

INTERCONNECTOR ADMINISTRATOR DATA SUBMISSION

This document outlines the methodology used to assess the Settlement Risk related to BM Unit Metered Volume data submitted by the Interconnector Administrator. We are not seeking to exhaustively outline all aspects considered during this assessment; our aim is to draw out the main data items considered and any key assumptions when estimating a future impact range.

The risk that... an Interconnector Administrator does not submit, or submits inaccurate BM Unit Metered Volume data **resulting in...** erroneous Trading Charges

Category: Central aggregation and trading charges

Sub category: Metered Volumes for Interconnector Users

Covers: The process and quality of data by which the Settlement Administration Agent (SAA) receives BM Unit metered data for each Interconnector User (IU) from the Interconnector Administrator (IA).

This risk also captures the provision of BM Unit Metered Volumes for Interconnector Error Administrators.

Estimated impact in 2019/20

Market	Lower	Middle	Upper
Interconnectors	£21.6k	£286.8k	£1.56m

Does not cover: The collection of Interconnector Metered Volumes by the Central Data Collection Agent (CDCA).

Please note: The Interim Information (II) Settlement Run which is performed 5 Working Days after the Settlement Date will not be considered for this risk. The purpose of the II run is to facilitate the Credit Cover calculation, and therefore does not have an impact on trading charges.

At risk population

As part of this assessment, we seek to understand the population at risk in the upcoming period, i.e. how many times will the underlying process occur where the risk can manifest.

The at risk population for this risk is Central Volume Allocation (CVA). BM Unit Metered data submitted by the Interconnector Administrator could impact Interconnector Users and the Interconnector Error Administrator.

Data point considered

Extracted from Central Registration Agent (CRA) system data sources, we considered the number of operational Interconnectors, the number of registered Interconnector BM Units, the total available capacity through Interconnectors.

Market	2016/17	2017/18
No. of Interconnectors	4	4
No. of Interconnector BM Units	276	286
Total available capacity (MW)	4000	4000

- Great Britain interconnector capacity has remained static since the East West Interconnector was operational in 2012; a total of four Interconnectors providing a capacity of 4000MW.
- On average eight Interconnector BM Units were registered each year between 2015 and 2018.

Forecast

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Below are the key considerations and assumptions when forecasting the at risk population in the 2019/20 period:

- 2019 – two new interconnectors expected to go live (2000MW)
- 2020 – two new interconnectors expected to go live (2400MW)
- 70 new Interconnector BM Units will be registered for each Interconnector that becomes operational

Failure rate

From the population at risk, we need to estimate the proportion where the risk will manifest, i.e. the failure rate. To do this, we assess historical performance in the area and consider any upcoming changes that have the potential to impact future performance.

Data points considered

When assessing historical performance in the area, we considered:

- The number of revised Interconnector Deemed Metered Volume (IDMV) files submitted to the BSCCo for authorisation.

Market	2015/16	2016/17	2017/18
No. of revised IDMV	3	5	2
Failure rate	0.2055%	0.3425%	0.1370%

Forecast

Below are the key consideration and assumptions when forecasting failure rates in the 2019/20 period:

- A lower, average, and upper failure rate was calculated based on the number of historical IDMV files re-submitted, as a proportional of all IDMV files submitted.

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Impact

To estimate the impact of a risk we need to understand the days impacted and error volume on average per instance.

Average days impacted

Based on historical IDMV re-submissions, the number of impacted Settlement Days.

Market	2015/16	2016/17	2017/18
Days impacted	1	3	2

Average error per day

When estimating the error per day, we used the standard rate card related to imbalance system price applied to the lower, middle, and upper average error per day from historical IDMV re-submissions.

Market	Avg. error per day (MWh)
Lower	250
Middle	369
Upper	494

We convert the error volume into a monetary value by the forecast system buy and sell price for the upcoming period.

Other considerations for this risk

- No trading disputes relating to Interconnector BM Unit Metered data were raised.
- Interconnector nominations through non-physical power exchange platforms.