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**INITIAL ASSESSMENT OF
MODIFICATION PROPOSAL P103 -
'Respecification of Trading Data'**

Prepared by ELEXON Limited

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b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	energywatch
Core Industry Document Owners	Various

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1 SUMMARY

Modification Proposal P103 'Respecification of Trading Data' (P103), included in Annex 1, was submitted on 7 October 2002 by Slough Energy Supplies Ltd, in accordance with Section F 2.1.1 of the Balancing and Settlement Code ('the Code').

P103 seeks to extend the content and retention period for information currently provided by the Balancing Mechanism Reporting Agent (BMRA) on the Balancing Mechanism Reporting System (BMRS). In addition P103 seeks to provide additional tools to allow users of the BMRS to query the data using such tools as Microsoft® Access ®¹ such that the data is made available in a more user friendly manner and transparent manner. The proposal also seeks to change the interface to the BMRS to ensure that data items displayed there are updated as a result of Settlement Runs (carried out in accordance with Section U2 of the Code).

An initial assessment of P103 has identified the following potential areas of impact and issues that need to be considered:

- BSC Party Take up;
- Cost recovery;
- Requirement for detailed level impact assessment;
- Data Volumes and Capacity Planning for the BMRA;
- Transmission Company Analysis;
- Data Confidentiality;
- Impact on the BSC;
- Data Provision;
- Full Specification of Changes; and
- Imbalance Settlement Group (ISG) Discussions on Market Data.

A commentary in relation to each of these points is provided in Section 12 of this report.

On the basis of this Initial Written Assessment, it is recommended that the Panel be invited to:

- **DETERMINE that Modification Proposal P103 should be submitted to Assessment Procedure in accordance with section F2.6 of the Code;**
- **AGREE the Assessment Procedure timetable such that an Assessment Report should be completed and submitted to the Panel for consideration at their meeting of 16 January 2003;**
- **DETERMINE that the Assessment Procedure should be undertaken by the Settlement Standing Modification Group; and**
- **AGREE any refinement to the Modification Group Terms of Reference.**

¹ Microsoft® and Access® are registered trademarks of Microsoft Corporation in the U.S. and other countries

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd. on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

3 DESCRIPTION OF THE MODIFICATION PROPOSAL

P103 seeks to extend the existing data content and facilities provided by the Balancing Mechanism Reporting Agent (BMRA). P103 seeks to achieve this by making changes to Table 1 of Annex V-1 "Table of Reports" of the Code. In particular P103 seeks to alter the specification of the BMRS to provide:

- A different mechanism for displaying information already available on the BMRS such that it can be accessed in a more user friendly form (for example, providing data relating to multiple Balancing Mechanism Units (BMUs));
- Additional data derived by the BMRA such as data relating to fuel type;
- A data archive service for data that has been removed from the BMRS after the data retention period for the data has expired;
- New interfaces to the BMRS to allow users to access and analyse the data using tools such as Microsoft® Access®¹.
- A facility whereby data held on the BMRS is updated in line with calculations undertaken during the Settlement Runs;
- Additional information relating to Bid Offer Acceptances that have been arbitrated;
- Additional information in relation to Bid Offers Acceptances that are either included in or excluded from the calculation of Energy Imbalance Prices;
- Additional data to be presented on a half hourly basis such as:
 - Transmission Loss Multiplier data;
 - Residual Cash Reallocation Cashflow values;
 - Metered output by Balancing Mechanism Unit (BMU);
 - Confidential data such as Net Energy Imbalance position to be made available by Party Account.

P103 also seeks to extend the minimum retention period for data held on the BMRS from 12 months to an as yet unspecified value.

The defect attempted to be addressed by P103 is that the data currently displayed on the BMRS could be made available in a more user-friendly and transparent format. Whilst the Modification Proposal specifically identifies Licence Exemptable Generators (LEGs), the Proposer has been contact to clarify who the data should be made available to if P103 were to be implemented. The Proposer has confirmed that the data should be made available to anyone (both BSC Party and non-BSC Party) who

wishes to access this data. The Proposer has also identified a possible requirement to have a private area of the BMRS accessible, based on the entry of user identification and a user password, for any confidential data.

A copy of the Modification Proposal, as submitted by its proposer, can be found at Annex 1 to this report.

