

CP Assessment Report

CP1512 'Improving the format of BSCP11 forms'

ELEXON



Committee

Trading Disputes
Committee (TDC)

Recommendation

Approve

Implementation Date

27 June 2019
(June 2019 Release)



Contact

Ivar Macsween

020 7380 4270

ivar.macsween@elexon.co.uk



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About This Document

This document is the Change Proposal (CP) Assessment Report for CP1512 which ELEXON will present to the TDC at its meeting on 03 January 2019. The TDC will consider the proposed solution and the responses received to the CP Consultation before making a decision on whether to approve CP1512.

There are 3 parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the TDC's initial views on the proposed changes and the views of respondents to the CP Consultation.
- Attachment A contains the CP1512 proposal form.
- Attachment B contains the proposed redlined changes to deliver the CP1512 solution.
- Attachment C contains the full responses received to the CP Consultation.

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1 Why Change?

Trading Disputes Background

Trading Disputes are queries, differences or disputes relating to errors in the data or processes used for the purposes of Settlement, or the application of the rules for Settlement. The errors to be rectified as a result of a Trading Dispute are termed 'Settlement Errors'.

Suppliers have an obligation under the Balancing and Settlement Code (BSC) to ensure Settlement is accurate. Where Settlement is known to not be accurate, BSC Parties may raise a Trading Dispute so that the error can be rectified and the integrity of Settlement is maintained.

In order for a Trading Dispute to be raised and subsequently upheld, it must meet the three Trading Dispute criteria defined in [BSC Section W 'Trading Disputes'](#) paragraph 3.2.7 as follows:

- The Trading Dispute must be raised within the applicable Dispute Deadline;
- A Settlement Error has occurred; and
- The materiality meets the £3,000 threshold.

Dispute Deadlines

Parties who wish to raise a Trading Dispute in respect of an affected Settlement Period are subject to Dispute Deadlines. Notice of the relevant Trading Dispute must be given to the Disputes Secretary no later than the Dispute Deadline:

- In the case of a general Trading Dispute, the Dispute deadline is the 20th Working Day following the day on which the relevant Settlement Run was carried out.
- Where the Trading Dispute is either a Supplier Volume Allocation (SVA) Half Hourly Dispute or an SVA Non- Half Hourly Dispute, [BSC Procedure \(BSCP\) 11 'Trading Disputes'](#) defines the applicable deadline as the 70th Working Day following the carrying out of the Final Reconciliation Run (RF).
- Where a Trading Dispute concerns data relating to profile coefficient, BSCP11 defines the applicable deadline as the 3rd Working Day following the Settlement Day in which the affected Settlement Period(s) occurred.
- Where a Trading Dispute relates to Market Domain Data, BSCP11 defines the applicable deadline as the 2nd Working Day following the Settlement Day in which the affected Settlement Period(s) occurred.

Materiality Threshold

Following the decision by the TDC that there was a Settlement Error in respect of a Trading Dispute, BSC Section W describes the process by which the TDC determines its materiality.

Whilst there is no pre-rectification materiality limit for Trading Disputes, if the materiality or estimated materiality of a Settlement Error (i.e. in relation to the affected Settlement Periods) determined by the TDC is less than £3,000, no corrective action will be taken

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regardless of the determination by the TDC or the Panel (as the case may be) on the validity of such Trading Dispute.

Trading Charges

Each Trading Party is liable to pay or receive Trading Charges for each Settlement Day. These charges are calculated in relation to Imbalance Settlement and Balancing Mechanism activity. The Settlement Administration Agent (SAA) calculates these Trading Charges at every Settlement Run. It will receive and validate the latest data for the relevant Settlement Day. BSC Parties are required to submit data to ELEXON so that Trading Charges can be calculated.

Where a Settlement Error has occurred and the Trading Dispute criteria has been met, Trading Disputes allow for energy volumes previously entered into Settlement to be re-calculated, and the corrected Trading Charges distributed accordingly amongst impacted BSC Parties.

What is the issue?

The information that Parties enter into BSCP11 forms is not always sufficient to enable ELEXON to progress a Trading Dispute efficiently. This results in longer rectification timescales for Trading Disputes that could otherwise be avoided if such information was explicitly requested as part of the BSCP11/01 'Trading Dispute Raising Form' in particular. For instance, ELEXON often requires further detailed information regarding the Trading Dispute raised.

Further, whilst part of ELEXON's current internal process, BSCP11 table 5.1 'Trading Disputes Process' step 5.1.2 does not explicitly state that the Disputes Secretary must forward the Trading Disputes Raising Form to the Electricity Market Reform (EMR) Settlement Services Provider upon receipt.

