

# Assessment Procedure Consultation Responses



## Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

## P356 'Aligning the BSC with Grid Code Modification GC0099 "Establishing a common approach to interconnector scheduling consistent with the single intraday market coupling processes set out within Regulation (EU) 2015/1222 (CACM)'"

This Assessment Procedure Consultation was issued on 9 October 2017, with responses invited by 30 October 2017.

### Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
BritNed Development Limited	1	Interconnector Owner and Interconnector Operator
Drax Power Limited	1	Generator
ElecLink Limited	1	Prospective Interconnector Administrator/Interconnector Error Administrator
National Grid Electricity Transmission Plc.	1	The Transmission Company
National Grid Interconnectors	3	Interconnector Owner, Interconnector Administrator
Nemo Link	1	Prospective Interconnector
Scottish Power	1	Generator; Interconnector User; ECVNA; and MVNA

P356  
Assessment Consultation  
Responses

31 October 2017

Version 1.0

Page 1 of 14

© ELEXON Limited 2017

Question 1: Do you agree with the Workgroup's initial unanimous view that P356 does better facilitate the Applicable BSC Objectives than the current baseline, and so should be approved?

## Summary

Yes	No	Neutral/No Comment	Other
5	1	0	1

## Responses

Respondent	Response	Rationale
BritNed Development Limited	N/A	BritNed wrote to ELEXON in respect to the P356 consultation. A transposition of their letter is at Annex1
Drax Power Limited	Yes	We agree that the modification has merit and better facilitates BSC Applicable Objectives. In particular objective C and E in promoting effective competition whilst facilitating greater harmonisation of arrangements in line with the Third Package and specific Network Codes. In our view the Mod achieves this in the most efficient way which satisfies BSC Objectives A and B.
ElecLink Limited	Yes	No rationale provided
National Grid Electricity Transmission Plc.	Yes	No further comments in addition to those set out in the Assessment Procedure consultation report.
National Grid Interconnectors	No	Not as the text currently stands. It would not be efficient (objective d) to set a fixed time limit for file submission when the file requires submission 24 times per day on intraday timescale and relies on three systems and the internet for communication. A best endeavours clause should be added to protect Interconnector Owners against external issues such as internet delays which they are not able to reasonably control.  Also the legal text incorrectly states the deadline as 5 minutes, whereas the Grid Code states 10 minutes.
Nemo Link	Yes	We agree clarification of desirable operational requirements should be defined in the codes, but due consideration should be given to interconnector system risks and interconnector parties shouldn't be put in a position where they face being in breach of codes for circumstances outside their control.
Scottish Power	Yes	P356 will better facilitate Applicable Objective E by ensuring Compliance with the Electricity Regulation. By helping facilitate cross-border trade, P356 will better facilitate competition – Applicable Objective C. By aligning the BSC with CACM, P356 will better enable NGET to comply with its obligations under its Transmission Licence – Objective A.

Question 2: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P356?

## Summary

Yes	No	Neutral/No Comment	Other
4	2	0	1

## Responses

Respondent	Response	Rationale
BritNed Development Limited	N/A	BritNed wrote to ELEXON in respect to the P356 consultation. A transposition of their letter is at Annex1
Drax Power Limited	Yes	The legal text delivers an appropriate solution that delivers the intent of P356. In this context it fulfils BSC objective A Efficient discharge by NGET of obligations imposed by the Transmission Licence and B - Efficient, economic and co-ordinated operation of the Transmission System.
ElecLink Limited	Yes	No rationale provided
National Grid Electricity Transmission Plc.	Yes	It is NGET's view that the draft legal text delivers the intention of P356. NGET's views on the impact of this change on the Applicable BSC Objectives are as set out in the Assessment Procedure consultation report.
National Grid Interconnectors	No	Not as the text currently stands. It would not be efficient (objective d) to set a fixed time limit for file submission when the file requires submission 24 times per day on intraday timescale and relies on three systems and the internet for communication. A best endeavours clause should be added to protect Interconnector Owners against external issues such as internet delays which they are not able to reasonably control.  Also the legal text incorrectly states the deadline as 5 minutes, whereas the Grid Code states 10 minutes.
Nemo Link	No	We believe the inclusion of "best endeavours" in the legal text would be a fair and appropriate change. This has the effect of providing interconnectors with clarified requirements but does not expose interconnectors to breach of codes and licence where the requirement is not met for reasons outside their control.
Scottish Power	Yes	We agree that the draft legal text will deliver the intention of P356.

