

P336 'Fuel types on the BMRS'

P336 proposes to expand the list of generation fuel types reported on the BMRS to include a new 'biomass' category. It will also allow the Panel to amend the list of fuel types in the future without needing a Modification.



The BSC Panel initially recommends **approval** of P336

This Modification is expected to impact:

- The Transmission Company
- The Balancing Mechanism Reporting Agent (BMRA)

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

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Contact**David Kemp**

020 7380 4303

david.kemp@elexon.co.uk

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About This Document

This is the P336 Draft Modification Report, which ELEXON will present to the Panel at its meeting on 14 April 2016. It includes the responses received to the Report Phase Consultation on the Panel's initial recommendations. The Panel will consider all responses, and will agree a final determination under Self-Governance on whether the change should be made.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach.
- Attachment A contains the draft redlined changes to the BSC for P336.
- Attachment B contains the full responses received to the Panel's Report Phase Consultation.

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Why Change?

The generation mix within Great Britain is changing. However, the list of generation fuel types reported on the Balancing Mechanism Reporting Service (BMRS) is listed in the BSC, and so requires a Modification each time this list needs to change. The Proposer notes the recent increase in the level of biomass generation and believes this fuel type needs to be added to the BMRS as a specific category. They also believe it would be more efficient if the Panel could approve or remove any fuel type category reported on the BMRS without needing to raise a Modification each time.

Solution

P336 would add 'biomass' as a specific generation fuel type reported on the BMRS. It would also allow the Panel to approve the addition or removal of generation fuel types in the future without needing to raise a Modification.

Impacts & Costs

P336 is not expected to require any implementation effort for any participants.

P336 will impact the Balancing Mechanism Reporting Agent (BMRA), with central costs of approximately £46,000. There will also be impacts on the Transmission Company, with estimated costs of approximately £200,000.

Implementation

P336 is proposed for implementation on **2 November 2017** as part of the November 2017 BSC Systems Release.

Recommendation

The Panel initially unanimously believes that P336 would better facilitate Applicable BSC Objectives (b), (c) and (d) and so should be **approved**. It also unanimously agreed that P336 should be progressed as a Self-Governance Modification.

Reporting generation by fuel type on the BMRS

The BMRS is the primary channel for providing operational data relating to the Great Britain electricity balancing and settlement arrangements. Data reported in the BMRS currently includes historical generation, actual generation and forecast generation data. For some of these reports, the data is broken down by the primary generation fuel type, and the fuel types that need to be reported are listed in [BSC Section Q6.1.18](#). Any fuel types not included on this list are included under a catch-all 'other' category.

Approval of new External Interconnection flows

Approved Modification [P244 'Provision of BritNed flow data to the BMRS'](#) allows the BSC Panel to approve new External Interconnection flows as further fuel type categories without the need to amend the BSC. These provisions were utilised in 2012 to add the East-West Interconnector as a fuel type category on the BMRS ([Panel 194/04](#)).

However, this provision is limited to new External Interconnection flows only, and does not allow other fuel types to be approved in the same way. Therefore, the addition of any other fuel types requires a corresponding change to the BSC, meaning a Modification needs to be progressed.

What is the issue?

The generation mix within Great Britain is changing. For example, two generating units at Drax have now been converted to run off biomass, with a third expected in late 2016, comprising around 2GW of generation. However, there is no specific 'biomass' fuel type category reported on the BMRS. As a result, the output from these generating units is being allocated to the 'other' category. The Proposer believes that the volume of biomass generation is large enough that it should be reported as a separate fuel type rather than included under 'other', noting that at times the level of biomass generation can exceed that of wind generation.

The Proposer also highlights the provisions introduced by P244 for External Interconnection flows. They believe it would be more efficient if the Panel could approve or remove any fuel type category in this way, allowing the BMRS to adapt to the changes in the generation mix. This would prevent the need for a separate Modification each time a participant believes another fuel type category should be added.

Proposed solution

[P336 'Fuel types on the BMRS'](#) was raised by Drax Power Limited on 29 February 2016. It proposes to expand the list of generation fuel types reported on the BMRS to include a new 'biomass' category.

