

What stage is this document in the process?

- 01 Initial Written Assessment
- 02 Definition Procedure
- 03 Assessment Procedure
- ▶ 04 Report Phase

Stage 04: Draft Modification Report

P241: Relaxation of Requirement to Separately Meter Licensable Generating Units

The Code requirement to separately meter licensable Generating Units applies to Generating Units in a Combined Cycle Gas Turbine (CCGT) Module, even though the Code considers CCGT Modules as single BM Units; existing CCGT Modules may be non compliant without additional metering.

P241 argues this has no Settlement benefit and aims to amend the Code to exclude Generating Units in CCGT Modules from the requirement to separately meter licensable Generating Units. This was recommended by the Issue 37 Group.



The Panel recommends:
Approval of P241



High Impact: Generators, CCGT Module operators



Low Impact: Central Data Collection Agent, Licence Exemptable Generators, ELEXON



Any questions?

Contact:
Dean Riddell



dean.riddell@elexon.co.uk



[0207 380 4366](tel:02073804366)

Contents

1	Summary	3
2	Why Change?	4
3	Solution	7
4	Impacts & Costs	9
5	Implementation	10
6	The Case for Change	11
7	Panel Initial Discussions	16
8	Report Phase Consultation Responses	17
9	Panel's Final Views and Recommendations	18
10	Further Information	19
	Attachment A : BSC Legal Text	19

About this document:

This document is the Draft P241 Modification Report, which ELEXON will present to the Panel on 10 December 2009. The Panel will consider the recommendations, and agree a final view on whether or not this change should be made.

163/05

P241
Draft Modification Report

04 December 2009

Version 0.3

Page 2 of 19

© ELEXON Limited 2009

Why Change?

Section K requires that Import and Export flows from licensable Generating Units are separately metered. Only Generating Units that are not licensable do not need to be separately metered.

P241 contends that separately metering licensable Generating Units in CCGT Modules has no benefit for Settlement and should not be required under the Code. P241 therefore proposes that the Code should be amended to exclude licensable Generating Units within CCGT Modules from the requirement to be separately metered.

The solution proposed by P241 would preserve the accepted industry status quo with respect to the requirements around metering CCGTs, and was recommended in the Issue 37 report.

Solution

Amend the Code to exclude Generating BM Units that comprise CCGT Modules from the Section K obligation to separately meter licensable Generating Units.

Impacts & Costs

There would be a significant impact on generators that operate CCGT Modules if P241 is **not** implemented and the requirement for separate metering is rigorously applied.

Implementation of P241 would be a Code-only change preserving the accepted industry status quo. The only costs incurred would be for ELEXON's implementation effort.

Implementation

The Implementation Date of P241 would be **5 Working Days** after Approval is received from the Authority.

The Case for Change

If P241 is not implemented, and CCGT Modules are therefore not excluded from the requirement to be separately metered, additional metering might potentially need to be installed on both new and existing CCGT installations. This would incur significant expense and would have no Settlement benefit.

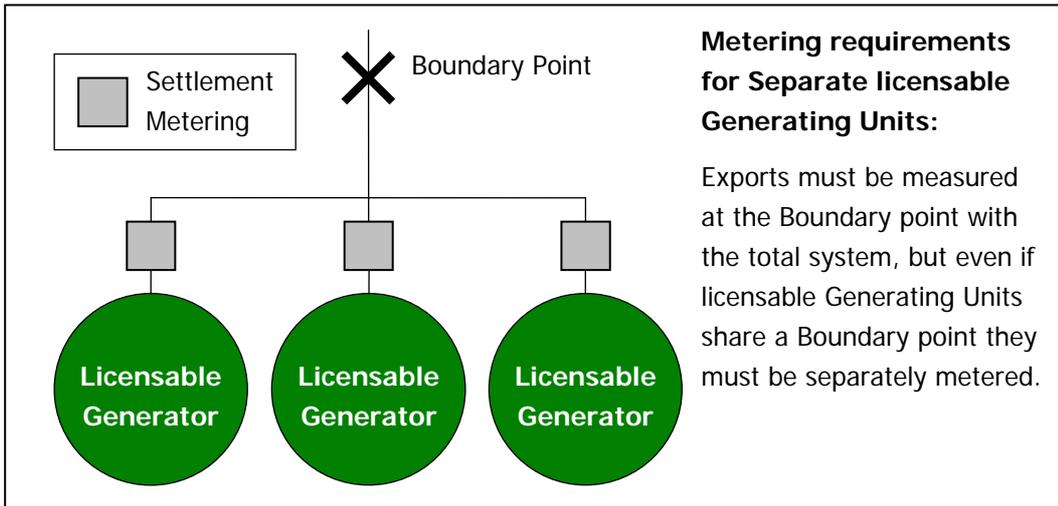
The Panel believes that implementation of P241 would better facilitate Applicable BSC Objectives (c) and (d).