4 IMPACT ON BSC SYSTEMS AND PROCESSES

4.1 Balancing Mechanism Reporting System

The Balancing Mechanism Reporting System will need to be altered in line with the additional features outlined within P103. In particular any assessment of P103 will need to determine the extent of the requirements to change the functionality provided by the BMRA, including:

- Provision of additional data will involve changes to the database and software used to access the data as specified in the Modification Proposal;
- An increase in the data retention period will necessitate additional volumes of data to be stored by the BMRA. This in turn may necessitate a requirement for additional data storage media to be procured.
- The development of tools to analyse the data will need to be fully specified and then developed by the BMRA.
- New interfaces will need to be defined to allow the BMRA to receive additional data from the Settlement Administration Agent (SAA) as a result of the Reconciliation Settlement Runs carried out in accordance with U2 of the Code. This will also have an impact on the volume of data received and stored by the BMRA and may have an impact on the performance of the BMRS.
- A detailed level impact assessment will need to be undertaken to determine the impact on performance of the BMRS due to an increase in the volume of data held and the way in which this data will be accessed if user are allowed to “build their own data queries”.
- Change to the calculation mechanism to enable such tagging of Bid Offer Acceptances to indicate whether they are included in, or excluded from, the calculation of the Energy Imbalance Price.
- There will be a requirement for an additional interface from the Transmission Company to accommodate the request for the net system imbalance prior to “NGC non BM Balancing Actions”.
- There is a requirement to derive data not currently held within the BSC Systems.(i.e. aggregations of data relating to individual fuel types.
- The provision of a private area of the BMRS accessible by the entry of a user identifier and user password for confidential data.

5 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

It is probable that BSC Parties will have already invested in the development of systems that already accommodate some of the requirements of this Modification. In particular, BSC Parties may have already developed tools to analyse data provided via the Transmission Company variant of the Settlement Report and via BMRA Reporting.

6 IMPACT ON DOCUMENTATION

6.1 Impact on Balancing and Settlement Code

Table 1 of Annex V-1 will need to be amended to accommodate the new requirements identified within the Modification Proposal.

Other changes may also be required to Section V of the Code in the event that the timing of publication of data on the BMRS may be adversely affected by the increase in volume of data being presented.

There are possible changes required to Section D of the Code if a new charging mechanism is required for P103.

6.2 Impact on Code Subsidiary Documents

There is a potential change to BSCP41 ('Report Requests & Authorisation') to reflect changes made to Section V of the Code.

The Service Descriptions for the Settlement Administration Agent and Balancing Mechanism Reporting Agent may need to be amended.

There may also be impacts on the NETA Data File Catalogue and Reporting Catalogue to reflect new interfaces and amended reporting.

6.3 Impact on Core Industry Documents

None identified at this stage

7 IMPACT ON OTHER CONFIGURABLE ITEMS

There will be an impact on the User Requirement Specifications and system documentation for both the BMRA and the SAA. This change will be primarily to recognise the new flow of data from the SAA to the BMRA and additional BMRS Reporting requirements.

The Interface Definition Document (IDD) will also require changes to define the new interfaces to the BMRA and SAA.

8 IMPACT ON ELEXON

The Modification Proposal describes the additional data items that should be made available to users of the BMRS. The description of the defect identified within the Modification Proposal relates specifically to the content of and delivery mechanism for data that is provided to LEGs. As most LEGs will not be BSC Parties, a suitable charging

mechanism will need to be developed to ensure the costs of providing this additional data and the accompanying analysis tools are recovered.

If non-BSC parties are to be charged, changes to the accounting procedures may be required, including invoicing and credit management procedures. Non-BSC Parties may also need to enter into contracts with ELEXON.

It is also possible that BSC Parties would make use of such enhancements and therefore a suitable charging mechanism that was equitable to both BSC Parties and Non BSC Parties would need to be developed.

9 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

None identified at this stage.

10 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

None identified at this stage.

11 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

ELEXON recommends that this Modification Proposal be submitted to a 3 month Assessment Procedure to be undertaken by the Settlement Standing Modification Group (SSMG). The SSMG should be requested to provide its report to the Panel by 16 January 2003. It should be noted that this period spans the 2002 Christmas and New Year holiday period and should allow sufficient time for adequate consultation on the proposals.

