

CP Assessment Report

CP1581 'Recommendation to update BSCP18 following Issue 105'

Contents

1.	Summary	2
2.	Why Change?	4
3.	Solution	6
4.	Impacts and Costs	7
5.	Implementation Approach	8
6.	Initial Committee Views	9
7.	Industry Views	10
8.	Recommendations	11



Committee

Imbalance Settlement
Group (ISG)

Recommendation

Approve

Implementation Date

2 November 2023

(November 2023
Release)

About This Document

You can find the definitions of the terms and acronyms used in this document in the [BSC Glossary](#)¹.

This document is the Change Proposal (CP) Assessment Report for CP1581 which Elexon will present to the ISG at its meeting on 1 August. The Committee will consider the proposed solution and the responses received to the CP Consultation before making a decision on whether to approve CP1581.

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 ISG's initial views on the proposed changes and the views of respondents to the CP Consultation.
- Attachment A contains the CP proposal form.
- Attachment B contains the proposed redlined changes to deliver the CP1581 solution.



Contact

Kayleigh Neal

020 7380 4175

kayleigh.neal@elexon.co.uk

BSC.change@-elexon.co.uk



ISG268/04

CP1581

CP Assessment Report

25 July 2023

Version 1.0

Page 1 of 11

© Elexon 2023

¹ <https://www.elexon.co.uk/glossary/?show=all>

1. Summary



Not sure where to start?

We suggest reading the following sections:

- Have 5 minutes? Read section 1
- Have 15 minutes? Read sections 1, 4, 5 and 6
- Have 30 minutes? Read all sections
- Have longer? Read all sections and the annexes and attachments

Why change?

The [Issue 105 'Further considerations following implementation of BSC Modification P448'](#)² Workgroup has suggested a number of improvements to [BSC Procedure \(BSCP\) 18 'Corrections to Bid-Offer Acceptance Related Data'](#)³:

- To clarify when the Lead Party can and cannot update Physical Notifications (PNs) during Load Shedding as a result of a Stage 2+ National Gas Supply Emergency (NGSE).
- The draft Network Gas Supply Emergency Settlement Validation Committee Terms of Reference (ToR) are including in BSCP18. The Panel own the ToR and should be able to make amendments without the need for a CP to be raised.

Moreover, Elexon (with oversight from the Panel) wishes to amend the name of the Network Gas Supply Emergency Settlement Validation Committee (NGSESVC) to the Generation Curtailment Validation Committee (GCVC), on the basis that this offers a more customer-friendly and less cumbersome way for the committee to be referenced and interacted with by the industry. This proposal was made following the CP consultation and was not consulted on. As Elexon considers this to be Housekeeping (on the basis that it does not materially impact the solution), we recommend that this CP does not go out for a second consultation. If the ISG agrees with this proposal, their decision will be subject to a 15 Working Day objection period in line with [BSCP40 'Change Management'](#)⁴.

Solution

- To add a paragraph to BSCP18 Appendix 1 to clarify when the Lead Party can and cannot update Physical Notifications (PNs) during Load Shedding as a result of a Stage 2+ NGSE;
- To remove Appendix 2 'Draft Terms of Reference for the NGSESVC' from BSCP18 and in text references to Appendix 2; and
- To amend references to the NGSESVC to the GCVC.

Impacts and costs

This CP will require changes to BSCP18. The central implementation cost will be less than £1k to implement the relevant document changes. No BSC central system changes or impacts to BSC Party or Party Agents are anticipated.

² <https://www.elexon.co.uk/smg-issue/issue-105/>

³ <https://bscdocs.elexon.co.uk/bsc-procedures/bscp-18-corrections-to-bid-offer-acceptance-related-data>

⁴ <https://bscdocs.elexon.co.uk/bsc-procedures/bscp-40-change-management>

Implementation

This CP is proposed for implementation on 2 November 2023 as part of the November 2023 Standard Release.

Recommendation

We invite the **ISG** to:

- **AGREE** that the amendments made to the proposed redlining for BSCP18 for CP1581 made following the CP Consultation are Housekeeping as defined in BSCP40;
- **APPROVE** the proposed changes to BSCP18 for CP1581; and
- **APPROVE** CP1581 for implementation on 2 November 2023 as part of the standard November 2023 Release.

2. Why Change?

What is the issue?

The Process for Settlement of Network Gas Supply Emergency Acceptances

P448 'Protecting Generators subject to Firm Load Shedding during a Gas Supply Emergency from excessive Imbalance Charges'⁵ introduced a new process by which a Load Shedding instruction issued to a gas-fired generator during Stage 2 or higher of a Network Gas Supply Emergency can be treated as a type of Acceptance (a Network Gas Supply Emergency Acceptance) for purposes of the Code.

