

BSC Modification Proposal Form		At what stage is this document in the process?
<h1>P373</h1> <h2>Mod Title: Reversing the changes relating to Approved Modification P297</h2>		<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="border: 1px solid green; background-color: #00a651; color: white; padding: 5px; margin-bottom: 5px;">01 Modification</div> <div style="border: 1px solid blue; padding: 5px; margin-bottom: 5px;">02 Workgroup Report</div> <div style="border: 1px solid purple; padding: 5px; margin-bottom: 5px;">03 Draft Modification Report</div> <div style="border: 1px solid orange; padding: 5px;">04 Final Modification Report</div> </div>
<p><b>Purpose of Modification:</b></p> <p>This Modification seeks to remove the effect of Approved Balancing and Settlement Code (BSC) Modification P297 'Receipt and Publication of New and Revised Dynamic Data Items', which is currently scheduled to be implemented on 1 November 2018.</p>		
	<p>The Proposer recommends that this Modification should:</p> <ul style="list-style-type: none"> <li>• be sent directly into the Report Phase</li> <li>• be treated as urgent and progressed under a timetable agreed by the Authority</li> </ul> <p>This Modification will be presented by the Proposer to the BSC Panel on 11 October 2018. The Panel will consider the Proposer's recommendation and determine how best to progress the Modification.</p>	
	<p><b>High Impact:</b></p> <p>NGESO and ELEXON</p>	
	<p><b>Medium Impact:</b></p> <p>None</p>	
	<p><b>Low Impact:</b></p> <p>Other BSC Parties</p>	

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<b>Timetable.</b>		
<b>The Proposer recommends the following timetable:</b>		
Initial Written Assessment to Panel	11 Oct 2018	
Report Phase Consultation	12 Oct 2018 – 19 Oct 2018	<i>jon.wisdom@nationalgrid.com</i>
Draft Modification Report presented to Panel	24 Oct 2018	
Final Modification Report submitted to Authority	24 Oct 2018	07929375010
		<b>Proposers Alternate:</b> <i>Adelle Wainwright</i>
		
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		<b>Other:</b> N/A
		
		N/A
		
		N/A

# 1 Summary

## What is the issue?

Grid Code (GC) modification [GC0068](#) was progressed in 2013 to allow market participants to submit new and revised dynamic data to National Grid (as the Electricity System Operator (ESO)) as a result of the delivery of the new Electricity Balancing System (EBS). BSC Modification proposal [P297 'Receipt and Publication of New and Revised Dynamic Data Items'](#) was raised by National Grid as the ESO (from 1 April 2019 the BSC will term National Grid's ESO role as NETSO (National Electricity Transmission System Operator)), and provides revised Dynamic Data Set data to ELEXON to make this data transparent to market participants.

At the time P297 was raised, it was expected that implementing the changes would cause very little additional cost to EBS delivery and therefore result in overall market benefits.

Due to the EBS system being unavailable and the resultant delay in implementation of Grid Code modification GC0068 (the implementation date of GC0068 is linked to EBS delivery), there is little benefit in implementing the data flows for P297 as the data won't be actively provided by market participants for the ESO to subsequently pass to ELEXON for publishing. The ESO is continuing to work with the supplier to resolve the current EBS issues but at this time is unable to provide a certain P297 Implementation Date or timeframe for EBS due to these continuing challenges. Therefore, if the requirements of P297 are implemented in the BSC framework as scheduled on 1 November 2018, BSCCo and the ESO will not be in a position to comply with the BSC requirements. This proposal seeks to avoid that outcome.

## What is the proposed solution?

To maintain BSCCo and ESO compliance with the BSC, and recognising the status of P297 as an approved Modification with associated Implementation Date, the ESO proposes to reverse the P297 changes through this Modification Proposal.

If further work demonstrates a benefit to the market of delivering any of the data set revisions under P297 through existing ESO systems a further modification could be brought forward. The ESO remains committed to considering these benefits and bringing forward modification proposals where possible/appropriate to ensure that the BSC and Grid Code deliverables are aligned and that transparency of the information received by the ESO is provided to ELEXON.

# 2 Governance

## Justification for proposed progression

We requested an extension to the P297 Implementation Date at the September 2018 BSC Panel meeting, however, the Panel wished to gain Ofgem guidance on the matter before raising a request. The Panel subsequently submitted a letter to Ofgem to enquire on the most appropriate way forward.

If no extension to the Implementation Date of P297 is requested by the BSC Panel and subsequently agreed by Ofgem, the BSCCo, due to reasons outside of its control, and ESO will not be in a position to comply with their respective obligations under the BSC. In the case of BSCCo this Modification would give them certainty of the arrangements to implement in November 2018 and remove any ambiguity of the BSC baseline they are required to produce.

