

P409 'Aligning BMRS Reporting Requirements with the Clean Energy Package'

P409 will align the indicative data reporting deadline with the requirements in the Clean Energy Package. Our system functionality already aligns to these requirements, going over and above those defined in BSC Section V; P409 will provide clarity to market participants and have no operational impacts.



ELEXON recommends P409 is progressed directly to the Report Phase with an initial recommendation to approve

This Modification is expected to impact:

- ELEXON as the Balancing and Settlement Company (BSCCo)

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

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About This Document

This document is an Initial Written Assessment (IWA), which ELEXON will present to the Panel on 14 May 2020. The Panel will consider the recommendations and agree how to progress P409.

There are three parts to this document:

- This is the main document. It provides details of the Modification Proposal, an assessment of the potential impacts and a recommendation of how the Modification should progress.
- Attachment A contains the P409 Proposal Form.
- Attachment B contains the proposed amendments to the legal text to effect the P409 solution.



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1 Summary

What is the issue?

As part of the [Clean Energy Package](#), Article 6(13) of [REGULATION \(EU\) 2019/943 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 5 June 2019 on the internal market for electricity](#) (the Regulation) requires that 'Transmission system operators or their delegated operators shall publish, as close to real time as possible but with a delay after delivery of no more than 30 minutes, the current system balance of their scheduling areas, the estimated imbalance prices and the estimated balancing energy prices'.

The relevant BSC requirement to publish this data is found in [BSC Section V 'Reporting'](#) (2.3.3(b)). The current BSC Section V 2.3.3(b) text requires that 'indicative data', which includes the information listed in Article 6(13) of the Regulation, is published within 45 minutes of the end of the Settlement Period.

ELEXON's systems are currently compliant the requirement in the Regulation, however BSC Section V is not aligned and therefore introduces potential ambiguity for market participants. Section V of the BSC is misaligned to the Regulation, requiring that these items are published within 45 minutes. Therefore Section V should be updated to ensure the BSC is aligned with the Regulation.

What is the proposed solution?

Update Section V 2.3.3(b) to align with the Regulation, changing the publication deadline for indicative data for a Settlement Period to 30 minutes from the end of the Settlement Period.

There will be no practical impact on the Balancing Mechanism Reporting Agent (BMRA) systems or service provider contract, as they are currently working within a 30 minute deadline according to Service Level Agreements (SLA) in the BMRA Service Description (SD) and User Requirement Specifications (URS).

Impacts

This Modification is not expected to have any impact on BSC Systems or Parties as indicative data is already published within the 30 minute timescale being introduced to BSC Section V. Data publication requirements will remain the same in practice due to requirements in the BMRA URS and SD.

Implementation

As this is a document only update to the BSC, the Proposer believes this should be implemented on 20 November 2020 as part of the November 2020 BSC Release to ensure alignment with the Regulation as soon as possible.

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Recommendation

As this Modification is of a minor nature, self-evident and with no operational impacts, we recommend it progresses straight to Report Phase as a Self-Governance Modification.

2 Why Change?

What is the issue?

As part of the [Clean Energy Package](#), Article 6(13) of [REGULATION \(EU\) 2019/943 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 5 June 2019 on the internal market for electricity](#) ('the Regulation') requires that 'Transmission system operators or their delegated operators shall publish, as close to real time as possible but with a delay after delivery of no more than 30 minutes, the current system balance of their scheduling areas, the estimated imbalance prices and the estimated balancing energy prices'.

The relevant BSC requirement to publish this data is found in BSC Section V 2.3.3(b). The current BSC Section V 2.3.3(b) text requires that 'indicative data', which includes the information listed in Article 6(13) of the Regulation is published within 45 minutes of the end of the Settlement Period.

ELEXON's systems are currently compliant with the requirement in the Regulation in practice, however BSC Section V is not aligned and therefore introduces a lack of clarity for market participants. Section V 'Reporting' (2.3.3(b)) of the BSC is misaligned to both the Regulation and ELEXON's system functionality, requiring that these items are published within 45 minutes. Therefore Section V should be updated to ensure the BSC is aligned with the Regulation.

Background

Balancing Mechanism Reporting Service

The [Balancing Mechanism Reporting Service \(BMRS\)](#) is the main open source of operational data for electricity balancing and Settlement arrangements. It is used by traders, regulators, industry forecasting teams and academics to make trading decisions, and understand market dynamics (among other things).

The operational data published on BMRS includes:

- System Prices;
- Current System Balancing;
- Imbalance Prices;
- Balancing Energy Prices;
- System warnings; and
- Bid/Offer data.

This data is published within 30 minutes of the end of the Imbalance Settlement Period to ensure anyone using the service has access to data as close to real time as possible.



What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(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

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(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]

(f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

(g) Compliance with the Transmission Losses Principle

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Clean Energy Package

The [EU Clean Energy for all Europeans Package \(Clean Energy Package\)](#) was completed in May 2019. This is a comprehensive update of the EU's energy policy framework to facilitate the transition away from fossil fuels towards cleaner energy and to deliver on the EU's [Paris Agreement](#) commitments for reducing greenhouse gas emissions. The Clean Energy Package seeks to increase the stability, competitiveness and sustainability of energy networks throughout Europe. The Package consists of numerous communications, preparatory documents, reports and non-legislative initiatives. The eight main legislative files are:

- Energy Performance of Buildings Directive (EU) 2018/844;
- Renewable Energy Directive (EU) 2018/2001;
- Energy Efficiency Directive (EU) 2018/2002;
- Governance of the Energy Union and Climate Action Regulation (EU) 2018/1999;
- Electricity Regulation (EU) 2019/943;
- Electricity Directive (EU) 2019/944;
- Regulation on Risk-Preparedness in the Electricity Sector (EU) 2019/941; and
- Regulation on the European Union Agency for the Cooperation of Energy Regulators (EU) 2019/942

The legislation relevant to P409, Electricity Regulation (EU) 2019/943, became effective on 1 January 2020 and BSCCo is working with the Department for Business, Energy and Industrial Strategy, Ofgem and National Grid ESO to ensure full compliance against the regulation.



