

January 2000

**INITIAL ASSESSMENT OF
MODIFICATION PROPOSAL P22 -
The Provision of Generator Planned
Outage Information to All BSC
Signatories**

Prepared by ELEXON Limited

Document Reference	IWA 022
Version no.	1.0
Issue	1
Date of Issue	29 June 2000
Reason for Issue	For Panel consideration
Author	ELEXON

I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	26/6/01	Dawn Astbury		
0.2	28/6/01	Dawn Astbury		Changes to incorporate comments from John Williamson; Richard Haigh and Neil Cohen.
1.0	29/6/01	Dawn Astbury		Issued to Panel

Version	Date	Reviewer	Signature	Responsibility
0.1	28/6/01	John Williamson		Trading
0.1	28/6/01	Richard Haigh		Trading
0.1	28/6/01	Neil Cohen		Trading
0.2	28/6/01	Gareth Forrester		Modifications

b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
Energywatch	Energywatch
Core Industry Document Owners	Various

c Intellectual Property Rights and Copyright

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1 SUMMARY

The proposer, Dynegy UK Limited, has identified the following impacts on the Balancing & Settlement Code as a result of P22:

- a) Addition of a new section entitled "Provision of Market Information"
- b) Section C

ELEXON has undertaken an initial assessment of the impact of the Modification on the Code, the Core Industry Documents, the Code Subsidiary Documents and other Configurable items. An initial assessment of Modification Proposal P22 has identified the following potential areas of impact and issues to be considered:

- The main areas of impact identified as a result of the proposal as written are:
 - Balancing & Settlement Code – new Section; Section V and Section X Annex X-1
 - BMRA Service Description; BMRA User Requirement Specification and BMRA Operating Procedures
 - Interface Definition and Design Part 1 – Interfaces with BSC Parties and their Agents
 - The NETA Programme Services Agreement
 - The NETA Data File Catalogue
 - The Reporting Catalogue
- There could also be a potential impact on:
 - Balancing & Settlement Code - Section Q
 - Interface Definition and Design Part 2 – Interfaces to other Service Providers
 - The Grid Code
 - The BSC website
- The main issues identified are:
 - Further definition of the desired information, and the relevant provision timescales, is required
 - The scope for the provision of the desired information under the BSC needs to be assessed
 - The format of the information needs to be defined so that an assessment can be made as to its suitability for website communication
 - All options for communication of the desired information should be defined and assessed

It is recommended that the Modification Proposal is progressed as follows:

- through the Definition Procedure (as defined in the BSC, section F2.5); and
- the Definition Report to be submitted to the Panel Meeting on 26 July 2001.

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd. on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

3 PURPOSE AND SCOPE OF THE REPORT

Section F of the BSC sets out the procedures for progressing proposals to amend the BSC (known as 'Modification Proposals'. These include procedures for proposing, consulting on, developing, evaluating and reporting to the Authority on potential modifications.

The BSC Panel is charged with supervising and implementing the modification procedures. ELEXON provides the secretariat and other advice, support and resource required by the Panel for this purpose. In addition, if a modification to the Code is approved or directed by the Authority, ELEXON is responsible for overseeing the implementation of that amendment (including any consequential changes to systems, procedures and documentation).

When a new proposal to modify the BSC is made, it is the responsibility of the Panel to determine how it should be progressed. Options include submitting the proposal to a Definition Procedure¹, submitting it to an Assessment Procedure², amalgamating the proposal with another proposal³, or proceeding directly to the Report Phase⁴. With a view to assisting the Panel in taking this decision, ELEXON prepares this initial written assessment of the implications of the Modification Proposal as soon as reasonably practicable after the proposal is made⁵. ELEXON endeavours to complete this initial assessment such that it can be reviewed by the Panel at the Panel meeting at which the relevant Modification Proposal is first to be considered.

