

E L E X O N

IDNO, LDSO, and Private Networks

Market Entry Meeting

08 July 2022

Heath & Safety

In case of an emergency

- An alarm will sound to alert you.
- The alarm is tested for fifteen seconds every Wednesday at 9.20am.

Evacuating 350 Euston Road

- If you discover a fire, operate one of the fire alarms next to the four emergency exits.
- Please do not tackle a fire yourself.
- If you hear the alarm, please leave the building immediately.
- Evacuate by the nearest signposted fire exit and walk to assembly point.
- Please remain with a member of Elexon staff and await further instruction from a fire warden.
- For visitors unable to use stairs, a fire warden will guide you to a refuge point and let the fire brigade know where you are.

When evacuating please remember

- Do not use the lifts.
- Do not re-enter the building until the all clear has been given by the fire warden or ground floor security.

Our team on reception is here to help you, if you have any questions, please do ask them.



Welcome to Elexon

What we'll cover today...

Introduction to Elexon



**Market Entry
Process:**

- CVA Requirements
- SVA Requirements

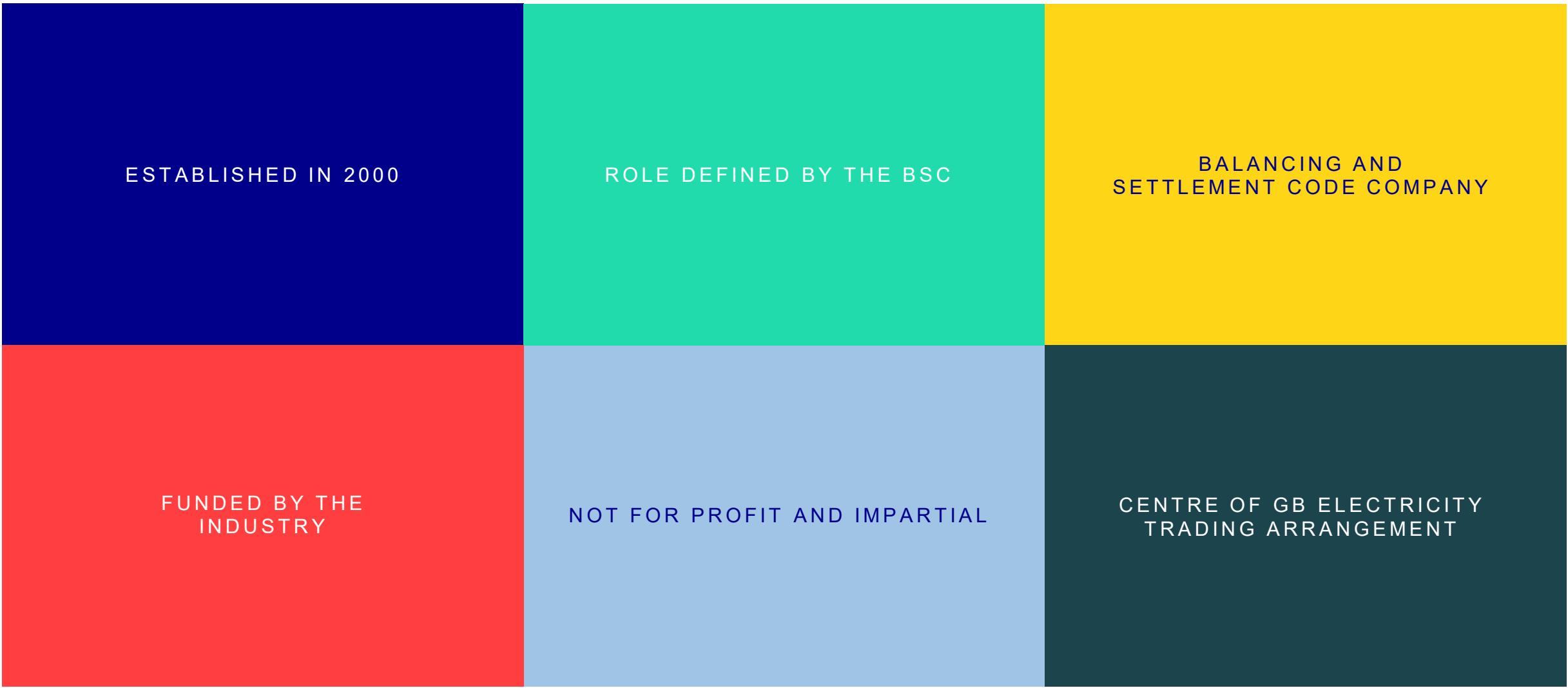


Q and A

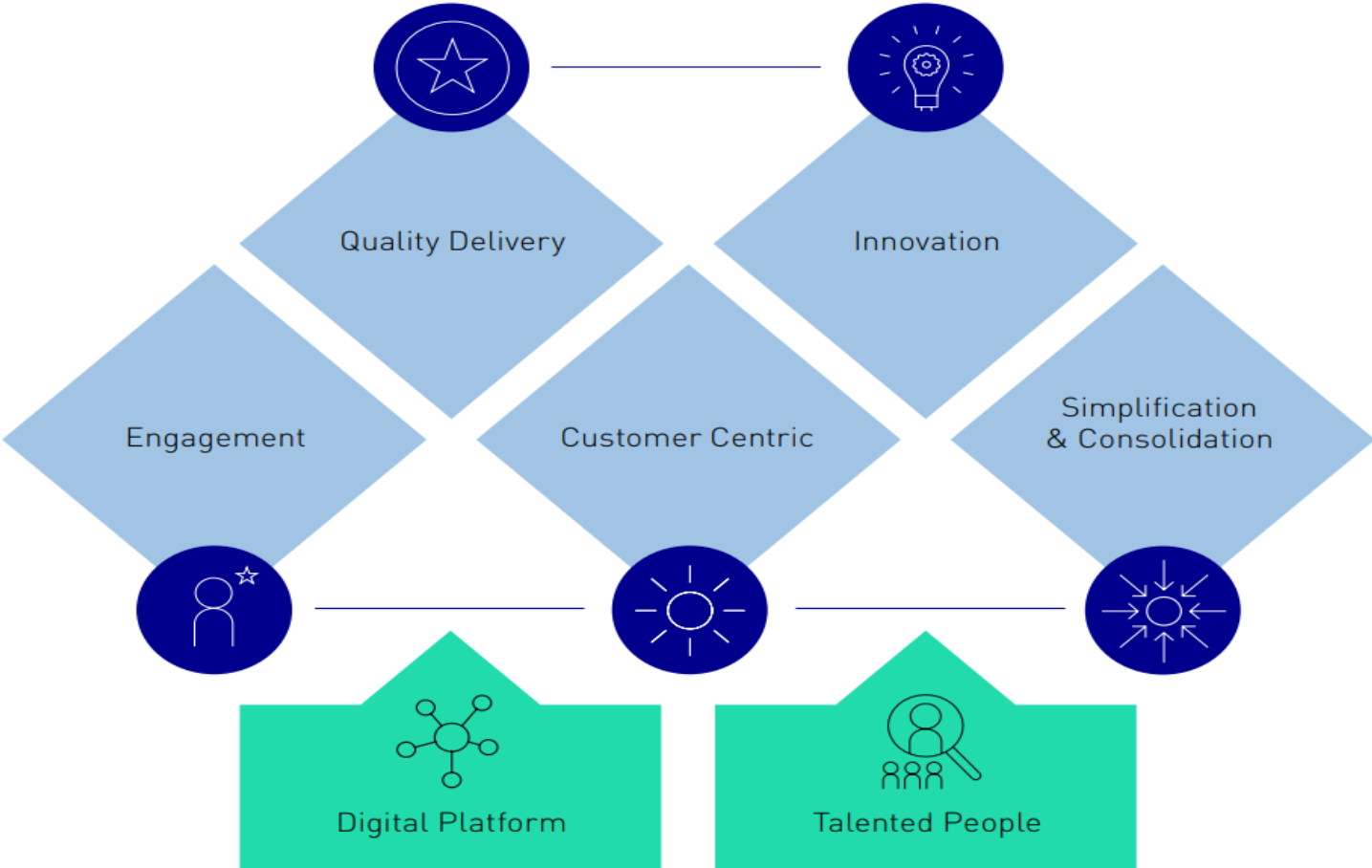
INTRODUCTION TO ELEXON



Elexon: Who are we & what we do?