Recommendations

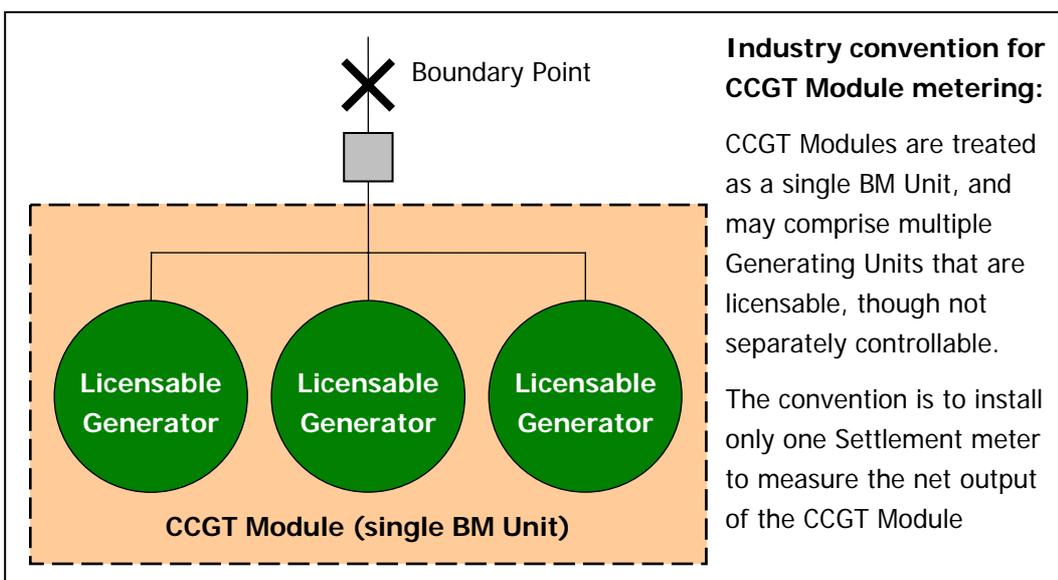
The Panel's unanimous recommendation is that P241 should be approved.

Identified Defect

Requirements in Section K of the Balancing and Settlement Code ('the Code') mean that Import and Export flows from any Generating Unit that individually constitutes or is capable of constituting a Licensable Generating Plant are considered separate to any other flows and, as a consequence, must be metered (note that such Generating Units are referred to in this document as 'licensable Generating Units'). The only Generating Units that do not need to be individually metered are those that are not licensable by the Authority.



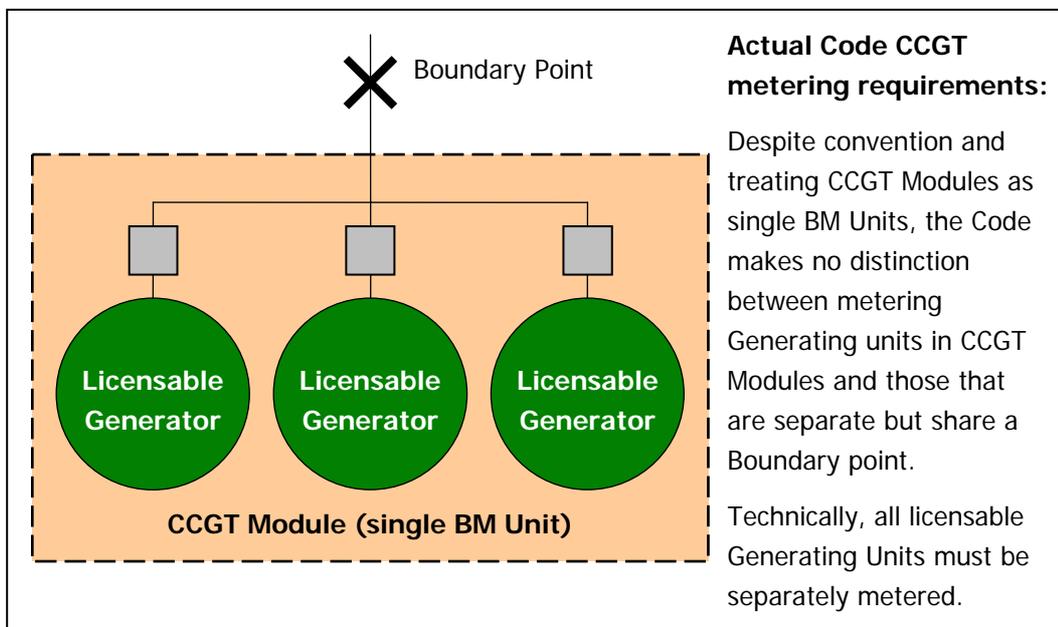
The requirement to meter licensable Generating Units currently applies equally to Generating Units that comprise a **CCGT** Module. But the Code normally deems CCGT Modules to be single BM Units (see K3.1.4), and it is normal industry practice to install Settlement Metering only at the Boundary Point with the Total System (to measure the net flow from the constituent Generating Units), and not to install separate Settlement metering at an individual Generating Unit comprising part of a CCGT Module. If no change is made to the Code, existing CCGT Modules may be non compliant with Code obligations unless additional metering is installed on their constituent Generating Units.



What is a CCGT?

A Combined Cycle Gas Turbine is a group of Generating Units comprising Gas Turbine Units and Steam Units and forming a [CCGT Module](#).

Waste heat from the Gas Turbines is used by the Steam Units, and the component Units within the CCGT Module are directly connected by steam or hot gas lines so the Units can contribute to the efficiency of the combined cycle operation.



P241 contends that separately metering the Generating Units in CCGT Modules, even where such Generating Units are licensable, has no benefit for Settlement and therefore should not be required under the Code. **P241 therefore proposes that the Code should be amended to clearly state that licensable Generating Units in CCGT Modules are not required to be separately metered.** This solution was recommended by the Issue 37 Group following their consideration of this issue.