This initial assessment provides a preliminary view on the following:

- the potential impact of the proposed modification on BSC systems and processes;
- the potential impact of the proposed modification on other systems and processes used by Parties;
- the potential impact of the proposed modification on the BSC, Code Subsidiary Documents and Core Industry Documents;
- the potential impact of the proposed modification on ELEXON;
- the potential impact of the proposed modification on BSC financial arrangements and budget;
- the potential impact of the proposed modification on BSC Agent contractual arrangements;
- The process and timetable that should be adopted for the progression of the Modification Proposal, in light of its complexity, importance and urgency; and
- Issues that will need to be considered and addressed in progressing the Modification Proposal (including the potential need for impact assessments, consultation and analyses).

It should be noted that, as this document only represents a preliminary assessment of the Modification Proposal, the information contained herein will, in most cases, be superseded by the subsequent analysis and reports produced by the Modification Group to which the Panel assigns the proposal for consideration.

¹ see BSC F2.5

² see BSC F2.6

³ see BSC F2.3

⁴ see BSC F2.7

⁵ see BSC F2.1.8

4 DESCRIPTION OF THE MODIFICATION PROPOSAL

OC2 of The Grid Code requires generators to submit information relating to the timing of planned outages of certain power stations to the National Grid Company (NGC). Such information has to be provided several times and over differing timescales, which are broadly:

- For outages planned to occur in 3 to 5 years' time (inclusive)
- For outages planned to occur in the next year, and the year after that
- For outages planned in the current year.

NGC uses this information to co-ordinate outages on the system, to inform directly affected generators and network operators, and to minimise the number and effect of resulting system constraints.

Modification Proposal 22 asks that the outage information provided by generators to NGC be made available to all BSC signatories. The proposer has suggested that this should be effected by changes to the BSC which would require generators to submit the information to the BSCCo (ELEXON) as well as to NGC, in the same format and in the same timescales, and ELEXON thereafter to arrange for the information to be published on the Balancing Mechanism Reporting Service (BMRS).

The stated reasons for the Modification Proposal are, in summary:

- At present, some BSC Trading Parties (generators) are being provided with market information which other Trading Parties are not (which is not in accordance with the principle of ensuring a level playing field for effective competition)
- NGC receives information in its capacity of System Operator which it can use to inform its decisions as a trader in the forwards markets and which no other trader in the forwards markets has at its disposal. There is a specific concern that this could lead to distortions in the forward market as well as in the balancing mechanism and a general concern relating to the principle of NGC, as a forward trader, receiving information which is not provided to all market participants.

A copy of the Modification Proposal, as submitted by its proposer, can be found at Annex 1 to this report.

5 IMPACT ON BSC SYSTEMS AND PROCESSES

BSC System / Process	Potential Impact of Proposed Modification
Registration	No impact identified.
Contract Notification	No impact identified.
Credit Checking	No impact identified.
Balancing Mechanism Activities	No impact identified.
Collection and Aggregation of Metered Data	No impact identified.
Supplier Volume Allocation	No impact identified.
Settlement	No impact identified.
Clearing, Invoicing and Payment	No impact identified.
Reporting	Impact on BMRS Reporting.
Contingencies	No impact identified.
Dispute Resolution	No impact identified.

6 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

System / Process	Potential Impact of Proposed Modification

7 IMPACT ON DOCUMENTATION

7.1 Impact on Balancing and Settlement Code

BSC Section	Potential Impact of Proposed Modification
A: Parties and Participation	No impact identified.
B: The Panel	No impact identified.
C: BSCCo and its Subsidiaries	No impact identified by ELEXON.
D: BSC Cost Recovery and Participation Charges	No impact identified.
E: BSC Agents	No impact identified.
F: Modification Procedures	No impact identified.
G: Contingencies	No impact identified.
H: General	No impact identified.
I: Not Used	-
J: Party Agents	No impact identified.
K: Classification and Registration of Metering Systems and BM Units	No impact identified.
L: Metering	No impact identified.
M: Credit Cover and Credit Default	No impact identified.
N: Clearing, Invoicing and Payment	No impact identified.
O: Communications	No impact identified.