Alongside this, this Modification seeks to extend the existing provisions for new External Interconnection flows to allow the Panel to approve any additional fuel types not currently listed as a fuel type category without the need for a Modification. It would also allow the Panel to remove any outdated fuel types that are no longer used in the same way. We note that a consequential Change Proposal (CP) would still need to be progressed to amend the flow used by the Transmission Company to submit the relevant data to the BMRS, but this could be progressed as Housekeeping CP following the Panel's approval.

Legal text

The proposed changes to the BSC to deliver P336 can be found in Attachment B.

Applicable BSC Objectives

The Proposer believed P336 would better facilitate the following Applicable BSC Objectives:

- **Applicable BSC Objective (b):** The provision of better quality information should improve self-balancing by market participants which should, in turn, improve the operation of the Transmission System.
- **Applicable BSC Objective (c):** 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.
- **Applicable BSC Objective (d):** 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.



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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Estimated central implementation costs

The central implementation costs for P336 are approximately £46,000. These costs are required to make the necessary changes to the BMRA systems and the BMRS. There will be no on-going costs associated with this change.

Alongside this, National Grid, as the Transmission Company, will incur costs of approximately £200,000. These arise from it needing to amend its systems and the corresponding flows issued to the BMRA to include the new 'biomass' category. National Grid has revised its cost estimate down from the £400,000 originally provided when P336 was first raised.

Industry costs and impacts

P336 may have a minor impact on any participants that have elected to receive the BMRS information via the TIBCO feed, as the biomass category would be added to the information issued in this way. Otherwise, this Modification is not expected to impact any BSC Parties or Party Agents.

Only one respondent to the Report Phase Consultation other than the Transmission Company noted any potential impact, highlighting that they would need to check whether their interfaces to the BMRS would need amending. They believed any costs and impacts of such changes would be minor.

P336 impacts

Impact on BSC Parties and Party Agents

Possible minor impact on TIBCO feed recipients, otherwise no impact is expected.

Impact on Transmission Company

The Transmission Company will be required to include 'biomass' as a specific category in any data it submits to the BMRA that provides generation information split by fuel type.

Impact on BSCCo

No impact is expected.

Impact on BSC Systems and processes

BSC System/Process	Impact
BMRA/BMRS	The BMRA will be required to add the 'biomass' category to any graphs or reports on the BMRS that provide generation information split by fuel type.

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Impact on Code	
Code Section	Impact
Section Q	Changes will be required to implement this Modification. <i>The proposed changes can be found in Attachment B</i>

Impact on Code Subsidiary Documents	
CSD	Impact
NETA IDD Part 1	Changes will be required to implement this Modification.

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Recommended Implementation Date

We recommend that, if approved, P336 should be implemented on **2 November 2017** as part of the November 2017 BSC Systems Release. However, it may be possible to bring this date forward.

The lead time for P336 is being driven by the changes required to National Grid's systems, in particular to its forthcoming Electricity Balancing System (EBS). The EBS is currently subject to a change freeze prior to its implementation in late 2016, and so cannot accept P336 into the baseline being prepared for release at this time. National Grid would then like to allow time to safeguard the delivery and resolve any post-go-live fixes before including P336 in a subsequent EBS release. It also notes that other regulatory changes such as those required for the forthcoming Capacity Allocation and Congestion Management (CACM) regulation would need to be prioritised following the EBS being implemented.

In its original assessment, National Grid believed it would not be able to implement the EBS changes for P336 before September 2017. This would mean that the November 2017 Release would be the next available BSC Systems Release after this time. National Grid has since noted in its Report Phase Consultation response that it would be in a position to add the 'biomass' category to the proposed second EBS release in April 2017. However, it needs to further analyse the changes required to include more flexible functionality to add or remove further fuel types, as different fuel types would require different validation rules within the EBS. We will seek further information on this and will update the Panel at its meeting on 14 April 2016.

Panel's considerations on P336

The Panel noted that this Modification would not just add the 'biomass' fuel type category but would also introduce flexibility to add or remove further fuel types. It was confirmed that the system changes for P336, including those to the EBS, would account for this flexibility. One Member queried whether any delay to the implementation of the EBS could mean having to move the Implementation Date for P336. We confirmed this would likely be the case.

One Member asked what the definition of 'biomass' would be. Another Member responded that this would be a broad definition, and would cover both dedicated biomass generation as well as generation converted to biomass. They also felt there may be a need for more granular reporting in the future.

