

Report Phase Consultation Responses

P336 'Fuel types on the BMRS'



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

This Report Phase Consultation was issued on 11 March 2016, with responses invited by 5 April 2016.

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
Drax	1 / 0	Generator
British Gas	1 / 0	Supplier
Everis obo ScottishPower	8 / 0	Generator, Distributor, Non Physical Trader, ECVNA, MVRNA
EDF Energy	8 / 0	Generator, Supplier
National Grid	1 / 0	Transmission Company

P336
Report Phase Consultation
Responses

6 April 2016

Version 1.0

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Question 1: Do you agree with the Panel's initial unanimous recommendation that P336 better facilitates the Applicable BSC Objectives compared to the current baseline?

Summary

Yes	No	Neutral/No Comment	Other
4	1	0	0

Responses

Respondent	Response	Rationale
Drax	Yes	<p>The generation mix is changing and will continue to do so over the next decade. The BMRS must be flexible to keep pace with this change.</p> <p>Currently, a Code Modification is required each time the list of fuel types, under Section Q of the BSC, needs updating. Therefore allowing the Panel to approve or remove fuel types without the need for a Code Modification is a more efficient and less costly process than the baseline. This better facilitates Applicable BSC Objective (ABO) (d).</p> <p>As noted in the P336 Report Phase Consultation, there has been a recent increase in the level of biomass generation and therefore this should now be added to the BMRS as a specific category. The granularity that will rise through the breakdown of the 'Other' category will provide better quality information to market participants and will help improve the operation of the Transmission System. Therefore P336 better facilitates ABO (b).</p> <p>Furthermore, the introduction of 'Biomass', and other fuel reporting categories in future, will better facilitate ABO (c) by increasing information transparency and improving market information thereby promoting effective competition.</p>
British Gas	Yes	-
Everis obo ScottishPower	Yes	<p>We agree with the Panel that the Proposed Modification better achieves Applicable Objectives b,c, and d for broadly the same reasons. Information available at a suitably granular level will help decision making and should feed into self-balancing actions. Allowing the Panel to set future fuel types is clearly more efficient than requiring a Modification each time.</p>
EDF Energy	No	In principle, we fully support the prompt reporting

Respondent	Response	Rationale
		of electricity flow data on BMRS by "Fuel Type Category", and flexibility in the BSC for future reporting categories. This should help promote competition by providing greater transparency of market information. However, firm benefits are difficult to quantify, and the likely central implementation cost total is £446,000 not including any cost incurred by participants in processing the data reported. We are concerned that this cost is excessive, and without clearer benefits the proposal cost is not justified.
National Grid	Yes	<p>We agree that P336 would better facilitate the following Applicable BSC</p> <p>Objectives:</p> <ul style="list-style-type: none"> • <u>Applicable BSC Objective (b)</u>: The provision of better quality information should improve self-balancing by market participants which should, in turn, improve the operation of the Transmission System. • <u>Applicable BSC Objective (c)</u>: An increase in information transparency and availability of improved market information to all participants should promote effective competition in the generation and supply of electricity. • <u>Applicable BSC Objective (d)</u>: Allowing the Panel to approve any further fuel type categories without the need to progress a Modification would be more efficient and less costly than the current process, while still ensuring such developments remain under the Panel's authority.

Question 2: Do you agree with the Panel's initial unanimous view that P336 should be treated as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
4	0	0	1

Responses

Respondent	Response	Rationale
Drax	Yes	This Modification seeks to expand the list of fuel types reported on the BMRS. This will have no material impact on any of the areas listed under the Self-Governance Criteria. We therefore consider that this Modification should be progressed as a Self-Governance Modification.
British Gas	Yes	No material impact
Everis obo ScottishPower	Yes	We believe it meets the criteria.
EDF Energy	-	It is not clear that costs approaching £0.5m are immaterial for electricity consumers.
National Grid	Yes	We agree that P336 should be treated as a Self-Governance Modification as it meets the Self-Governance Criteria: it has no material impacts on participants or completion and it is unlikely to discriminate between different classes of Parties.

