

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

P329 'Changes to REMIT inside information reporting'

P329 proposes to align the BSC and Balancing Mechanism Reporting Service (BMRS) with the Regulation on Wholesale Energy Markets Integrity and Transparency (REMIT) common schemas for inside information web feeds, required by the Agency for the Cooperation of Energy Regulators (ACER)

To achieve this, the REMIT inside information data submitted by participants will be required to match the output requirements of ACER



ELEXON recommends P329 is progressed to the Assessment Procedure for an assessment by a Workgroup

This Modification is expected to impact:

- The Balancing Mechanism Reporting Agent (BMRA)
- The Transmission Company
- BSC Parties
- ELEXON



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About This Document

This document is an Initial Written Assessment (IWA), which ELEXON will present to the Panel on 10 December 2015. The Panel will consider the recommendations and agree how to progress P329.

There are two parts to this document:

- This is the main document. It provides details of the Modification Proposal, an assessment of the potential impacts and a recommendation of how the Modification should progress, including the Workgroup's proposed membership and Terms of Reference.
- Attachment A contains the P329 Proposal Form.

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1 Why Change?

Background

REMIT

The European Union (EU) Regulation on Wholesale Energy Markets Integrity and Transparency (REMIT) ([Regulation \(EU\) 1227/2011](#)) came into force in December 2011. It is aimed at preventing market abuse in the wholesale energy markets.

The guidance on REMIT from the Agency for the Co-operation of Energy Regulators (ACER) expressed a preference for this information to be published on central reporting platforms.

P291

SSE Energy Supply Ltd raised [P291 'REMIT Inside Information Reporting Platform for GB Electricity'](#) on 30 January 2013. P291 was approved by the Authority on 16 August 2013 and implemented on 31 December 2014. This made the [Balancing Mechanism Reporting Service \(BMRS\)](#) the common platform for publishing inside information on the electricity market in Great Britain (GB).

REMIT Implementing Regulation

The EU REMIT Implementing Regulation ([Regulation \(EU\) 1348/2014](#)) came into force in December 2014. It specifies the reporting of fundamental data and data relevant to the REMIT. The relevance to the BSC and the BMRS is specifically Article 10 (1), which states:

“Market participants disclosing inside information on their website or service providers disclosing such information on market participants’ behalf shall provide web feeds to enable the Agency to collect these data efficiently”.

What is the issue?

ACER has set out its expectation for standardised web feeds within its [REMIT Manual of Procedures on data reporting v3.0](#) along with the Extensible Markup Language (XML) Schema Definitions (XSDs) for the data. ACER states:

‘The Agency will start systematically collecting inside information through web feeds on the basis of the standards and electronic formats described in this Manual as of 7 April 2016 and would expect market participants disclosing inside information and service providers disclosing such information on market participants’ behalf to report the information through web feeds in the standards and electronic formats described in this Manual by 7 July 2016’.

As the national reporting platform BMRS, ACER will expect the BMRS to comply with the web feed and data reported to it. This Modification seeks to align the inside information on the BMRS to ACER’s XSD.

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Proposed solution

This Modification proposes to align the BSC and BMRS with the REMIT common schemas for inside information web feeds, required by the ACER.

To achieve this, the REMIT inside information data submitted by participants will be required to match the output requirements of ACER in accordance with the XSDs. This data will also be published as received from market participants on BMRS (via [Market Operation Data Interface System \(MODIS\)](#) or directly via the ELEXON portal).

BSC Parties will be ultimately responsible for both accuracy and timeliness of their REMIT messages, as at present.

It is envisaged that this Modification will require changes to the following sections of the BSC:

- Section Q 'Balancing Mechanism Activities'
- Section V 'Reporting' and
- Section X Annex X-1 'General Glossary'.

In addition, there will need to be changes to:

- the BMRS system
- Balancing Mechanism Reporting Agent (BMRA) Service Description
- BMRA User Requirements Specification (URS) and
- NETA Interface Definition and Design (IDD) Part 1 & 2.