Background and related changes

Issue 37

P241 was raised following a recommendation in the [Issue 37 Report](#). At the Panel's request the Issue 37 Group considered three issues, one of which concerned CCGT Modules and was the basis for P241. The other issues tackled by Issue 37 are not directly related to P241. The CCGT issue considered by the Issue 37 Group was identified due to discussions by the Imbalance Settlement Group (ISG).

The Code allows separate generators in a CCGT Module to be considered as a single BM Unit, but the ISG discussion suggested that the Code required Exports and Imports from each individual licensable Generating Unit within the BM Unit to be metered separately. ELEXON agreed with this interpretation of the Code. Note it is not possible to obtain a Metering Dispensation to avoid this requirement because Metering Dispensations may only be granted against a Metering Code of Practice, not the Code itself. The Issue 37 Group:

- Considered that the requirement for licensable Generating Units in a CCGT Module to be separately metered was an unintended side-effect of the Code provisions; and
- Concluded Section K of the Code should be amended to exclude Generating Units in CCGT Modules from the requirement to separately meter licensable Generating Units.

Issue 37 identified K1.1.4(e) as the Code provision that must be amended to resolve the CCGT metering issue. K1.1.4(e) was introduced in its present form by Modification P162 (see below). In interpreting the obligations around metering licensable Generating Units, the Issue 37 Group considered the intent of P162 and the accepted industry conventions.

Approved Modification Proposal P162

Modification Proposal [P162 'Changes to the definition of Imports and Exports'](#) was approved and implemented in October 2004. The aim of P162 was to clarify the definition of Imports and Exports in Section K of the Code to ensure consistency with the intent of the original BSC drafting and to ensure Section K was consistent with current operational

practice and the Metering Codes of Practice. Section K sets out Parties' responsibility for Imports and Exports, and P162 suggested Section K was too ambiguous.

The P162 Group agreed the underlying Code principles of Imports and Exports were to require metering of Imports and Exports at a **Boundary Point** and for each flow to be attributable to a Party. P162 concluded it was not necessary to determine Imports/Exports for all Generating Units whatever their size, as Section K implied at that time. The P162 Group agreed that:

- Flows from large Generating Units (i.e. Licensable Generating Plants) must be measured separately; and
- Flows from **Exemptable Generating Plant** Generating Units **do not** need to be individually metered.

P162 amended Section K to reflect this; the key features of P162's interpretation of K are that it:

- Permits netting of all flows attributable to a single Party below the Boundary Point;
- K1.1.4 concerns Imports and Exports at a Boundary Point and should not require demand met by Exemptable Generating Plant below a Boundary Point to be metered;
- Reflects conventional metering practices and is compliant with the CoPs;
- Prohibits netting Boundary Point flows, but allows netting of flows below a Boundary Point attributable to one Party and not relating to a licensable Generating Unit; and
- Requires that the flow associated with a Generating Unit that individually constitutes, or is capable of constituting, a Licensable Generating Plant is separately identified.

The Section K drafting introduced by P162 does not mention Generating Units within CCGT Modules. P162 'logically tested' the interpretation and solution against a number of worked examples. Example 'e' in the [P162 Assessment Report](#) illustrates the situation of multiple licensable Generating Units attributable to single Party, and appears to best represent the situation of multiple licensable Generating Units within a CCGT Module (which constitutes a single BM Unit). P162 did not identify any examples of this configuration, but concluded that though this arrangement was not prohibited the individual flows would need to be separately identified, i.e. multiple licensable Generating Units attributable to a single Party at a Boundary Point should be seen as a **single Export per Generating Unit**.

In summary, P162 amended the Code to remove an unnecessary and inappropriate obligation on Exemptable Generating Plant, but did not specifically consider CCGT Modules. P241 now seeks to remove an unduly onerous Code requirement for licensable Generating Units within CCGT Modules to be separately metered, and thereby preserve the industry status quo that such Generating Units are not separately metered.

Further details on the background of P241 can be found in the P241 [Initial Written Assessment](#) (IWA).



What is a Boundary Point?

A point at which any Plant or Apparatus (e.g. a generator) is connected to the [Total System](#).

The Total System is the Transmission System and each Distribution System.



What is an Exemptable Generating Plant?

A plant that, if considered in isolation, would not need to be licensed.

Exemption from the requirement to hold a Generation Licence applies in relation to plant below 50MW capacity and could be granted in relation to plant up to 100MW capacity, depending on the particular circumstances.

Plant that is not exemptable is licensable.

Addressing the identified defect

It is not currently industry practice to separately meter licensable Generating Units within CCGT Modules. The Group agreed that the Code does technically require such Generating Units to be separately metered, but that such metering was not necessary for Settlement, and that it is not industry practice to separately meter them.

The Group therefore agreed that the Code should be amended to exclude Generating BM Units that comprise CCGT Modules from the Section K obligation to separately meter licensable Generating Units. This change would sanction the composition of existing CCGT installations which do not have separate meters on each licensable Generating Unit.

Such existing CCGT installations would then become compliant with the Code without needing to make any metering changes. Since this aligns the Code with industry practice there should be no impact on Parties.

Such exclusion of CCGT Modules would appear to align the licensable Generating Unit metering requirements with treating CCGT Modules as single BM Units (under K3.1.4(a)) without regard to the status of the Generating Unit(s) which comprise them.

