

#### 4.5. MP Form

<b>Modification Proposal – BSCP40/03</b>	MP No: 299 (mandatory by BSCCo)
<b>Title of Modification Proposal:</b>	
Allow National Grid access to Metering System Metered Consumption data to support the DSBR service	
<b>Submission Date:</b>	
31 <sup>st</sup> January 2014	
<b>Description of Proposed Modification</b>	
<p>This Modification proposes changes to extend BSC Section L5.2.4 to allow National Grid to gain access to Suppliers' Metering System Metered Consumption (SMMC<sub>ZaKj</sub>) data provided by Half Hourly Data Collectors (HHDCs) to Half Hourly Data Aggregators (HHDA). This data is required to support the validation of submitted tender<sup>1</sup> data and to process the settlement of payments for the delivery of the new Demand Side Balancing Reserve (DSBR) service.</p> <p>It is proposed that ad-hoc reports, requested from the Data Collectors in Comma Separated Value (.csv) format, will contain the following disaggregated data as a minimum:</p> <ul style="list-style-type: none"> <li>• For each MPAN where the DSBR service is offered, Half Hour consumption data for the Settlement Periods between 4pm and 8pm on non-Bank Holiday weekdays during a required (as identified by National Grid) number of days during the previous winter period</li> <li>• For each MPAN where the DSBR service is called/tested, Half Hour consumption data for the Settlement Periods between 4pm and 8pm on the days when the service is called, plus data for a selection of 10 previous days, as nominated by National Grid, to calculate the baseline in order to support settlement of payments for delivery of the service.</li> </ul>	
<b>Description of Issue or Defect that Modification Proposal Seeks to Address</b>	
<p>DSBR is a demand side service, approved by Ofgem and supported by DECC, designed to support National Grid in balancing the system if margins tighten during the mid-decade period. This service would be used to support security of supply and is not for the commercial gain of National Grid.</p> <p>In order to verify tendering information submitted by potential DSBR service providers, and support settlement of payments for delivery of the DSBR service, National Grid requires access to Suppliers' Metering System Metered Consumption data at sites offering the service. Currently, Section L5.2.4 of the BSC only allows National Grid to have access to 'relevant metering data' which, for Supplier Volume Allocation (SVA) Metering Systems is defined (in L5.2.5) as being the metering data specified in BSCP508 <i>Supplier Volume Allocation Agent</i> or BSCP520 <i>Unmetered Suppliers Registered in SMRS</i>. This metering data concerns aggregated data and unmetered suppliers respectively, rather</p>	

<sup>1</sup> It is expected that direct HH end users or intermediaries (including, but not limited to, electricity suppliers and existing balancing service aggregators) will offer volumes for the DSBR service at an MPAN level that could reduce demand or increase generation at times of system stress.

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than Suppliers' Metering System Metered Consumption data.	
<p><b>Impact on Code</b></p> <p>Changes are required to the BSC to include the provision of Suppliers' Metering System Metered Consumption data to the Transmission Company in order to support the DSBR service through data verification and settlement.</p> <p>Such data may need to be shared with intermediaries involved in procurement of DSBR (ie: electricity suppliers or existing balancing service aggregators) for the purposes of verification and settlement of potentially hundreds of MPANs. This will include a subset of such data, perhaps a "winter's worth" of volume data for specific Settlement Periods, being required to verify and validate that which is being offered within tenders is consistent with consumption during peak periods.</p> <p>The request for data would follow utilisation of the DSBR service and any testing exercise that is undertaken. Data would also be required to validate tenders received during each round of tendering.</p>	
<p><b>Impact on Core Industry Documents or System Operator-Transmission Owner Code</b></p> <p>None.</p>	
<p><b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b></p> <p>This Modification would require HHDC systems to generate additional reports for the use of National Grid on an ad-hoc basis.</p>	
<p><b>Impact on other Configurable Items</b></p> <p>To be determined</p>	
<p><b>Justification for Proposed Modification with Reference to Applicable BSC Objectives</b></p> <p>The proposed Modification would better facilitate Applicable BSC Objective (b):</p> <p><i>The efficient, economic, and co-ordinated operation of the National Electricity Transmission System</i></p> <p>By ensuring that DSBR tender submission data can be correctly validated and the settlement payment process is fully supported.</p>	
<p><b>Is there a likely material environmental impact?</b></p> <p>No material environmental impact has been identified.</p>	
<p><b>Urgency Recommended:</b></p> <p>No. However, due to the timescales indicated to support validation of tenders for Winter 2014/2015, National Grid would welcome the support of Ofgem, the BSC Panel, and ELEXON to expedite this Modification without undue delay.</p>	

