

P258 Consultation Responses: Party Agent inclusion in the BSC Trading Disputes process

Consultation issued on 13 July 2010

We received responses from the following Parties

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

Company	No BSC Parties / Non-Parties Represented	Role of Parties/non-Parties represented
TMA Data Management Ltd	0/1	HHDC, HHDA, NHHDC and NHHDA
Centrica	10/0	Supplier/Generator/Trader
Scottish Power PLC	4/2	Supplier/Generator/Trader/Party Agent
National Grid	1/0	Transmission company
Spark Energy	1/0	Supplier
Total Gas & Power Limited	1/0	Supplier
E.ON UK	6/0	Supplier / Generator / Trader / Consolidator / Exemptable Generator
npower Limited	8/0	Supplier / Party Agent
EDF Energy	13/0	Supplier/Generator/Trader/Consolidator/Exemptable Generator/Party Agent/Distributor

Question 1: Do you agree that the Panel's recommended legal text and BSCP11 changes deliver the solution agreed by the Modification Group?

Summary

Yes	No	Neutral/Other
8	-	1

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	-
Centrica	Yes	-
Scottish Power PLC	Yes	-
National Grid	Yes	No further comments
Spark Energy	Yes	-
Total Gas & Power Limited	Yes	What is the minimum error to qualify the Supplier Agent to raise the initial error with BSCCo – BSCP011 states in 5.1.6 where greater than £500? Will this value still apply – the modification has also proposed a threshold value has been suggested at 75MWh – what happens if the error is higher?
E.ON UK	Yes	Looks fine apart from possible typo 1.6.4 'where such Party Agents becomes aware' ?
npower Limited	Yes	If the proposed P258 were to be implemented then the drafted BSCP11 and associated legal text would indeed deliver the proposed change and as such we agree with question 1. However for clarity we do not agree with the proposed change, P258, itself.
EDF Energy	-	We have not checked the detail of these documents.

Question 2: The Panel has initially recommended an implementation approach of:

- 03 November 2011 if a decision is reached by 01 November 2010: or
- The Next Available Release allowing for a minimum 12 month implementation period if a decision is made after 01 November 2010.

Do you agree with the Panel's recommended implementation date?

Summary

Yes	No	Neutral/Other
8	1	0

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	-
Centrica	Yes	-
Scottish Power PLC	Yes	With no system changes to be released the Modification should be included within the first available release after Authority approval is granted.
National Grid	Yes	No further comments
Spark Energy	Yes	-
Total Gas & Power Limited	Yes	TGPL agree with implementation date of 03 November 2011
E.ON UK	Yes	Yes, this should give enough time for contracts to be updated as necessary.
npower Limited	No	We do not think this modification should be implemented at all.
EDF Energy	Yes	12 months notice should allow sufficient time for contracts and processes with agents to be amended to reflect the proposed change.

Question 3: Do you agree with the Panel's initial recommendation that:

- P258 will not benefit the achievement of the Applicable BSC Objectives (d) when compare to the existing BSC requirements; and
- P258 should therefore be rejected?

Summary

Yes	No	Neutral/Other
8	0	1

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	-
Centrica	Yes	Centrica supports the unanimous view of the Panel for the reasons set out in the report. In addition, Centrica believes this solution would be a move away from the supplier hub principle.
Scottish Power PLC	Yes	The Proposed modification will clearly increase the likelihood of spurious disputes being raised as it shifts responsibility away from Suppliers to do a validation exercise on any disputable errors. Instead it makes all potential anomalies liable to investigation by ELEXON. This validation process is a key element of the Supplier hub management process and the BSC correctly places the onus on the Supplier to ensure data is correct and consistent between their appointed agents.
National Grid	Yes	National Grid agrees with the Panel's view that P258 will not better facilitate applicable BSC Objective (d) and should therefore be rejected.
Spark Energy	Yes	-
Total Gas & Power Limited	Yes	Yes agree that P258 should be rejected. This is due to TGPL having reporting with party agents to ensure that all errors are highlighted and documented for each Settlement run. These are worked pro actively to remove risk of errors reaching final settlement run

Respondent	Response	Rationale
		at RF. If implemented then there will be no significant benefit to TGPL.
E.ON UK	Yes	It is not efficient to put an unenforceable obligation on Parties to oblige Agents who may not be in possession of the full facts. Theoretically P258 could empower Agents to report potential errors but Suppliers already have an obligation to achieve accurate Settlement Data and Agents who wish to highlight possible errors may already do this. Any obligation would be largely ineffective and unenforceable and potentially see time wasted investigating data flagged by an Agent with an incomplete picture that proved not to form the basis for a valid Dispute.
npower Limited	Yes	Npower limited agree with the Panels view that it believes that P258 will not better facilitate the achievement of the relevant Applicable BSC Objectives (d) and (c) when compared to the existing BSC requirements and therefore that the proposal should be rejected.
EDF Energy	-	<p>With limited information on the likely overall costs and benefits, it is difficult to form a firm view at this time.</p> <p>In principle, it is possible that more BSCCo involvement and direct interaction with Supplier Agents might deliver benefits in timely data accuracy, better meeting BSC Objective (c). This might have particular advantages when issues span different Suppliers and different Supplier agents whose detailed approaches may vary.</p> <p>However, there could be considerable cost in setting up and co-ordinating efficiently between BSCCo, BSC Agents, Suppliers and Supplier Agents. Suppliers already have an obligation and an incentive to raise queries and disputes to obtain accurate data, achieved with the assistance of agents and existing processes. The total costs of implementing and administering the proposed additional process effectively could potentially outweigh any benefits in improved net accuracy which might arise.</p> <p>Operational resource dependent on the number of additional query/disputes raised would be required in BSCCo and possibly within Suppliers and their agents. The likely number and materiality of additional query/disputes is very uncertain. If the volume of occurrences or the net materiality were to turn out to be low, then although the actual operational cost might be correspondingly low, so would the benefits.</p>

Respondent	Response	Rationale
		Only if there is a high value in errors which would currently remain unresolved, but would be resolved with more involvement of BSCCo, would the objectives be better met.

Question 4: Do you have any further comments on P258?

Responses

Respondent	Response
TMA Data Management Ltd	Parties are under obligation to provide accurate data to Settlement. The onus must remain on Suppliers to raise potential Trading Disputes whilst Party Agents report significant issues to the relevant Supplier
Centrica	No
Scottish Power PLC	No
National Grid	No further comments
Spark Energy	No
Total Gas & Power Limited	-
E.ON UK	-
npower Limited	-
EDF Energy	-