a responsibility of PAB delivers the intention of P275.
Electricity North West Limited	Yes	We agree with the assessment of the working group that the proposal better meets Objective (d) on promoting efficiency in the implementation and administration of the balancing and settlement arrangements compared to the existing code baseline.
ScottishPower	Yes	n/a
RWE npower Limited	Yes	n/a
EON	Yes	n/a

Question 2: Do you agree with the Workgroup that P275 imposes no impacts or costs on BSC Parties?

**Summary**

Yes	No	Neutral/Other
6	1	0

**Responses**

Respondent	Response	Rationale
Western Power Distribution	Yes	n/a

Respondent	Response	Rationale
SSE PLC	Yes	Objective (d)
IMServ Europe Ltd	Yes	n/a
Electricity North West Limited	Yes	As a code change it merely clarifies how the PAB should act on behalf of all performance assurance parties.
ScottishPower	Yes	n/a
RWE npower Limited	Yes	n/a
EON	No	The proposer should have been able to clarify with Elexon before the modification was issued that the Performance Assurance Framework did encompass all BSC parties and that the PAF cannot take account of non-BSC impacts from of the use of settlement data elsewhere. The Code Administrator's Code of Practice requires Elexon under Principle 1 to act as a "critical friend", and it should have been possible to address the proposer's concerns without the need for a modification and thereby avoid the industry's modification costs estimated at more than £39,000.

Question 3: Do you agree with the Workgroup that, if approved, the P275 solution should be implemented ten Working Days following approval?

### Summary

Yes	No	Neutral/Other
6	1	0

### Responses

Respondent	Response	Rationale
Western Power Distribution	Yes	n/a
SSE PLC	Yes	n/a
IMServ Europe Ltd	Yes	Document only change.

Respondent	Response	Rationale
Electricity North West Limited	Yes	There is no reason why the change cannot be implemented as soon as practicable.
ScottishPower	Yes	n/a
RWE npower Limited	No	The proposed solution is so far removed from the 'Background' that we believe that a new Modification should be raised specifically to add the proposed clarity around Section Z. The 'Background' and 'Solution' would then tie in. At the moment, P275 contains irrelevant background information relating to Gross Volume Correction, Losses incentive scheme and materiality which is misleading. Should a new Modification be raised to add in the proposed legal text then we believe this would be a Self Governance Modification and therefore could be implemented ten working days following approval.
EON	Yes	Since I don't believe it will change anything done by Elexon, the BSC Auditor or any BSC Performance Assurance Party, if the Authority directs its implementation there is no reason to delay the implementation of the legal text.

Question 4: Do you believe that P275 would better facilitate the Applicable BSC Objectives when compared with the current Code provisions?

### Summary

Yes	No	Neutral/Other
4	3	0

### Responses

Respondent	Response	Rationale
Western Power Distribution	Yes	It removes uncertainty as to the meaning of the Code and hence meets Applicable BSC Objective (d).
SSE PLC	Yes	n/a
IMServ Europe Ltd	Yes	Having DNOs (i.e. non Trading Parties) issues also being a responsibility of PAB would better facilitate against Applicable BSC Objective (d) (promoting efficiency in the implementation and administration of the balancing and settlement arrangements) compared with the existing Code baseline.
Electricity North West Limited	Yes	As per our response to question 1.

Respondent	Response	Rationale
ScottishPower	No	The implementation of this change is wasteful as it serves no purpose in terms of improving the application of the BSC objectives. As the provisions this change seeks to address were already in place it is unnecessary to change the BSC. It is therefore our view that making unnecessary changes to the BSC is inefficient.
RWE npower Limited	No	We do not believe that this modification will better facilitate the application of the BSC as we do not feel there needs to be any clarity around the current provisions. As such we feel that this modification is unnecessary and therefore does not promote efficiency within the BSC.
EON	No	<p>I do not believe the applicable objectives are better facilitated by this modification.</p> <p>The proposer raised this modification to address concerns that sat outside of the BSC – namely the DLIM calculation. The original text of this modification sought to <b><i>"broaden the responsibilities and scope of Performance Assurance under the Balancing and Settlement Code (BSC) to include all BSC Parties, rather than just Trading Parties, and to consider the risks that Settlement data issues may present to BSC Parties that make use of this data for purposes other than the determination and settlement of Trading Charges."</i></b></p> <p>The issue for the proposer is not that the BSC is unclear that its performance assurance processes consider all BSC parties (trading or not), but that the data is used elsewhere which creates a problem for the LDSOs. It became clearer during the mods process that the modification was raised not because of a lack of clarity in the BSC, but to require the BSC performance framework to consider non-BSC impacts in evaluating risks.</p> <p>The modification is now so altered in its intent because the proposer has accepted that he cannot change the requirement of the PAF to consider non-BSC impacts, and because Elexon confirmed that the PAF most definitely does address all parties and all processes performed under the code requirements that if it were withdrawn or not implemented there would be no change to the way parties or Elexon would behave.</p>

## Question 5: Do you have any further comments on P275?

### Summary

Yes	No	Neutral/Other
0	7	n/a

### Responses

Respondent	Response	Rationale
Western Power Distribution	No	
SSE PLC	No	
IMServ Europe Ltd	No	
Electricity North West Limited	No	
ScottishPower	No	
RWE npower Limited	No	
EON	No	