

Stage 03: Transmission Company Analysis

P259: Provision of Applicable Balancing Services Volumes for Interconnectors

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase



Your response

We invite you to respond to the questions in this form.



How to return your response

Please send your response, entitled 'P259 Transmission Company Analysis', to modifications@elexon.co.uk by 5:00pm on **Monday 26 July 2010**

Response Form

The P259 Modification Group requests your impact assessment of P259. In particular, we ask for your responses to the following questions and your reasons for those responses.

Transmission Questions

Question 1:

Please describe the impact(s) of the Proposed Modification on your ability as a Transmission Company to discharge your obligations efficiently under the Transmission Licence and to operate an efficient, economical and co-ordinated transmission system.

Please give your response:

With the current Grid Code obligation for interconnectors to provide mandatory frequency response, we believe that if the proposed BSC modification is not implemented, interconnectors will be treated differently than other providers of mandatory frequency response, therefore reducing our ability to efficiently discharge our obligations under the Transmission Licence.

Question 2:

Please outline your views and rationale on whether the Proposed Modification and potential Alternative Modification would help to achieve the applicable BSC Objectives.

Please give your response:

As outlined in the modification proposal, we believe that implementing modification proposal P259 will better facilitate applicable BSC Objectives (b), (c) and (d) for the following reasons;

- Objective (b); By allowing the System Operator to utilise Frequency Response services which are provide by Interconnectors where they are the most economical provider. Failure to implement the proposed changes will result in Interconnectors being unable to provide such services efficiently.
- Objective (c); By promoting competition for Mandatory Frequency Response provision services. The proposed changes with the modification allow Interconnectors to compete with other parties by providing them with certainty that they will not incur Imbalance Charges (provided they deliver the correct volumes).

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Question 2:

- Objective (d); By removing any inconsistencies between the Grid Code and the BSC by clarifying the arrangements around the provision of Frequency Response by Interconnectors, reducing the risk of confusion and/or error in the administration of the ABSVD arrangements.

In addition, we also believe that the modification will facilitate BSC objective (a) as the proposal will ensure that all parties obliged to provide mandatory frequency response are treated in a non-discriminatory manner.

Question 3:

Please outline the impact of the Proposed Modification and potential Alternative on the computer systems and processes of the Transmission Company. Include details of any changes needed as a result of implementing the Proposed Modification.

Please give your response:

We don't anticipate any impact on the computer systems or process of the Transmission Company as a result of either the Proposed or the Alternation Modification.

Question 4

Please outline any potential issues relating to security of supply arising from the Proposed Modification and potential Alternative Modification.

Please give your response:

We do not anticipate any potential issues in regards to security of supply arising from the Proposed Modification or from the Alternative Modification.

Question 5:

Please provide an estimate of development, capital and operating costs in appropriate detail which you as a Transmission Company anticipate that you would incur in implementing the Proposed Modification and the potential Alternative Modification.

Please give your response:

Aside from the baseline costs already highlighted which will be incurred as a result of work outside of this Proposed Modification, we don't anticipate incurring any significant costs in this Modification Proposal.

We do anticipate increased costs if a manual work around is required which depends on the process adopted in terms of the amount of time the Interconnector will be selected to provide mandatory frequency response and the number of interconnectors. We anticipate the range of cost per year for each Interconnector to be £14k-£55k. In addition to this, the Interconnector administrator will have additional costs as a result of increased manual checking of whether ABSVD has been correctly allocated.



Any questions?

If you have any queries on about the consultation form, please contact Dean Riddell on **020 7380 4366** or **dean.riddell@elexon.co.uk**.



Question 6:

Please provide details of any consequential changes to Core Industry Documents and/or the System Operator Transmission Owner Code that would be needed as a result of implementing the Proposed Modification and potential Alternative Modification.

Please give your response:

We do not anticipate any consequential changes to the Core Industry Documents and/or the System Operator Transmission Owner Code as a result of implementing the Proposed Modification or potential Alternatives.

Question 7:

Would you like to make any other comments on P259?

No further comments.

Further Information

To help us process your response, please:

- Email your completed response form to **modifications@elexon.co.uk**
- Use the following text in the subject line of your email: 'P259 Transmission Company Analysis'
- Include a phone number in your covering email, so that we can contact you if we have any questions
- Respond by **5pm** on **Monday 26 July 2010** (the Modification Group may not be able to consider late responses)

The Modification Group will consider your response at its next meeting. Once the Group has completed its assessment of P259, it will draft the Assessment Report and present it to the August Panel meeting.