

P344 IMPLEMENTATION CIRCULAR

Date 16 January 2019
To CVA and SVA and BSC Change distribution lists
From ELEXON Design and Delivery
Purpose For action

What is Modification P344?

Project TERRE (Trans European Replacement Reserve Exchange) is a European project to implement a new Replacement Reserve (RR) balancing product, which has been developed by a group of European Transmission System Operators (TSOs), including the GB TSO as National Grid Electricity System Operator (ESO).

BSC Modification [P344 'Project TERRE implementation into GB market arrangements'](#) and Grid Code Modification [GC0097 'Grid Code Processes Supporting TERRE'](#) will implement the TERRE product in the GB electricity market.

Not only will P344 'Project TERRE implementation into GB market arrangements' enable independent aggregators to participate in the TERRE balancing product, it will also remove all BSC barriers to customers and independent aggregators participating directly in the existing Balancing Mechanism (BM).

Further information can be found on our website [P344 Implementation Guidance: Project TERRE and Wider Access](#).

Review of Replacement Reserve (RR) Schedule Methodology for P344

Section T1.14 of the Balancing and Settlement Code (BSC) requires the BSC Panel to establish (and subsequently have in force) a [Replacement Reserve \(RR\) Schedule Methodology Document](#).

The BSC requires that this document contains detailed requirements for BSC Settlement processes to deem Acceptance Volume Pairs representing the instructions that the National Electricity Transmission System Operator (NETSO) would need to issue to a BM Unit in order to instruct it to deliver the results of each Replacement Reserve Auction.

The primary purpose of the RR Schedule is to define the volume of energy that a BM Unit must deliver in each Settlement Period, in order to be treated in Settlement as having fully delivered its RR Activations.

Where a BM Unit does not deliver this volume of energy, its Lead Party may be liable to Energy Imbalance Charges and Non-Delivery Charges.

We invite the Transmission Company and BSC Parties to review the proposed methodology and return any comment to ELEXON by 17:00 on Wednesday 30 January 2019.

We will present the review responses to the BSC Panel at its meeting on 14 February 2019. The BSC Panel will determine if a change needs to be made to the proposed methodology. A further Circular will be published following the meeting to confirm any changes and the final approval.

How do I respond?

You are invited to respond to this consultation using the response form provided. Please submit your responses to releases@elexon.co.uk by **17.00** on **Wednesday 30 January 2019**.

For more information, please contact the **BSC Service Desk** on 0870 010 6950 or email releases@elexon.co.uk.