Question 3: Do you agree that there are no other potential Alternative Modifications within the scope of P356 that would better facilitate the Applicable BSC Objectives compared to the Proposed Modification?

## Summary

Yes	No	Neutral/No Comment	Other
3	2	0	2

## Responses

Respondent	Response	Rationale
National Grid Interconnectors	No	<p>Option 1: We suggest adding a best endeavours clause in the currently proposed legal wording (see text in red, below).</p> <p>BC2.13 LIAISON WITH INTERCONNECTOR OWNERS</p> <p>“(a) Calculate the Inter connector Scheduled Transfer (IST)</p> <p>Interconnector Owners shall use their best endeavours to deliver an updated IST to NGET by 10 minutes after each intraday gate cross-zonal gate closure time.”</p> <p>This gives a clear time for Interconnector Owners to aim for in their system and process design, whilst also providing for occasions where external factors cause IST submission to not be possible within the time limit. Hence this approach will protect Interconnector Owners from being in breach of the Grid Code as a result of factors which they cannot reasonably control. In these rare situations, NGET could use FPNs/MNNs (aggregated nominations), or propose an alternative fall-back option, as a back-up for TERRE calculations, and Interconnector Owners will deliver the IST file as soon as practicable.</p> <p>Option 2: Alternatively, if time is very critical, NGET could consider establishing a direct data connection to the XBID capacity management module to get earlier visibility of the shipping data and allow processing of the information to start before ISTs are received.</p>
Scottish Power	Yes	Given the implementation deadlines, we believe that there are no other practicable alternatives to the proposed solution.
National Grid Electricity Transmission Plc.	Yes	As set out in the assessment consultation report, a new modification to allow post Gate Closure changes to Physical Notifications would introduce a substantial change to the current GB balancing market. NGET has concerns as to whether such a substantial change could be delivered within the implementation timescales of this modification.
ElecLink Limited	Yes/No	Please see our further comments under Q8.

Respondent	Response	Rationale
BritNed Development Limited	N/A	BritNed wrote to ELEXON in respect to the P356 consultation. A transposition of their letter is at Annex1
Drax Power Limited	Yes	Our assessment is that a Mod to amend PN's is not necessary to achieve effective implementation.
Nemo Link	No	We believe the inclusion of "best endeavours" in the legal text would be a fair and appropriate change. This has the effect of providing interconnectors with clarified requirements but does not expose interconnectors to breach of codes and licence where the requirement is not met for reasons outside their control.

## Question 4: Will the implementation of P356 or GC0099 impact your organisation?

### Summary

Yes	No	Neutral/No Comment	Other
4	2	0	1

### Responses

Respondent	Response	Rationale
National Grid Interconnectors	Yes	Yes. NGIC will need to amend processes and systems to enable ISTs to be submitted within 10 minutes.  If the text is not amended to add a best endeavours clause, NGIC has a risk of being non-compliant with the Grid Code as we will not be able to guarantee that intraday ISTs will be within the time limit 24 times per day every single day. This would have a significant impact on NGIC as non-compliance with the Grid Code could ultimately mean our Transmission license is revoked.
Scottish Power	No	We do not believe that either P356 or GC0099 will significantly impact our organisation.
National Grid Electricity Transmission Plc.	Yes	Following the Authority's approval of P356 and GC0099 NGET will need to undertake changes to the current Interconnector Scheduling Transfer processes. This will require NGET system changes including changes to the Electricity Balancing System (EBS). Changes will be required to agreements between NGET, Interconnector Owners and the connecting TSOs. It is not possible to differentiate the impacts between P356 and GC0099.
ElecLink Limited	Yes	We will soon accede to the BSC as an Interconnector Administrator and Interconnector Error Administrator and will therefore have responsibilities under the code relating to the sending/receiving of files mentioned in this consultation. The final decision on this consultation will have implications for our systems, but as a developing project we will have time to procure/design systems which meet the new requirements of the BSC post-consultation decision.
BritNed Development Limited	N/A	BritNed wrote to ELEXON in respect to the P356 consultation. A transposition of their letter is at Annex1
Drax Power Limited	No	N/A
Nemo Link	Yes	Yes, it is unlikely that an interconnector can guarantee an IST will always be delivered within 10 minutes of Gate Closure. Therefore, if the proposal