Applicable BSC Objectives

The Proposer believes that P329 would better facilitate the achievement of **Applicable BSC Objectives (b), (c), (d) and (e)**. As set out below:

Applicable BSC Objective (e)

P291 could not be justified under **Applicable BSC Objective (e)**, as there was no legally binding requirement for the BSC to deliver the national platform. However, once the BSC became the means for delivering the national platform (that is, with approval of P291), any applicable regulations relating to REMIT are now relevant. As such there is a justification against **Objective (e)** so as to meet Article 10(1) of the EU REMIT Implementing Regulation.

If the BSC reporting platform for REMIT is not aligned with the requirements for central reporting to ACER then the platform is not fully delivering an inside information reporting platform for GB in manner required by ACER. This could undermine the use of the BSC platform as a central reporting platform for participants.



What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(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

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

(f) Implementing and administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

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Applicable BSC Objectives (c), (d) and (b) in line with P291

Because this Modification would align the BSC reporting with the REMIT requirements, and therefore maintain an incentive for participants to use it as a central reporting platform, it would better facilitate **Applicable BSC Objectives (c), (d) and (b)** for the same reasons as P291:

- **Objective (c)** - increased transparency may enable market participants to make more informed decisions, and the new platform could particularly benefit participants with fewer resources, which is likely to promote increased market participation and thus increase effective competition in the generation and supply of electricity as well as in its sale and purchase.
- **Objective (d)** - wide use of the platform may mean market participants are better informed and hence balance their positions more effectively, which may lead to more efficient balancing of the system by NGET.
- **Objective (b)** - if market participants are able to make more informed decisions to increased transparency, this in turn may result in the more efficient, economic and co-ordinated operation of the national electricity transmission system.

Applicable BSC Objective (d)

In addition, it would be more efficient to change the existing platform than to establish a different reporting platform to meet the latest REMIT requirements. Therefore this Modification is the most efficient way for the Authority to enforce the REMIT, and this efficiency benefit may also represent an additional justification against **Applicable BSC Objective (d)** on the grounds that aligning the BMRS with ACER's requirements would promote efficiency in the implementation of the balancing and settlement arrangements.

Implementation approach

ACER has announced a start date for the requirement of 7 July 2016. However, ELEXON had previously advised ACER that we would expect to need approximately 18 months from when the requirements were first known to progress and implement a Modification through to implementation. This is because it is necessary for a change to the BSC and BSC Systems to undergo the Modification process and implement within an appropriate timescale, which needs to also take in to consideration risks and costs.

ELEXON is in the process of rolling out Phase 3 of the new BMRS, which is planned for implementation on 15 March 2016. This must be considered in the development of the P329 implementation approach. In addition, ELEXON is in the process of transitioning to a new service provider in the summer 2016.

ACER confirmed its requirements on 30 September, which is also when it put in place the start date. Based on ELEXON's estimated 18 month timetable, this would result in an Implementation Date at the end of March 2017. However, subject to an assessment by the BSC Agents, ELEXON believes that it will be possible to implement on 23 February 2017 as part of the February 2017 BSC Systems Release. We have advised both ACER and Ofgem of this, neither has raised a concern.

An Impact Assessment will better inform the recommendations for an implementation approach. Any recommendation on the implementation approach will need to take into consideration the available resource, risks (to the implementation of this Modification and

of other changes already approved or targeted for release around the same time) and any costs that would be associated with accelerating implementation. If the impact assessment indicates that we can implement earlier (on 3 November 2016 as part of the November 2016 BSC Systems Release or at another time as a Standalone Release) without undue risk this can be taken into account by the Workgroup.

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3 Areas to Consider

In this section we highlight areas which we believe the Panel should consider when making its decision on how to progress this Modification Proposal, and which a Workgroup should consider as part of its assessment of P329. We recommend that the areas below form the basis of a Workgroup's Terms of Reference, supplemented with any further areas specified by the Panel.

