



CVA Change Circular

To	CVA Change Circulars
No.	CVA CC227
Purpose	For Review
From	Change Delivery
Date	31 July 2009

Invitation to Review CVA Code Subsidiary Documents and Configurable Items amended for the November 2009 BSC Systems Release (P217)

What is the purpose of this Circular?

This Circular invites you to review three documents that are being amended for the November 2009 Release. The documents relate to Approved Modification P217 'Revised Tagging Process and Calculation of Cash Out Prices'.

Please review the documents and return any comments, using the form provided to releases@elexon.co.uk by **5:00pm on Friday 14 August 2009**.

The documents can be found on the [November 2009 Release Website](#).

Documents for review

We have amended the following documents for Modification P217. The documents can be found on the [November 2009 Release Website](#):

- Balancing Mechanism Reporting Agent (BMRA) User Requirements Specification (URS)
- Settlement Administration Agent (SAA) URS
- SAA Service Description

We previously issued the BMRA URS and SAA URS for industry review as part of CVA CC224. Since then we have added minor updates to reflect the way that Price Derivation Codes (PDCs) will work under P217.

To assist your review we have included documents comparing the updated BMRA URS and SAA URS against the documents issued with CVA CC224. We have also included documents showing the full set of amendments to the current version of the BMRA URS and SAA URS.

Amendments to the SAA Service Description are being issued for the first time and so no comparison document is included.

What does P217 do?

P217 will introduce a new set of rules to calculate the main Energy Imbalance Price. These rules build upon the current Imbalance Pricing calculation rules. The main changes are:

- Balancing Services Adjustment Data (BSAD) will be disaggregated into individual Balancing Services Adjustment Actions;
- Bid-Offer Acceptances (BOAs) and Balancing Services Adjustment Actions will be 'Flagged' (or identified) when they are deemed to be taken for reasons other than energy balancing:
 - The System Operator (SO) will flag BOAs and Balancing Services Adjustment Actions deemed as potentially being impacted by transmission constraints (SO-Flagging);
 - The BSC Systems will flag BOAs which are less than the 15 minutes in duration (the Continuous Acceptance Duration Limit (CADL)). CADL flagging will replace the current CADL tagging);
- Classification, which will occur before Net Imbalance Volume (NIV) tagging - where a flagged action retains its price if it was less expensively priced than the most expensive unflagged action in its stack/ranked set (Buy or Sell);
- A Replacement Price for any unpriced balancing actions in the NIV. The Replacement Price is calculated from a volume-weighted average of the 100MWh of most expensively priced balancing actions in the NIV.

For more information about the P217 solution see the [P217 BRS](#) or speak to Andrew Wright on 020 7380 4217 or andrew.wright@elexon.co.uk.

How does P217 impact me?

P217 will impact you primarily in three ways:

- Energy Imbalance Prices will be calculated according to the new P217 rules;
- The SAA-I014 'Settlement Reports' will change to include new data items; and
- The BMRA will report the new data items.

How does P217 impact the Price Derivation Codes?

Price Derivation Codes indicate where default rules are applied to calculate the main Energy Imbalance Price. For example, where there is no Market Index Data to calculate the Reverse Price it defaults to the Main Price. In cases where the Net Imbalance Volume is positive this is reported as PDC C, where NIV is negative it is reported as PDC H.

Under P217 four of the PDCs (D, E, I and J) will no longer apply. This is because any unpriced volume in the NIV is assigned a Replacement Price. The BMRA URS, SAA URS and SAA Service Description have been updated to reflect this.

Who do I contact for more information?

For more information, please contact Andrew Wright on 020 7380 4217 or andrew.wright@elexon.co.uk, or email the ELEXON [Releases](#) mailbox.