Note that, conversely, if the existing licensable Generating Unit metering obligation with respect to CCGT Modules was retained and rigorously enforced, additional metering would need to be installed at significant expense and for no Settlement benefit.

The initial draft legal text to effect the amendment of the Code is attached to this document (Attachment A). An explanation of the draft legal text is provided below.

Potential ambiguities

When P241 was raised the Proposer queried whether the Code unambiguously requires the separate metering of licensable Generating Units (i.e. further to denoting their Import/Export flows as separate to any other plant or apparatus). The Group considered this and could not identify any ambiguity, and therefore concluded it is not necessary to make any change to clarify the obligations in Section K.

The Group discussed whether the P241 solution should try to account for the possible development other types of generating plant (e.g. using new technology) that could warrant exclusion from the separate metering requirement. The Group considered whether it was possible to identify new types of generator and take them into account in the P241 solution, e.g. **Integrated Gasification Combined Cycle** (IGCC) plant.

The Group concluded that they did not have sufficient information about how new types of generator would operate to make this determination, and noted that if new types of generator emerge Section K may be more widely impacted. The appropriateness of applying the separate metering requirement should therefore be considered with the other impacts on Section K. The Group agreed that no action should be taken under P241 to provide for future developments in generator technology.

Other types of licensable Generating Unit

The P241 Group considered whether any other types of licensable Generating Unit should be excluded from the requirement that they be separately metered. The Group noted that besides CCGT Modules, only Power Park Modules (PPMs) are 'deemed' BM Units under K3.1.4(a), and therefore considered whether PPMs should also be excluded from the separate metering requirement.



What is an IGCC plant?

An Integrated Gasification Combined Cycle plant is a type of CCGT that uses synthetic gas created from coal with impurities removed.

163/05

P241
Draft Modification Report

04 December 2009

Version 0.3

Page 7 of 19

© ELEXON Limited 2009

The Group agreed that there was no need to exclude PPM BM Units since the Generating Units constituting PPMs (i.e. individual wind turbines) are not licensable, and are therefore already not subject to the separate metering requirement. This was the intention when P162 introduced the current wording of K1.1.4. The Group agreed that the non-exclusion of Power Park Module BM Units from the separate metering requirement applies to both Onshore and Offshore Power Park Module BM Units.

Explanation of P241 Legal Text

Only a minor Code change is required to effect the Group's agreed P241 solution. This is the insertion of additional wording in K1.1.4(e) to ensure CCGT Modules are not captured by the provision. To clarify how this change achieves the P241 solution, an explanation of the operation and interaction of paragraphs K1.1.4(c), (d) and (e) is given below.

Paragraphs K1.1.4(c), (d) and (e) (including the proposed P241 amendment) state:

1.1.4 For the purposes of the Code:

- (c) any Export or Import is to be determined at a single Boundary Point;
- (d) for the purposes of paragraph (c), in relation to a Party any flow (under paragraph b(i) and (ii) respectively) which occurs at a Boundary Point:
 - (i) to or from Plant or Apparatus of that Party shall be considered to be a single Export or Import of that Party;
 - (ii) to or from the Plant or Apparatus of that Party shall be considered to be a separate Export or Import from any Export or Import of any other Party.
- (e) notwithstanding paragraphs (c) and (d):
 - (i) the flow to or from each Generating Unit (where such Generating Unit individually constitutes or is capable of constituting a Licensable Generating Plant **and is not comprised in a CCGT Module**) and to or from the associated unit transformer of that Generating Unit (if any) shall be combined. Such combined flow shall be considered to be a single Export or Import and separate from any Export or Import of any other Plant or Apparatus; and
 - (ii) the flow to or from a station transformer associated with a Licensable Generating Plant shall be considered to be a single Export or Import, and separate from any Export or Import of any other Plant or Apparatus.

Excluding Generating Units in CCGT Modules from K1.1.4(e)(i) excludes such Generating Units from the whole of (e). Therefore the treatment of the Exports and Imports of CCGT Modules would be the same as that, under paragraphs (c) and (d), of all Generating Plant that do not constitute a Licensable Generating Plant, because CCGTs are no longer excluded from these two paragraphs through being captured by paragraph (e).

Because paragraph (c) prescribes that all Exports and Imports will be determined at a single Boundary Point the net Export/Import of CCGT Modules will be determined at the Boundary Point. Paragraph (d) allows for the aggregation of flows from Plant and Apparatus below the Boundary Point. Note that P162 amended paragraph 1.1.4(d) to allow for the aggregation of separate flows relating to the same Party below the Boundary Point.

The netting of 'Plant or Apparatus' includes unit transformers, so flows from any unit transformers associated with CCGT Module Generating Units can be aggregated with the Generating Units comprised in the CCGT Module below the Boundary Point. This means the flows of unit transformers can still be netted with the flows of Generating Units despite CCGTs being excluded from K1.1.4(e).