The BSCCo Business Plan- fully transparent



What is the BSC?



Legal contact

Signed up to by anyone who wants
to operate in the marketplace

Defines Elexon's role

520 BSC Parties

As of January 2021, we serve 520 Market Participants

59 New Parties

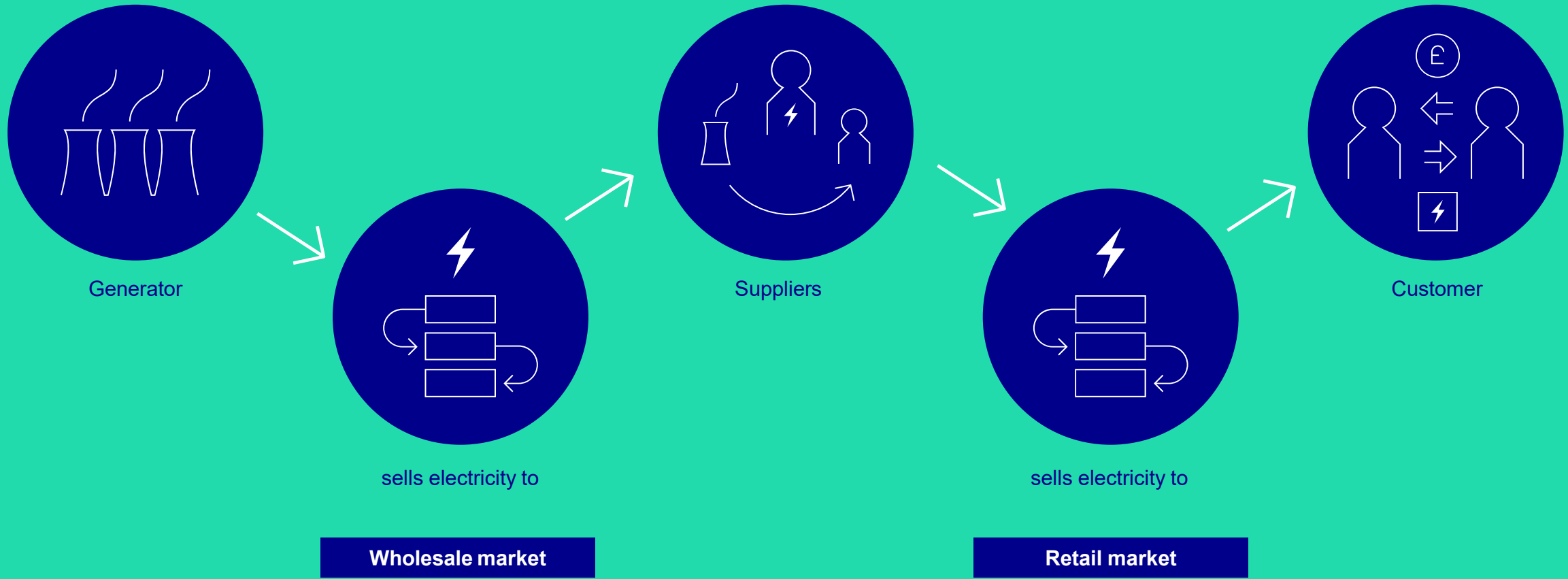
In 2020, we helped 59 BSC Parties Accede to the BSC

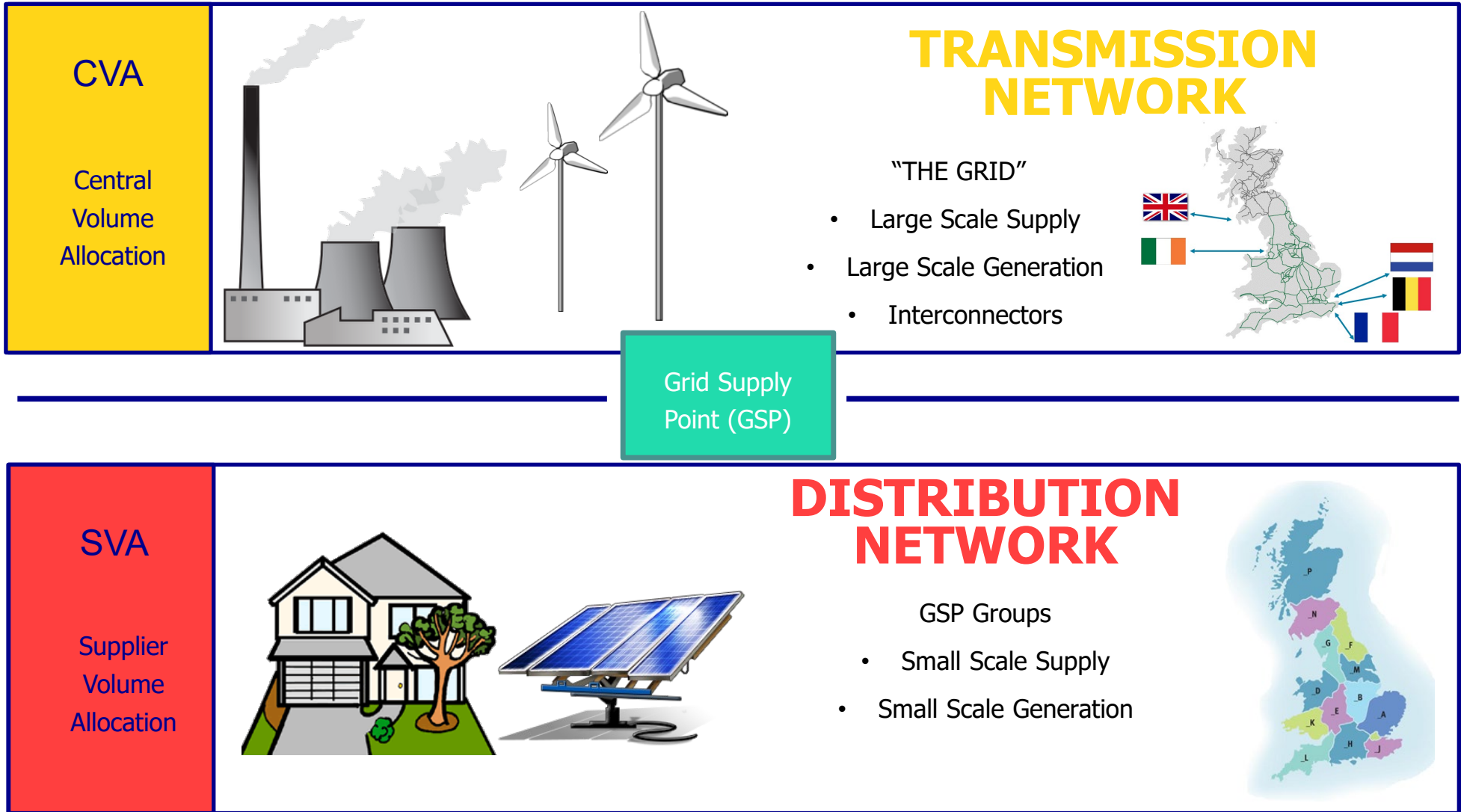
Supplier Agents sign up to Section J of the BSC only

Transmission Company	1
Suppliers	166
Generators	137
Distributors	28
Non Physical Traders	108
Interconnector Users	79
Interconnector Administrator/Error Administrator	8
Virtual Lead Parties	6