The intent of this process is to protect the affected generators (and/or their associated Lead Parties and Subsidiary Parties) from the Imbalance Charges they would otherwise have incurred if prevented by the Load Shedding instruction from delivering electricity they had contracted to deliver prior to receipt of that instruction.

This process is outlined in BSCP18, Appendix 1. During the period of Load Shedding the Lead Party can continue to update Physical Notifications (PNs), Bid Offer Data and Dynamic Data in accordance with the provisions of the Grid Code. However, in accordance with those Grid Code provisions, PNs that cover the period of Load Shedding should reflect the firm contracted position of the BM Unit immediately prior to receipt of the Load Shedding instruction.

However, following Gate Closure (1 hour prior to the start of the Settlement Period), the Lead Party will no longer be able to send PNs as Gate Closure triggers a Final Physical Notification (FPN). At the point the Load Shedding instruction is received (working on the basis it requires immediate curtailment), the current, and two following Settlement Periods will already have passed Gate Closure. If data for these Settlement Periods needs to be amended, this will need to be done by the NGSESVC rather than 'in real time' by Lead Parties. The Issue 105 Workgroup has recommended that a CP be raised to clarify this in BSCP18.

The Network Gas Supply Emergency Settlement Validation Committee Terms of Reference

P448 added a new appendix to BSCP18 outlining the draft ToR for the NGSESVC.

The NGSESVC was established for the purpose of verifying that Trading Charges relating to Network Gas Supply Emergency Acceptances are consistent with the Network Gas Supply Emergency Adjustment Principles set out in [Section G6.1.3](#) of the Code.

The BSC Panel has ownership of the ToR and should have the capability to make amendments at their discretion. However, a CP would need to be raised to make any amendments to BSCP18, including to the ToR. The Issue 105 Workgroup recommends removing the ToR from BSCP18 to allow for its timely modification without industry approval (but with oversight provided by the BSC Panel).

ISG268/04

CP1581

CP Assessment Report

25 July 2023

Version 1.0

Page 4 of 11

© Elexon 2023

⁵ <https://www.elexon.co.uk/mod-proposal/p448/>

Background

Issue 105

Issue 105 was raised by Elexon on 22 December 2022 to consider the consequential impacts of P448.

P448 was approved by Ofgem on 6 December 2022 for implementation on 7 December 2022. Ofgem approved the Alternative Modification. P448 placed a mechanism in the BSC that allows Load Shedding instructions issued during a Stage 2+ NGSE to be treated as Accepted Bids for BSC purposes.

As P448 was deemed to be an Urgent Modification Proposal, some of its consequential impacts could not be fully explored by the P448 Workgroup. Topics needing further consideration were proposed by the P448 Workgroup, within consultation responses to P448, in the Ofgem P448 decision letter, and by the BSC Panel. These topics made up the ToR for Issue 105.

One ToR was to review changes to BSCP18 and the new [Guidance Note on Network Gas Supply Emergency Acceptances \(NGSEA\)](#)⁶ to determine whether these provide sufficient information to market participants, in the event of a NGSE Load Shedding instance occurring.

The Issue 105 Workgroup has recommended changes to BSCP18 and the NGSEA Guidance Note. This CP considers the changes to BSCP18. The NGSEA Guidance Note will also be updated by Elexon but will not require consultation or Committee approval as it is not classified as a Configurable Item on the [BSC Baseline Statement](#)⁷.

The Network Gas Supply Emergency Settlement Validation Committee

Under P448, gas-fired Generators will be protected from BSC Imbalance Charges if the Load Shedding prevents them from delivering contracted positions agreed prior to the receipt of the Load Shedding instruction.

If a NGSE event were to occur, Generators subject to Load Shedding would be required (for the duration of the NGSE) to submit FPNs to National Grid Electricity System Operator that reflected their contractual position prior to the Load Shedding instruction.

The P448 process would then settle the Load Shedding instructions as Bids to ensure the Generator was not subject to electricity Imbalance Charges as a result of not being able to deliver the FPN.

The NGSE SVC would meet after the NGSE to verify the Settlement data and determine whether the data should be amended. The committee would have the power to either:

- Amend the FPNs if it is not satisfied that they reflect the contractual position prior to receipt of the Load Shedding Instruction; or
- Amend the Bid Price if it is not satisfied that it reflects the net saving in Avoidable Costs from not being able to generate.