Question 3: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P336?

Summary

Yes	No	Neutral/No Comment	Other
4	0	0	1

Responses

Respondent	Response	Rationale
Drax	Yes	These redlined changes deliver the intention of the Modification.
British Gas	Yes	-
Everis obo ScottishPower	Yes	-
EDF Energy	-	Revision of the legal text at 6.1.18 to allow the Panel to approve, amend or remove Fuel Type Categories more generally in future makes existing sub-clause (l) concerning further External Interconnection redundant, and the proposed text added to sub-clause (l) only confuses. "(l) each further External Interconnection approved as a further category by the Panel as at the Relevant Implementation Date for Modification Proposal P336 (after such consultation with Parties and interested third parties as the Panel considers necessary) from time to time; " We think sub-clause (l) can be removed.
National Grid	Yes	We agree that the draft legal text delivers the intention of P336 and we also support the approach to allow the Panel to approve any additional fuel types not currently listed as a fuel type category without the need for a Modification (and also allow the Panel to remove any outdated fuel types that are no longer used in the same way). This would make any future similar changes easier and quicker. However, for the avoidance of doubt and in relation to the answers below, an NGET IA would still be required in the event of any changes.

Question 4: 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
Drax	Yes	<p>We are disappointed with the length of the implementation period.</p> <p>However, we understand National Grid is considering whether a revised implementation date of February 2017 is possible, which would be a positive outcome. It is requested that National Grid provide certainty on whether the earlier timeline is possible as soon as reasonably practical.</p>
British Gas	Yes	-
Everis obo ScottishPower	Yes	-
EDF Energy	Yes	<p>The implementation timescale seems very long for what might be expected to be relatively minor change to central system functionality. However, implementation on 2 November 2017 provides plenty of time for participants to change their internal interfaces and processing if necessary.</p>
National Grid	Yes	<p>National Grid will be in a position to support addition of "Biomass" as a new fuel type category by amending Electricity Balancing System (EBS) along with its other impacted IT systems. The implementation timelines associated to this change can be aligned to EBS release 2, which is planned in April 2017.</p> <p>However, implementing additional functionality to "Add" and "Delete" a new fuel type category will require further analysis. This change is dependent on the fuel characteristics and associated validation rules, and involves code changes in EBS and the other National Grid IT systems. Since it is impossible to predict the characteristics of a new fuel type, further analysis is required to ascertain the level of technical feasibility and delivery timeline for a more flexible solution to add and delete fuel types. This further analysis could be provided after EBS go-live</p>

Respondent	Response	Rationale
		and by April 2017.

Question 5: Will P336 impact your organisation?

Summary

Yes	No	Neutral/No Comment	Other
2	2	1	0

Responses

Respondent	Response	Rationale
Drax	No	There will be no direct impact on Drax, but there will be a benefit to the market as a whole in terms of efficiency and transparency (see answer to Question 1).
British Gas	-	-
Everis obo ScottishPower	No	-
EDF Energy	Yes	We would need to check whether our interfaces to BMRS or internal processes would need change as a result of adding or changing Fuel Type Categories. We expect any changes to be minor.
National Grid	Yes	<p>As part of a major system transformation, National Grid is in the process of replacing its legacy Balancing Mechanism (BM) system with a modern Electricity Balancing System (EBS). Due to the operational criticality of this Critical National Infrastructure (CNI) system, EBS is currently under a complete "change- freeze", to allow time to safeguard its delivery with a stability period until early 2017. Until then, no changes in EBS are being accepted.</p> <p>The changes proposed in P336 primarily impacts National Grid Registration System, which will now be replaced by EBS Registration System. The solution to implement functionality to "Add" and "Delete" a new fuel type category in EBS, would need further analysis, since it involves optimising the system validation rules within EBS. For example, if a new fuel type with completely new characteristics is discovered, this will mean that the EBS optimiser profile rules that sets Maximum Export Limit (MEL) and Maximum Import Limit (MIL) based on fuel characteristics will need amendments, in order to take into account the new characteristics of this new fuel type. This will then involve series of integration testing cycles, to cover all internal and</p>

