

**Responses from P219 Report Phase Consultation**

**Consultation Issued on 19 February 2008**

**Representations were received from the following parties**

No	Company	File number	No BSC Parties Represented	No Non-Parties Represented
1.	National Grid	P219_dMR_01	1	0
2.	Centrica	P219_dMR_01	9	0
3.	SAIC (for and on behalf on Scottish Power)	P219_dMR_01	7	0
4.	EDF Energy	P219_dMR_01	9	0
5.	energywatch	P219_dMR_01	0	1
6.	Scottish and Southern Energy plc	P219_dMR_01	8	0
7.	Uskmouth Power Limited	P219_dMR_01	1	0



## P219 Report Phase Consultation Questions

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views, or to provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

<b>Respondent:</b>	Shafqat Ali
<b>Company Name:</b>	National Grid
<b>No. of BSC Parties Represented</b>	1
<b>Parties Represented</b>	National Grid
<b>No. of Non BSC Parties Represented (e.g. Agents)</b>	0
<b>Non Parties represented</b>	0
<b>Role of Respondent</b>	Transmission Company
<b>Does this response contain confidential information?</b>	No

Q	Question	Response	Rationale
1	<p>Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P219 should be made?</p> <p>Please give rationale.</p>	Yes	<p>As the proposer, National Grid fully supports P219 and the Panel's provisional recommendation contained in the draft Modification Report that Proposed Modification P219 should be made.</p> <p>National Grid believes that:</p> <ul style="list-style-type: none"><li>➤ More consistent and transparent information should improve self-balancing by the market participants which should, in turn, improve the efficient and economic operation of the market (Applicable BSC Objective (b)).</li><li>➤ Increase in information transparency and availability of improved market information to all participants should promote effective competition in the generation and supply of electricity (Applicable BSC Objective (c)).</li><li>➤ Improvements to the definitions of demand terms could remove ambiguity in the BSC thereby reducing the number of queries to Elexon and promoting efficiency in the implementation and administration of the balancing and settlement arrangements (Applicable BSC Objective (d)).</li></ul>

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Q	Question	Response	Rationale
2	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P219?  Please give rationale.	Yes	National Grid agrees with the Panel recommendation of an Implementation Date for Proposed Modification P219 of: ➤ 6 November 2008 if an Authority decision is received on or before 29 May 2008, OR ➤ 25 June 2009 if the Authority decision is received after 29 May 2008 but on or before 15 January 2009.
3	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect identified in the Modification Proposal?  Please give rationale.	Yes	-
5	Are there any further comments on P219 that you wish to make?	Yes	It would be preferable to take advantage of cost savings from simultaneous implementation of P219 and P220. National Grid therefore believes that, subject to the Authority decision, P219 and P220 should be implemented simultaneously.

Please send your responses by **17:00** on **Monday 3 March 2008** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P219 Report Phase Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Sherwin Cotta on 0207 380 4361, email address [sherwin.cotta@elexon.co.uk](mailto:sherwin.cotta@elexon.co.uk).

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<b>Respondent:</b>	Laura Jeffs
<b>Company Name:</b>	Centrica
<b>No. of BSC Parties Represented</b>	9
<b>Parties Represented</b>	<i>Accord Energy Ltd; British Gas Trading Ltd; Centrica Barry Ltd; Centrica Brigg Ltd; Centrica KL Ltd; Centrica KPS Ltd; Centrica PB Ltd; Centrica RPS Ltd; Centrica SHB Ltd</i>
<b>No. of Non BSC Parties Represented (e.g. Agents)</b>	-
<b>Non Parties represented</b>	
<b>Role of Respondent</b>	(Supplier/Generator/ Trader)
<b>Does this response contain confidential information?</b>	No

Q	Question	Response	Rationale
1	Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P219 should be made?  Please give rationale.	Yes	We agree with the BSC Panel that the benefits of P219 outweigh the proposed implementation costs. While we have serious misgivings about the costs quoted by National Grid for implementation of this modification proposal, it is clear to us that demand forecasts (and therefore overall balancing accuracy) will be improved to the extent that the improvement will provide savings in excess of NG's costs of implementation.
2	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P219?  Please give rationale.	Yes	

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Q	Question	Response	Rationale
3	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect identified in the Modification Proposal?  Please give rationale.	Yes	
5	Are there any further comments on P219 that you wish to make?	Yes	While it was useful to have had the input from DSWG members in the form of their later responses to the consultation, it would have been helpful to the Modification Group and the Panel if the members had made their contributions earlier in the process. This would have enabled full discussion of the responses by the Modification Group, and may have led them towards a more robust decision-making process. We would hope that for any related future modifications, DSWG members will interact in the open modification process earlier and we would welcome their input.

