# **BSC Modification Proposal Form**

At what stage is this document in the process?

P384

# The publication of European Electricity Balancing Guideline (EB GL) balancing data by BMRS



#### **Purpose of Modification:**

This Modification will ensure the Balancing and Settlement Code (BSC) remains compliant with obligations relating to the European Electricity Balancing Guideline (EB GL) and the European Transparency Regulation (ETR).

The Proposer recommends that this Modification should:





be sent directly into the Report Phase.

This Modification will be presented by the Proposer to the BSC Panel at its meeting on 14 March 2019. The Panel will consider the Proposer's recommendations and determine how best to progress the Modification.



High Impact: Balancing Mechanism Reporting Agent (BMRA)



Medium Impact: National Grid as the Electricity System Operator (ESO), ELEXON



Low Impact: BSC Parties

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Timetable		
The Proposer recommends the following timetak	07787 261 242	
Initial Written Assessment presented to BSC Panel	14 March 2019	Proposer's representative:
Report Phase Consultation	18 March 2019- 29 March 2019	Jon Wisdom
Draft Modification Report presented to Panel	11 April 2019	Jon.Wisdom@nationalg rid.com
Final Modification Report published	16 April 2019	
Self-Governance Appeal Window (15 Working Days)	12 April 2019 – 6 May 2019	07929 375 010
Dayon		Other:
		<b>©</b>

# 1 Summary

#### What is the issue?

The BSC will be non-compliant with the <u>Electricity Balancing Guideline</u> (EB GL) Article 12.5 and <u>European Transparency Regulation (543/2013)</u> Article 17 unless changes to the BSC are made by 18 December 2019.

EB GL Article 12.3 specifies the balancing information that needs to be published. This is currently being met by publishing the data on the Balancing Mechanism Reporting Service (BMRS). However, EB GL Article 12.5 requires this data to be published on the European data platform (the Electricity Market Fundamental Information Platform (EMFIP)), by 18 December 2019.

The ETR and EB GL regulations have interdependencies and overlaps in requirements. Currently, ETR Article 17 requires National Grid Electricity System Operator (ESO) as the Great Britain (GB) Transmission System Operator (TSO), to report a variety of balancing information. ESO are currently discharging this obligation by providing information for publication on the BMRS. As such, BMRS is acting as a third party data provider.

However, once EB GL Article 12.5 comes into force, parts of ETR Article 17 will be supplemented by more detailed requirements found under EB GL Article 12.3 (a)-(e) of the EB GL. Consequently, ENTSO-E, the European Network of Transmission System Operators for Electricity, will withdraw certain ETR Article 17 reporting specifications for as these obligations will be considered fulfilled by the new EB GL Article 12.3 reporting The BSC needs to be changed to align to this. This will ensure ESO remain complainant with ETR Article 17 and BSCCo remain compliant with EB GL Article 12.

It is important to note that the <u>Department for Business</u>, <u>Energy and Industrial Strategy (BEIS)</u> assigned EB GL Articles 12.3 and 12.5 (amongst others) to BSCCo on 18 December 2017. Further, the Replacement Reserve Implementation Framework (RRIF), a legal document required under the EB GL to specify the requirements of the Replacement Reserve Balancing Energy Product and delivery platform (LIBRA), states that LIBRA will provide Replacement Reserve (RR) Standard Product data (as required by EB GL Article 12.3) to EMFIP, established under the ETR. As the LIBRA platform will be sending this data to EMFIP, the Balancing Mechanism Reporting Service (BMRS) will not receive the data from ESO, and thus BSCCo will not be able to publish the required data under EB GL Article 12.3. As such, BSCCo will be non-compliant with the responsibility assigned by <u>BEIS</u> to publish data as required by the EB GL Article 12.3(a)-(e). The BSC therefore needs to be amended to procure RR Standard Product data from EMFIP and remain complaint with the assigned responsibilities.

In summary the BSC currently does not, but will be required to:

- 1. Send EB GL Article 12.3 balancing information to the European data platform (EMFIP);
- 2. Amend the information reported on BMRS to meet ETR Article 17; and
- Pull data from the European data platform (EMFIP) to publish the revised EB GL Article 12.3 information on BMRS.