Respondent	Response	Rationale
		remains unmodified, interconnector parties risk occasionally being in breach of the Grid Code and BSC, as the requirement is likely to be unachievable 100% of the time.

## Question 5: Will your organisation incur any costs in implementing P356 or GC0099?

### Summary

Yes	No	Neutral/No Comment	Other
3	3	0	1

### Responses

Respondent	Response	Rationale
National Grid Interconnectors	Yes	Yes. Assuming there are no changes to the communication channel and the suggested modifications by NGIC is accepted, we expect the cost of change will be in the range of £50-100k.
Scottish Power	No	We do not believe that we will incur any material costs as a result of the implementation of either P356 or GC0099.
National Grid Electricity Transmission Plc.	Yes	Changes to NGET systems resulting from changes to the existing Interconnector Scheduling Transfer processes. These costs are expected to be one-off costs. It is not anticipated that it will make any difference to these costs whether P356 is implemented as part of or outside of a normal BSC Systems Release. These costs are estimated to be in the range of £150k - £250k.
ElecLink Limited	Yes	<p>We do not envisage any substantial costs arising from implementation given we will be able to anticipate the changes caused by P356 or GC0099 in our procurement phase. However, as noted in our response to Q8, there may be costs associated with building fall back communications interfaces and dealing with any indebtedness caused due to system faults/delays in results.</p> <p>We do not envisage any substantial costs arising from implementation given we will be able to anticipate the changes caused by P356 or GC0099 in our procurement phase. However, as noted in our response to Q8, there may be costs associated with building fall back communications interfaces and dealing with any indebtedness caused due to system faults/delays in results.</p>
BritNed Development Limited	N/A	BritNed wrote to ELEXON in respect to the P356 consultation. A transposition of their letter is at Annex1
Drax Power Limited	No	From the workgroup and internal meetings we do not believe there will be any material cost for our organisation
Nemo Link	No	No

Question 6: How long (from the point of Authority approval) would you need to implement P356 and GC0099?

**Responses**

Respondent	Response
National Grid Interconnectors	The target systems are currently under various stages of implementation and it is expected the required change will be implemented only once the systems are stabilised. We expect at least 6 months for implementation, assuming other partner systems from RTE and NGET are also ready.
Scottish Power	Our organisation would not require any significant time period to implement of P356.
National Grid Electricity Transmission Plc.	NGET has started to work on scoping the required system changes, and is planning to make changes to systems in line with the earliest implementation of XBID within GB. It is not anticipated that it will make any difference to this lead time whether P356 is implemented as part of or outside of a normal BSC Systems Release.
ElecLink Limited	As a developing project we will consider any changes made by this proposal during the phase of systems procurement to ensure those systems meet the new requirements. Therefore, we will implement this change as part of our normal go-live process.
BritNed Development Limited	BritNed wrote to ELEXON in respect to the P356 consultation. A transposition of their letter is at Annex1
Drax Power Limited	N/A
Nemo Link	Nemo Link does not propose making any changes to its systems as a consequence of this modification.