Following the first meeting of the SSMG, it is envisaged that an initial consultation document will be issued in order to assess the likely take-up of the Proposed Modification. If the responses to this initial consultation show that any facilities introduced under P103 would not be used, then the Modification Group may decide to present the Assessment Report at an earlier Panel meeting.

12 ISSUES

The following issues will need to be considered and addressed in the progression of this Modification Proposal:

- **Cost recovery** – The Authority, in their determination in relation to Modification Proposal P50, stated that “information release should be done in an efficient and cost effective manner, such that Parties and non-BSC Parties bear the costs in an equitable manner appropriate to the circumstances”. It will therefore be necessary to understand how the additional facilities provided would be charged to non-BSC Parties.
- **Impact Assessments** - There is a need to conduct detailed level impact assessments from the perspective of both the SAA and BMRA. This should include a detailed breakdown of the costs for each of the new facilities identified within the Modification Proposal such that the Modification Group may determine the most appropriate implementation for the Proposed Modification, and if necessary develop an Alternative Modification.

- **Data Volumes and Capacity Planning** – The Modification Proposal suggests data is transmitted to the BMRA following each Settlement Run. This will lead to an increase in the volume of data received by the BMRA and may have an impact on the time taken to publish data on the BMRS.
- **Transmission Company Analysis** – There is a need for the Transmission Company to undertake an analysis in relation to the requirement for additional data in respect of providing the “Net System Imbalance before NGC’s non-BM Balancing actions”.
- **Data Confidentiality**– Some of the data referred to in the Modification Proposal is currently confidential
- **Impact on the BSC:** making the data referred to in the Modification Proposal available to non-BSC parties would require changes to Section V (i.e. ‘Reporting’) of the Code and charging for the data could require changes to Section D.
- **Data Provision** – The Modification Proposal suggests the aggregation of data by fuel type. At this stage such data is not held within the BMRS and therefore fuel type information would need to be obtained prior to its publication on the BMRS.
- **Full Specification of Changes** – The Modification Proposal specifies a number of examples of the services to be provided by the BMRS. As only examples were provided, it can be concluded that this was not an exhaustive list and that a complete list will need to be developed during the progression of the Modification Proposal.
- **Imbalance Settlement Group (ISG) Discussions on Market Data** - ISG Paper ISG/20/215 was presented to the ISG at their meeting on 23 September 2002. This paper outlined various options for making more market data available to BSC Parties. One option discussed within the paper was similar in content to P103. The ISG concluded that whilst such provision of data would have been useful at the commencement of the New Electricity Trading Arrangements, many participants had procured or developed their own solutions to this issue and that such a change was not cost justified. As BSC Parties may have already procured such solutions, or developed their own, it will be necessary to determine to what extent such solutions would be adopted by both BSC Parties and non-BSC Parties.

ANNEX 1 – MODIFICATION PROPOSAL

Modification Proposal	MP No: 103 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Respecification of Trading Data	
Submission Date <i>(mandatory by proposer):</i> 7 October 2002	
<p>Description of Proposed Modification <i>(mandatory by proposer):</i></p> <p>To alter Table 1 (BMRS) of Annex V-1 of Section V of the Balancing and Settlement Code (Tables of Reports) so as to include the following additional data –</p> <ul style="list-style-type: none"> • Allowing users to download data for multiple BM Units and/or multiple dates at a time. For example this would enable the following services to be provided: <ul style="list-style-type: none"> o Providing BM bid-offer stack and aggregated information on it; o Providing BM acceptance stack and aggregated information on it; o Providing aggregations by fuel type; o Providing the gross volume of long and (separately) short energy imbalance volumes; and o Providing the gross volume of long and (separately) short information imbalance volumes; • Extending the minimum period for which data is stored on the BMRS from the existing 12 months. A data archive service could be provided for data that is eventually removed from the BMRS; • Providing tools to allow users to perform simple queries - e.g. to download daily averages/totals, totals by company etc. This could be achieved by allowing users to access the data through (for example) a simple database interface such as Microsoft Access, allowing users to build their own data queries; • Data items should be updated in accordance with subsequent reconciliation runs (e.g. imbalance price data, initial out-turn system demand, etc.); • Providing identifiers to accepted BM trades that are 'arbitrage' trades; • Identifying bids, offers and acceptances which have been tagged 'excluded' or 'included' in the process of calculating prices; • Half-hourly transmission loss multiplier data; • Half-hourly residual cashflow value in £/MWh; • Half-hourly metered output data by BM Unit; • Net system imbalance before NGC's non-BM balancing actions; and • Net energy imbalance position by Party account. 	
<p>Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i></p> <p>With the advent of NETA, consideration was given as to how market data should be made available, both publicly and to BSC Parties. LEGs, although they may not be BSC Parties have need for access both to market data which is publicly available (notably the Balancing Market Reporting System) and market information which</p>	