Areas to consider

The table below summarises the areas we believe a Modification Workgroup should consider as part of its assessment of P329:

Areas to Consider
What are the system requirements? This should include the non-functional requirements.
Does implementation later than 7 July 2016 have any effect (e.g. BSC Parties will need to comply with the REMIT Implementation Regulation from 7 July 2016)?
What changes are needed to BSC documents, systems and processes to support P329 and what are the related costs and lead times?
Are there any Alternative Modifications?
Does P329 better facilitate the Applicable BSC Objectives than the current baseline?

What are the system requirements?

ACER has provided its expectation for standardised web feeds within its REMIT Manual of Procedures on data reporting v3.0, along with the XSDs for the data. As such, the requirements are already defined. Since ACER has defined the requirements, ELEXON has identified its High Level Requirements, which include our non-functional requirements.

We consulted with the Proposer on the requirements and have issued them for impact assessment to our service providers. This was possible because ACER had defined the underlying requirements, and we considered that proceeding in this way would facilitate progression of P329 in the most efficient and effective manner.

However, we believe that it would be useful and transparent for a Workgroup to consider the requirements, to ensure they have been fully captured and understood, and to have a chance to comment on the non-functional requirements. Similarly consultation as part of the Assessment Procedure will give the wider industry a chance to comment.

Are there any Alternative Modifications?

The P329 Workgroup should not be fettered in determining whether there are Alternative Modifications. However, any solution must ensure that the REMIT inside information data submitted by participants matched the output requirements of ACER in accordance with the XSDs. In addition, this data must be published on the BMRS as received from market participants. These participants will be ultimately responsible for both accuracy and timeliness of their REMIT messages.

A BSC Party is intending to raise an Issue to look at event history and profile for REMIT reporting of availability. As such, we expect any innovations and improvements to BMRS

associated with REMIT to be considered separately and for the focus of P329 to be on delivering ACER's requirements.

In any case, development of any Alternative Modification should be in line with the agreed P329 progression timetable, as for any Modification.

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Progression Plan

We believe that P329 should go into an Assessment Procedure so that a Workgroup can consider the areas outlined in Section 3.

The Proposer is not requesting that P329 is progressed as a Self-Governance Modification Proposal. However, P329 has no material impact on consumers, competition, the Transmission System and/or BSC governance. There will be no impact on Parties beyond what they are already required to implement under the EU REMIT Implementing Regulation. We therefore believe that this Modification Proposal meets the Self-Governance Criteria.

The Proposer believes that P329 has no interaction with any on-going Significant Code Reviews (SCRs). We concur with this view.

Workgroup membership

We recommend that membership of the P329 Workgroup should comprise of members from the [BMRS User Group](#) and the P291 Workgroup, along with any other relevant experts and interested parties.

Timetable

We recommend that P329 undergoes a two month Assessment Procedure, with the Assessment Report being presented to the Panel at its meeting on 11 February 2016. As ACER has defined the requirements, we believe that this can be achieved by centrally impact assessing prior to the Workgroup's first meeting and consulting with the Workgroup on ELEXON's High Level Requirements. The first meeting may be via teleconference, depending on the amount of material for consideration, the Workgroup's views on the requirements, and members' availability. This will allow time for the proposed solution to be developed before the Workgroup issues its 15 Working Day (WD) industry consultation, as well as for the Workgroup to fully assess the areas outlined in Section 3.

What is the Self-Governance Criteria?

A Modification that, if implemented:

- (a) is unlikely to have a material effect on:
 - (i) existing or future electricity consumers; and
 - (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
 - (iii) the operation of the national electricity transmission system; and
 - (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
 - (v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

Proposed Progression Timetable for P329	
Event	Date
Present Initial Written Assessment to Panel	10 Dec 15
Issue High Level Requirements to Workgroup ¹	10 Dec 15
Workgroup Meeting 1	W/B 14 Dec 15
Assessment Procedure Consultation (15WD)	21 Dec 15 – 13 Jan 16
Workgroup Meeting 2	W/B 18 Jan 16
Present Assessment Report to Panel	11 Feb 16
Report Phase Consultation (10WD)	12 – 26 Feb 16
Present Draft Modification Report to Panel	10 Mar 16

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¹ Requirements will be issued to WG members as soon as they join the Workgroup.