Respondent	Response	Rationale
		<p>external systems impacted by this change.</p> <p>In order to deliver the P336 requirement before November 2017, National Grid can introduce "Biomass" as a new fuel type category and implement associated changes in its IT systems. This would require changes to registration and validation functionality in EBS and the Market Operation Data Interface System (MODIS), along with other National Grid IT systems. These will require data validation and thorough integration testing, along with the external systems. Also, as a result of this change, the existing documentation referring to the fuel types and IT systems will have to be updated.</p>

Question 6: Will your organisation incur any costs in implementing P336?

Summary

Yes	No	Neutral/No Comment	Other
2	3	0	0

Responses

Respondent	Response	Rationale																		
Drax	No	We do not envisage any costs being incurred, IT or otherwise.																		
British Gas	No	-																		
Everis obo ScottishPower	No	-																		
EDF Energy	Yes	As for response to Question 5, there would be some costs checking interfaces and revising internal processes where necessary, but we think these would be minor.																		
National Grid	Yes	<p>The cost of introducing Biomass as a new fuel type and implementing the functionalities around it would incur an estimated £200k, including the risk margin. In this case, no impact expected on the ongoing operating cost of National Grid IT systems.</p> <p>Following is the high-level cost breakdown:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Particulars</th> <th>Cost (£ in k)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Code and configuration changes in IT systems</td> <td>127</td> </tr> <tr> <td>2</td> <td>Integration testing</td> <td>10</td> </tr> <tr> <td>3</td> <td>Governance, analysis and documentation</td> <td>30</td> </tr> <tr> <td>4</td> <td>Risk margin</td> <td>33</td> </tr> <tr> <td colspan="2">Total</td> <td>200</td> </tr> </tbody> </table> <p>This cost assessment is a refinement from the previously provided estimate, since it is based on a more informed analysis and cost approximation provided by the solution suppliers.</p> <p>NOTE: This is a high-level estimate of the cost of implementing the option of introducing "Biomass" as a new fuel type. In order to deliver this solution in the most economical way, National Grid plans to deliver it within the remit of on-going projects, to avoid the cost of establishing and running a separate project team specifically for this change.</p>	No.	Particulars	Cost (£ in k)	1	Code and configuration changes in IT systems	127	2	Integration testing	10	3	Governance, analysis and documentation	30	4	Risk margin	33	Total		200
No.	Particulars	Cost (£ in k)																		
1	Code and configuration changes in IT systems	127																		
2	Integration testing	10																		
3	Governance, analysis and documentation	30																		
4	Risk margin	33																		
Total		200																		

Question 7: Do you have any further comments on P336?

Summary

Yes	No
3	2

Responses

Respondent	Response	Comments
Drax	No	-
British Gas	No	-
Everis obo ScottishPower	Yes	While the legal drafting does deliver the intent of the modification, it does seem a bit "clunky" to do it in this manner. The drafting of Section Q lists the fuel categories at a specific point in time (implementation date) and effectively says "these and any others approved since then". While this is one way to do it, it might be confusing for new or inexperienced Parties or other interested parties when they come to review this list in years to come. As this list will be frozen, the Party would need to look elsewhere for a current list. Would it be a more efficient outcome to remove the list entirely from the BSC, moving it to a CSD and reference the location in Section Q?
EDF Energy	Yes	We are surprised that the cost for an apparently minor change to reporting is so high (£446,000), and the timescale for implementation so long (2 November 2017). We understand how even minor changes to software can be expensive if undertaken in short timescales, but we would not expect such high cost together with long timescale simply for the addition of a new fuel category.
National Grid	Yes	This assessment assumes that there will not be any changes to the format of the settlement report files, such as SAA-I014. Therefore, interface systems related to National Grid IT systems, including but not limited to TIBCO and LIMS data feeds, will not be impacted.