

Modification Proposal – BSCP40/03	MP No: 321 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by originator):</i> Publication of Trading Unit Delivery Mode	
Submission Date <i>(mandatory by originator):</i> 1 April 2015	
Description of Proposed Modification <i>(mandatory by originator)</i> <p>The purpose of this Modification is to provide transparency to industry and customers on the direction of the Trading Unit Delivery Mode. This data should be provided for every GSP Group at every Reconciliation Run, but it is especially important that it is provided at Settlement Final (SF) and Reconciliation Final (RF) as these are the runs which coincide with NGET's Balancing Services Use of System (BSUoS) runs.</p> <p>This Modification must ensure the publication of the Trading Unit Delivery Mode for every Settlement Period (half-hour), stating whether each GSP Group was delivering or off-taking in that Settlement Period. This should be provided in a user friendly and downloadable (preferably included in a flow) format and be accessible to non BSC Parties (such as customers on pass-through contracts). Further information would be desirable: ideally this Modification would also provide volumes of generation and demand in each GSP Group to illustrate how close a GSP Group has come to 'flipping' from net off-taking to net delivering. Furthermore, it would be even better if gross volumes of demand and generation were given. Currently all this information is available to Suppliers as part of their Net BSUoS bill and implicitly as a consequence of the Transmission Loss Multiplier (TLM) values in the SAA-I014 files. This Modification seeks to make that same data more widely available and explicit within ELEXON's reporting. This could be through ELEXON's website or whatever publication mechanism is deemed appropriate by the Modification Workgroup.</p>	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by originator)</i> <p>Until 2013 the Trading Unit Delivery Mode for all GSP Groups was almost always off-taking. However, during February 2014 GSP Group _P became a delivering Trading Unit in 37% of Settlement Periods. So far the phenomenon appears to have been even more prevalent this winter. We believe that, with the increase in embedded generation set to continue, 'flipping' Trading Unit Delivery Modes will occur more often, not only in GSP Group _P but possibly in other GSP Groups such as _L and _F.</p> <p>The Trading Unit Delivery Mode affects payments of BSUoS, Residual Cashflow Reallocation Cashflow (RCRC), ELEXON Net Main Costs and TLM, which can change from positive to negative. Therefore it can have an effect on customer bills under certain contractual arrangements such as pass-through of BSUoS. We suggest that, given this, customers should have access to information about the Trading Unit Delivery Mode. This will allow them to independently verify that their bills are correct. It will also allow them to make more informed decisions when deciding</p>	

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<p>between fixed or pass-through contracts. This Modification would therefore encourage competition in the energy market.</p> <p>By publishing the Trading Unit Delivery Mode there will be more opportunities for customers to check the calculations of their bills and make knowledgeable and informed decisions in the market.</p> <p>This proposal will also explicitly confirm something that can currently only be assumed by all Suppliers viz that if a TLM I <1 then the delivery mode is off-taking.</p>	
Impact on Code <i>(optional by originator)</i>	
Impact on Core Industry Documents or System Operator-Transmission Owner Code <i>(optional by originator)</i>	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by originator)</i>	
Impact on other Configurable Items <i>(optional by originator)</i>	
<p>Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by originator)</i></p> <p><i>Objective (b) The economic and co-ordinated operation of the National Electricity Transmission System:</i></p> <p>We believe that industry-wide there is a lack of knowledge about the impact of the Trading Unit Delivery Mode on embedded benefits. Publishing the Trading Unit Delivery Mode will make it easier for customers to engage with the market and make informed decisions about their generation or consumption.</p> <p>Knowledge of the Trading Unit Delivery Mode should send the right signals to encourage changes in behaviour. Generators, investors and developers should coordinate their generation, or their construction, to maximise their embedded benefit, and hence they will aid the balancing of the network.</p> <p>The flipping of the Trading Unit Delivery Mode is designed to provide a price signal to help better balance the network. However, whilst generators cannot predict or validate when this occurs, and given that knowledge of the process is insufficient, the price signals will not have any impact.</p> <p>Furthermore, investors in and developers of embedded generation will be able to make a more informed decision about the financial risks associated with connecting to certain GSP Groups. The</p>	

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<p>pattern of development of embedded generation will therefore be more likely to evolve in a way consistent with balanced outcomes.</p> <p><i>Objective (c) Promoting Effective Competition:</i></p> <p>Knowledge of the likelihood of changes to the Trading Unit Delivery Mode will make it easier for customers to make informed decisions about opting for fixed contracts or pass-through contracts. Suppliers have this information, so it is only fair that customers do too. However, because the information is either derived or part of a net BSUoS bill, it is not possible for Suppliers to point to an independent source of the data.</p> <p>Customers will be able to scrutinise their bills more effectively. This will help to boost their trust in their supplier and prevent misunderstandings arising between customers and suppliers.</p>	
<p>Is there a likely material environmental impact? <i>(mandatory by originator)</i></p> <p>No</p>	
<p>Urgency Recommended: Yes/No <i>(delete as appropriate) (optional by originator)</i></p> <p>No</p>	
<p>Justification for Urgency Recommendation <i>(mandatory by originator if recommending progression as an Urgent Modification Proposal)</i></p> <p>N/A</p>	
<p>Self-Governance Recommended: Yes/No <i>(delete as appropriate) (mandatory by originator)</i></p> <p>No</p>	
<p>Justification for Self-Governance Recommendation <i>(mandatory by originator if recommending progression as Self-Governance Modification Proposal)</i></p> <p>N/A</p>	
<p>Fast Track Self-Governance Recommended: Yes / No <i>(delete as appropriate) (optional by originator)</i></p> <p>No</p>	

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<p>Justification for Fast Track Self-Governance Recommendation <i>(mandatory by originator if recommending progression as Fast Track Self-Governance Modification Proposal)</i></p> <p>N/A</p>	
<p>Should this Modification Proposal be considered exempt from any ongoing Significant Code Reviews? <i>(mandatory by originator in order to assist the Panel decide whether a Modification Proposal should undergo a SCR Suitability Assessment)</i></p> <p>N/A – there are no on-going SCRs at this time</p>	
<p>Details of Proposer:</p> <p><i>Name: Colin Prestwich</i></p> <p><i>Organisation: SmartestEnergy Limited</i></p> <p><i>Telephone Number: 01473 234107</i></p> <p><i>Email Address: Colin-Prestwich@smartestenergy.com</i></p>	
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<p>Details of Representative’s Alternate:</p> <p><i>Name: Colin Prestwich</i></p> <p><i>Organisation: SmartestEnergy Limited</i></p> <p><i>Telephone Number: 01473 234107</i></p> <p><i>Email Address: Colin-Prestwich@smartestenergy.com</i></p>	
<p>Attachments: No <i>(delete as appropriate) (mandatory by originator)</i></p>	