Additionally, BSCP11 forms contain several examples of unnecessary, redundant or incorrect wording and formatting that could create confusion for BSC Parties involved in the Disputes or rectification of Disputes processes. These items are outlined below.

- BSCP11/02 - Trading Dispute Acknowledgement

This form is issued to the Trading Dispute raising Party from ELEXON to confirm receipt of the BSCP11/01 form and the assigned reference number of the Trading Dispute. ELEXON does not believe this form is necessary as it does not add value to the overall process as the information can be provided as part of required email receipt.

- BSCP11/03 - Request for Assistance

This form is used by ELEXON to request further information from Parties who raised a Trading Dispute. The Raising Party is required to fill in their response in the lower section of the form and send it back to the Trading Disputes team. In practice, the lower section of the form is unnecessary as most Parties provide their response in email format.

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- BSCP11/04 – BSCCo Findings Form

This form is used to inform Parties of ELEXON's assessment against the Trading Disputes criteria set out in BSC Section W. Some of the wording within the form could create ambiguity and does align with other sections of BSCP11 and/or operational processes. In addition, the form does not fully outline the TDC's right to exercise its discretion to waive the requirement that the Trading Dispute should be raised within the Dispute Deadline.

- BSCP11/07 – TDC Trading Disputes Findings

This form is used to inform the Raising Party and affected Parties of the TDC's decision on a Trading Dispute. The current form BSCP11/07 was designed only for the Raising Party and there is no section of the form specifically for affected Parties.

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Proposed solution

[CP1512](#) was raised by ELEXON on 26 October 2018. It seeks to add clarity to the BSCP11/01 'Trading Dispute Raising Form' in order to increase efficiency of the Trading Disputes investigation process for the benefit of all impacted Parties. This will reduce end-to-end process timescales as ELEXON will be provided with all the information required to support a Trading Dispute at the initial stage.

The updates to the BSCP11/01 form will include a new questionnaire that captures crucial information including:

- the type of error leading to the Trading Dispute (e.g. System Prices/CVA Metering Systems);
- who identified the error and how it was identified;
- what caused the error to occur; and
- what actions have been taken so far to correct the error and whether any correction has been made in the fluid period, Initial Settlement Run(SF) to the Final Reconciliation(RF), with a prompt to specify the range of Settlement Days and Settlement Periods already corrected.

Raising Parties will additionally be required to provide: the uncorrected data, the proposed replacement data, a statement explaining why exceptional circumstances exist (if requested) and commissioning records for installed Metering Equipment.

Further, CP1512 will update BSCP11 table 5.1 'Trading Disputes Process' step 5.1.2 to clarify that the Disputes Secretary must forward the Trading Disputes Raising Form to the Electricity Market Reform (EMR) Settlement Services Provider upon receipt.

Additionally, forms within BSCP11 will be updated to remove unnecessary, redundant or incorrect wording and formatting that could create confusion for BSC Parties involved in the Disputes or rectification of Disputes processes. These items are outlined below:

- [BSCP11/02 - Trading Dispute Acknowledgement](#)

CP1512 proposes to remove this form as it does not form an integral part of the end-to-end process. ELEXON already acknowledges receipt of the BSCP11/01 form via email as per the prescribed process and all necessary information (e.g. Trading Disputes reference) can be provided to the raising Party as part of this email receipt.

- [BSCP11/03 - Request for Assistance](#)

This CP proposes to amend this form to remove the content in the lower section, following the 'Section to be completed by the Recipient' as the majority of Parties provide their response to the request for assistance by email.

- [BSCP11/04 – BSCCo Findings Form](#)

CP1512 proposes to amend the wording in the BSCP11/04 form relating to Trading Disputes validation. Further, where the BSCCo deems a Trading Dispute invalid and closed, the timescale for objection by a Raising or affected Party has been amended from 10 Working Days to 14 days.

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- BSCP11/07 – TDC Trading Disputes Findings

CP1512 seeks to split BSCP11/07 into two parts (A and B), to minimise ambiguity between impacts on the Raising Party and affected Parties. The form will be split for the Raising Party and affected Parties respectively, and populated by ELEXON. The information proposed to be contained in both parts is outlined below:

| Part A | Part B |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Both parts will require Details of Authorised Data Amendments to be entered, including options (to be deleted as appropriate) for the Applicable Settlement Run(s) through which corrective action is to be applied and the type of corrective action to be applied. | |
| <ul style="list-style-type: none"> • Part A will exclusively require population of fields requiring the Party's Metering System Identifier (MSID)/Balancing Mechanism (BM) Unit/ Energy Contract Volume Notification (ECVN) or Metered Volume Reallocation Notification (MVRN) Authorisation ID/Other IDs and the deadline to confirm with the Disputes Secretary (ELEXON) that corrective action has been implemented and the applicable Settlement Run(s) has been scheduled. | <ul style="list-style-type: none"> • The Details of Authorised Data Amendments for Part B will be non-confidential. |
| <ul style="list-style-type: none"> • The Details of Authorised Data Amendments for Part A will be confidential. | |