Modification Proposal	MP No: 103 <i>(mandatory by BSCCo)</i>
<p>is currently restricted to BSC Parties (notably the "SO142" reports). In relation to the latter class of information, reference is made to proposed modification entitled – "Entitlement of Licence Exemptable Generators ("LEGs") to BSC Membership Without Evidence of Trading".</p> <p>The vast majority of LEGs, as under the Pool, chose to contract under Supplier Volume Allocation (SVA) with a licensed supplier, rather than become a BSC Party and trade directly within the NETA markets. This is mainly because of the large fixed costs and administrative burdens that are infeasible for most smaller generators.</p> <p>Having access to all data currently available to BSC Parties would assist LEGs. In particular, knowing the metered quantities and the imbalance position of potential contracting counterparties would substantially assist LEGs in determining who is in a position to contract with them and to better understand the trading position of that counterparty.</p> <p>However, to the extent that this information is or could be made available to LEGs (see the proposed modification referred to above) the data lacks accessibility and transparency for them, taking into account the resources of most smaller generators to process such information.</p>	
Impact on Code <i>(optional by proposer):</i>	
Impact on Core Industry Documents <i>(optional by proposer):</i>	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i>	
Impact on other Configurable Items <i>(optional by proposer):</i>	

Modification Proposal	MP No: 103 <i>(mandatory by BSCCo)</i>
<p>Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i></p> <p>The Applicable BSC Objectives are set out in paragraph 3 of Condition C3 of the Transmission Licence, as follows:</p> <p>(a) The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence;</p> <p>N/A</p> <p>(b) The efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System;</p> <p>N/A</p> <p>(c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity;</p> <p>Making available crucial market information to LEGs with more transparent and usable content will assist in creating a fairer negotiating position for these LEGs. It will also help LEGs to verify independently the benefits of particular supplier contracts or consolidation benefits where the counterparty is a BSC Party and is in possession of such information.</p> <p>The effect of lack of transparency in market information (to the extent it is available to LEGs and given the resources of most smaller generators to process such information) is one of a range of barriers faced by LEGs. The unavailability to LEGs of usable market information has, with other barriers, contributed to the disproportionate and damaging effect which NETA has had on LEGs. This has resulted in withdrawals from the LEG sector and extreme financial consequences for that sector which threaten its continued participation in the generation market and its contribution to competition.</p> <p>(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.</p> <p>N/A</p>	
<p>Details of Proposer:</p> <p style="padding-left: 40px;">Name: S P Garrett</p> <p style="padding-left: 40px;">Organisation: Slough Energy Supplies Ltd</p> <p style="padding-left: 40px;">Telephone Number: 01753 213256</p> <p style="padding-left: 40px;">Email Address: stevegarrett@sloughheatandpower.co.uk</p>	
<p>Details of Proposer's Representative:</p> <p style="padding-left: 40px;">Name: S P Garrett</p> <p style="padding-left: 40px;">Organisation: Slough Energy Supplies Ltd</p> <p style="padding-left: 40px;">Telephone Number: 01753 213256</p> <p style="padding-left: 40px;">Email Address: stevegarrett@sloughheatandpower.co.uk</p>	

Modification Proposal	MP No: 103 <i>(mandatory by BSCCo)</i>
Details of Representative's Alternate: <p style="margin-left: 40px;">Name:</p> <p style="margin-left: 40px;">Organisation:</p> <p style="margin-left: 40px;">Telephone Number:</p> <p style="margin-left: 40px;">Email Address:</p>	
Attachments: No If Yes, Title and No. of Pages of Each Attachment:	