Therefore, a timely decision is required on this Modification Proposal to reverse the changes due to be implemented on 1 November 2018.

We believe this satisfies part (c) of the Urgent Modification Proposal Criteria.

**Urgent - A Modification Proposal which:**

*(i) is linked to an imminent issue or a current issue that if not urgently addressed may cause:*

- (a) a significant commercial impact on Parties, Consumers or stakeholder(s); or*
- (b) a significant impact on the safety and security of the electricity and/or gas systems; or*
- (c) a Party to be in breach of any relevant legal requirements.*

Further information about Ofgem's Urgent Criteria can be found in the [Guidance on Code Modification Urgency Criteria](#) document on the Ofgem website.

Should this Modification not be granted urgency, or if an extension to the implementation date of P297 was requested by the BSC Panel and agreed to by the Authority, the ESO would support this change progressing under standard Modification timescales.

In this case, we propose that it be submitted directly to the Report Phase as the solution will alleviate industry uncertainty around the implementation of P297. It will also minimise the time period for which the BSCCo and ESO are left unable to comply with the BSC arrangements.

At the present time, the only feasible option to create industry certainty regarding the implementation of P297 and to alleviate issues with compliance for the BSCCo and ESO is to remove the P297 changes from the 'awaiting implementation' pipeline. A further Modification will be raised to assess whether further updates should be required in the future as per the ESO's commitment above.

It is within both the ESO and wider industry interests that certainty is created around the implementation of Modifications, and we believe that the progression of this Modification through the Report Phase will create this certainty.

## Requested Next Steps

We propose that this Modification should:

- be sent directly into the Report Phase; and
- subject to Authority approval be treated as urgent and proceed under a timetable agreed by the Authority

An Authority decision on this Modification Proposal is required prior to the 1<sup>st</sup> November 2018 to ensure that the BSCCo has certainty over the arrangements to implement and that the ESO and BSCCo can comply with the requirements of the BSC.

## 3 Why Change?

### What is the issue?

Grid Code (GC) modification [GC0068](#) was progressed in 2013 to allow market participants to submit new and revised dynamic data to National Grid (as the Electricity System Operator (ESO)) as a result of the delivery of the new Electricity Balancing System (EBS). BSC Modification proposal [P297 'Receipt and Publication of New and Revised Dynamic Data Items'](#) was raised by National Grid as the ESO (from 1 April 2019 the BSC will term National Grid's ESO role as NETSO (National Electricity Transmission System Operator)), to make this data transparent to market participants.

P297 proposed that the ESO provides revised Dynamic Data Set data to ELEXON for publication on the BMRS. At the time P297 was originally raised it was considered by the ESO that the functionality available through EBS delivery would satisfy the requirements of GC0068 and therefore P297 at a relatively low cost. As implementing changes associated with GC0068 are expected to be more complex through existing ESO system architecture the ESO is working to assess the consumer benefits of taking forward these changes versus the potential cost of doing so. Any future activity that the ESO undertakes would be progressed through modification proposals to allow costs of industry implementation and the benefits to market participants and consumers to be more fully understood. This would allow us to progress any delivery of Grid Code changes associated with this data to the BSC in a way that gives clear indication of delivery to all market participants and BSCCo.

The implementation date of GC0068 is linked to the go live of the full EBS system, however, there is no potential within the BSC to link the P297 implementation date to the go-live date of the GC0068 modification. The ESO has been managing the link in dates between P297 and GC0068 by requesting the date of P297 implementation to be in line with its expectation of the delivery of EBS through amendments to the originally approved P297 Implementation Date. The ESO has requested an extension to the implementation date three times since 2014 and in its latest letter indicated that the request to move implementation to November 2018 should be treated as a holding date only as the ESO did not have certainty regarding the go live of EBS. The ESO appreciate that this does not provide clarity to industry and are working to ensure that it makes the delivery of new functionality in our Balancing Mechanism systems as transparent as possible.

The ESO considers that this proposal will have a positive impact on all market participants by removing uncertainty regarding the delivery date of P297. The ESO is aware that the ambiguity around the delivery of this Modification has not been helpful to market participants and has created uncertainty in the delivery of the BSC arrangements. This proposal will therefore remove any uncertainty as to the baseline against which future decisions or Modifications can be made and ensure BSCCo and other Parties are certain as to the delivery of future arrangements. If this Modification were not to be implemented there would be an unintended high impact on BSCCo due to non-delivery of requirements in the BSC as per the original P297 requirements. This is dependent on the ESO's EBS system developments, which will not be in place by November 2018, the current implementation date of P297. Similarly, the ESO does not have a view of when the EBS system will include the GC0068 and P297 functionality. Therefore, to maintain BSCCo and ESO compliance with the BSC, ESO proposes to nullify the current P297 changes, such that they are not required to be implemented in the BSC and BSC Systems on 1 November 2018, or at any future date.