4 Impacts & Costs

Costs

ELEXON Cost		ELEXON Service Provider cost	Total Cost
Man days	Cost		
2	£440	None	£440

Indicative industry costs

None identified for implementation of P241

Impacts

Impact on BSC Systems and process

None identified

Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	Potential impact
Central Data Collection Agent	Metered data collection activities may be impacted if P241 is not implemented

Impact on BSC Parties and Party Agents

If P241 **not** implemented - **Generators** that operate:

- CCGT Modules; and
- Possibly non-standard configurations of licensable Generating Units

Impact on Transmission Company

None identified (no impact on SO operational data)

Impact on ELEXON

Support to the BM Unit registration processes (if P241 not implemented)

Support to ISG consideration of applications for non-standard BM Unit configurations (if P241 not implemented)

Impact on Code

Code section	Potential impact
Section K	Amendment to exclude CCGTs from the requirement to separately meter licensable Generating Units

Impact on Code Subsidiary Documents

Possible impact on Metering Codes of Practice (if P241 not implemented)

Possible impact on BSCP75, which covers aggregation rules, including those for CCGTs (if P241 not implemented)

No impact identified on Core Industry Documents or any other documents or on any other Configurable Items.

163/05

P241
Draft Modification Report

04 December 2009

Version 0.3

Page 9 of 19

© ELEXON Limited 2009

5 Implementation

The Group's view is that the Implementation Date of P241 should be **5 Working Days** after Approval is received from the Authority.

Implementation of P241 would be a Code-only change that would preserve the current status quo with respect to the metering of licensable Generating Units, in particular those within CCGT Modules. The only implementation activity is therefore the amendment of the relevant Code provisions.

The section below on the Panel's discussion of the P241 Assessment Report contains details of the Panel's consideration of the implementation approach for P241.

Proposer's view

The Proposer contended that it is inefficient for Generators to be required by the Code to install and maintain meters not required for Settlement purposes, and for Generators and the Central Data Collection Agent (CDCA) to be required to read metering not required for Settlement purposes.

The Proposer argued that by removing this inefficiency P241 would better facilitate Applicable BSC Objectives (c) and (d).

Group's initial view of P241 benefits

Group discussions

The Group considered that the Code requires licensable Generating Units to be separately metered to ensure that the System Operator (SO) has the information required to operate the Transmission System. The exclusion of CCGTs from this requirement is appropriate because the component apparatus of CCGTs are intrinsically linked and not independent.

The Group noted that installation of Settlement metering on each licensable Generating Unit is not necessary for the SO to actually balance the power on the System. With regard to CCGTs, the SO will direct CCGT BM Units to take balancing actions based on the combined capacity of their constituent Generating Units. The metering at the Boundary Point will record the actual energy volumes associated with the CCGT. The Group unanimously agreed that CCGT Generating Units should not be included in the requirement to be separately metered.

The Group considered that an unusual CCGT Module configuration, which would be potentially viable and might impact metering requirements, was the placement of CCGT apparatus components on different sides of a sub-station. However the Group could not identify an example of such a configuration, and did not believe this was an issue for the P241 solution.

The Group noted that as well as 'deemed' BM Units (i.e. CCGT Modules and PPMs) the BSC allows Parties to apply to register non-standard BM Unit configurations. The Group considered whether P241 should also seek to introduce the ability for the Panel (or Panel committee) to exclude Generating Units within non-standard BM Unit configurations from the requirement to be separately metered (i.e. on a case-by-case basis according to the BM Unit configuration).

The Group did not identify any existing or possible examples of non-standard BM Unit configurations that would warrant such exclusion, but determined that a question on this should be included in the P241 Assessment Consultation. The Group invited views from consultation respondents regarding whether a broad ability to exclude non-standard BM Unit configurations should be included as part of the P241 solution.

Quantification of benefits

The Group considered the quantifiable benefits of P241, and agreed the primary benefit was the avoidance of incurring costs associated with installing meters on Generating Units within CCGTs. The potential benefits for existing and new CCGTs differ as follows:

- Existing plant - Retrofitting meters to the licensable Generating Units of existing CCGTs would incur a large cost; and
- New plant - Installing meters to the licensable Generating Units of new CCGTs would incur a significant cost, though it would be less than the cost of retrofitting.

The Group considered quantification of the costs of retrofitting/installing meters. The Group noted that metering costs had been considered recently in connection with a separate Modification Proposal, P238. However, these costs are not applicable to P241 because they relate to 33kV meters, while P241 concerns 400/275kV metering.

Using estimates provided by Group members, the Group produced an indicative assessment of the typical costs of installing CoP1 standard metering on a CCGT Module Generating Unit. The assessment is shown in the table below. The benefit of P241 is the avoidance of these costs.

Indicative cost estimates for CCGT meter installation activities/equipment	
Activity/equipment	Estimated cost/impact
Meter installation option: Install new 400kV CTs and VTs at transformer (avoiding impact on existing functionality) or	N/A (unlikely to be space)
Meter installation option: Upgrade existing CTs and VTs to CoP1 standard or	Potentially viable; 400kV CT and VT costs are likely to be in the region of £10 - 20k per CT or VT
Meter installation option: Install stand-alone CTs and VTs in the banking compound (if there is space)	May not be space and very high civil cost; likely to be well over £100k per generator
Installation of additional meters and outstation channels	assuming new metering panels; around £25k per generator (including installation and commissioning)
Meter registration	Several £100 (each instance)
Aggregation rule change	Several £100 (each instance)
Cabling works	£5k per module (total)
Length of outage per generator/module	Substantial length of time; at least 6 - 8 weeks (significantly more if civil works are required)
Additional meter maintenance	Several £100 (per year)

In order to determine an indicative typical cost for retrofitting a CCGT with Settlement metering, the Group considered a typical CCGT configuration. CCGTs comprise at least one gas turbine and one steam generator; the Group believed a typical CCGT configuration was two gas turbines and one steam turbine on the same site. If all three of these Generating Units are large enough to be Licensable they would each need require a CoP1 Settlement Meter according to the Code. CoP1 metering comprises both a Main and Check Meter. Each of these has three Current Transformers (CTs) and three Voltage Transformers (VTs) due to the three phase system used for electricity transmission.

