

# Assessment Procedure Consultation Responses

## P399 'Making the identity of balancing service providers visible in the Balancing Services Adjustment Data'

This Assessment Procedure Consultation was issued on 17 August 2020, with responses invited by 8 September 2020.



### Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

### Consultation Respondents

Respondent	Role(s) Represented
National Grid ESO (NGESO)	System Operator
Sembcorp	Generator
Uniper	Generator, Interconnector User, Non-Physical Trader, ECVNA, MVRNA
EDF	Generator, Supplier
Drax Group	Generator, Supplier

Question 1: Do you agree with the Workgroup’s initial view that P399 does better facilitate the Applicable BSC Objectives than the current baseline?

## Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

## Responses

Respondent	Response	Rationale
NGESO	Yes	P399 will allow NGESO overriding the existing confidentiality clause exists currently with some providers to publish more data and allow industry to see who we trade with and instruct through non BM, this will remove the complexity for contractual changes and this should allow industry a greater understanding of the System operators approach to balancing and in turn allow more efficiency through to the market and industry. NGESO is very supportive on improve transparency.
Sembcorp	Yes	We agree that P399 is better than the baseline as it improves transparency and helps the ESO to better discharge its Licence obligations. The intent of the modification proposal also facilitates competition and it would allow a more efficient operation of the system.
Uniper	Yes	It will help promote transparency over the System Operator’s BSAD actions which should help promote competition.
EDF	Yes	EDF believes that this modification will facilitate greater transparency to market participants.
Drax Group	Yes	<p>We agree with the workgroups initial view that P399 does better facilitate the Applicable BSC Objectives.</p> <p><b>Applicable Objective (a) – Positive</b></p> <p>As part of its licence the ESO is required to produce and comply with the C16 statements. License condition C16 1. (g) states that the procurement of balancing services should be transparent. P399 will increase the transparency of balancing actions taken outside the BM, such as schedule 7A Trades.</p> <p><b>Applicable Objective (b) – Positive</b></p> <p>Increased transparency and reporting will better inform market participants of what requirements the</p>

Respondent	Response	Rationale
		<p>ESO has and how they are meeting them through non-BM actions. This will facilitate the efficient, economic and coordinated operation of the National Electricity Transmission System.</p> <p><b>Applicable Objective (c) – Positive</b></p> <p>Currently there is an information asymmetry; market participants which are instructed through the BM and through non-BM services have visibility of BM actions, whereas BM participants have no visibility of non-BM actions, which leads to some parties having an unjustified advantageous access to information. The anonymised nature of the trading actions taken by NETSO outside of the BM could create a barrier to efficient competition. Therefore, the increased transparency P399 introduces will mitigate this risk to effective competition.</p> <p><b>Applicable Objective (e) – Positive</b></p> <p>Article 3(2) of the European Balancing Guidelines (EBGL) states that relevant National Regulatory Authorities (i.e. Ofgem) and System Operators should aim to foster effective competition and transparency in balancing markets. P399 will promote compliance with this aspect of EU electricity regulation.</p>

Question 2: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P399?

## Summary

Yes	No	Neutral/No Comment	Other
3	2	0	0

## Responses

Respondent	Response	Rationale
NGESO	No	<p>The legal text focuses on the non BM instructions, I think there needs to be a split between them and the GTMA trades.</p> <p>Also identify the trades where possible will be reported within 1 hour of the trades being captured in NGESO trade recording system.</p>
Sembcorp	No	<p>We don't agree with the wording of Section Q, paragraph 6.3.2B(b) according to which the file published on the ESO website could generally contain "any additional information the NETSO may choose to include if it considers such information would increase transparency in Balancing Services Adjustment Actions." This section introduces a blanket entitlement for the ESO to publish any information deemed necessary for transparency, without foreseeing any consultation and agreement process with the providers which that information relates to.</p> <p>As it was widely discussed in the WG, some items might be subject to a bilateral contractual agreement between the ESO and a provider. As such, the provider should be notified and should agree to the publication of information that is not currently published.</p> <p>Otherwise, if the approach as per the legal text is carried forward, we insist that it should apply consistently across all contracts, not just non-BM, for a true level playing field. The same level of transparency and the same rules should then apply to Spin-Gen contracts, of which very little information is currently provided.</p>
Uniper	Yes	-
EDF	Yes	The legal text is consistent to deliver the intent of the modification.