## Question 7: Do you agree with the Workgroup's proposed Implementation Date?

### Summary

Yes	No	Neutral/No Comment	Other
5	1	0	1

### Responses

Respondent	Response	Rationale
National Grid Interconnectors	No	We agree that implementation should be when the affected GB interconnectors have gone live with XBID in accordance with their Local Implementation Plan, whenever this may be
Scottish Power	Yes	P356 should be implemented as proposed consistent with the commencement of XBID trading on 1 July 2018.
National Grid Electricity Transmission Plc.	Yes	The NGET system changes will only be required after the first go-live of XBID on a GB interconnector. This will be after the implementation date of P356 and GC0099.
ElecLink Limited	Yes	No rationale provided
BritNed Development Limited	N/A	BritNed wrote to ELEXON in respect to the P356 consultation. A transposition of their letter is at Annex1
Drax Power Limited	Yes	N/A
Nemo Link	Yes	Yes

## Question 8: Do you have any further comments on P356?

### Summary

Yes	No
3	4

### Responses

Respondent	Response	Comments
National Grid Interconnectors	No	N/A
Scottish Power	No	N/A
National Grid Electricity Transmission Plc.	No	N/A
ElecLink Limited	Yes	<p>We would like to reiterate the importance of allowing enough time for the calculation and communication processes prescribed by the various codes and guidelines to be completed. (The target intraday model envisages the RNP to generate schedules from XBID results, to be forwarded to the TC and subsequently Interconnector Administrators, who will account for the results as an adjustment to Expected Transfers.) Whilst these processes may be automated, at least 10 minutes will be required to facilitate them. However, we highlight that it has been estimated that XBID results will be available 5 minutes after the hour, thus this proposal leaves a further five minutes for calculation and communication. It is therefore likely that proposed 10 minute deadline will be missed in practice. For this reason, we believe the deadline should be phrased as a 'best practice', not as a hard deadline. We also believe it is important that expectations regarding fall-back processes should be agreed and defined since these could have implications for imbalance settlement, for example where a previous reference programme is run by the Interconnector due to a delay in results delivery or another system failure.</p> <p>The fact that interconnectors will be required to submit data for 24 periods each day, and with that data provision being dependent on the ID results process running smoothly we believe should be reflected in the legal drafting, such that delivery of the IST within 10 minutes is, we reiterate, best practice and not a hard deadline with associated penalties/consequences. This will ensure the XBID results filter through and interconnectors can react appropriately to dispatch the most up-to-date, correct programme. Where a hard deadline is incorporated and XBID results are not fully incorporated in Expected Transfers then there will be settlement implications for the Interconnector Error Administrator accounts, in addition to the</p>

Respondent	Response	Comments
		<p>issues highlighted for BM Units in the consultation.</p> <p>With regard to imbalance settlement, we acknowledge that ECVNs and FPNs may be submitted up to gate closure, and post Nov-17 by submitting ECVNs up until the start of the delivery period, market parties may reduce any Actual Energy Indebtedness caused by day-ahead to intraday position changes. We understand that FPNs represent a 'best estimate' at the time of gate closure, however, given that differences in FPNs and ETs may cause CEI for parties, we would support a move to allow FPNs to be updated post gate-closure for those parties involved in the intraday market. We acknowledge that these changes may be administratively burdensome but on the other hand will ensure the system utilises the most accurate information available in the future and reduces the risk of inflating energy indebtedness for parties.</p>
BritNed Development Limited	Yes	BritNed wrote to ELEXON in respect to the P356 consultation. A transposition of their letter is at Annex1
Drax Power Limited	No	N/A
Nemo Link	Yes	Yes, it remains unclear from the working group report how PNs and ISTs are used in interconnector settlement.

Dear Sir / Madam,

BritNed Development Limited (BritNed) welcomes this opportunity to respond to the consultation on GC0099 Establishing a common approach to interconnector scheduling consistent with the single intraday market coupling processes set out within Regulation (EU) 2015/1222 (CACM). BritNed is the owner and operator of the High Voltage Direct Current (HVDC) Interconnector between Great Britain (GB) and The Netherlands (NL). It is a 50:50 joint venture of National Grid International Limited (GB) and NLink International B.V. (NL), and is funded and operated on a commercial basis, independent of the regulated businesses.

In this consultation response BritNed identifies what it believes to be the business and systems points of view before identifying the actual issue. To materialize the issue we have provided some example scenarios that highlight the calculated Credit Limit exposure. Lastly, BritNed states its concerns.