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<b>Justification for Urgency Recommendation</b>	
N/A	
<b>Self-Governance Recommended:</b>	
No.	
<b>Justification for Self-Governance Recommendation</b>	
N/A	
<b>Fast Track Self-Governance Recommended: Yes / No</b>	
N/A	
<b>Justification for Fast Track Self-Governance Recommendation</b>	
N/A	
<b>Should this Modification Proposal be considered exempt from any ongoing Significant Code Reviews?</b>	
Yes.	
<b>Details of Proposer:</b>	
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<b>Details of Proposer's Representative:</b>	
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<b>Modification Proposal – BSCP40/03</b>	MP No: 299 (mandatory by BSCCo)
<b>Details of Representative's Alternate:</b>  <b>Name</b> Tariq Hakeem  <b>Organisation</b> National Grid  <b>Telephone Number</b> 01926 655439  <b>Email address</b> <a href="mailto:tariq.hakeem@nationalgrid.com">tariq.hakeem@nationalgrid.com</a>	
<b>Attachments:</b>  <b>Appendix 1</b> gives further information around the background to DSBR, when the service is expected to be utilised, and when access to data would be required.	

## Appendix 1:

Within the role of System Operator, National Grid is required to co-ordinate and direct the flow of electricity onto and over the National Electricity Transmission System in an efficient, economic and co-ordinated manner. As part of doing this, National Grid procures and uses balancing services from transmission system users and other third parties in accordance with the requirements set out in Condition C16 (Procurement and use of balancing services) of the Transmission Licence.

National Grid is introducing a new balancing service, Demand-Side Balancing Reserve that could be used to support system security during the mid-decade period if supply margins tighten. The service involves requesting large consumers to reduce Half Hourly metered demand at times of peak demand, in return for a payment.

On 27<sup>th</sup> June 2013 Ofgem issued a press release<sup>2</sup> alongside its 2<sup>nd</sup> Capacity Assessment Report. Ofgem's analysis found that Britain's energy industry faces an unprecedented challenge to secure supplies due to the global financial crisis, tough environmental targets, increasing gas import dependency, and the closure of ageing power stations, and highlighted that electricity margins would tighten faster than expected resulting in a potential margin of between 2% and 5% (depending on demand) for the 2015/16 winter. This results in a higher potential risk associated with potential demand disconnection events. Ofgem also highlighted that it had been working with National Grid and DECC to explore options that would provide additional safeguards for the consumer to avoid potential demand disruption. As a result it was deemed prudent for National Grid to develop additional balancing services to act as this safeguard for both the 14/15 and 15/16 winters.

National Grid issued a consultation on the same day about the potential design of two new balancing services, one of which was Demand Side Balancing Reserve (DSBR). The designs of these services were the subject of two industry workshops and a 2<sup>nd</sup> consultation before National Grid issued final design proposals to Ofgem. Final design proposals were issued to Ofgem on 29<sup>th</sup> November 2013<sup>3</sup>.

Ofgem announced its decision to approve both services in an open letter to the industry on 19<sup>th</sup> December 2013<sup>4</sup>. National Grid is now working with Ofgem on the funding of these services as well as developing methodology statements associated with determining the volume requirements for these services, procurement/tender assessment rules applied to volumes submitted by prospective DSBR service providers, and dispatch of services in real time. Since the announcement of the decision to approve these services there has been significant press coverage and reference to National Grid being able to implement these "short term measures" by the Government when challenged on security of supply and the potential risk of black outs<sup>5</sup>.

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<sup>2</sup> <https://www.ofgem.gov.uk/press-releases/ofgem-report-highlights-importance-government-reforms-encourage-more-investment-generation>

<sup>3</sup> <http://www.nationalgrid.com/uk/Electricity/AdditionalMeasures>

<sup>4</sup> <https://www.ofgem.gov.uk/publications-and-updates/national-grid%E2%80%99s-proposed-new-balancing-services-decision-letter>

<sup>5</sup> <http://www.telegraph.co.uk/finance/newsbysector/energy/10572488/No-danger-of-blackouts-says-David-Cameron.html>

A project board and team have been set up within National Grid and tasked with delivering these services in advance of the first winter period (commencing in November 2014) such that they can be deployed if a requirement is identified. As a result we are working to a very constrained timetable and, in regard to DSBR, will be accessing potential providers in a manner that we have not utilised previously.

The DSBR service is likely to see direct providers or intermediaries (be they Suppliers or existing Balancing Services Aggregators) offering demand volume reduction or generation increase across numerous MPANs. The offering will relate to the 4pm to 8pm period across non-Bank Holiday week days in November to February (2014/15). Upon receipt of the tenders National Grid will be required to validate each MPAN both at a location and volume level. An approach to each Data Collector/Data Aggregator (DCDA) will allow National Grid to request volume data to validate that the volume offered for each MPAN is genuine and, after any tests or genuine instructions throughout each winter period, to determine if an MPAN responded as required against a determinable baseline and that demand reduction offered was consistent with historic consumption during peak times. Data will also be used to support settlement of payments for delivery of the DSBR service.

Assuming that a volume requirement is identified for the 14/15 winter period, and based on the lead times to develop a system to facilitate electronic tendering, we are currently expecting to launch the tender system for DSBR in June 2014. As a result we require access to Suppliers' Metering System Metered Consumption data from June 2014 to commence our validation checks.