Respondent	Response	Rationale
Drax Group	Yes	The draft legal text delivers the intention of P399.

## Question 3: Do you agree with the Workgroup's recommended Implementation Date?

### Summary

Yes	No	Neutral/No Comment	Other
4	0	0	1

### Responses

Respondent	Response	Rationale
NGESO	Yes	We are tied by the BSC process and the IT work but from an NGESO perspective we are ready to deliver the change as soon as approved by Ofgem.
Sembcorp	Partially	<p>We would prefer a November 2021 implementation as this would give sufficient time for the ESO to determine to what extent system changes are still necessary to provide information on products that might not be relevant anymore. We refer to the ESO's announcement in July 2020 that they are not going to procure any further committed FR and that the future of STOR is uncertain. With the removal and suspension of these products, respectively, the elevated cost to implement the proposed system changes might not be justified.</p> <p>Therefore, one option would be to focus on publishing only Schedule 7a trades with registered BMUs, as these are those that the proposer has explicitly included in the scope of the modification proposal.</p>
Uniper	Yes	-
EDF	Yes	-
Drax Group	Yes	5 months' lead time to implement following an authority decision is sufficient. If the authority's decision is received before 13 January, then implementation as part of the June 2021 release provides a reasonable lead time to industry. If an authority decision is not received by this date, then we support the proposed November 2021 implementation given there is at least 5 months' lead time.

Question 4: Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P399 which would better facilitate the Applicable BSC Objectives?

## Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

## Responses

Respondent	Response	Rationale
NGESO	Yes	The only alternative we could think of was not amending the BMRS and keeping it as an NGESO project, however that would mean no BSC change and would therefore cause legal issues with providers contracts regarding confidentiality clauses so would not be practical.
Sembcorp	Yes	<p>Please provide your rationale and, if 'No', please provide full details of your Alternative Modification(s) and your rationale as to why it/they better facilitate the Applicable BSC Objectives.</p> <p>We believe that no other Alternatives would better facilitate the BCS Objectives. Although the proposed solution is the most straightforward, we do have concerns on the elevated implementation costs associated with this change. We do not believe that ~£700k is a justifiable cost for the system changes that would need to be implemented. Furthermore, as mentioned in response to Q3, the removal and suspension of committed FR and STOR respectively might not justify the elevated cost to implement the proposed system changes.</p>
Uniper	Yes	-
EDF	Yes	-
Drax Group	Yes	-

## Question 5: Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?

### Summary

Yes	No	Neutral/No Comment	Other
4	0	1	0

### Responses

Respondent	Response	Rationale
NGESO	Yes	We see no risks to BSC settlement
Sembcorp	Yes	As the WG has discussed and concluded, this modification proposal does not have any impact on Settlement.
Uniper	Yes	-
EDF	No comment	-
Drax Group	Yes	Yes, this Modification does not impact Settlement

Question 6: Do you agree with the Workgroup’s assessment that P399 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

## Summary

Yes	No	Neutral/No Comment	Other
4	0	1	0

## Responses

Respondent	Response	Rationale
NGESO	Yes	As P399 is about making market sensitive data more transparent it is covered under article 18 of the EBGL T&Cs
Sembcorp	Yes	We agree that P399 should undergo the Art 18 process during the Report Phase.
Uniper	Yes	-
EDF	No comment	-
Drax Group	Yes	The P399 legal text will amend section Q 6.3.2 which forms part of the approved Article 18 terms and conditions for balancing held within the BSC.

Question 7: Do you have any comments on the impact of P399 on the EBGL objectives?

