

# APPROVAL OF AMENDED REPLACEMENT RESERVE SCHEDULE METHODOLOGY

---

<b>MEETING NAME</b>	BSC Panel
---------------------	-----------

---

<b>Date of meeting</b>	11 April 2019
------------------------	---------------

<b>Paper number</b>	289/11
---------------------	--------

<b>Owner/author</b>	John Lucas
---------------------	------------

<b>Purpose of paper</b>	For Decision
-------------------------	--------------

<b>Classification</b>	Public
-----------------------	--------

<b>Summary</b>	The Panel is invited to approve minor clarifications to the Replacement Reserve (RR) Schedule Methodology, a previous version of which was approved at the 14 February 2019 meeting of the BSC Panel.
----------------	---

---

## 1. Introduction and Background

- 1.1 On 14 February 2019, the Panel agreed version 1.0 of the RR Schedule Methodology Document (see [paper 287/11](#)). This document is required by Approved BSC Modification [P344 'Project TERRE implementation into GB market arrangements'](#), and contains detailed requirements for constructing the MW profile (the "**RR Schedule**") that a Balancing Mechanism (BM Unit) would be expected to follow in order to deliver an acceptance ("**RR Activation**") from the TERRE auction process.
- 1.2 The approved RR Schedule Methodology document forms part of the business requirements for the November 2019 BSC Release. It will be implemented in the Balancing Mechanism Reporting Agent (BMRA) and Settlement Administration Agent (SAA) systems.
- 1.3 Section 4 of the RR Schedule Methodology document describes the change process by which the Panel would agree subsequent changes to the document. A Panel Member suggested at the 14 February 2019 Panel meeting that this section of the document should include a more direct route for BSC Parties to propose changes to the methodology. ELEXON reported at the 14 March 2019 Panel meeting that we would bring back a revised version of the RR Schedule Methodology.

## 2. Proposed amendments to the RR Schedule Methodology

- 2.1 Attachment A is a revised version 1.1 of the RR Schedule Methodology, incorporating the following redlined changes:
  - The requested clarification to the change process in section 4 of the document (as described in paragraph 1.3 above);
  - Further clarification and explanation of the treatment of discontinuities ('jumps') in the RR Baseline. Section 3.2.1 of the RR Schedule Methodology presented to the Panel on 14 February 2019 incorporated some improvements to the treatment of discontinuities, but these were not fully reflected in the accompanying example or in Appendix 2. This has now been addressed; and
  - A wording change to Appendix 2 (suggested by our software developer) to clarify the statement that the Methodology should "proceed to step 3" after calculating an Elbow Point Time ( $EPT_n$ ) that is greater than the target time  $t_1$ .

## 3. Next Steps

- 3.1 Because the clarifications are non-material, we are not proposing that the Panel consult BSC Parties on the changes. The BSC does not require the Panel to consult, and neither does the change process in Section 4 of

# APPROVAL OF AMENDED REPLACEMENT RESERVE SCHEDULE METHODOLOGY

---

the RR Schedule Methodology. It states that “unless otherwise agreed by the Panel ... the Panel will consult with Parties in a manner appropriate to the scale and complexity of the change”.

- 3.2 By not consulting, the Panel will avoid the burden on Parties of being asked to reconsider a lengthy document. We note that only [three responses](#) were received to the original consultation (from National Grid, Quorum Development and Dwr Cymru Welsh Water). However, if the Panel wants us to consult we can do so (and will bring responses back to the 9 May 2019 Panel meeting).

## 4. Recommendations

- 4.1 We invite you to:

- a) **APPROVE** version 1.1 of the RR Schedule Methodology Document to become effective as version 2.0 on 7 November 2019.

## Attachments

Attachment A – Draft of the version 1.1 RR Schedule Methodology Document

### For more information, please contact:

John Lucas, ELEXON Design Authority

[john.lucas@elexon.co.uk](mailto:john.lucas@elexon.co.uk)

020 7380 4345