Proposed Progression Timetable for P329

Event	Date
Publish Final Modification Report <i>(progressed as Self-Governance)</i>	11 Mar 16
15 WD Appeal Window <i>(progressed as Self-Governance)</i>	11 Mar – 5 Apr 16

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5 Likely Impacts

Impact on BSC Parties and Party Agents

Party/Party Agent	Potential Impact
BSC Parties	BSC Parties' REMIT systems that interface with BMRS will be impacted, the extent of which will be explored through an industry consultation. BSC Parties will be ultimately responsible for both accuracy and timeliness of their REMIT messages.

Impact on Transmission Company

National Grid's MODIS system that interfaces with BMRS will be impacted, the extent of which will be explored through a Transmission Company Impact Assessment.

Impact on BSCCo

Area of ELEXON	Potential Impact
Release Management	ELEXON will be required to implement this Modification.

Impact on BSC Systems and processes

BSC System/Process	Potential Impact
BMRA/BMRS	The BMRS will be updated to align with the new requirements. The full impacts will be identified and assessed through an impact assessment during the Assessment Procedure.

Impact on Code

Code Section	Potential Impact
Section Q	Changes will be required to implement the solution.
Section V	
Section X Annex X-1	

Impact on Code Subsidiary Documents

CSD	Potential Impact
BMRA Service Description	Changes will be required to implement the solution.
BMRA URS	
NETA IDD Part 1 and Part 2	

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Other Impacts	
Item impacted	Potential Impact
European Transparency Regulation (ETR) – National Grid (NG)-Market Interface Specification	This is likely to be impacted

6 Recommendations

We invite the Panel to:

- **AGREE** that P329 progresses to the Assessment Procedure
- **AGREE** the proposed Assessment Procedure timetable
- **AGREE** the proposed membership for the P329 Workgroup and
- **AGREE** the Workgroup's Terms of Reference.

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronym	
Acronym	Definition
ACER	Agency for the Cooperation of Energy Regulators
BM	Balancing Mechanism
BMRA	Balancing Mechanism Reporting Agent (<i>BSC Agent</i>)
BMRS	Balancing Mechanism Reporting Service (<i>BSC System</i>)
BSC	Balancing and Settlement Code (<i>Industry Code</i>)
ETR	European Transparency Regulation
EU	European Union
GB	Great Britain
IDD	Interface Definition and Design (<i>Code Subsidiary Document</i>)
IWA	Initial Written Assessment
MODIS	Market Operation Data Interface System (<i>NG's transparency system</i>)
NG	National Grid
REMIT	Regulation on Wholesale Energy Markets Integrity and Transparency
RSS	Rich Site Summary
SCR	Significant Code Reviews
URS	User Requirements Specification (<i>Code Subsidiary Document</i>)
WD	Working Day
XML	Extensible Markup Language
XSD	XML Schema Definitions

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
3	EU legislation page on the ACER website	http://www.acer.europa.eu/the_eu_energy_market/legislation/Pages/default.aspx
3	P291 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p291/
3	BMRS on the BM Reports website	http://www.bmreports.com/

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External Links		
Page(s)	Description	URL
3	ACER public documentations on the ACER website	https://www.acer-remit.eu/portal/public-documentation
4	MODIS on the National Grid's webpage	http://www2.nationalgrid.com/UK/Industry-information/Europe/ETR-E-Modis/
7	The BMRS User Group page on the ELEXON website	https://www.elexon.co.uk/change/new-balancing-mechanism-reporting-service-bmrs/

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