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## P219 Report Phase Consultation Questions

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<b>Respondent:</b>	Gary Henderson
<b>Company Name:</b>	
<b>No. of BSC Parties Represented</b>	7
<b>Parties Represented</b>	ScottishPower Energy Management Ltd, ScottishPower Generation Ltd, ScottishPower Energy Retail Ltd, SP Transmission Ltd, SP Manweb plc, SP Distribution Ltd, CRE Energy Limited
<b>No. of Non BSC Parties Represented (e.g. Agents)</b>	0
<b>Non Parties represented</b>	
<b>Role of Respondent</b>	Supplier / Generator / Trader / Consolidator / Exemptible Generator / Distributor
<b>Does this response contain confidential information?</b>	No

Q	Question	Response	Rationale
1	Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P219 should be made?  Please give rationale.	No	ScottishPower believe that Proposed Modification P219 should not be made. Although there is a demonstrable defect in the current data provision, we do not believe that the large implementation costs are justified.
2	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P219?  Please give rationale.	Yes	If approved by the Authority, this Modification should be implemented in as timely a manner as possible to limit the damage of the high implementation costs.

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Q	Question	Response	Rationale
3	<p>Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect identified in the Modification Proposal?</p> <p>Please give rationale.</p>	Yes	The legal text reflects the intentions of the Modification.
5	<p>Are there any further comments on P219 that you wish to make?</p>	Yes	<p>ScottishPower agree that the identified defect should be rectified; however the cost of this solution is prohibitive. There is no established cost benefit rational to justify this change. The majority of respondents to the second consultation stated that they would not save money on implementation of this change (Q5), while the (non-BSC Party) responses from the DSWG state that they will save £Ms, but not HOW these savings will be made. In fact, this was a common theme running throughout all the responses – that we should take on faith that “savings will be made” without any rational or justification. Nobody could quantify one process or procedure change that having this data available would cause – certainly ScottishPower do not plan to change their processes as a result of this Modification. Without this it is hard to justify such a large cost. Comparisons with the equivalent Gas Modification are erroneous due to the large differences in the ways the two markets operate.</p> <p>We believe that the positive discrimination shown by the Panel in favour of smaller Parties and new entrants is only justified in cases where there will be a demonstrable benefit to these Parties and the market as a whole. We do not believe that to be the case here.</p>

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<b>Respondent:</b>	Stephen Carter
<b>Company Name:</b>	EDF Energy
<b>No. of BSC Parties Represented</b>	9
<b>Parties Represented</b>	EDF Energy Networks (EPN) plc; EDF Energy Networks (LPN) plc; EDF Energy Networks (SPN) plc; EDF Energy (Sutton Bridge Power); EDF Energy (Cottam Power) Ltd; EDF Energy (West Burton Power) Ltd; EDF Energy plc; EDF Energy Customers Plc; Seeboard Energy Limited
<b>No. of Non BSC Parties Represented (e.g. Agents)</b>	
<b>Non Parties represented</b>	
<b>Role of Respondent</b>	Supplier/Generator/DNO
<b>Does this response contain confidential information?</b>	

Q	Question	Response	Rationale
1	Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P219 should be made?  Please give rationale.	Yes	We agree with the Panel recommendation that the Modification should be made. While the decision is a finely balanced on the costs of implementing the systems changes, we perceive the benefits of a clear and transparent market with good understanding to be great and important in facilitating a competitive environment.  We anticipate the costs of the Modification to be tempered by joint implementation with P220, making the Modification a more attractive proposal.
2	Do you agree with the Panel's provisional recommendation concerning the Implementation Date	Yes	Yes, where possible the best outcome would be for the Modification to be



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Q	Question	Response	Rationale
	for P219? Please give rationale.		made at the earliest possible opportunity.
3	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect identified in the Modification Proposal? Please give rationale.	Yes	
5	Are there any further comments on P219 that you wish to make?	No	

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## P219 Report Phase Consultation Questions