#### What is the proposed solution?

The proposed solution, as set out in detail in the draft legal text which will be provided as part of the Initial Written Assessment, is to ensure that the BSC is brought into line with the EB GL Article 12.5 and ETR Article 17 requirements, which are due to come into effect by 18 December 2019.

#### Justification for proposed progression

The Proposer requests that this Modification be progressed as a **Self-Governance Modification** as this Modification is updating information published on BMRS to meet EU legislation to support transparency of electricity balancing market data and therefore does not have a detrimental material effect on the following criteria:

- (i) existing or future electricity consumers;
- (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity;
- (iii) the operation of the national electricity transmission system;
- (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
- (v) the Code's governance procedures or Modification procedures.

This Modification needs to be implemented by 18 December 2019, in order for GB to remain complaint with the EB GL and ETR. At this time we **do not** believe this proposal, if sent directly to the Report Phase, should be treated as Urgent, as ELEXON will be able to implement it in a timely manner to avoid unintended non-compliance with the EB GL provisions.

#### **Requested Next Steps**

We believe that the solution to this Modification is self-evident and can therefore progress **straight to the Report Phase**.

The solution has already been defined based on the requirements specified in the EBGL and ETR. These requirements are well understood as they build on work done for previous Modifications, such P295. Further, there would be unclear benefits in submitting the Modification into the Assessment Procedure for further consideration of the solution by a Workgroup as the solution is clear and already defined.

The data that needs to be sent is defined in EB GL Article 12.3 (a)-(e) and ETR Article 17, and the format in which to send it is defined in the ENTSO-E Manual of Procedures, <u>published on the ENTSO-E website</u>.

# 2 Why Change?

#### **Background**

The <u>European Network of Transmission System Operators for Electricity (ENTSO-E)</u> established the EMFIP to publish ETR data from TSOs across the European Union (EU). Much of this data is similar to what National Grid as the ESO and ELEXON publish (for GB only) on the <u>Balancing Mechanism Reporting Service (BMRS)</u> (e.g. forecast demand, forecast generation, aggregated balancing actions etc.). Since the implementation of <u>BSC Modification P295 'Transparency regulation data via the BMRS'</u> (and later amended with <u>CP1503 'Changes to European Transparency Regulation data'</u>) the BMRS has played a key role in meeting these obligations for GB; as market participants and NGESO submit ETR data to EMFIP via the BMRS.

The EB GL entered into force on 18 December 2017. EB GL Article 12.5 mandates, within two years of the EB GL coming into force (i.e. 18 December 2019), that specified system balancing related information must at least be published on (EMFIP).

BEIS assigned to ELEXON as the BSCCo responsibility for publishing data as required by the EB GL Article 12.3(a)-(e) and 12.5, amongst others, on 18 December 2017. Currently, National Grid, who is the GB TSO, provides ELEXON with the required data to meet the aforementioned BEIS obligation and ELEXON publishes this data on the <u>Balancing Mechanism Reporting Service (BMRS)</u>, industry's one-stop-shop for the publication of electricity market information. This gives BSC Parties and interested third parties the option of accessing GB-related data from BMRS rather than EMFIP, which is more efficient as the BMRS already publishes other data relating to the GB market. This data is in XML format and complies with XML Schemas, which are detailed and maintained within the <u>ENTSO-E Manual of Procedures</u>

Once EB GL Article 12.5 comes into force, parts of ETR Article 17, which requires the reporting of a range of balancing information, will be supplemented by more detailed requirements found under Article 12.3 (a)-(e) of the EB GL and so will have their reporting requirements removed from the <a href="ENTSO-E">ENTSO-E</a> Manual of Procedures.

Further, the Replacement Reserve Implementation Framework (RRIF), a legal document required under the EB GL to specify the requirements of the Replacement Reserve Balancing Energy Product and delivery platform (LIBRA), states that LIBRA will provide Replacement Reserve (RR) Standard Product data (as required by EB GL Article 12.3) to EMFIP. As the LIBRA platform will be sending this data to EMFIP, ELEXON will no longer receive the data from National Grid as the GB TSO, and thus will not be able to publish the required data under EB GL Article 12.3.

