

ISG216/TABLED - GC/DC KPI COVER NOTE – SUMMER & AUTUMN 2018

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Owner/author Reanna Gordon

Purpose of paper Information

Classification Public

Summary The purpose of this cover note is to support the Imbalance Settlement Group's (ISG) consideration of whether to review the current Generation Capacity (GC) Limit and Demand Capacity (DC) Limit (Collectively 'GC/DC Limits') with two BSC seasons dashboards - Summer and Autumn 2019. The GC/DC KPIs to help the ISG determine if a formal review of GCDC Limits is required.

1. Background

- 1.1 GC and DC are estimates of the Settlement Period maximum demand and generation capacity for a BM Unit in a BSC Season. GC and DC values are used in the calculation of Parties' Credit Assessment Energy Indebtedness (CEI) and Credit Cover Percentage (CCP). Accurate Values of GC and DC are essential to ensure the accurate calculation of CCP and CEI.
- 1.2 In accordance with Balancing and Settlement Code (BSC) Section K 'Classification and Registration of Metering Systems and BM Units' paragraph 3.4 and BSCP15 'BM Unit Registration', a BM Units DC and GC values are derived, respectively, using the Lead Party's forecast of expected maximum magnitude of negative (indicating Demand) and positive (indicating Generation) BM Unit Metered Volumes for a single Settlement Period in the forthcoming or prevailing BSC Season.
- 1.3 Parties must submit expected maximum positive and negative BM Unit Metered Volume Values to the (Central Registration Agent) CRA ahead of each BSC Season. This is to ensure that the CRA updates GC and DC values that reflect the likely operation of the BM Unit in the forthcoming BSC Season.
- 1.4 A GC/DC breach is when, for a BMU, an actual Settlement Period value of positive or negative BM Unit Metered Volume (QM_{ij}) divided by Settlement Period Duration (SPD) exceeds its declared GC or DC by more than the GC Limit or DC Limit (for the remainder of this paper, the limits are collectively referred to as 'tolerance limits'). According to K3.4.2(c) and K3.4.3, if a Lead Party becomes aware of or believes that a breach will occur, it must re-declare maximum BM Unit Metered Volume(s) for its BMU(s) so the CRA can update declared GC and/or DC values. ELEXON regularly monitors BM Unit Metered Volumes and GC/DC values. If a GC or DC breach occurs, ELEXON sends a reminder to the Lead Party. However, the Lead Party is responsible for monitoring and maintaining its estimates of maximum BM Unit Metered Volume.
- 1.5 Approved BSC Modification [P357 'Removal of GC/DC tolerance parameters from BSC Section'](#) was implemented on 22 February 2018. P357 was raised in order to improve the process for reviewing and amending the tolerance limits used to determine if a GC/DC breach occurs. Prior to P357, the tolerance limits were set in BSC Section K 3.4 and amending them required a BSC Modification. The [Issue 68](#) workgroup originally identified this lack of flexibility and recommended the BSC is changed. P357 was raised to move the limits from the BSC to the [BSC Website](#) and implement a more flexible process for amending them.
- 1.6 Currently, the tolerance limits are (in magnitude):

ISG216/TABLED - GC/DC KPI COVER NOTE – SUMMER & AUTUMN 2018

| Declared GC/DC | Tolerance Limit |
|--------------------|----------------------|
| <100 Megawatt (MW) | 2 MW |
| 100-500 MW | 2% of declared value |
| >500 MW | 10 MW |

Table 1:

- 1.7 P357 introduced a requirement that the Panel establish guidance for determining and reviewing the GC/DC limits, ['Demand Capacity and Generation Capacity Limit Review and Determination'](#).
- 1.8 ELEXON will provide the ISG with a report (after each BSC Season) containing analysis of Settlement data against a set of Key Performance Indicators (KPIs). This analysis will be used by the ISG to assess the performance of BM Unit Metered Volume declarations and suitability of the tolerance limits.
- 1.9 ELEXON have produced two GC/DC dashboards (Attachment A and Attachment B) which summarises data against the set of KPIs each over the Summer and Autumn 2018 reporting seasons respectively covering the following KPIs;
 - Active and Dormant BM Units
 - MW Tolerance Limit
 - GC and DC tolerance limit types
 - Limit type per BM Units
 - BM Units that breached the Tolerance Limit of all Active BM Units over a BSC Season
 - The maximum difference between amplitude of the breaches in MWh
 - Breaching comparisons

2. Next Steps

- 2.1 At the ISG's September 2019 meeting, the ISG will have a full year's worth of data collection and reporting and will be in a position to decide whether to trigger a full review of the tolerance limits.

Attachments

Attachment A – GC/DC KPIs Dashboard – Summer 2018

Attachment B – GC/DC KPIs Dashboard – Autumn 2018

ISG216/TABLED - GC/DC KPI COVER NOTE – SUMMER & AUTUMN 2018

For more information, please contact:

Reanna Gordon, Settlement Operations Analyst

Reanna.Gordon@elexon.co.uk

0207 380 4219