

4.5 MP Form

Modification Proposal – BSCP40/03	MP No: P231 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal: Black Start and Fuel Security Code Procedures under the Balancing and Settlement Code (BSC)	
Submission Date: 23 December 2008	
Description of Proposed Modification:	
<p>The aim of this Modification Proposal is to improve transparency regarding the processes to be followed pursuant to a Black Start or Fuel Security Code (FSC) event. Section G of the Balancing and Settlement Code (BSC) provides high level details of the obligations for both a Black Start and FSC. However, there are certain areas that would benefit from further clarification.</p> <p>The overall goal for this Modification is to provide clarification regarding the obligations of the Panel, BSC Parties (including Transmission Company¹) and BSCCo arising from a Black Start or Fuel Security event.</p> <p>Based on the investigations carried out by the Issue groups 32 and 33, a number of conclusions were drawn, one of which was to put in place a more detailed process for managing a Black Start or Fuel Security event. This Modification aims to address this by outlining::</p> <ol style="list-style-type: none"> 1. The commencement and cessation of a Black Start and Fuel Security period and the orderly transition process to normal market operation; and 2. The roles and responsibilities of relevant participants. <p>The above two points are explained in more detail below:</p> <p>1. Commencement and cessation of the Black Start and Fuel Security period</p> <p><i>With regards to a Black Start event</i>, paragraph G3.1.2 of the BSC currently states that the Panel shall determine the Settlement Period with effect from which the Total Shutdown or Partial Shutdown of the Transmission System commenced. In reality, the commencement will reflect the Transmission Company's declaration of a Black Start event and therefore there is no need for a Panel determination.</p> <p>It is therefore proposed that the BSC should reflect:</p> <ul style="list-style-type: none"> • The Transmission Company's declaration shall be taken as the commencement of a Black Start period. All parties to a Black Start will adopt this as the commencement time/date; • BSCCo will use reasonable endeavours to communicate the commencement and cessation of the event via any normal means (e.g. email, fax and telecommunications) as soon as those mechanisms become available; and • The above notifications should align to the transition diagram depicted within the Issue 32 report (Attachment A – Issue 32: Black Start Transition Diagram). <p><i>With regards to an FSC event</i>, Section G4 of the BSC sets out the relevant provisions. However, this section does not include information regarding general communication of FSC directions to BSC Parties.</p>	

¹ In terms of this Modification Proposal the term 'Transmission Company' will refer to National Grid or System Operator.

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<p>It is therefore proposed that the BSC should indicate:</p> <ul style="list-style-type: none"> • Fuel Security periods will be as instructed by the Secretary of State; • The Transmission Company shall ensure that all available communication channels are utilised in order to communicate both confidential and non-confidential FSC directions to BSCCo; This measure will enable BSCCo to reduce the risk of parties being subjected to credit default as a direct result of adhering to an FSC direction. and • BSCCo shall ensure that all available communication channels are utilised in order to communicate non confidential FSC directions to BSC Parties, including publication on the BMRS. <p>2. Appropriate arrangements, processes and timetables to successfully reinstate the market following a Black Start or Fuel Security event</p> <p><i>With regards to a Black Start event</i>, paragraph G3.1.2(c) states that the Panel shall determine the Settlement Period with effect from which normal operations shall apply following a Black Start event. The transition process outlined in the Issue 32 report (Attachment A – Issue 32: Black Start Transition Diagram) identifies the key events that occur during a Black Start and sets out activities that should be carried out to ensure an orderly return to normal operations. This includes (but is not limited to):</p> <ul style="list-style-type: none"> • The requirement for ECVAA to send information regarding Volume Notifications prior to normal operations with a caveat that any non zero positions contained in the reports for periods prior to normal operations are incorrect and all positions should be assumed to be zero until normal operations commence; • The requirement for Parties to use reasonable endeavours to submit BM unit data ten hours prior to normal operations; and • The requirement for the Transmission Company to decide one hour ahead of ‘go live’ whether it is appropriate to go ahead one hour prior with normal operations. <p>It is proposed that these steps be included in the BSC (and any others as determined by the Modification Group in consideration of the attached issue 32 report).</p> <p><i>With regards to an FSC event</i>, Part 2 E2.08 of the FSC states that the FSC shall prevail in the event of any inconsistency between any provision of the FSC and the BSC. In addition section 12 of the FSC Guidance Notes states that complying with an FSC direction will not lead to a breach of the BSC. Therefore it is proposed that the BSC include a paragraph to state explicitly that processes and procedures occurring as a direct result of an FSC direction should not result in a party being found in breach of the BSC, and specifically in Credit Default under the provisions in Section M.</p>	
<p>Description of Issue or Defect that Modification Proposal Seeks to Address</p>	
<p>Section G of the BSC seeks to address various contingencies, and related provisions. In particular, paragraphs 3 and 4 focus on the issues of a Black Start and Fuel Security respectively. This modification seeks to improve the transparency of the BSC processes and procedures that would be associated with a Black Start or Fuel Security event.</p>	
<p>Impact on Code The proposed changes will have an impact on section G of the BSC.</p>	

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Impact on Core Industry Documents or System Operator-Transmission Owner Code Potential Impact on the Grid Code.	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties Potential impact on BSC Systems and Party Systems.	
Impact on other Configurable Items <i>(optional by originator)</i> New BSCP to be created for the Claims process administration.	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <ul style="list-style-type: none"> • Clarifications/amendments to the Black Start and Fuel Security provisions would benefit the determination and financial settlement of obligations between parties and would bring about efficiencies in the administration and implementation of the BSC arrangements (objective (d)). • The proposed changes are expected to have a positive impact on objective (b). Clarity regarding the Transmission Company’s post-event obligations, will ensure that individual participants have a better understanding of Black Start and FSC procedures which should assist the Transmission Company to operate the Transmission System in an efficient manner. 	
Urgency Recommended: No	
Justification for Urgency Recommendation N/A	
Details of Proposer: <i>Name: Shafqat Ali</i> <i>Organisation: National Grid</i> <i>Telephone Number: 01926 655980</i> <i>Email Address: shafqat.r.ali@uk.ngrid.com</i>	
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Details of Representative's Alternate: <i>Name: Rob Smith</i> <i>Organisation: National Grid.</i> <i>Telephone Number: 01926 654076</i> <i>Email address: robert.smith@uk.ngrid.com</i>	
Attachments: Yes Attachment 1 - Issue 32 Black Start Report Attachment 2 - Report on Issue 33 'Fuel Security Code (FSC) Guidance'	