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<b>Respondent:</b>	Carole Pitkeathley
<b>Company Name:</b>	energywatch
<b>No. of BSC Parties Represented</b>	0
<b>Parties Represented</b>	N/A
<b>No. of Non BSC Parties Represented (e.g. Agents)</b>	1
<b>Non Parties represented</b>	
<b>Role of Respondent</b>	Statutory consumer watchdog
<b>Does this response contain confidential information?</b>	No

Q	Question	Response	Rationale
1	Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P219 should be made?  Please give rationale.	Yes	See our responses to the Assessment consultations. We believe that the increased market transparency arising from wider availability of, and increased consistency of, data provided through P219 will assist all market participants to realise benefits which will outweigh the costs of implementation. National Grid's further analysis has highlighted that even a small improvement in reducing imbalance costs would have a significant effect. With more market participants being able to access the data, the spread of benefits will be greater, assisting the more efficient and economic operation of the system, facilitating the promotion of competition in energy markets and, by removing inconsistencies in data, improving efficiency in the BSC arrangements. We also anticipate the benefits of the savings arising from implementation to flow to consumers in due course.

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Q	Question	Response	Rationale
2	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P219?  Please give rationale.	Yes	Early implementation, preferably in parallel with P220 alternative, will reduce implementation costs further. We would urge the Authority to make an early decision on both P219 and P220 to realise these additional benefits.
3	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect identified in the Modification Proposal?  Please give rationale.	Yes	
5	Are there any further comments on P219 that you wish to make?	No	

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<b>Respondent:</b>	<a href="#">Garth Graham</a>
<b>Company Name:</b>	Scottish and Southern Energy plc
<b>No. of BSC Parties Represented</b>	8
<b>Parties Represented</b>	SSE Energy Supply Ltd., SSE Generation Ltd., Keadby Generation Ltd., Medway Power Ltd., SSE (Ireland) Ltd., Slough Energy Supplies Ltd., Southern Electric Power Distribution plc., Scottish Hydro-Electric Power Distribution Ltd.
<b>No. of Non BSC Parties Represented (e.g. Agents)</b>	0
<b>Non Parties represented</b>	N/A
<b>Role of Respondent</b>	Supplier/Generator/Trader/Distributors
<b>Does this response contain confidential information?</b>	

Q	Question	Response	Rationale
1	Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P219 should be made?  Please give rationale.	Yes	We believe that P219 will improve the consistency, clarity and detail of forecast and Out-turn Demand information. As such it should therefore allow a fuller comparison of forecast and Out-turn Demand data than can be achieved at present. We agree with National Grid that this should give participants enhanced information in relation to forecast and Out-turn demand, allowing more efficient operation of the market, which can be said to better achieve the Applicable Objectives.
2	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P219?	Yes	Given the clear cost/benefit information provided, we would urge that P219 and P220, if both approved by the Authority, are implemented together to minimise the costs on BSC Parties and thus consumers.

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Q	Question	Response	Rationale
	Please give rationale.		
3	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect identified in the Modification Proposal?  Please give rationale.	Yes	It appears to.
5	Are there any further comments on P219 that you wish to make?	No	Not at this time.

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<b>Respondent:</b>	Rebecca Williams
<b>Company Name:</b>	Uskmouth Power Limited
<b>No. of BSC Parties Represented</b>	1
<b>Parties Represented</b>	Uskmouth Power
<b>No. of Non BSC Parties Represented (e.g. Agents)</b>	None
<b>Non Parties represented</b>	
<b>Role of Respondent</b>	Generator
<b>Does this response contain confidential information?</b>	No

Q	Question	Response	Rationale
1	Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P219 should be made?  Please give rationale.	Yes	The Proposed Modification P219 would better facilitate the achievement of the following Applicable BSC Objectives (b), (c) and (d). It is essential for the efficient operation of the market that any ambiguity in the Code is removed, ensuring there is access to clear and consistent information.
2	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P219?  Please give rationale.	Yes	It is appropriate for P219 and P220 to be implemented together to maximise the benefits and to incur the resulting cost saving.
3	Do you agree with the Panel's view that the legal text	Yes	We are satisfied that the Modification Group and the Panel have reviewed the

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Q	Question	Response	Rationale
	provided in the draft Modification Report correctly addresses the defect identified in the Modification Proposal?  Please give rationale.		draft text to ensure it reflects the intension of the Modification Proposal.
5	Are there any further comments on P219 that you wish to make?	No	

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