

Report Phase Consultation Responses



P310 'Revised Credit Cover for Exporting Supplier BM Units'

This Report Phase Consultation was issued on 12 December 2014, with responses invited by 9 January 2015.

What stage is this document in the process?

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

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
E.ON	7/0	Supplier, Generator, Non-Physical Trader, Interconnector
Good Energy	1/0	Supplier, ECVNA, MVRNA
NEAS Energy A/S	1/0	Supplier, Interconnector User
ScottishPower	6/0	Supplier, Generator, Non-Physical Trader, ECVNA, MVRNA, Supplier Agent
TMA Data Management Ltd	0/1	Supplier Agent

Question 1: Do you agree with the Panel's initial unanimous recommendation that P310 should be approved?

Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	We agree, as P310 better facilitates BSC objective (c) by reducing the cost of credit for small Suppliers, thus aiding competition.
Good Energy	Yes	We consider that the proposed solution is neutral to Applicable BSC Objectives (a), (b), (d), (e) and (f) because it has no impact on them and that it better facilitates Applicable BSC Objectives (c) because it will calculate more accurately the indebtedness of BSC Parties with embedded generation thereby allowing less credit cover to be lodged. This reduces the cost of credit cover for small suppliers, which facilitates competition.
NEAS Energy A/S	Yes	P310 better facilitates Applicable BSC Objective (C) in regards to market competition as it gives suppliers with embedded production and no consumption the same credit cover requirements as parties with both production and consumption.
ScottishPower	Yes	We consider that P310 is neutral against Applicable BSC Objectives (a), (b), (d), (e) & (f). P310 better facilitates Applicable BSC Objective (c) as, by removing a defect in the current credit calculation which overstates the amount of credit to be provided by BSC Parties with SVA registered embedded generation, it will reduce the costs of participation to those BSC Parties and will thus better facilitate competition.
TMA Data Management Ltd	Yes	-

Question 2: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P310?

Summary

Yes	No	Neutral/No Comment	Other
4	0	1	0

Responses

Respondent	Response	Rationale
E.ON	Yes	-
Good Energy	Yes/No	We do not have a view on this but assume the Workgroup has taken expert advice in drafting the legal text.
NEAS Energy A/S	Yes	-
ScottishPower	Yes	The draft legal text provided appears to deliver the intention of P310.
TMA Data Management Ltd	Yes	-

Question 3: Do you agree with the Panel's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	-
Good Energy	Yes	We consider it appropriate for implementation to be part of the earliest practicable BSC Systems Release.
NEAS Energy A/S	Yes	As the 25 June 2015 is the first coming release date it seems reasonable that this is the implementation date for P310.
ScottishPower	Yes	Yes. P310 should be implemented in line with the soonest available BSC System Release to enable its benefits to be delivered at the earliest possible date.
TMA Data Management Ltd	Yes	We agree with the Panel's recommended Implementation Date of 25/06/2015 if P310 is progressed as a self-governance change and an Implementation date of 05/11/2015 if P310 is not progressed as a self-governance change.

Question 4: Do you agree with the Panel's initial unanimous view that P310 should be treated as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	We agree that P310 satisfies the criteria.
Good Energy	Yes	We agree with the Workgroup that the impact of P310 on BSC Parties is unlikely to be material and would aid rather than act as a barrier for competition.
NEAS Energy A/S	Yes	P310 seems to match the criteria for a Self-Governance modification.
ScottishPower	Yes	We agree that P310 should be progressed as a Self-Governance Modification. Although P310 has an impact on BSC Parties with SVA registered embedded generation, we do not consider that impact to be material and in any case it would be beneficial to those Parties. The Proposal does not have a material impact on any of the other self-governance criteria.
TMA Data Management Ltd	Yes	The impact on BSC parties would be minimal.

Question 5: Do you have any further comments on P310?

Summary

Yes	No	Neutral/No Comment	Other
1	4	0	0

Responses

Respondent	Response	Rationale
E.ON	No	-
Good Energy	Yes	P310 does not obviate the need for some parties with embedded generation to make applications under Section 5.5 of the CALF Guidance document using Appendix 7 to that document - Application to Request Alternative Methodology for Supplier BM Units or Exempt Export BM Units with Embedded Generation. These provisions must continue to avoid indebtedness being overstated for Supplier BM Units with significant embedded generation. We welcome the clarification from ELEXON in the Consultation document that no changes to existing CALF calculation methodologies would be made as part of this Modification.
NEAS Energy A/S	No	-
ScottishPower	No	-
TMA Data Management Ltd	No	-