Panel's initial recommendations

Applicable BSC Objectives

The Panel unanimously agreed that P336 **would better facilitate Applicable BSC Objectives (b), (c) and (d)** for the same reasons given by the Proposer in Section 3.

The Panel therefore initially unanimously recommended that **P336 should be approved**.

Self-Governance

The Panel unanimously agreed that P336 would meet the Self-Governance Criteria as there would be no material impact on participants or competition. It therefore believed that **P336 should be progressed as a Self-Governance Modification**.

Legal text

The Panel unanimously agreed that the draft redlined changes to the BSC in Attachment A deliver the intention of P336.

Implementation Date

The Panel unanimously agreed with the recommended Implementation Date of 2 November 2017 as part of the November 2017 Release, as put forward in Section 5.



What are 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.

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7 Report Phase Consultation Responses

This section summarises the responses to the Panel's Report Phase Consultation on its initial recommendations. You can find the full responses in Attachment B.

Summary of P336 Report Phase Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Panel's initial unanimous recommendation that P336 better facilitates the Applicable BSC Objectives compared to the current baseline?	4	1	0	0
Do you agree with the Panel's initial unanimous view that P336 should be treated as a Self-Governance Modification?	4	0	0	1
Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P336?	4	0	0	1
Do you agree with the Panel's recommended Implementation Date?	5	0	0	0
Will P336 impact your organisation?	2	2	1	0
Will your organisation incur any costs in implementing P336?	2	3	0	0
Do you have any further comments on P336?	3	2	0	0

Respondents' views on P336

Four of the five respondents agreed with the Panel that P336 would better facilitate Applicable BSC Objectives (b), (c) and (d) for broadly the same reasons. The fifth respondent supported P336 in principle, noting it would improve flexibility and transparency, but felt that the benefits of the Modification would likely be outweighed by the significant central costs. They therefore believe that P336 should not be approved.

Respondents' views on Self-Governance

No respondents disagreed with the Panel's view that P336 should be progressed as a Self-Governance Modification, believing that the Criteria would be met. However, one respondent did not think it was clear that the significant central costs of the change would be immaterial for consumers.

Respondents' views on the Implementation Date

All five respondents agreed with the proposed Implementation Date of the November 2017 Release, although two respondents noted this seemed a long lead time for what should be a simple change.

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As highlighted in Section 5, the Transmission Company, in its response to the Report Phase Consultation, noted it would be in a position to add the 'biomass' category to the proposed second EBS release in April 2017. However, it needs to further analyse the changes required to include more flexible functionality to add or remove further fuel types, as different fuel types would require different validation rules within the EBS. We will seek further information on this and will update the Panel at its meeting on 14 April 2016.

Respondents' comments on the redlined changes

No respondents disagreed with the proposed changes to the BSC to deliver P336. Two respondents did provide suggested amendments to improve the clarity of the legal text. We have made some minor clarification changes to the proposed legal text in response to these, and these can be seen in Attachment A.

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8 Recommendations

We invite the Panel to:

- **AGREE** that P336:
 - **DOES** better facilitate Applicable BSC Objective (b);
 - **DOES** better facilitate Applicable BSC Objective (c); and
 - **DOES** better facilitate Applicable BSC Objective (d);
- **DETERMINE** (in the absence of any Authority direction) that P336 is a Self-Governance Modification Proposal;
- **APPROVE** P336;
- **APPROVE** an Implementation Date of 2 November 2017;
- **APPROVE** the draft legal text; and
- **APPROVE** the P336 Modification Report.

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Appendix 1: Glossary & References

Acronyms

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

Acronym	
Acronym	Definition
BMRA	Balancing Mechanism Reporting Agent (<i>BSC Agent</i>)
BMRS	Balancing Mechanism Reporting Service
CACM	Capacity Allocation and Congestion Management
CP	Change Proposal
EBS	Electricity Balancing System
SCR	Significant Code Review

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
4	BSC Sections page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/
4	P244 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p244-provision-of-britned-flow-data-to-the-bmrs/
4	Panel 194 page on the ELEXON website	https://www.elexon.co.uk/meeting/bsc-panel-194/
5	P336 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p336/

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