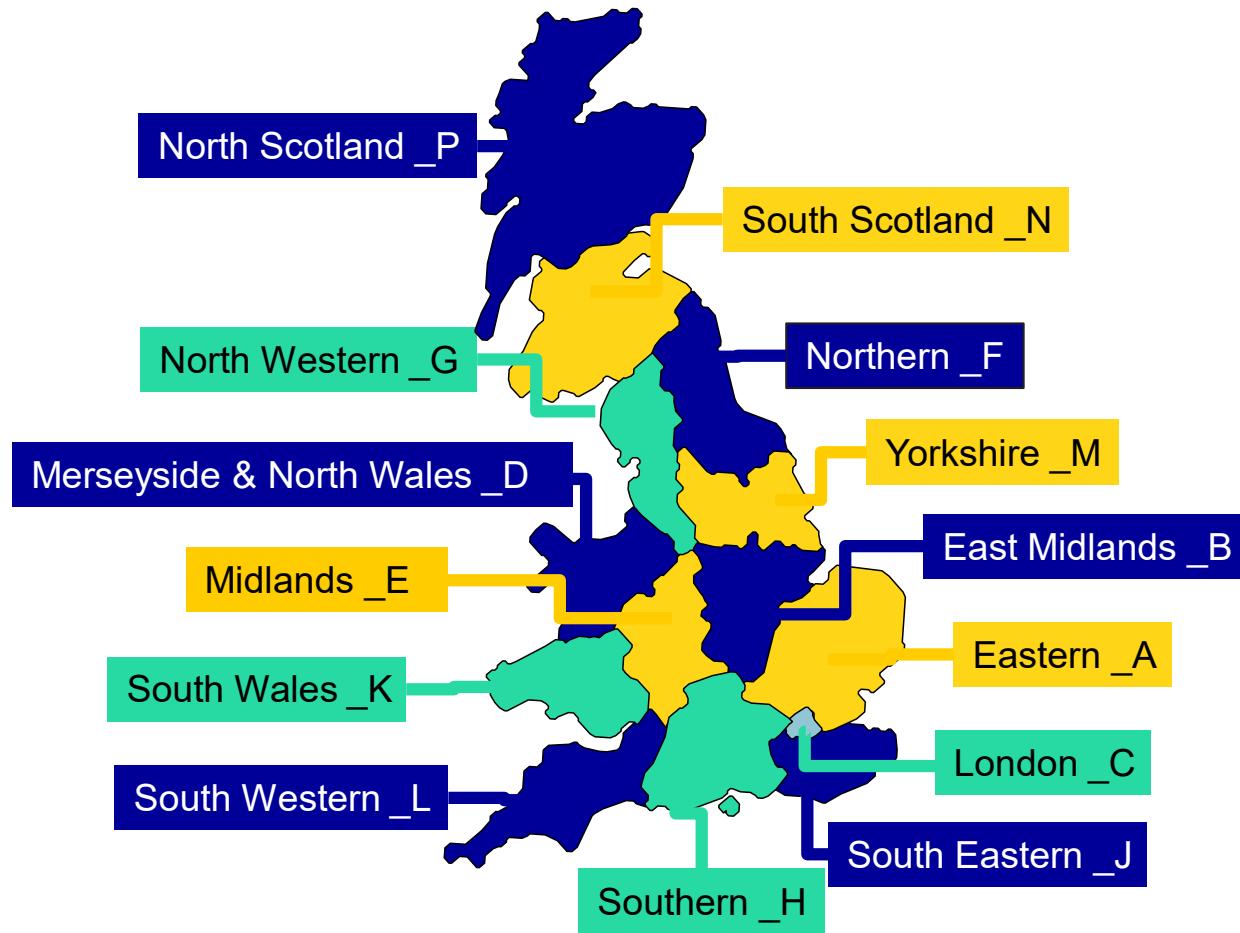
What is the core of our business?

WE MAKE BALANCING AND SETTLEMENT WORK





Grid Supply Point (GSP) Groups

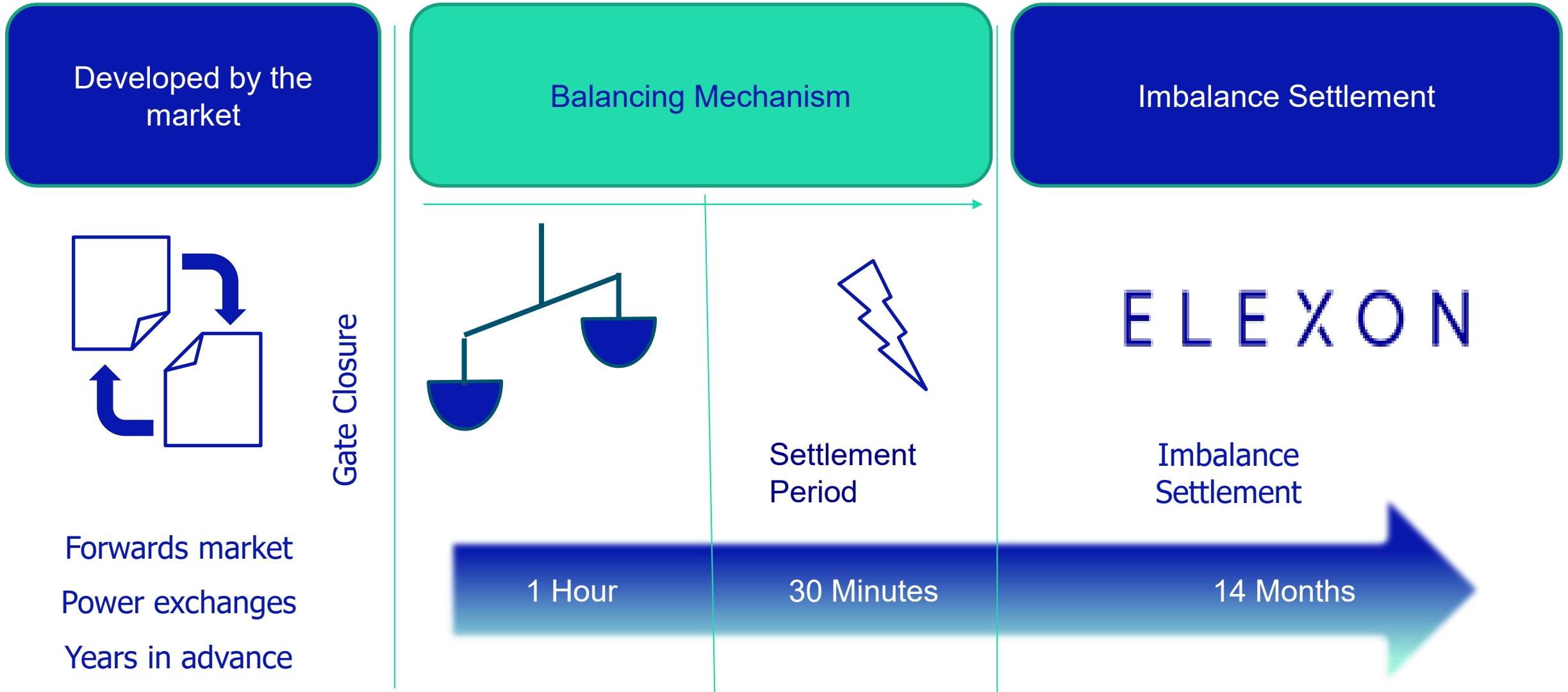


The 14 host Distribution Networks take energy from the Transmission Network at defined:

Grid Supply Points

Also known as GSP Groups

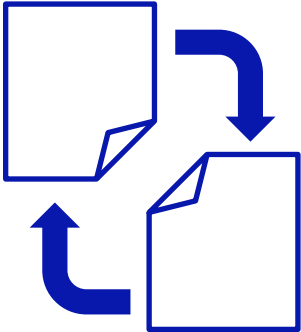
Trading Arrangements





Trading Arrangements

Developed by the market

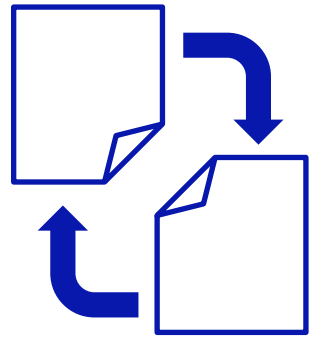


Gate Closure

- Forwards market
- Power exchanges
- Years in advance

Balancing Mechanism

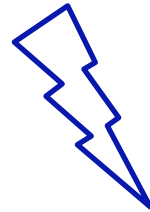
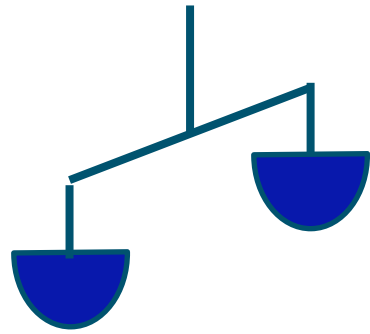
Developed by the market



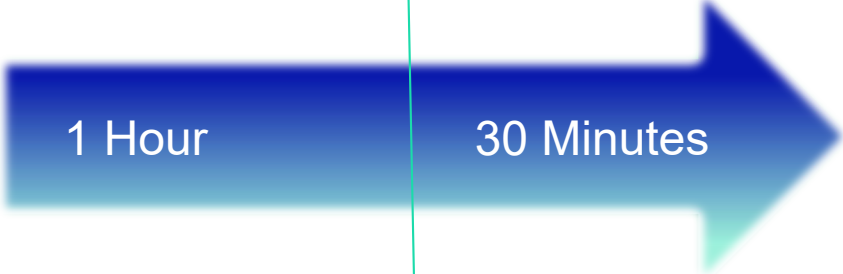
Forwards market
Power exchanges
Years in advance