**Summary**

Yes	No	Neutral/No Comment	Other
3	1	1	0

**Responses**

Respondent	Response	Rationale
NGESO	Yes	It has a positive impact, as the EBGL objectives push for greater transparency in the market, by providing the market with more data and making that data even more transparent by including a company identifier it should be positive against the applicable objectives
Sembcorp	No	We support the view of the WG that the modification proposal will help effective competition by providing additional transparency.
Uniper	Yes	Only that it would seem to support transparency requirements.
EDF	No comment	-
Drax Group	Yes	Please see our response to Question 1 where we highlight the impact on Applicable BSC Objective (e).

## Question 8: Will P399 impact your organisation?

### Summary

Yes	No	Neutral/No Comment	Other
4	1	0	0

### Responses

Respondent	Response	Rationale
NGESO	Yes	NGESO will need to make changes to the PAS/ADSP and CDSA system to include the additional data to be sent to Elexon via BMRA this will mean that the BSAD/DISBSAD data files will need to be amended to include this additional data.
Sembcorp	No	-
Uniper	Yes	We will need to change systems to accommodate new data items in I014 flow. However, this is not an uncommon thing to do and we anticipate the impact will be modest.
EDF	Yes	The availability of information in a timely fashion has a positive impact for EDF. We support measures taken that allows industry participants to have accurate and timely information.
Drax Group	Yes	We will need to make some system changes to ensure the updated SAA-I014 data can flow into our internal systems and processes.

## Question 9: Will your organisation incur any costs in implementing P399?

### Summary

Yes	No	Neutral/No Comment	Other
4	1	0	0

### Responses

Respondent	Response	Rationale
NGESO	Yes	There is an IS implementation costs, this figure is sitting roughly around £500k, the actual cost will not be known until IS mobilise but it is not thought that this will change much if at all as risk has been accounted for into the cost.
Sembcorp	No	No costs to comply
Uniper	Yes	Modest amount of resource to accommodate changes in I014 as mentioned above in answer to question 8.
EDF	Yes	Not material – we would expect minimal impact to our systems.
Drax Group	Yes	There will be some one-off costs to update our internal systems, some of which are provided by external service providers.

## Question 10: How long (from the point of approval) would you need to implement P399?

### Responses

Respondent	Lead Time
NGESO	Upon approval it will take NGESO up to 6 months to implement the P399 solution.
Sembcorp	We are not directly involved in the implementation.
Uniper	The 5 months for implementation from an Ofgem decision, as proposed, should be sufficient.
EDF	We would support a timely implementation.
Drax Group	5 months should be long enough to make the necessary changes to our systems. The implementation plan as set out in our response to Q3 will be sufficient.

Question 11: Would the inclusion of the additional data fields in sub flow 1 of the Settlement Adjustment Agent (SAA) I014 file (Settlement Report) impact your organisation?

### Summary

Yes	No	Neutral/No Comment	Other
3	1	1	0

### Responses

Respondent	Response	Rationale
NGESO	Yes	Small potential change to the SAA, just to check that what we send can be accommodated
Sembcorp	No	-
Uniper	Yes	We believe that we can accommodate them with modest changes to systems.
EDF	No comment	-
Drax Group	Yes	Please see our response to question 8.

Question 12: If P399 is approved, the SAA-I014 file will be updated to version 11.0 and versions 8.0, 9.0 and 10.0 will be phased out within 3 months of implementation of P399. Is this transition period achievable for you?

### Summary

Yes	No	Neutral/No Comment	Other
5	0	0	0

### Responses

Respondent	Response	Rationale
NGESO	Yes	NGESO isn't impacted
Sembcorp	Yes	-
Uniper	Yes	-
EDF	Yes	So long as adequate lead times are given, then we do not foresee any issues.
Drax Group	Yes	This is an appropriate length of time

Question 13: It is the Workgroup's belief that the vast majority of non-BM trades are undertaken by assets with a BSC-assigned BMU ID. Do you agree with this assumption?

