

Report Phase Consultation Responses

P399 'Making the identity of balancing service providers visible in the Balancing Services Adjustment Data'

This Report Phase Consultation was issued on 8 December 2020, with responses invited by 22 December 2020.



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

Respondent	Role(s) Represented
Drax Group PLC	Generator, Supplier
Flexible Generation Group	Generators, Non BSC Generation
Sembcorp Energy UK	Generator, Supplier

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Question 1: Do you agree with the Workgroup's initial unanimous recommendation that P399 should be approved?

Summary

Yes	No	Neutral/No Comment	Other
3	0	0	0

Responses

Respondent	Response	Rationale
Drax Group PLC	Yes	<p>We agree with the Workgroups unanimous view that P399 should be approved and does better facilitate the Applicable BSC Objectives.</p> <p>Applicable Objective (a) – Positive As part of its licence the ESO is required to produce and comply with the C16 statements. License condition C16 1. (g) states that the procurement of balancing services should be transparent. P399 will increase the transparency of balancing actions taken outside the BM, such as schedule 7A Trades.</p> <p>Applicable Objective (b) – Positive Increased transparency and reporting will better inform market participants of what requirements the ESO has, and how they are meeting them through non-BM actions. This will facilitate the efficient, economic and coordinated operation of the National Electricity Transmission System.</p> <p>Applicable Objective (c) – Positive Currently there is an information asymmetry; market participants which are instructed through the BM and through non-BM services have visibility of BM actions, whereas BM participants have no visibility of non-BM actions, which leads to some parties having an unjustified advantageous access to information. The anonymised nature of the trading actions taken by NETSO outside of the BM could create a barrier to efficient competition. Therefore, the increased transparency P399 introduces will mitigate this risk to effective competition.</p> <p>Applicable Objective (e) – Positive Article 3(2) of the European Balancing Guidelines (EBGL) states that relevant National Regulatory Authorities (i.e. Ofgem) and System Operators should aim to foster effective competition and transparency in balancing markets. P399 will promote compliance with this aspect of EU electricity regulation.</p>

Respondent	Response	Rationale
Flexible Generation Group	Yes	<p>While we are extremely disappointed by the slow progress of this mod and its high costs, we still believe on balance it will have a positive impact on competition by providing greater transparency to the market of the ESO's activities. We are aware that larger parties may have the resources to be able to work out more about what NGESO is doing in real time, or could be the counter-parties to these trades (effectively having insider knowledge), but for smaller parties clear publication is what gives them more market knowledge, allowing them to better compete.</p>
Sembcorp Energy UK	Yes	<p>P399 is still better than the baseline as it improves transparency and helps the ESO to better discharge its Licence obligations. The intent of the modification proposal also facilitates competition and it would allow a more efficient operation of the system.</p> <p>This statement follows an overall assessment of how the mod supports the Applicable BSC Objectives. However, we would reiterate what we said in the WG i.e. that we think the high cost seems disproportionate for an item that would contain a binary tendered/non-tendered status. We understand the ESO's reasons and explanation around this. Yet, we wonder whether the overall high cost can fully justify the level of transparency that it would introduce.</p>

Question 2: Do you agree with the Workgroup that the redlined changes to the BSC deliver the intention of P399?

Summary

Yes	No	Neutral/No Comment	Other
3	0	0	0

Responses

Respondent	Response	Rationale
Drax Group PLC	Yes	The BSC legal text changes deliver the intent of P399.
Flexible Generation Group	Yes	None provided
Sembcorp Energy UK	Yes	The amendment to Section Q, paragraph 6.3.2B(b) – following the discussion after the Assessment Procedure consultation – is now suitable to ensure that there is no blanket entitlement for the ESO to publish any information deemed necessary for transparency, without foreseeing any consultation and agreement process with the providers which that information relates to.