Gate Closure

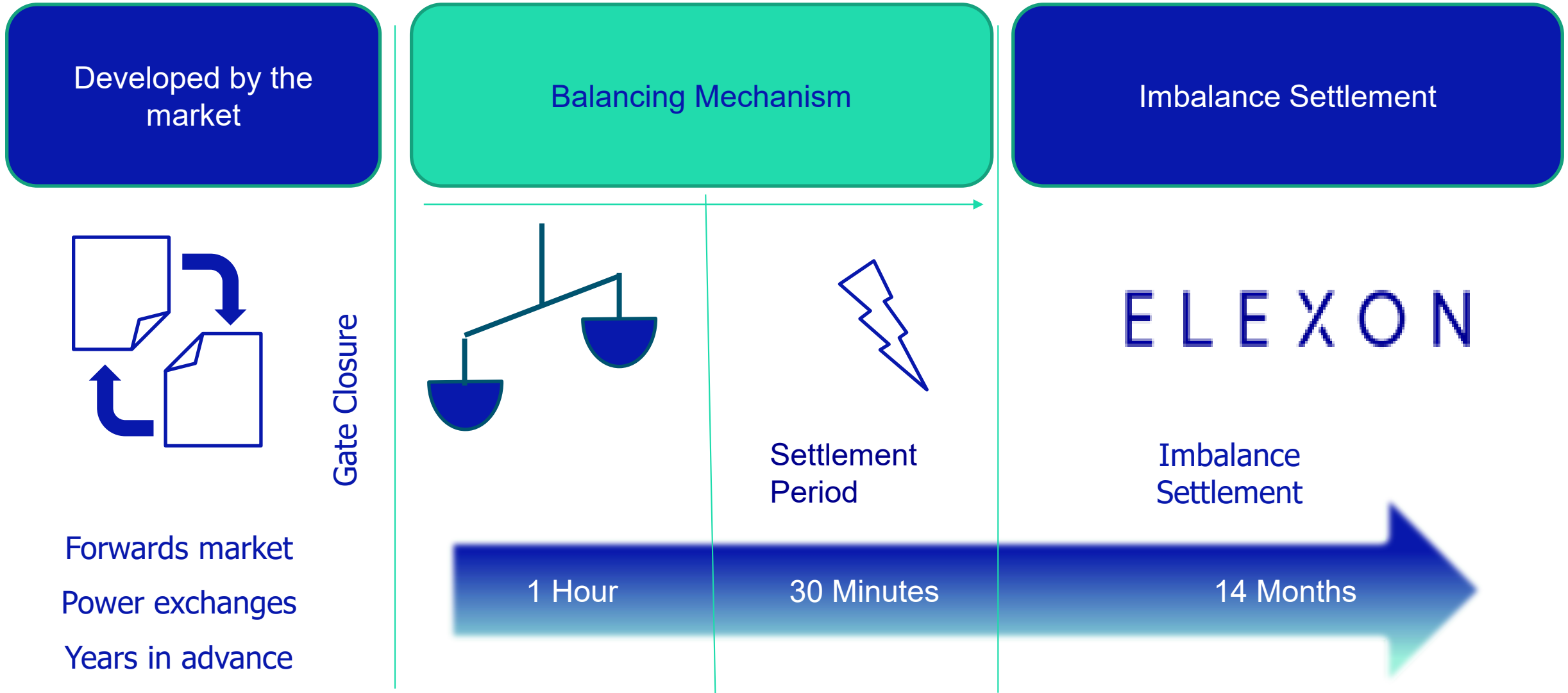
Balancing Mechanism



Settlement
Period

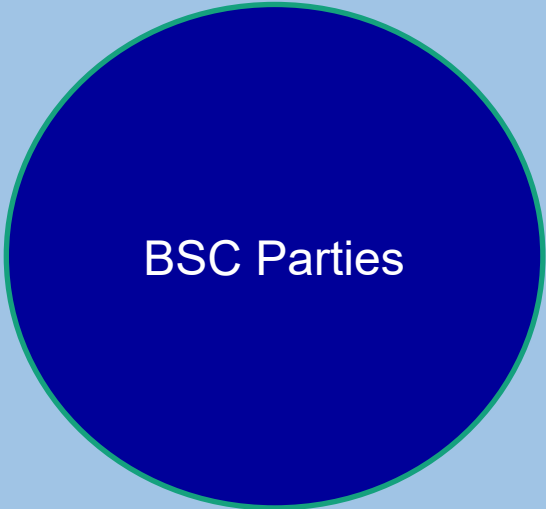


Imbalance Settlement

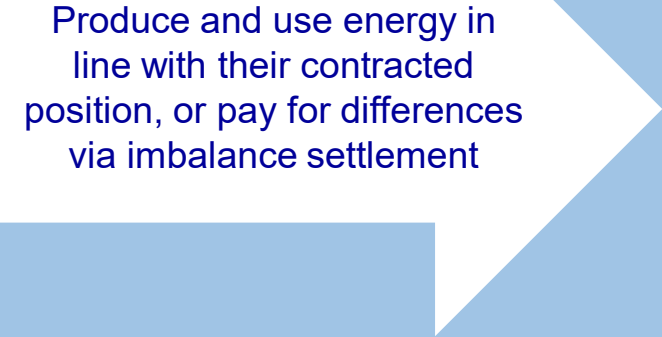




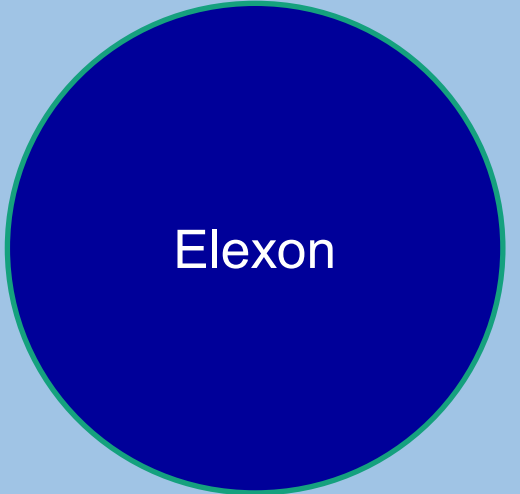
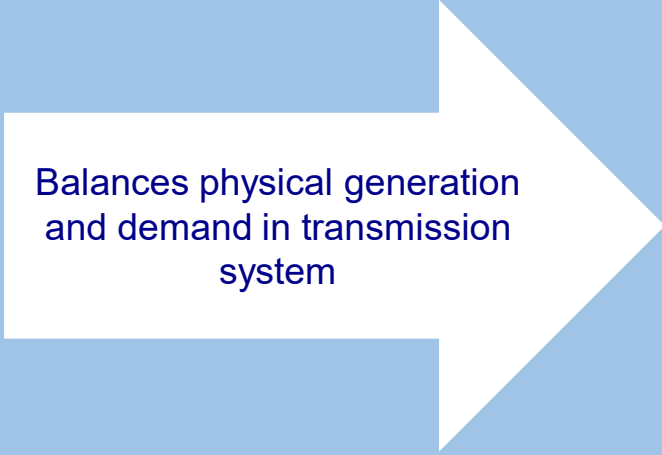
Imbalance Settlement Recap



BSC Parties



nationalgrid



Elexon





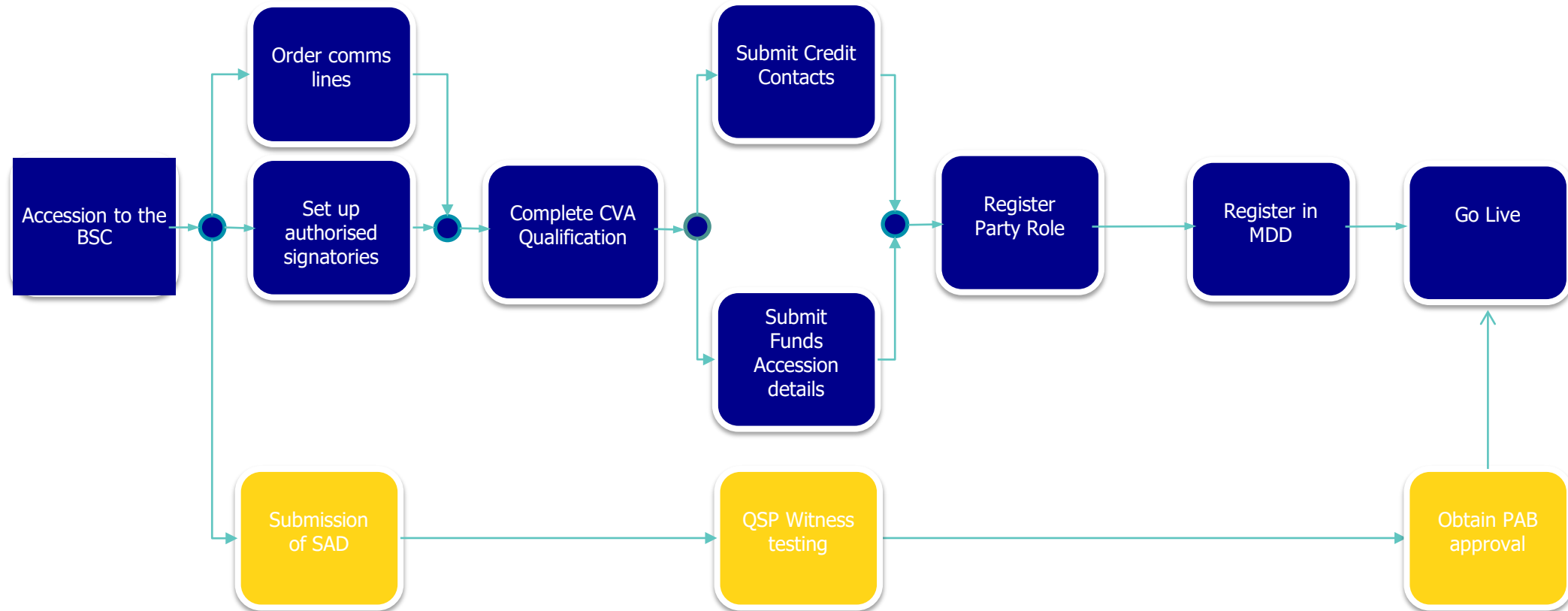
CVA QUALIFICATION



Role of Participant Management Team



Market Entry for a LDSO



Accession



Admission of a new Party to the Framework Agreement is covered in Section A.2 of the BSC

Enter the market process

Enter the market process

This page displays the required Market Entry steps. The options will change upon selecting your organisation of choice.

Select your organisatio .

VLP_Test_3

Accede to the BSC	Register Authorised Signatories	Register market roles
Complete Qualification	Order communication lines	Register Assets

 **Accession Agreement**

 **Accession Fee**
£500

 **Base Monthly Charge**
(exc VAT) £250



Initial letter- company letterhead signed by director

Nomination of persons to carry out specific Code activities

BSCP38- Authorised Signatories



Market Role Registration

You will need to register your intended market role in Elexon Kinnect.

Register Party details in
Central Systems

Process covered in
BSCP65

Market Domain Data (MDD) -
BSCP509

Low Grade
(Download)

5WD

Public Internet

Data Push

Xsec 3 encryption software

Free

High Grade
Service

60WD

Direct Connection to Private
WAN

TIBCO to stream data

TIBCO software

Associated Costs

HG Communication Line Charges

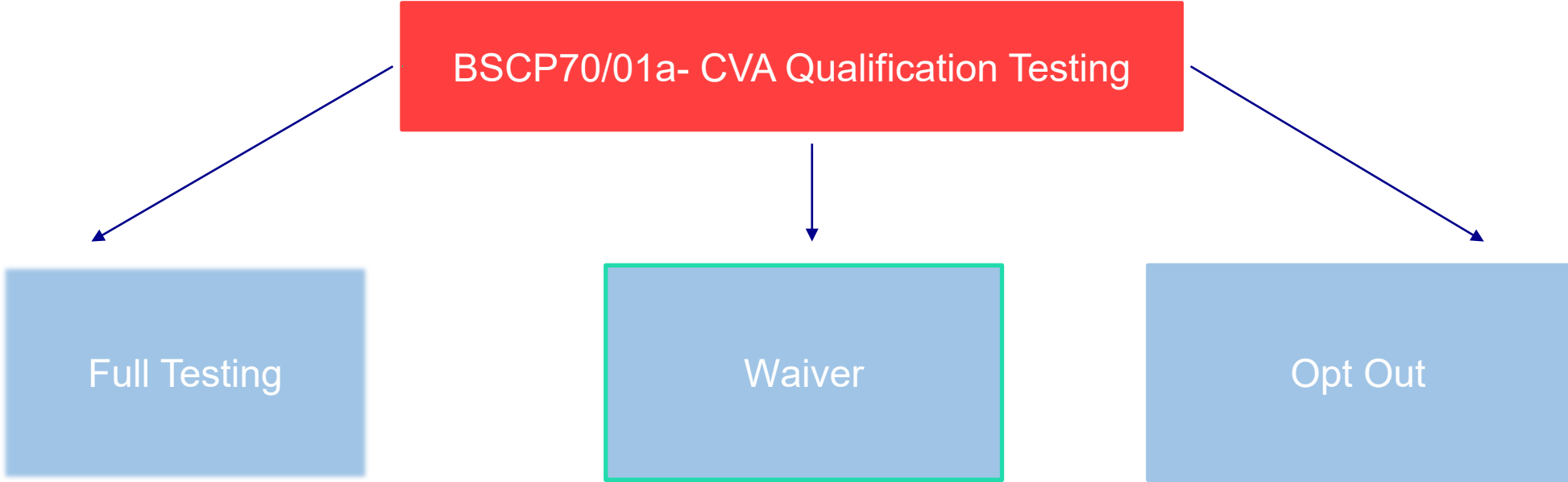
Technical Specification	HG10	DR10
Primary Line Rental:		
10Mb leased Line	✓	✗
2Mb ADSL	✗	✓
Backup Line Rental:		
2Mb ADSL Backup	✓	✗
Support:		
5 Hour Fix on Primary Line	✓	✗
24 Hour Fix on Primary Line	✗	✓
Primary Line Uncontended	✓	✗
Primary Line is Contended	✗	✓
One-off Costs:		
Installation	£4,208	£776
Ongoing Annual Costs:		
Annual Rental (2020/21):	£5,882	£2,440
Annual Support: (2020/21)	£1,089	£1,089
Total Rental + Support (2020/21)	£6,971	£3,529