## Summary

Yes	No	Neutral/No Comment	Other
3	1	1	0

## Responses

Respondent	Response	Rationale
NGESO	No	I'm not sure a "vast majority" will. Any BMU registered in the BM will have a BMU ID, where a BMU is exclusively Non BM there would not be one to report, also the many BMUs behind an aggregator or a VLP will not have a BMU ID assigned
Sembcorp	Yes	We agree that the majority of non-BM trades would actually be made to BSC parties and that they are likely also BM participating units. However, many other non-BM trades would potentially be to non-BSC parties as it is not an obligation, this would need consideration so as to avoid mistreatment of parties by their registration. One alternative would be to only publish trades to registered BMUs.
Uniper	Yes	-
EDF	No comment	-
Drax Group	Yes	The majority of 7A trades are made with large transmission-connected generators who have BMU ID's

Question 14: Do you believe there would be any issues with the use of a NETSO-assigned BMU ID to achieve the aims of P399?

### Summary

Yes	No	Neutral/No Comment	Other
1	2	1	1

### Responses

Respondent	Response	Rationale
NGESO	No	Where we can we will publish the BMU ID to provide the transparency required, we cannot always publish one as there would either be one not assigned or a technical reason why, however after the event this data can be made available by the asset owner.
Sembcorp	Potentially	As per response to Q13, there needs to be careful consideration so to avoid mistreatment of parties by their registration. One alternative would be to only publish trades to registered BMUs.
Uniper	Yes	Using the Elexon-assigned ID would be preferable as it gives more information on the type of BMU. However, the NETSO assigned ID could be accommodated, but it would just require some more effort to do so.
EDF	No comment	-
Drax Group	No	Where a BSC BMU ID is not available, we do not have any issues with the use of a NETSO BMU ID

Question 15: Would you support the inclusion of a “Service type” data field describing the procured balancing service of non-BM trades in the BSAD if it does not significantly impact the costs and lead times of implementation?

## Summary

Yes	No	Neutral/No Comment	Other
4	1	0	0

## Responses

Respondent	Response	Rationale
NGESO	Yes	NGESO can provide a service type for the non BM instructions, i.e. “NON BM STOR” was instructed to deliver, we cannot provide it for the trades currently, this would be flagged as “system” or “energy however we are reviewing what additional information for trades can be made available in the future.
Sembcorp	No	<p>We don’t support the inclusion of “Service Type” as such data filed will not add any additional benefit to competition.</p> <p>As a matter of fact, even in the context a far more material issue concerning the inclusion of further data for the calculation of the cash-out, Ofgem approved P371 and considered the solution to fully support competition, increase transparency, ultimately lowering costs to consumers. For P371, the solution that was accepted did not introduce any further flag into the BSAD and this was deemed by Ofgem, and by the WG as a whole, as satisfactory to address the defect and to improve the level of transparency that is necessary to ensure competition.</p> <p>We therefore do not see how a “Service Type” data filed can introduce much added value to the information in the BSAD. The proposer and the WG as a whole agreed that Party ID, Asset ID, and Tendered Status are the key items that are currently missing.</p>
Uniper	Yes	-
EDF	Yes	So long as the information is visible and transparent we would welcome solutions that do not delay P399.

Respondent	Response	Rationale
Drax Group	Yes	Given it does not materially impact costs and implementation lead time, we support the inclusion of a 'service type' field

## Question 16: Do you have any further comments on P399?

### Summary

Yes	No
2	3

### Responses

Respondent	Response	Comments
NGESO	Yes	I think some more work needs to be done by NGESO and Elexon to differentiate the key legal reporting differences between Non BM service instructions and trades.
Sembcorp	No	-
Uniper	No	-
EDF	Yes	<p>We welcome and support P399. This modification highlights the continued efforts to make information transparent to market participants. We would welcome further steps to promote transparency.</p> <p>We are aware that the latest ACER Q&amp;A on REMIT makes it clear that any bilateral activity with the TSO could constitute inside information and must not be acted upon or shared until it is made public. This could relate to bilateral conversations with interconnector capacity holders where trades are not conducted, but the counterparty is now aware of the information. We therefore would expect the TSO confirm that such 'orders to trade' over interconnectors are also published in a timely manner in line with existing REMIT disclosure requirements.</p>
Drax Group	No	-