163/05

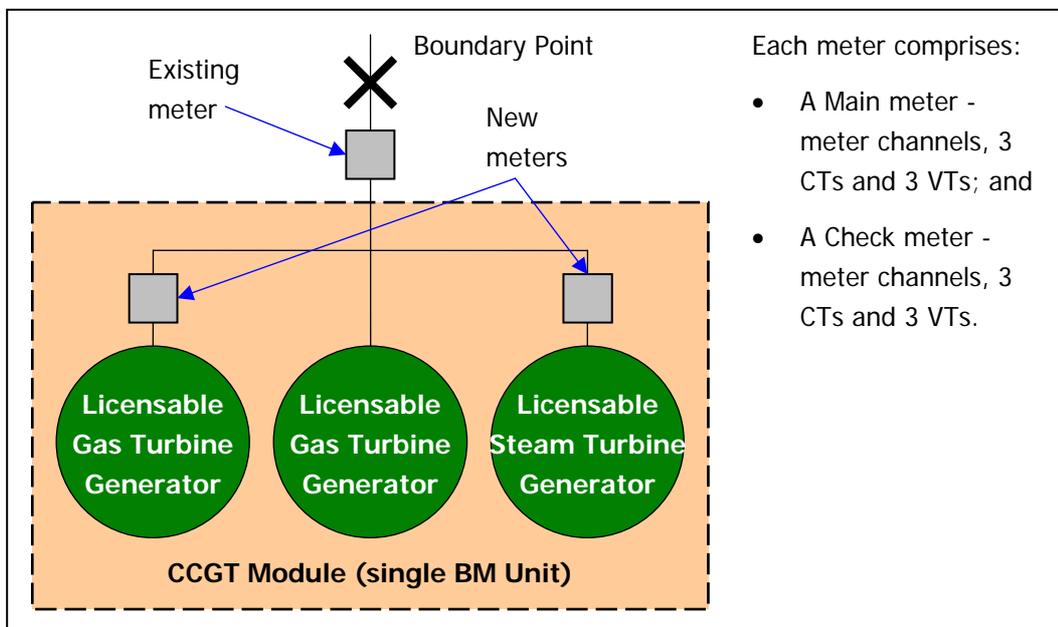
P241
Draft Modification Report

04 December 2009

Version 0.3

Page 12 of 19

© ELEXON Limited 2009



Typical cost of installation, without consideration of annual maintenance, and neglecting smaller costs such as those associated with meter registration and aggregation rules, is therefore approximately **£415,000**. This estimate is based on the metering required for:

- An existing CCGT Module comprising three licensable Generating Units (i.e. each of which requires metering);
- Where one Unit can be metered via the existing metering for the whole site, i.e. Difference Metering (this may require a dispensation); and
- Each meter comprises a main and check meter, each requiring three CTs and three VTs (cost of CT/VT assumed to be £15,000).

The estimate includes 25k installation cost per generating unit, but the Group has not attempted to quantify the typical cost of civil works (i.e. construction) that may result from installing meters on existing CCGTs, as the work required would vary from site to site. However, such work would often be required due to the arrangement of the CCGT, and could have a very significant cost (i.e. more than the cost of meters/CTs/VTs for the site).

The Group has also not attempted to quantify the cost of the outage of a Generating Unit or entire CCGT Module. This cost will vary according to the length of outage and market conditions (e.g. demand for the CCGT's output, energy/fuel prices) but an outage of 6-8 weeks (suggested by the Group's estimate) would result in a material loss of revenue.

The Group noted that ELEXON previously conducted a preliminary investigation into the number of CCGTs¹ that would be impacted by retention of the separate Metering requirement. ELEXON's indicative findings were that of around 40 registered CCGTs, approximately half were likely to be impacted, i.e. if P241 is not implemented the impacted sites may need to install one or more new meters to become compliant with the Code.

¹ A number of CCGT installations consist of multiple CCGT Module BM Units which might each be affected.

Initial views against the Applicable BSC Objectives

The Group unanimously agreed that the benefits of P241 fall under Applicable BSC Objectives (c) and (d), for the reasons set out in the table below. The Group believes that the main benefit of P241 is under Objective (c).

P241 Group's initial assessment of P241 benefits against the Applicable BSC Objectives	
Description of Objective	Identified benefit
a) Efficient discharge of the obligations of the Transmission Licence.	None identified.
b) Efficient, economic and co-ordinated operation of the GB transmission system.	None identified.
c) Promoting effective competition in the generation and supply of electricity and in the sale and purchase of electricity.	Removing the requirement to install and maintain meters on licensable Generating Units within CCGT Modules (i.e. where meters are not needed for Settlement purposes) would remove an obstacle to market participation.
d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.	<p>The Code should require only the metering required for Settlement purposes. Separate metering of CCGTs is not needed for Settlement purposes; if it is not required by the Code then efficiency is promoted because Generators and the CDCA are not required to read the meters and process/administer the metered data (i.e. for no Settlement benefit).</p> <p>Removing the Code ambiguity (i.e. the discrepancy between the Code requirement and industry practice) promotes efficiency by reducing:</p> <ul style="list-style-type: none"> • The potential for confusion by Parties when implementing requirements; and • The potential scope for Parties to dispute requirements and initiate litigation.