BSC Section	Potential Impact of Proposed Modification
P: Energy Contract Volumes and Metered Volume Reallocations	No impact identified.
Q: Balancing Mechanism Activities	Potential impact, as alternative to creating a new section, to require generators to submit additional information or to require NGC to submit additional information.
R: Collection and Aggregation of Metered Data from CVA Metering Systems	No impact identified.
S: Supplier Volume Allocation	No impact identified.
S: ANNEX S-1 Performance Levels and Supplier Charges	No impact identified.
S: ANNEX S-2 Supplier Volume Allocation Rules	No impact identified.
T: Settlement and Trading Charges	No impact identified.
U: Provisions Relating to Settlement	No impact identified.
V: Reporting	Impact to capture additional BMRS reporting and potentially also to place appropriate obligations relating to data aggregation.
W: Trading Queries and Trading Disputes	No impact identified.
X: Definitions and Interpretation	No impact identified.
X: ANNEX X-1 General Glossary	Impact to define new information reported.
X: ANNEX X-2 Technical Glossary	No impact identified.

7.2 Impact on Code Subsidiary Documents

Code Subsidiary Document	Potential Impact of Proposed Modification
BSC Procedures	No impact identified.
Codes of Practice	No impact identified.
BSC Service Descriptions	Impact on BMRA Service Description to capture additional obligations.
Party Service Lines	No impact identified.
Data Catalogues	Impact on the NETA Data File Catalogue for change to BMRS interface
Communication Requirements Documents	No impact
Reporting Catalogue	Impact for changes to BMRA reporting.

7.3 Impact on Core Industry Documents

Core Industry Document	Potential Impact of Proposed Modification
Grid Code	Potential impact (as one of the options to be defined and assessed).
MCUSA	No impact
Supplemental Agreements	No impact
Ancillary Services Agreements	No impact
Master Registration Agreement	No impact
Data Transfer Services Agreement	No impact
British Grid Systems Agreement	No impact
Use of Interconnector Agreement	No impact
Pooling and Settlement Agreement	No impact
Settlement Agreement for Scotland	No impact
Distribution Codes	No impact
Distribution Use of System Agreements	No impact
Distribution Connection Agreements	No impact

8 IMPACT ON OTHER CONFIGURABLE ITEMS

Item	Potential Impact of Proposed Modification
Interface Definition and Design (IDD) Part 1 – Interfaces with BSC Parties and their Agents	Changes to BMRA input and output interfaces
Interface Definition and Design (IDD) Part 2 – Interfaces to other Service Providers	Potential impact (one option for assessment being an obligation on NGC rather than generators to provide the information)
Balancing Mechanism Reporting Agent (BMRA) User Requirements Specification (URS)	Changes to receive and publish additional information.

9 IMPACT ON ELEXON

Area of Business	Potential Impact of Proposed Modification
ELEXON Systems	Potential impact on BSC website
ELEXON Procedures	Potential impact.
ELEXON Contracts (Excluding BSC Agent Contracts)	No impact identified.
Other (e.g. costs, staffing, etc.)	Potential impact.

10 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

Not known at this time.

11 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

BSC Agent Contract	Potential Impact of Proposed Modification
Logica (BMRA, CRA, CDCA, SAA, ECVAA, TAA(CVA))	Change to NETA Programme Service Agreement to accord with changes to the BMRA Service Description.
EPFAL (FAA)	No impact identified.
ESIS (TAA(SVA))	No impact identified.
Cap Gemini (SVAA)	No impact identified.
PwC (BSC Auditor, Certification Agent)	No impact identified.
EASL (Teleswitch Agent, Profile Administrator)	No impact identified.

12 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

ELEXON recommends that this Modification Proposal P22 be submitted to the ISG as Modification Group for Definition. The ISG should be actioned to provide its report to the Panel by 26/07/01.