Table 1 – High Grade Line Monthly Charges (2020/21)



What is CVA Qualification?

All Parties have to complete the CVA Qualification process, ECVNAs & MVRNAs cannot Opt Out

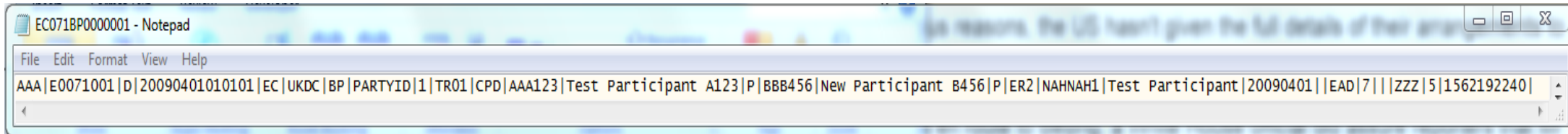


CVA Qualification FAQ

Which flows do I need to test?
- *Refer to BSCP70/01(a)*

Are there example flows?

Flow	Participant	Direction	Name	Purpose	Test? Delete as applicable
CRA-I014	Generators; Suppliers; LDSOs; Non-Physical Traders; Interconnector Users and VLPs	To	Registration Report	To enable Party to ensure that its registration details are accurately recorded in Central Systems. This includes Party Id, Name, address etc	Yes/No
ECVAA-I007	Generators; Suppliers; Non-Physical Traders and Interconnector Users	To	ECVNAA Feedback	To confirm to Party that an Authorisation has been processed	Yes/No
ECVAA-I008	Generators; Suppliers; Non-Physical Traders and Interconnector Users	To	MVRNAA Feedback	To confirm to Party that an MVRNA Authorisation has been received	Yes/No
ECVAA-I009	Generators; Suppliers; Non-Physical Traders and Interconnector Users	To	ECVN Feedback	To report the rejection (for business reasons) of a received ECVN	Yes/No



What documentation should I read?
- *Communication Requirements Document and Interface Definition Document*

Are there Third Party software providers?
- *Yes*

What if I fail?
- *If at first you don't succeed, try and try again*



Credit cover and Funds Accession

BSCP301
Funds
Accession Form

Operational
Contacts

Market Domain Data Registration

MDD is the central repository of Supplier Volume Allocation (SVA) market information.

- Entity 1, and an Entity 45 register in role code with MPID
- Entity 2 – Distributor appointment (for each relevant GSP Group)
- Entity 4 – SMRA (for each relevant GSP Group)
- Entity 52, and/or Entity 53 – Meter Timeswitch Class
- Entity 17 – if new LLFCs are required
- Entity 55 – if new HH Combinations are required (where MTC = 'H')
- Entity 54, 56 & 63 – if new NHH Combinations are required (where MTC = 'N')

Version	Fast Track CR Deadline	Go-Live
306	22/12/2020	20/01/2021
307	19/01/2021	17/02/2021
308	16/02/2021	17/03/2021
309	23/03/2021	21/04/2021
310	20/04/2021	19/05/2021
311	18/05/2021	16/06/2021
312	22/06/2021	21/07/2021
313	20/07/2021	18/08/2021
314	24/08/2021	22/09/2021
315	21/09/2021	20/10/2021
316	19/10/2021	17/11/2021
317	23/11/2021	22/12/2021

UMSO

BSCP520 UMS

DNO/IDNO

BSCP515 DNO

BSCP128/ D0265 file
LLF

BSCP509 MDD

SMRA

BSCP501 SMRS

BSCP515 DNO

- New connections
- Disconnections
- Energisation/de-energisation
Measurement Transformers
- Installation of Small Scale Third Party
Generating Plant
Requesting EAC data (from NHHDA
via Suppliers)

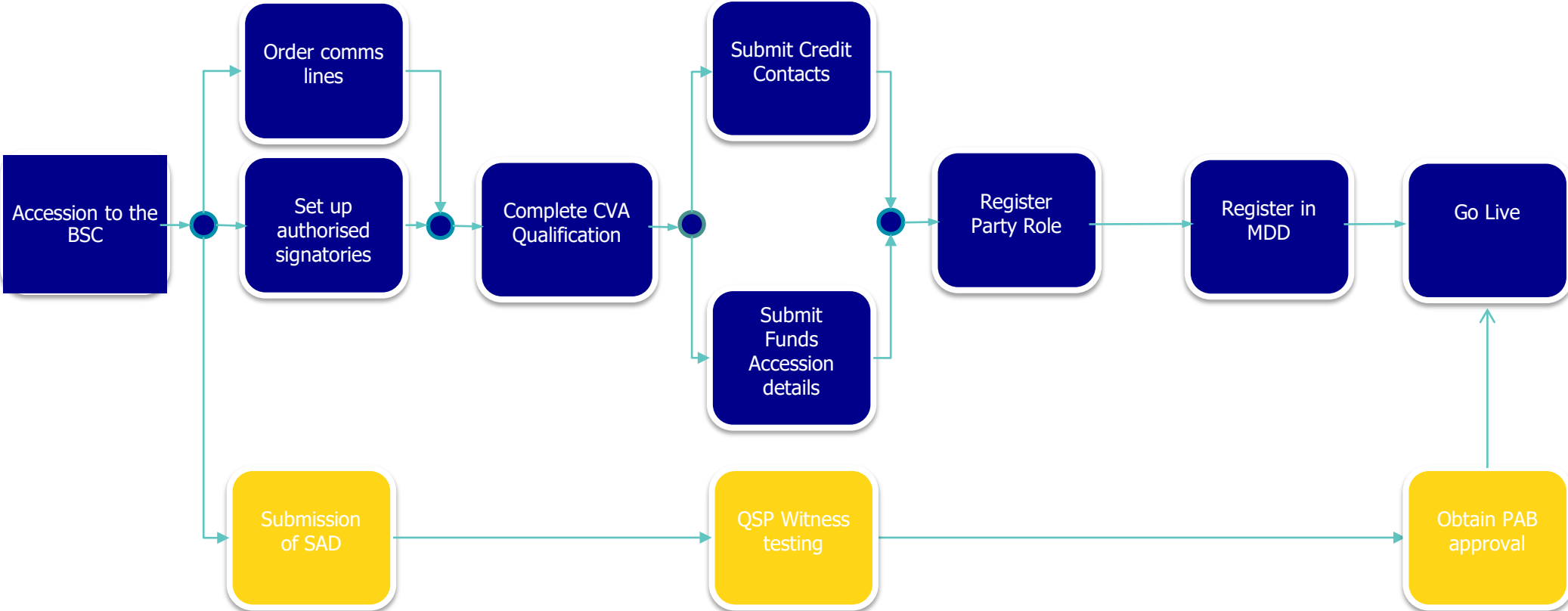
BSCP128 LLF

Production, Submission, Audit
and Approval of Line Loss
Factors



SVA QUALIFICATION

Market Entry for an LDSO





SVA Qualification overview

Performance Assurance Framework

Qualification

QSP/Elexon Planning Meeting

Self Assessment Document

Witness Testing

PAB Approval



Who it applies to

Applies to:

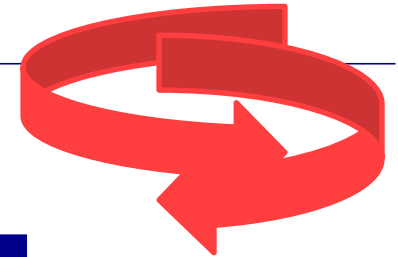
Suppliers
Virtual Lead Parties
SVA Supplier Agents- (NHHMOA, HHMOA, NHHDC, HHDC, NHHDA, HHDA and MA)
CVA MOAs
LDSOs

- Qualification Process is documented in Section J of the BSC and in BSCP537 ‘Qualification Process for SVA Parties, Party Agents and CVA MOAs’.
- Qualification Service Provider (QSP) appointed by Elexon is KPMG to review Qualification Applications on its behalf.
- QSP’s ‘Approach to Qualification’ is published on the Elexon website.



The SAD is split into 20 sections

LDSOs are only required to complete Sections 1 to 7 and Section 20



**Iterative
Process**

Generic Sections

1. Introduction

2. Project Management

3. Testing

4. Operational Security and Controls

5. Chance Management and Risk Assessment Process

6. Management, Resource Planning and Local Working Procedures

7. Initial Data Population and/or Data Migration

Specific Sections

8. NHH DC

9. HHDC

10. NHHDA

11. HHDA

12. SMRA

13. SVA HHMOA

14. SVA NHHMOA

15. CVA MOA

16. Meter Administrator

17. UMISO

18. Supplier

19. Virtual Lead Party

20. LDSO

Objective Statement



Objectives of this section

To ensure that the testing carried out by the Applicant can be relied upon to check that additional risk does not enter Settlement and that current and future Market Participants are not adversely impacted.
To provide assurance that the testing plans and procedures followed (in respect of IT and/or manual processes) are of sufficient rigour to ensure that these risks are adequately addressed.

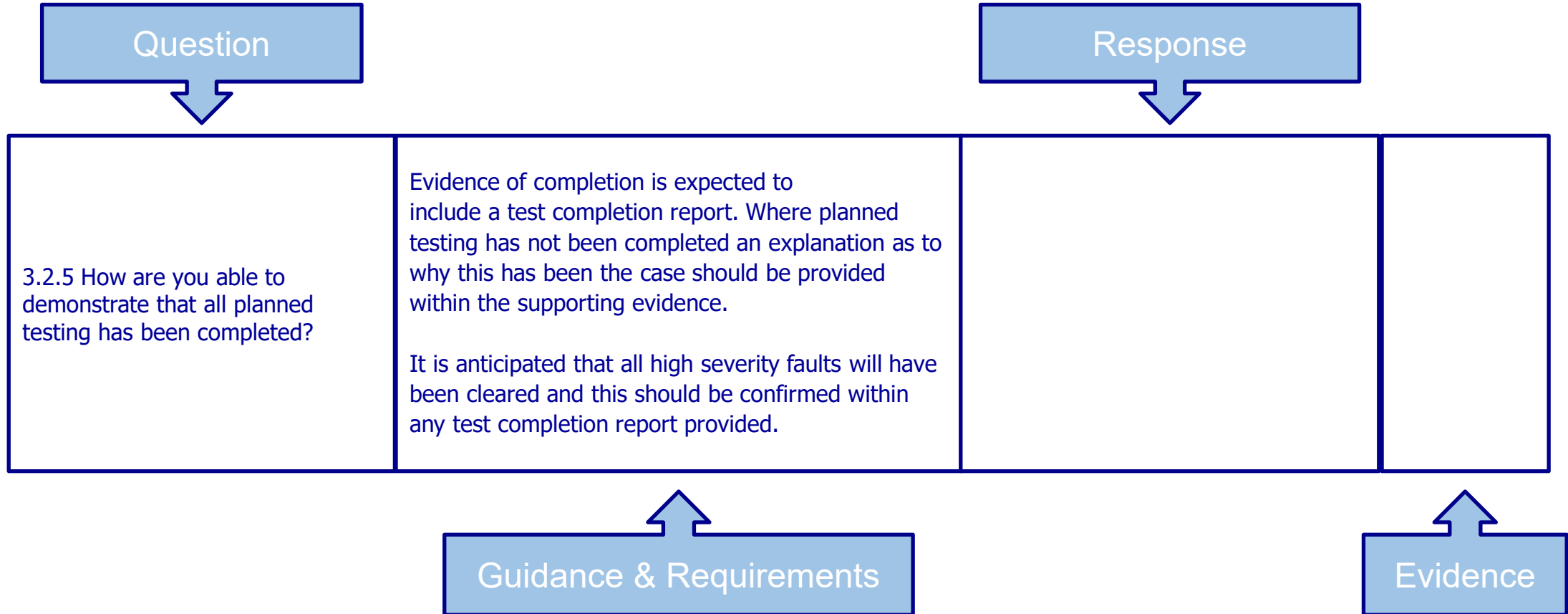
Guidance for completing this section

The Applicant should be able to demonstrate that they have a comprehensive, documented approach to testing of the systems being developed that is appropriate for the relative complexity of the system.
Where an Applicant has indicated that the evidence to support a response is the testing conducted, as part of Entry Processes then this evidence will not be reviewed as part of the process. The QSP will review the response only. In completing the response the Applicant will need to demonstrate that they have satisfied themselves that the BSC requirements have been met and that the test evidence is appropriate for the specific response made.
Applicants that have relied on a third party supplier for the development of their systems should respond to subsections 3.1 and 3.4 in addition to either 3.2 or 3.3. The questions in subsections 3.2 or 3.3 may require the Applicant to seek assistance from the third party in order to provide a response, however in all cases the responses are the responsibility of the Applicant. There may be an overlap in responses given and the Applicant should consider the most appropriate way to co-ordinate their own responses and those of the third party provider.



Section Guidance

SAD Sample Question Format





Witness Testing

- Following review of the SAD the QSP provides an outline (scope) of the tests to be witnessed in advance of the actual site visit

- The aim of witness testing is to test that the approach has been followed and tests have been fully completed and exceptions resolved

