ELEXON

P376 'Utilising a Baselining Methodology to set Physical Notifications' Workgroup 7 summary

Summary

The Workgroup noted the updated solution for introducing an automated process for calculating Delivered Volumes for Baselined MSID Pairs. A Workgroup member sought more detail on how the proposed pro rating of volumes would work. They were concerned that an MSID Pair may end up being assigned a greater volume than it was capable of delivering. Workgroup members suggested that the solution could work without the need to pro rata volumes by deducting the baseline calculated Delivered Volumes from the total BMU Delivered Volume. This would leave a residual which the VLP would be asked to allocate among remaining MSID Pairs. Elexon agreed to add additional detail to the business requirements for how the process of delivered volumes would work, including any pro rata that was kept in the solution.

The Workgroup noted the benefit of differentiating between event days declared as a result of dispatch notifications and event days declared for other operational reasons. The Workgroup considered whether other checks should be put in place. This included notifying the Supplier where a VLP declares an event day on one of their MSID Pairs, or limiting the number of non-dispatch event days that can be submitted in a given period. Some Workgroup members believed these would be beneficial, but others were not convinced. They noted that Suppliers were unlikely to have resource to review event day submissions and were unsure what action the Supplier could take in response. They believed that imposing limits could be restrictive and prevent legitimate event days being submitted.

The Workgroup had previously considered applying a materiality threshold check to event day submissions. The Proposer argued that this was not a useful tool. They commented that this could allow any normal outlier day to be excluded from baseline data – artificially benefitting the VLP. The Proposer believed the best way to apply scrutiny would be for spot checks that required the VLP to provide rationale for any submitted event days. For dispatched the VLP should be able to provide clear evidence. They noted that other reasons may be harder to verify and so expected a higher hurdle.

Workgroup members expressed a desire for a clear set of criteria for event days that weren't for dispatch reasons. The Proposer expected an exhaustive list including commissioning testing, maintenance testing and full or partial plant outage, but agreed to confirm the full list. They believed that evidence such as an engineering log would exist for these instances. The Workgroup also noted that clear objective criteria would strengthen any performance assurance checks. The Workgroup expressed different views on where this criteria sits best. Some members preferred for it to be in the BSC legal text, while the Proposer believed it belonged on the new Baselining Configurable Item that will be created. Elexon agrees that an appendix to the new document is the most suitable location, but notes that this can be drafted and approved under the Modification process to provide clarity and comfort to Workgroup members.

The Workgroup discussed the proposal to deploy a TAPAP check 6 months after the implementation of P376 to assure processes around event day submissions. Some Workgroup members called for additional detail on how this could be done, and suggested including an obligation to perform the TAPAP in the draft legal text. Some workgroup members believed continual monitoring should be applied rather than one off checks, believing that if/when baseline volumes became great enough there could be a significant risk to Settlement. The Proposer believed that an initial check after 6 months would provide information to tailor any subsequent reporting or monitoring. Workgroup members agreed that this initial check would help build the framework for ongoing reporting if it was deemed necessary.

One Workgroup member suggested that a new Settlement Risk was created to assure the baseline solution and proper submission of event days. They believed that it would be appropriate to apply Error and Failure Resolution (EFR) where issued were found with Parties submission of event days. The Workgroup was supportive of an initial assurance check, and believed there may be value in ongoing reporting, but wanted more detail on how this may work.

The Workgroup discussed how P376 would be funded. As the estimated service costs were not substantial the proposal was for it to be absorbed into general BSC costs. This would be consistent with how the P344 solution is funded. One Workgroup member was cautious that the annual service charge may increase as the P376 solution become more prevalent. Some Workgroup members questioned whether it was right for the costs to be absorbed into

BSC costs, but believed that this was part of a wider question related to the Transmission Charging Review and was best considered outside of the P376 forum.

Actions

1. Add detail to the business requirements for how the process of delivered volumes would work, including any pro rata in the solution.
2. Ensure that notification of event days allows for a period to be declared rather than individual days
3. PT to provide full list of reasons for submitting event days that are not due to dispatch.
4. Provide additional detail on proposed assurance checks and investigate the feasibility of an ongoing monitoring report.