Question 3: Do you agree with the Workgroup's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
3	0	0	0

Responses

Respondent	Response	Rationale
Drax Group PLC	Yes	4 months lead time to implement following an authority decision is sufficient. If the authority's decision is received before 20 May 2020, then implementation as part of the November 2021 release provides a reasonable lead time to industry. If an authority decision is not received by this date, then we support the proposed February 2022 implementation.
Flexible Generation Group	Yes	We would like to have seen an earlier implementation and it is unfortunate this mods has taken so long and delivery been delayed. We would like to NGENSO work to see if it can facilitate any further improvements in a timely manner.
Sembcorp Energy UK	Yes	As per WG rationale.

Question 4: Do you agree with the Workgroup’s initial consideration that P399 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

Summary

Yes	No	Neutral/No Comment	Other
3	0	0	0

Responses

Respondent	Response	Rationale
Drax Group PLC	Yes	The P399 legal text will amend section Q 6.3.2 which forms part of the approved Article 18 terms and conditions for balancing held within the BSC.
Flexible Generation Group	Yes	We agree and believe it is in line with the general thrust of EBGL’s intent.
Sembcorp Energy UK	Yes	As per WG rationale.

Question 5: Do you agree with the Workgroup's initial view that P399 should not be treated as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
3	0	0	0

Responses

Respondent	Response	Rationale
Drax Group PLC	Yes	P399 will amend the EBGL Article 18 terms and conditions for balancing contained within the BSC, and will have a material impact on competition in the wholesale market.
Flexible Generation Group	Yes	None provided
Sembcorp Energy UK	Yes	As per WG rationale

Question 6: Do you have any comments on the impact of P399 on the EBGL objectives?

Summary

Yes	No	Neutral/No Comment	Other
1	2	0	0

Responses

Respondent	Response	Rationale
Drax Group PLC	Yes	Please see our response to question 1 where we highlight the impact on Applicable BSC Objective (e).
Flexible Generation Group	No	None provided
Sembcorp Energy UK	No	None provided

Question 7: Do you agree with the Workgroup’s recommendation that the “Tendered Status” data field should still form part of the P399 solution, taking into account increased costs of doing so?

Summary

Yes	No	Neutral/No Comment	Other
2	1	0	0

Responses

Respondent	Response	Rationale
Drax Group PLC	Yes	Notwithstanding the increase in NGESO costs to implement P399, we still believe the benefits of this modification remain robust.
Flexible Generation Group	Yes	<p>We support this only because NGESO says it believes that the new data flows established could facilitate more transparency at lower cost in the future. While this upfront cost still seems very high, we hope that NGESO seeks to achieve more transparency in a timely manner.</p> <p>For parties such as ours, tendered status will tell us more about why actions are being taken, which will inform decisions about where and how we look to invest in future. These may not be conventional plant, but new services for example stability of constraint management services. Parties and NGESO recognise our market is making a huge transition and this will be far more efficiently achieved if we are sharing as much data as possible.</p> <p>We would suggest that the BSC Panel ask NGESO to review what other data may be shared as a result of this change and to bring forward any necessary proposals to facilitate further improvements. For example, in a market with more day ahead tenders will this help them provide the tendered status of plants to DNOs so in emergency disconnections (GC147) contracted plants are left on? We also fail to understand the 60 minutes to publish as one assumes trades are entered into a system and should be capable of publication within 5 minutes. NGESO should commit to improve this.</p>
Sembcorp Energy UK	No	We believe that the costs associated with this modification proposal are not justified as P399 would really only provide some minor additional information: although we believe that P399 would

Respondent	Response	Rationale
		<p>improve transparency, and we are supportive of this principle, we would point out that the ESO is already publishing information on non-BM STOR and non-BM FR and, as such, a higher degree of transparency has already been achieved.</p> <p>We therefore don't think that the benefit would outweigh the revised implementation costs.</p>

Question 8: Do you have any further comments on P399?

Summary

Yes	No
0	3

Responses

Respondent	Response
Drax Group PLC	N/A
Flexible Generation Group	N/A
Sembcorp Energy UK	N/A