⁶ <https://bscdocs.elexon.co.uk/guidance-notes/network-gas-supply-emergency-acceptances>

⁷ <https://www.elexon.co.uk/bsc-and-codes/bsc-baseline-statement/>

3. Solution

Proposed solution

This CP proposes:

1. To add the following paragraph to Appendix 1 'Process for Settlement of Network Gas Supply Emergency Acceptances':

It is recognised that the first three Settlement Periods of Load Shedding may have passed Gate Closure when the Load Shedding instruction is received, and the Lead Party will therefore not be able to update Physical Notifications or Bid Prices for these Settlement Periods to reflect the impact of Load Shedding. The NGSESVC may address this by directing appropriate changes to data in these Settlement Periods.

2. To remove Appendix 2 'Draft Terms of Reference for the NGSESVC' from BSCP18 and in text references to Appendix 2.

Proposer's rationale

Elxon is raising this CP on behalf of the Issue 105 Workgroup to provide clarity to the Process for Settlement of NGSE Acceptances. It will also allow the BSC Panel to modify the NGSESVC ToR without the need for further CPs to be raised.

Proposed redlining

The proposed redlining to BSCP18 can be found in Attachment B.

Following the CP consultation, Elxon updated the redlining to BSCP18 to change the name of the NGSESVC. All references to the NGSESVC were changed to reflect the new name (i.e. the Generation Curtailment Validation Committee (GCVC)). The decision to change the name was made to improve the user experience as it is shorter and simpler.

Elxon believes that the changes made to the redlining to BSCP18 following the consultation are non-material Housekeeping changes as per BSCP40. Elxon therefore recommends that this CP does not go out for a second consultation.



Housekeeping changes

Involves the correction of manifest errors, minor errors and inconsistencies, including typographical errors (e.g. punctuation errors, spelling mistakes, incorrect font, incorrect capitalisation) incorrect cross-referencing, and the removal of redundant text. Housekeeping CPs do not require a CP Consultation, however market participants can raise an objection to this approach if they believe there will be an impact.

ISG268/04

CP1581

CP Assessment Report

25 July 2023

Version 1.0

Page 6 of 11

© Elxon 2023

4. Impacts and Costs

BSC Party & Party Agent impacts and costs

Participant impacts

Elxon does not expect this CP to impact BSC Party or Party Agents.

Central impacts and costs

Central impacts

This CP will require changes to BSCP18. No central system change or impact on BSC Systems are anticipated.

Central Impacts	
Document Impacts	System Impacts
BSCP18: Corrections to Bid-Offer Acceptance Related Data	None

Impact on BSC Settlement Risks

Impact on BSC Settlement Risks
Elxon anticipates no impact on Settlement Risks.

Impact on Market-wide Half Hourly Settlement (MHHS)

Impact on MHHS
Elxon anticipates no impact on MHHS.

Central costs

The central implementation costs for CP1581 will be approximately £1k to implement the document only changes.

ISG268/04

CP1581

CP Assessment Report

25 July 2023

Version 1.0

Page 7 of 11

© Elxon 2023

5. Implementation Approach

Recommended Implementation Date

This CP is recommended for implementation on 2 November 2023 as part of the standard November 2023 BSC Release.

Elxon will ask the ISG to agree that the amendments made to the redlining to BSCP18 following the CP consultation are Housekeeping and therefore CP1581 does not need a second industry consultation. If the ISG agrees with this approach and also approves CP1581 for implementation on 2 November 2023, a 15 Working Day objection window will run between 1 August 2023 up to and including 21 August 2023. This will allow Parties to object to the view that the additional amendments are Housekeeping.

If no objections are received, the CP will be considered as approved for implementation. If an objection is received, CP1581 will be issued for a second consultation in the August 2023 Change Proposal Circular (CPC) consultation batch, returning to the October ISG meeting for decision.

6. Initial Committee Views

ISG's initial views

The CP1581 Progression Paper ([ISG266/05](#)⁸) was presented to the ISG at its meeting on 6 June 2023.

The ISG had no comments.

ISG268/04

CP1581

CP Assessment Report

25 July 2023

Version 1.0

Page 9 of 11

© Elexon 2023

⁸ <https://www.elexon.co.uk/meeting/isg266/>

7. Industry Views

CP1581 received no responses to the CP Consultation which ran from Monday 12 June 2023 to Friday 7 July 2023.

We did not expect many responses to the Consultation as we anticipate no impacts to BSC Party or Party Agents. The lack of responses suggest that industry is comfortable with the proposed changes.

8. Recommendations

We invite the **ISG** to:

- **AGREE** that the amendments made to the proposed redlining for BSCP18 for CP1581 made following the CP Consultation are Housekeeping as defined in BSCP40;
- **APPROVE** the proposed changes to BSCP18 for CP1581; and
- **APPROVE** CP1581 for implementation on 2 November 2023 as part of the standard November 2023 Release.