#### What is changing?

- EB GL Article 12.5 mandates within two years of the EB GL coming into force (i.e. 18 December 2019), that specified system balancing related information must at least be published on the information transparency platform established under the ETR (i.e. EMFIP).
- 2. The development of pan EU standardised Balancing Energy Products (i.e. the Replacement Reserve (RR) product to be introduced by <u>Project TERRE</u> circa Dec 2019) will require some changes to the interface formats, established by ENTSO-E, for the submission of ETR data. In some cases, the reporting TSO will need to differentiate between Standard (EU defined e.g. RR) and Specific (local defined e.g. Balancing Mechanism) products. To do so, ENTSO-E will change

- the reporting schema (XML) held within the ENTSO-E Manual of Procedures to allow this distinction.
- 3. The development of the pan EU standardised RR Platform (LIBRA) will change the submission process of ETR data to EMFIP, as EMFIP will receive data relating to Standard Products directly from LIBRA rather than from the TSOs.

#### What is the issue?

This Modification seeks to ensure the BSC remains compliant with the European <u>Electricity Balancing</u> <u>Guideline (EB GL)</u> and the <u>European Transparency Regulation (543/2013)</u> (ETR) obligations assigned to ELEXON as the BSCCo by BEIS:

- EB GL Article 12.5 (relating to 'publication of information') mandates that by 18 December 2019, specified information must be made available on the Electricity Market Fundamental Information Platform (EMFIP), hosted by ENTSO-E.
- BEIS has assigned ELEXON with responsibility of publishing data as required by EB GL Article
  12.3. Currently, ELEXON receives this data from National Grid as the Great British (GB)
  Electricity System Operator (ESO) (also termed National Electricity Transmission System
  Operator (NETSO)) and publishes it on its BMRS platform, alongside forwarding the data to
  EMFIP.
- Once EB GL article 12.5 comes into force, parts of ETR Article 17 (related to 'balancing') will be supplemented by more detailed requirements found under Article 12.3 (a)-(e) of the EB GL.
- The Replacement Reserve Balancing Energy Product delivery platform (LIBRA), for the Trans
  European Replacement Reserves Exchange (TERRE) product, will provide a subset of EB GL
  Article 12.3 data (i.e. Standard Product data) to EMFIP. ELEXON will no longer be receiving the
  data from National Grid as the ESO, and thus under the current arrangements will be unable to
  publish the required data under EB GL Article 12.3.

For a visual representation of the as-is and to-be state, please see the diagram in section 4 of this paper.

# 3 Code Specific Matters

#### **Technical Skillsets**

We propose that this Modification be submitted directly to Report Phase and so Workgroup Members are not required. However, should the Panel decide to submit this Modification to the Assessment Procedure, the following skill sets and knowledge would be required:

- The TERRE balancing product;
- The BMRS platform; and
- EB GL and ETR requirements.

#### **Reference Documents**

European Electricity Balancing Guideline (EB GL)

**European Transparency Regulation (ETR)** 

BEIS - Notice of Assignment of specified EB GL obligations letter dated 18 December 2017

Manual of Procedures for the ENTSO-E Central Information Transparency Platform

#### 4 Solution

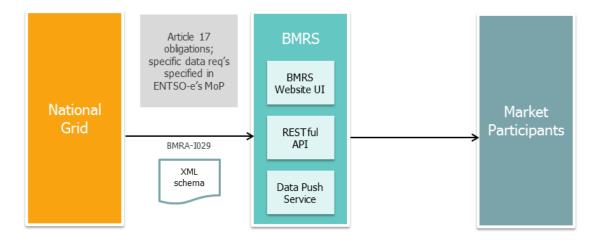
#### **Proposed Solution**

The proposed solution, as set out in detail in the draft legal text provided in section 9 of this paper is to ensure that the BSC is brought into line with the EB GL and ETR requirements in order to avoid any unintended non-compliance. In summary the solution shall contain:

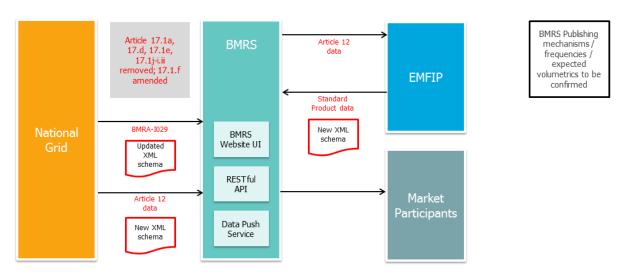
- The new EB GL Article 12 publishing and submission requirements should be added to BSC Section V 'Reporting';
- The removed ENTSO-E Manual of Procedures reporting requirements in regards to ETR Article
   17 data should be removed from BSC Section V;
- GB TSO obligations to provide required EB GL Article 12 data to be added to BSC Section Q 'Balancing Mechanism Activities';
- TSO obligations to provide the removed ENTSO-E Manual of Procedures reporting requirements in regards to ETR Article 17 data to be removed from Section Q;
- Procurement of EU Standard Product ETR data from the EMFIP platform to be published on BMRS to be added to BSC Section V 'Reporting'.

#### Which processes are impacted?

#### As-is



#### To-be



# 5 Impacts & Other Considerations

#### **Impacts**

#### Who will be impacted?

- BMRS process and publish the amended and new data sets but not the withdrawn data sets.
- <u>ELEXON</u> will be required to make the corresponding adjustments to systems and process.
- <u>National Grid as the GB TSO</u> send BMRS data sets (or not) (withdrawn, amended and new reporting requirements)
- BSC Parties will receive the amended and new data sets but not the withdrawn data sets
- <u>European transparency platform (EMFIP)</u> data will be procured from EMFIP; however the data is publically available so EMFIP will not be directly impacted by this change.

#### Which documents are impacted?

BSC Section Q 'Balancing Mechanism Activities'

BSC Section V 'Reporting'

NETA Interface Definition and Design Part 1 (NETA IDD Part 1)

NETA Interface Definition and Design Part 2 (NETA IDD Part 2)

BMRA Service Descriptions (SD)

BMRA User Requirement Specifications (URS)

#### Which BSC Central Systems are impacted?

BMRS

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

This Modification is not linked to any live SCRs. Therefore, we request that this Modification be exempt from the SCR process.

#### **Consumer Impacts**

Day to day operation of Balancing and Settlement will be unaffected, so there will be no direct impact on consumers. However, there could an indirect impact to consumer if this Modification is not implemented, as parties would have less information available and thus may not be able to operate as efficiently.

#### **Environmental Impacts**

Day to day operation of Balancing and Settlement will be unaffected, so there will be no impact on the environment.

## **6 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	Neutral	
(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	Positive	
(d) Promoting efficiency in the implementation of the balancing and settlement arrangements	Neutral	
(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]	Positive	
(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	

#### Applicable BSC Objective (c)

We believe the Modification will positively impact objective (c) by the development of additional BMRS reporting, and by providing greater transparency to market participants. This additional availability of data will foster greater competition as it provides accurate and timely data, allowing for greater decision making and supporting new and innovative market strategies. Furthermore, improving transparency and equal access to data provides a level playing field for all current and future Market Participants.

#### Applicable BSC Objective (e)

We believe that the Modification will positively impact objective (e) as it will ensure the BSC compliance with Article 12 of the EB GL and the ETR provisions of the submission and publishing of system balancing related information.

# 7 Implementation Approach

In order to comply with the EB GL and ETR deadlines, this Modification needs to be implemented no later than 18 December 2019. The November 2019 BSC Release on 7 November 2019 is the next appropriate Release that can include this Modification.

## 8 Legal Text

#### **Text Commentary**

The full proposed legal text for this Modification will be provided as part of the Initial Written Assessment.

# 9 Recommendations

#### **Proposer's Recommendation to the BSC Panel**

The BSC Panel is invited to:

- AGREE that P384 be sent directly to the Report Phase;
- AGREE an initial view that P384:
  - o DOES better facilitate Applicable BSC Objective (c); and
  - DOES better facilitate Applicable BSC Objective (e);
- AGREE an initial recommendation that P384 should be approved.
- AGREE an initial Implementation Date for the Proposed Modification of:
  - 7 November 2019 ( November 2019 BSC Release);
- AGREE an initial view that P384 should be treated as a Self-Governance Modification; and
- AGREE the draft legal text.