What are bids and offers?

The Balancing Mechanism allows BSC Parties (if they wish) to submit offers to sell energy (by increasing generation or decreasing consumption) to the system and bids to buy energy (by decreasing generation or increasing consumption) from the system, at prices of the BSC Party's choosing. National Grid ESO accepts bids and offers as required to balance the electricity on the transmission system.

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Proposed solution

Update Section V 2.3.3(b) to align with the Regulation, changing the publication deadline for indicative data for a Settlement Period to 30 minutes from the end of the Settlement Period.

BSCCo have already established that there will be no practical impact on the BMRA systems or service provider contract, as they are currently working within a 30 minute deadline according to SLAs in the BMRA SD and URS.

The deadline in the BMRA URS and SD is variable and depends on the length of the Continuous Acceptance Duration Limit (CADL), specified as CADL plus 15 minutes. This means that if CADL were to become longer than 15 minutes the system requirements would no longer require publication within 30 minutes. Updating the BSC will ensure publication is required within 30 minutes, even if CADL were extended (as it is an amendable parameter which can be updated via consultation).

Applicable BSC Objectives

It is the Proposer's opinion that this Modification better facilitates Applicable BSC Objective (e), as it maintains BSC alignment with the Regulation, and is neutral against any other Applicable BSC Objective.

Implementation approach

The Proposer recommends an Implementation Date for P409 of 05 November 2020 as part of the November 2020 BSC Release to ensure the benefits are achieved as soon as possible. ELEXON agrees with this recommendation, as this is the earliest practicable point at which P409 can be implemented.



What is the Continuous Acceptance Duration Limit (CADL)?

CADL is the minimum length of time an acceptance of a bid/offer must have been made for in order for it to count towards the imbalance price. It is published on the ELEXON Portal and is currently defined as 10 minutes.

Next steps

The Proposer believes that, as this Modification is self-evident and has no impact on the Self-Governance Criteria, P409 should be progressed straight to Report Phase as a Self-Governance Modification. ELEXON agrees with this assessment, noting that the proposed solution is self-evident and has no material impacts on the Self-Governance Criteria.

Timetable

Proposed Progression Timetable for P409	
Event	Date
Present Initial Written Assessment to Panel	14 May 2020
Report Phase Consultation	19 May – 2 June 2020
Present Draft Modification Report to Panel	11 June 2020
Self-Governance Appeal Window	11 June – 2 July 2020



What is the Self-Governance Criteria?

A Modification that, if implemented:

(a) is unlikely to have a material effect on:
 (i) existing or future electricity consumers; and
 (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
 (iii) the operation of the national electricity transmission system; and
 (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; and

(b) is unlikely to discriminate between different classes of Parties.

5 Likely Impacts

This is a document-only Modification and we expect the impacts to be immaterial.

There are no central system impacts as they already operate in compliance with the requirements in the Regulation. Further, the document-only change costs are expected to be around £360.

Impact on BSCCo

Area of ELEXON	Potential Impact
Market Analysis	Minor changes required to internal documents to effect alignment.

Impact on BSC Settlement Risks

No impacts on BSC Settlement Risks are expected.

Impact on BSC Systems and processes

BSC System/Process	Potential Impact
Balancing Mechanism Reporting Service	No impact as this data is already being reported per the Clean Energy Package requirements.

Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	Potential Impact
Balancing Mechanism Reporting Agent	No impact as the BMRA is already operating to a 30 minute contractual arrangement.

Impact on Code

Code Section	Potential Impact
BSC Section V 'Reporting'	Changes required to implement the solution to this Modification.

Impact on a Significant Code Review (SCR) or other significant industry change projects

No impacts on SCRs expected – ELEXON requested Ofgem treat this Modification as an SCR Exempt Modification on 7 May 2020.

Impact on Consumers

We do not expect this Modification to directly impact Consumers

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Impact on the Environment

We do not expect this Modification to directly impact the environment.

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6 Recommendations

We invite the Panel to:

- **AGREE** that P409 progresses directly to the Report Phase;
- **AGREE** that P409 **DOES** better facilitate Applicable BSC Objective (e);
- **AGREE** an initial recommendation that P409 should be **approved**;
- **AGREE** an initial Implementation Date of 05 November 2020 as part of the November BSC Release;
- **AGREE** the draft legal text;
- **AGREE** an initial view that P409 should be treated as a Self-Governance Modification; and
- **NOTE** that ELEXON will issue the P409 draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 11 June 2020.

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronym	
Acronym	Definition
BSCCo	Balancing and Settlement Company (ELEXON)
BMRA	Balancing Mechanism Reporting Agent
BMRS	Balancing Mechanism Reporting Service
IWA	Initial Written Assessment
SCR	Significant Code Review
SD	Service Description
SLA	Service Level Agreement
URS	User Requirement Specification

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
3	BSC Section V 'Reporting'	https://www.elexon.co.uk/the-bsc/bsc-section-v-reporting/
3	Clean Energy Package	https://ec.europa.eu/energy/topics/energy-strategy/clean-energy-all-europeans_en
3	REGULATION (EU) 2019/943 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 5 June 2019 on the internal market for electricity	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0943&from=EN
5	Balancing Mechanism Reporting Service	https://www.bmreports.com/bmrs/
6	Paris Climate Agreement	https://ec.europa.eu/clima/policies/international/negotiations/paris_en

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