The Group's views differ slightly from the Proposer's views as stated in the P241 Modification Proposal and the IWA because the Group agreed that the primary P241 benefit, which is that Generators avoid the incurrence of unnecessary costs by not being required to install/maintain metering, should fall under Objective (c), and (c) only.

Group's discussions of responses to the P241 consultation

There were five respondents to the P241 industry consultation, representing a total of 38 Parties. All five respondents agreed with the Group's view that P241 would better facilitate Applicable BSC Objectives c) and d), agreed with the Implementation approach proposed by the Group, and did not identify any Alternative solution for consideration.

Respondents endorsed the views of the Group regarding the benefits of P241 under Applicable BSC Objectives c) and d). With respect to Objective c), respondents agreed with the Group that the requirement to fit and maintain such CCGT metering is an obstacle to market participation, removal of which would promote effective competition. One

respondent also stated that the need to install additional metering for no Settlement benefit and at considerable cost would put CCGTs at a competitive disadvantage compared with other classes of generator; this is not in line with the Group's views, which identified an impact on competition due to the unnecessary obstacle to participation in the market, but not due to any disadvantage to CCGTs compared with other types of generators.

With respect to Objective d), respondents noted that the administration of such additional and unnecessary meters, and associated data, adds to the operating costs of ELEXON and BSC and BSC Agents, so removing the requirement would promote efficiency.

One respondent, while agreeing with the Group that there would be benefits under Objectives c) and d), commented that the effect on competition, i.e. Objective c), should not be overstated. This respondent felt it could be presumed that a new entrant to the market would only be required to follow accepted metering practice, even under the existing Code wording. The respondent therefore believed the main benefit of P241 would be to clarify the ambiguity between accepted practice and the Code, thereby better facilitating objective d).

The Group considered this comment, and did not accept that a new entrant would follow accepted CCGT metering practices. The Group believed that since the issue is now known it would be an unnecessary risk for new entrants to choose to operate CCGT plant in a manner that is non-compliant with the current interpretation of the existing Code provisions. Therefore the Group believed it was actually more probable that new entrants operating new CCGT plant would install metering on each licensable Generating Unit in order to avoid the possibility of being found to be non-compliant with the Code; the Group agreed this put them at a competitive disadvantage, albeit a relatively minor one.

Respondents unanimously agreed with the Group's preliminary view that the Implementation Date of P241 should be 5 Working Days after Approval is received from the Authority. It was noted that P241 Implementation would not affect any Parties' systems or working practices, so this was a practical timetable.

A majority of respondents agreed that the P241 solution should specifically exclude only CCGTs from the separate metering requirement, with the remainder of respondents neutral. Respondents did not identify any other types of generator that were suitable for exclusion from the separate metering requirement, and believed that if a new type of generator emerged that was suitable for exclusion then this could be proposed and assessed under the BSC Modification process. This would ensure potential exclusions of generator types are considered on a robust and individual basis.

The respondents endorsed the Group's quantification of the impact of installing metering on CCGT Generating Units, and no respondents provided any additional quantifiable cost information. One respondent noted the Group's quantification concurred with their estimates and that the biggest issue would be the absence of CoP1 standard 400 kV CTs and VTs on individual generators. This respondent also noted that they might also expect additional peripheral costs for replacement and re-location of outstations and replacement of obsolete data collection software, though these would not be of the same order as the costs associated with CTs and VTs.

Group's final views against the Applicable BSC Objectives

Following their consideration of the consultation responses and their further discussions the Group confirmed their final views against the Applicable BSC Objectives matched their initial views, as set out above. The Group unanimously agreed that P241 would better facilitate Applicable BSC Objectives (c) and (d), with the main benefit of P241 falling under Objective (c).

Panel's consideration of P241 Assessment Report

The Panel considered the P241 Assessment Report at its meeting on 12 November 2009. The Panel noted the views of the Group and the unanimous support for these views from respondents to the P241 Assessment phase industry consultation.

The Panel discussed the comment of one consultation respondent that the effect on competition, i.e. Objective c), should not be overstated, and the Group's rationale for disagreeing with this. The majority of the Panel agreed with the Group that P241 would remove an obstacle to participating in the market by removing a relatively minor competitive disadvantage for the operators of new CCGTs. However, one member of the Panel did not support the Group's views, as they agreed with the respondent that the operators of new CCGTs would fit Settlement metering only at the Boundary Point between a CCGT Module and the Total System, in line with well established and accepted standard industry practices; the Panel member therefore believed that the main benefit of P241 would be against Objective d) and would be due to the unambiguous alignment of the Code with accepted and appropriate industry practices.

One Panel member questioned the recommended approach for Implementation of P241 being five Working Days after receipt of an Authority decision approving P241, suggesting that because P241 would remove a potential disadvantage for some Parties by correcting an ambiguity in the Code it should be implemented as promptly as possible. The member believed that the best way to do this would be set a specific deadline for a decision by the Authority (as done for Modifications with a more complex implementation). The Panel noted this but considered that the 'five Working Day' approach was standard for the implementation of straightforward, Code-only changes and was comfortable that it was an appropriate approach for P241. The Panel was confident that the Authority would recognise the benefit of a prompt decision on P241 and endeavour to deliver a decision in as timely a manner as possible.