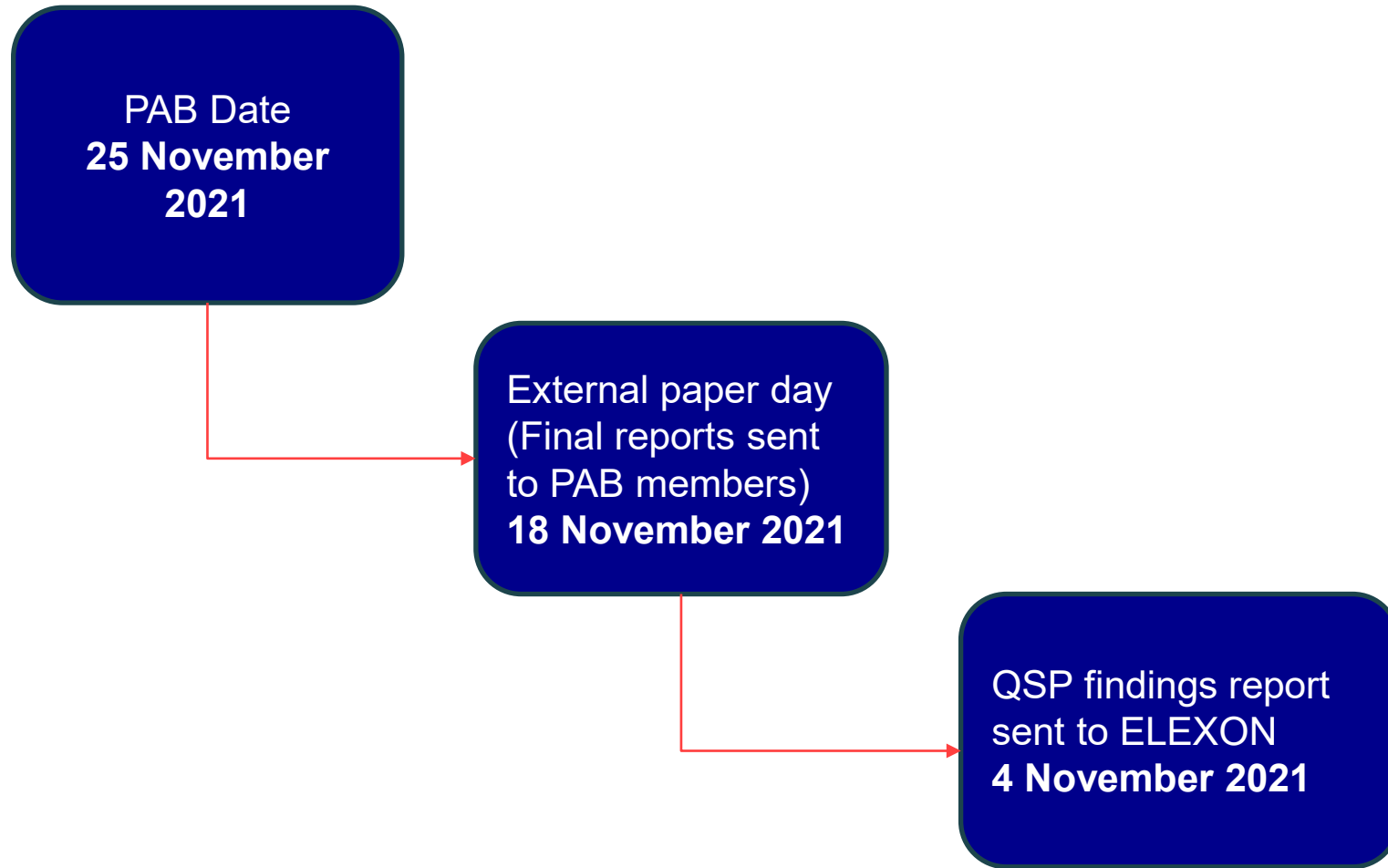
- Sample basis

- This involves the QSP team sitting alongside an Applicant's tester/user and watching them execute a sample of tests in real-time

- Duration varies dependent on risk. Generally lasts between 1-2 days to 2 weeks.

- Additional guidance notes available on key areas of the Qualification Process
 - Testing Storyboards
 - Approach to Witness Testing

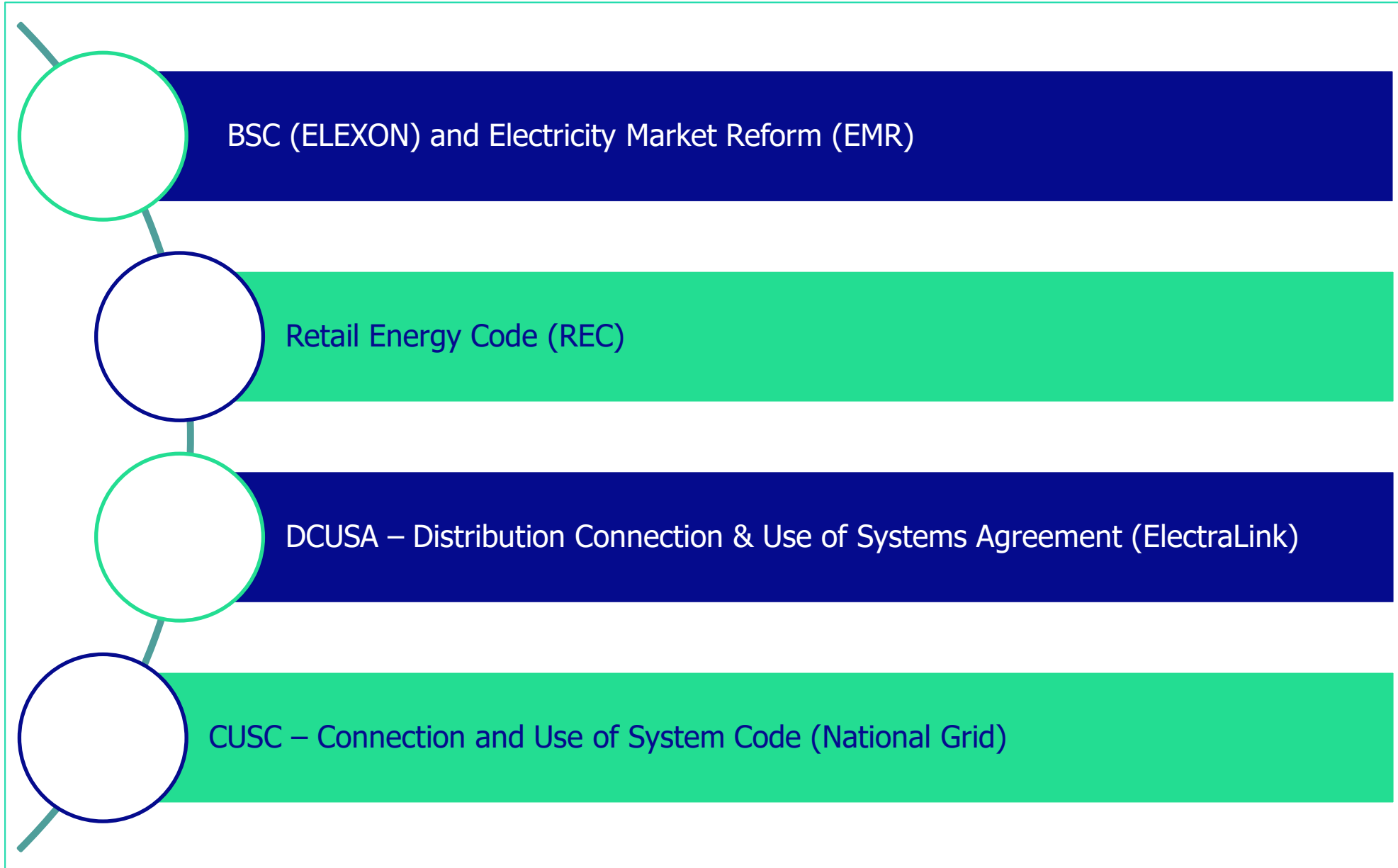
PAB approval and timelines



PAB Dates	Meeting Number
28/01/2021	240
25/02/2021	241
25/03/2021	242
29/04/2021	243
27/05/2021	244
24/06/2021	245
29/07/2021	246
26/08/2021	247
30/09/2021	248
28/10/2021	249
25/11/2021	250
16/12/2021	251



Extra Considerations





Additional Information

Performance Assurance Techniques (Post Qualification)

- Annual BSC Audit
- Technical Assurance Check

BSC Portal

- Provides operational BSC data
- Public as well as party-specific data

Introducing Elexon Seminar

- Overview of the balancing mechanism and imbalance settlement processes (Dates TBC)

Communications

- Mailbox for Industry News
- News Casts and Circulars

Contact details and links

Market Entry:

<https://www.elexon.co.uk/reference/market-entry/>

SVA Qualification:

<https://www.elexon.co.uk/reference/market-entry/sva-qualification/>

BSC For Dummies:

<https://www.elexon.co.uk/bsc-and-codes/bsc-guide-how-balancing-and-settlement-works/>