13 ISSUES

The following issues will need to be considered and addressed in progressing Modification Proposal P22:

- An understanding of exactly what information relating to planned outages and zonal margins is provided to whom and when is required, as is a subsequent assessment of whether the claim that there is asymmetry of information is justified.
- An assessment is required as to whether the relevant BSC Objectives would be better met if any of the above information that is currently released to either a subset of participants, or is known only to NGC, were to be made available more widely.
- An assessment is required of any legal implications associated with publishing the above information.
- A clear understanding of the exact information to be published (format, timing and size of data) is required before a useful assessment of the issues, impact and costs of implementation can be completed.
- An assessment of all options for publication of the desired information and associated costs should be undertaken. The options for consideration could include, amongst others:
 - Provision of the information by generators, not aggregated, to ELEXON for publication on the BMRS (as proposed). (It is not clear whether the information should be published in aggregate, or on an individual plant basis, and if it is to be aggregated, whether ELEXON should undertake that task, or whether the BMRA should do it);
 - Provision of the desired information by generators, to BMRA, for publication on the BMRS in the desired format;
 - Provision of the information by NGC to BMRA for publication on the BMRS;
 - Publication of the information by NGC on the NGC website;
 - Provision of the information by NGC to ELEXON for publication on the BSC website;
 - Provision of the information by generators to ELEXON for publication on the BSC website.

ANNEX 1 – MODIFICATION PROPOSAL

Modification Proposal	MP No: 22 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> The Provision Of Generator Planned Outage Information to All BSC Signatories.	
Submission Date <i>(mandatory by proposer):</i> 22 June 2001	
Description of Proposed Modification <i>(mandatory by proposer):</i> This modification proposes that generator's planned outage information be released to all market participants via the BMRS. At present generators are required, under the Grid Code, to provide their planned outage programmes to NGC. NGC aggregates the information and distributes it only amongst generators. This proposal seeks to introduce a new section within the BSC, which will be referred to as the "Provision of Market Information". Within this new section, generators will be required to provide their planned outage information centrally, to the BSCCo, as well as to NGC. Elexon will be responsible for publishing the data on the BMRS system so it is available to all BSC signatories. The requirements upon generators to provide the outage information, in terms of format and timing, will be the same as required under the Grid Code.	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> The outage programme agreed by NGC is currently distributed only among generators creating a clear distortion in the provision of market information. One of the key factors in securing a level playing field on which effective competition can develop is the dissemination of market information between all market participants. Dynegy believe the current asymmetry that exists between generators and other market participants will result in further concentration of market power and less effective competition. It gives some players in the market an unfair advantage and results in a less efficient market than may otherwise be achieved. It is also vital to ensure that all information available to NGC is also provided to all other market participants. Unlike Transco, NGC, as System Operator (SO), is active in the forward markets and is a monopsony buyer of ancillary services, with significant market power itself. NGC could therefore distort both the forward market and the balancing mechanism by not making information available to all players. Dynegy would also like to see this new BSC section extended to include other information, for example, NGC unplanned outages, interconnector flows and actual constraints. However, we consider the provision of information on generators outages to be urgent, so would only include these other data items if their provision did not slow down the provision of outage programmes to all players at this time.	
Impact on Code <i>(optional by proposer):</i> The introduction of a new section of the BSC known as the "Provision of Market Information". Change to Section C of the BSC requiring Elexon to publish information from this new section.	
Impact on Core Industry Documents <i>(optional by proposer):</i>	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i> BMRS to be extended to publish relevant data.	

Modification Proposal	MP No: 22 <i>(mandatory by BSCCo)</i>
Impact on other Configurable Items <i>(optional by proposer):</i>	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i> <p>This modification will promote effective competition in the generation and supply of electricity, and promote such competition in the sale and purchase of electricity by creating a level playing field for competition. The provision of outage information to all market participants will eliminate the issue of asymmetric information and create a level playing field, thus encouraging effective competition to develop. Dynegy request that this modification be given urgent status.</p>	
Details of Proposer: <p style="padding-left: 40px;">Name: Lisa Waters Organisation: Dynegy Telephone Number: 020 8334 7265 Email Address: lisa.waters@dynegy.co.uk</p>	
Details of Proposer's Representative: <p style="padding-left: 40px;">Name: Rekha Patel Organisation: Dynegy Telephone Number: 020 8334 7267 Email Address: rekha.patel@dynegy.co.uk</p>	
Details of Representative's Alternate: <p style="padding-left: 40px;">Name: Organisation: Telephone Number: Email Address:</p>	
Attachments: NO If Yes, Title and No. of Pages of Each Attachment:	