Proposer's rationale

CP1512 will enable Trading Disputes to be progressed towards rectification in shorter timescales as necessary information will be provided at the time the Trading Dispute is raised. Further amendments will reduce ambiguity and add clarity to the process, enhancing the customer experience of the Disputes process.

Proposed redlining

Attachment B contains the proposed redlining to BSCP11 'Trading Disputes' to deliver the CP1512 solution.

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3 Impacts and Costs

Central impacts and costs

Central impacts

CP1512 will require document only changes to BSCP11 with no BSC Central System changes required.

| Central Impacts | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Document Impacts | System Impacts |
| <ul style="list-style-type: none">• BSCP11• Trading Dispute Guidance note• ELEXON internal local working instructions | <ul style="list-style-type: none">• None |

Central costs

The central implementation costs for CP1512 will be approximately £480 (two ELEXON Working Days to implement the necessary document changes).

BSC Party & Party Agent impacts and costs

ELEXON does not anticipate any material direct impacts or costs on Parties or Party Agents from the solution to CP1512 but seeks to clarify this through CP Consultation.

When a Party raises a Trading Dispute, they will have to provide more information than previously required in the BSCP11/01 form. However, this additional information already required, but is requested by ELEXON from the Raising Party at a later date.

4 Implementation Approach

Recommended Implementation Date

CP1512 is scheduled for implementation on 27 June 2019 as part of the June 2019 BSC Release.

This is the next available Release in which to include this CP.

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TDC's initial views

TDC members made no comment on CP1512 except to state their support, noting that the solution seemed logical and would increase the efficiency with which Trading Disputes can be processed.

Members did not provide any additional questions for inclusion in the CP Consultation.

6 Industry Views

This section summarises the responses received to the CP Consultation. You can find the full responses in Attachment C.

| Summary of CP1512 CP Consultation Responses | | | | |
|----------------------------------------------------------------------|-----|----|---------------------------|-------|
| Question | Yes | No | Neutral/ No Comment | Other |
| Do you agree with the CP1512 proposed solution? | 1 | 0 | 0 | 0 |
| Do you agree that the draft redlining delivers the intent of CP1512? | 1 | 0 | 0 | 0 |
| Will CP1512 impact your organisation? | 1 | 0 | 0 | 0 |
| Will your organisation incur any costs in implementing CP1512? | 0 | 1 | 0 | 0 |
| Do you agree with the proposed implementation approach for CP1512? | 1 | 0 | 0 | 0 |
| Do you have any further comments on CP1512? | 0 | 1 | 0 | 0 |

There was one respondent to the CP Consultation. This respondent agreed with the proposed solution, that the draft redlining delivers the intent of the CP and the proposed implementation approach.

The respondent identified a small impact upon their organisation due to the increased amount of information that would be required on the forms at initial submission, however the respondent recognised that the additional time needed to provide this information would speed up subsequent stages of the process.

The respondent provided no comments on the redlined text needed to deliver the CP-1512 solution.

7 Recommendations

We invite you to:

- **APPROVE** the proposed changes to BSCP11 for CP1512; and
- **APPROVE** CP1512 for implementation on 27 June 2019 [as part of the June 2019 BSC Release].

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Appendix 1: Glossary & References

Acronyms

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

| Acronyms | |
|----------|------------------------------------------|
| Acronym | Definition |
| BSC | Balancing and Settlement Code |
| BSCCo | Balancing and Settlement Code Company |
| BSCP | BSC Procedure |
| CPC | Change Proposal Circular |
| CVA | Central Volume Allocation |
| ECVN | Energy Contract Volume Notification |
| IDs | Identifiers |
| MSID | Metering System Identifier |
| MVRN | Metered Volume Reallocation Notification |
| SAA | Settlement Administration Agent |
| TDC | Trading Disputes Committee |

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 |
| 2 | BSCP11 – Trading Disputes | https://www.elexon.co.uk/csd/bscp11-trading-disputes/ |
| 3 | CP1512 'Improving the format of BSCP11 forms' | https://www.elexon.co.uk/change-proposal/cp1512-improving-format-bscp11-forms/ |

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