### Identified Issue

#### *Business point of view:*

Delivery of FPN is expected by National Grid Electricity Transmission (NGET) prior to the actual Intraday Cross-Zonal Gate Closure Time (IDCZGCT) in Cross Border Intraday (XBID) Market, which is 60 minutes before delivery.

This implies the XBID results can be changed after the FPN data flow is accepted and acknowledged by NGET. Date 30-10-2017 Reference BN 17-034 Page 2 of 3

BritNed Development Limited is registered in England and Wales. Registered office: 1-3 Strand, London, WC2N 5EH - Company no: 4251409.

#### *Systems point of view:*

To be able to nominate flows via FPN before IDCZGCT, the Interconnector (IC) operator will need to download results also before the Gate Closure (GC) for FPN purposes and process the FPN submission.

Both are technically feasible:

Submission times in Shipping Module in XBID are configurable in that way so Regional Nomination Platform (RNP) can pull down results before and after the GC.

RNP will aim to have FPN acknowledged 1 minute before FPN gate closure. That implies submission will be scheduled to 2 minutes before FPN GC.

Limitation: Enrichment of data is scheduled in 5 minutes intervals in XBID Shipping Module, i.e. „latest“ data are available at HH:55 and HH:00.

### The Actual Issue

Delivered FPN data will represent only “best estimates” and will not be based on finalized XBID results. XBID results can be changed after HH:55 and before the XBID GC. The probability for change of flow is within continuous trading very high.

This issue can occur every hour, i.e. 24 times every day.

The actual issue is the mismatch between FPN data and power flow (represented by ICRP and DMV data flows) as these will be based on different (finalized) XBID results. It is expected that the mismatch between FPN and ICRP will result in immediate imbalances which are covered by the credit limit. It is also expected that the imbalance is corrected once Deemed Metered Volume (DMV) data are compared with metered data during settlement 5 days after delivery.

### Example Scenarios of Credit Limit Exposure

BritNed has assembled some example scenarios to try to materialize the issue of a potential Credit Limit exposure and BritNed kindly asks for confirmation of the outcomes from the following examples.

#### *Scenario 1 – Change of power flow*

##### Assumptions:

- Delivery period: MTU 14:00 - 15:00
- BritNed delivers FPN data to NGET, reflecting 1000 MW NL-GB flow at GB reference point at 12:59.
- At 12:58 NL-GB flow decreases to 700 MW in XBID.
- BritNed delivers ICRP to NGET at 13:09, reflecting 700 MW for MTU 14-15h.
- System price is £38.66 / MWh (realistic average).

##### Outcomes:

- The difference between 1000 MW and 700 MW is covered by Credit Limit with the exposure of:

$$300 \times 38.66 = \text{£ } 11.598,-$$

- The imbalance is cumulative so the Credit Limit is being spent until the settlement process runs at D+5.

Date 30-10-2017 Reference BN 17-034 Page 3 of 3

BritNed Development Limited is registered in England and Wales. Registered office: 1-3 Strand, London, WC2N 5EH - Company no: 4251409.

#### *Scenario 2 – Change of direction of power flow*

##### Assumptions:

- Delivery period: MTU 16:00 - 17:00
- BritNed delivers FPN data to NGET, reflecting 1000 MW import flow at GB reference point at 14:59.
- At 14:58 NL-GB flow changes entirely into opposite border direction so the resulting flow is 1032 MW at GB-NL at GB ref. point.
- BritNed delivers ICRP to NGET at 15:09, reflecting 1032 MW export for 16-17h.
- System price spikes up to £100 / MWh

##### Outcomes:

- The difference between 1000 MW import and 1032 MW export is covered by Credit Limit with the exposure of:

$$2032 \times 100 = \text{£ } 203.200,-$$

- The imbalance is cumulative so the Credit Limit is being spent until the settlement process runs at D+5.

#### **Concerns**

It is our belief that there is no experience with continuous trading with 1 hour lead time, but we can assume that there will regularly be matched orders also within the last 5 minutes of trading before IDCZGCT stops the allocation. Also the risk for the issue repeats every single hour as XBID Market is continuous.