The ESO is aware that delivery of change over the next series of BSC Releases is of crucial importance to market participants and ensuring GB compliance with European codes. Therefore introducing greater certainty into the implementation of the arrangements will be of benefit to the wider industry as a whole.

The ESO believes that there is still benefit in progressing either elements of or all the original P297 proposal. Once there is further clarity in the changes delivered to the ESO's systems, allowing the related Grid Code Modification GC0068 (Grid Code New and Revised Unit Data and Instructions) to be

implemented, then a modification would be brought forward to support changes to the dynamic data items originally envisioned under P297.

## 4 Code Specific Matters

### Technical Skillsets

N/A

### Reference Documents

Original P297 Modification documents including the P297 Legal Text - <https://www.elexon.co.uk/mod-proposal/p297/>

## 5 Solution

### Proposed Solution

We propose reversing the changes to the BSC for Approved Modification P297. The approved changes to the BSC for P297 can be found in the P297 Final Modification Report provided to the Authority in March 2014 and published on the [P297 webpage](#).

Amendments to BSC Section Q 'Balancing Mechanism Activities', Section V 'Reporting' and Section X 'Annex X-2 Technical Glossary' due to be implemented in the November 2018 BSC release will need to be nullified in the case of the "Last Time to Cancel Synchronisation" dynamic data item or revised to their pre- P297 form in the case of "Stable Export Limits and Stable Import Limits"; and, "Run-Up Rates (Import and Export) and Run-Down Rate (Import and Export)".

Additionally, the amendments to the Balancing Mechanism Reporting Service (BMRS) website (<https://www.bmreports.com>) to publish this information for P297 will now no longer be required.

## 6 Impacts & Other Considerations

### Impacts

There are no cross-code impacts as a result of this Modification. A Grid Code modification (GC0068), although related, is not directly impacted by changes to the BSC as a result of this proposal.

The implementation of this Modification Proposal will remove the necessity of continuing to amend the Implementation Date of P297 as it is dependent upon the delivery of EBS and requirements within the scope of GC0068. This will allow parties confidence that when a clear date of delivery for the changes to the Grid Code is established, changes to the BSC can be raised to reflect these. This will also ensure that BSCCo has a fuller understanding of the likely delivery timelines and can scope any new or in progress changes to reflect that.

**Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?**

No

**Consumer Impacts**

None

**Environmental Impacts**

None

## 7 Relevant Objectives

### Impact of the Modification on the Relevant Objectives:

Relevant Objective	Identified impact
a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence	Positive
(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System	Neutral
(c) Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity	Neutral
(d) Promoting efficiency in the implementation of the balancing and settlement arrangements	Positive
(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]	Neutral
(f) Implementing and administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation	Neutral
(g) Compliance with the Transmission Losses Principle	Neutral

Under the requirements of P297, the ESO was to provide to BSCCo a new and revised set of dynamic data items that it would receive from customers through the implementation of GC0068. As GC0068 is not implemented due to delays with the delivery of EBS the ESO is unable to deliver this data to BSCCo to facilitate the implementation of P297 in November 2018. Removing these requirements from the BSC will better facilitate objective (a).

The uncertainty around the delivery date of EBS is impacting the ability of market participants and BSCCo to make plans in their businesses for implementation. This is against a backdrop of wider changes in market arrangements and the implementation of European programmes such as Project TERRE. In addition, BSCCo will be in a position of non-delivery due to it not receiving the data from the ESO. Removing this uncertainty completely from market participants and BSCCo would better meet relevant objective (d).

The ESO considers that impacts versus the other relevant objectives are neutral.

## 8 Implementation Approach

This Modification should be implemented on 1 November 2018, the P297 Implementation Date, to reverse the P297 changes and so ensure that both NGESO and BSCCo remain compliant with the BSC.

## 9 Legal Text

The approved legal text for P297 should be reversed to back out the changes originally approved. The legal text for this Modification should therefore reverse the changes made to applicable documentation under P297 pending implementation.

### Proposed Legal Text

Please view Attachment A for the Proposed legal text for the Code sections for this Modification.

## 10 Recommendations

### Proposer's Recommendation to the BSC Panel

The BSC Panel is invited to:

- Agree that P373 not be progressed as a Self-Governance Modification Proposal;
- Agree that P373 be sent directly into the Report Phase;
- Agree to recommend to the Authority that P373 be treated under Urgent Timescales and progressed according to the presented urgent timetable.