The Panel considered and agreed the recommendations of the Group in the P241 Assessment Report, noting that:

- P241 will better facilitate the achievement of **Applicable BSC Objectives (c) and (d)**;
- An Implementation Date of **5 Working Days** is appropriate and is standard for the implementation of straightforward, Code-only changes; and
- The draft legal text delivers the solution agreed by the Group and (subject to any industry comments received in the Report Phase Consultation) is appropriate.

The Panel's initial unanimous recommendation was therefore that P241 should be approved.

8 Report Phase Consultation Responses



ELEXON consulted on the Panel's initial recommendations during the Report Phase.

The following table summarises the consultation responses which ELEXON received. You can download the full individual responses to this Report Phase Consultation, and to the Group's previous Assessment Consultation, [here](#).

What are Report Phase respondents' views?

Report Phase Consultation respondents unanimously support the Panel's initial recommendations.

	Question	Responses
1	Do you agree with the Panel's initial recommendation that P241 will better facilitate the achievement of Applicable BSC Objectives (c) and (d) when compared with the existing BSC requirements and that P241 should therefore be approved?	4 Yes - Unanimous 0 No
2	Do you agree with the Panel's suggested Implementation Date (for both the BSC and BSCP changes) of 5 Working Days after an Authority decision?	4Yes - Unanimous 0 No
3	Do you agree that the Panel's recommended legal text and BSCP changes deliver the solution agreed by the Modification Group?	4 Yes - Unanimous 0 No
4	Do you have any further comments on P241?	0 Yes 4 No - Unanimous

Did respondents support the Panel's recommendations?

Yes, all respondents supported the Panel's initial recommendations. No new arguments were raised.



[This section will be completed following the Panel's meeting on 10 December 2009.]

ELEXON invites the Panel to:

- NOTE the P241 Draft Modification Report and the Report Phase Consultation responses;
- CONFIRM the recommendation to the Authority contained in the P241 Draft Modification Report that P241 should be made;
- AGREE an Implementation Date of 5 Working Days after an Authority decision;
- AGREE the BSC legal text contained in Attachment A; and
- AGREE the P241 Modification Report or INSTRUCT the Modification Secretary to make such changes to the report as may be specified by the Panel.

Recommendation

The Panel's initial unanimous recommendation is that the Proposed Modification P241 should be made with an implementation date of 5 Working Days after an Authority Decision.

10 Further Information

More information is available in:

Attachment **A**: BSC Legal Text

A complete version of the Report Phase consultation received, the P241 Assessment Report, and all other related document are available on the [P241 page](#) of the ELEXON website.

163/05

P241
Draft Modification Report

04 December 2009

Version 0.3

Page 19 of 19

© ELEXON Limited 2009

P241 – PROPOSED DRAFT LEGAL TEXT

SECTION K: CLASSIFICATION AND REGISTRATION OF METERING SYSTEMS AND BM UNITS (Version 29)

Amend paragraph 1.1.4(e) to read as follows:

1.1.4 For the purposes of the Code:

- (a) in relation to the terms Export and Import, references to the Plant or Apparatus of a Party shall be treated as including:
 - (i) the premises of a Customer supplied by that Party;
 - (ii) Plant and Apparatus of a Third Party Generator for whose Exports that Party has elected to be responsible in accordance with paragraph 1.2.2(a)(ii)(2);
 - (iii) Plant or Apparatus (whether or not owned or operated by that Party), not forming part of the Total System, by which electricity is transported from the Total System to premises supplied by the Total System or (as the case may be) to the Total System from Generating Plant providing electricity to the Total System;
 - (iv) an Interconnector in relation to which that Party is an Interconnector User.
- (b) subject to paragraphs (c) (d) and (e), unless otherwise provided:
 - (i) "**Export**" means, in relation to a Party, a flow of electricity at any instant in time from any Plant or Apparatus (not comprising part of the Total System) of that Party to the Plant or Apparatus (comprising part of the Total System) of a Party;
 - (ii) "**Import**" means, in relation to a Party, a flow of electricity at any instant in time to any Plant or Apparatus (not comprising part of the Total System) of that Party from the Plant or Apparatus (comprising part of the Total System) of a Party;and Export and Import, as verbs, shall be construed accordingly;
- (c) any Export or Import is to be determined at a single Boundary Point;
- (d) for the purposes of paragraph (c), in relation to a Party any flow (under paragraph b(i) and (ii) respectively) which occurs at a Boundary Point:
 - (i) to or from Plant or Apparatus of that Party shall be considered to be a single Export or Import of that Party;
 - (ii) to or from the Plant or Apparatus of that Party shall be considered to be a separate Export or Import from any Export or Import of any other Party.

- (e) notwithstanding paragraphs (c) and (d):
- (i) the flow to or from each Generating Unit (where such Generating Unit individually constitutes or is capable of constituting a Licensable Generating Plant and is not comprised in a CCGT Module) and to or from the associated unit transformer of that Generating Unit (if any) shall be combined. Such combined flow shall be considered to be a single Export or Import and separate from any Export or Import of any other Plant or Apparatus; and
 - (ii) the flow to or from a station transformer associated with a Licensable Generating Plant shall be considered to be a single Export or Import, and separate from any Export or Import of any other Plant or Apparatus.