

# CP Progression Paper

## CP1521 \BSCP70 Amendments for Interconnector Administrator and Interconnector Error Administrator'

**ELEXON**



### Committee

Supplier Volume Allocation Group (SVG)



### Contact

**Tom Darwen**

020 7380 4338

tom.darwen@elexon.co.uk



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## About This Document

This document provides information on new Change Proposal (CP) CP1521 and outlines our proposed progression timetable for this change, including when it will be issued for CP Consultation in the next suitable Change Proposal Circular (CPC) batch.

We are presenting this paper to capture any comments or questions from ISG and SVG Members on this CP before we issue it for consultation.

There are three parts to this document:

- This is the main document. It provides a summary of the solution, impacts, anticipated costs, and proposed implementation approach, as well as our proposed progression approach for this CP.
- Attachment A contains the CP1521 proposal form.
- Attachment B contains the proposed redlined changes to deliver the CP1521 solution.

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# 1 Why Change?

## Background

An Interconnector is the apparatus used to transfer electricity between the GB Total System and an external system (i.e. an electricity network outside of Great Britain operated in another country). As well as the current [Interconnectors](#) that are in operation, two new Interconnectors ElecLink & Interconnexion France – Angleterre 2 (IFA2), are due to go live in January and June 2020 respectively. An interconnector enables energy to flow between networks. This includes connections to Northern Ireland, France, Holland and the Republic of Ireland.

Each physical Interconnector accedes to the Balancing and Settlement Code (BSC) as a BSC Party. They subsequently register with the roles of Interconnector Administrator (IA) and Interconnector Error Administrator (IEA). The IA is responsible for determining and submitting Balancing Mechanism (BM) Unit Metered Volumes into Settlement after the end of each Settlement Period. The IEA is allocated any difference between the actual Metered Volume (as metered at the point the Interconnector is connected to the GB Total System<sup>1</sup>) and the aggregate position of all Interconnector BM Unit Deemed Metered Volumes as notified by the IA.

An Interconnector User is any BSC Party that registers as an Interconnector User that wishes to trade volumes across an Interconnector. Interconnector Users have agreements with Interconnectors outside the BSC framework for use of the assets, with such agreements outlining the relationship between Interconnector Users and the Interconnector Administrator. These arrangements are a pre-requisite for trading across an Interconnector.

Interconnector Users require Interconnector BM Units to trade across an Interconnector, which come in pairs:

- A Production BM Unit for electricity entering the GB Total System; and
- A Consumption BM Unit for electricity being taken off the GB Total System.

As the energy volumes flowing across an Interconnector cannot be measured on a per-Interconnector User basis, the total energy volume imported/exported across the Interconnector per Settlement Period is deemed by the Interconnector Administrator and submitted to Settlement. These volumes are accordingly proportioned to each Interconnector User.

## CVA Qualification Testing for Parties and applicable Party Agents

Central Volume Allocation (CVA) Qualification applies to all BSC Parties, and Party Agents who interact with BSC Central Systems (for the purposes of this document, these Party Agents shall be termed 'applicable Party Agent'). Currently, Party Agents interacting with BSC Central Systems include Energy Contract Volume Notification Agent (ECVNA), Metered Volume Reallocation Notification Agent (MVRNA) and Central Volume Allocation Meter Operator Agents (CVA MOAs). CVA Qualification Testing gives assurance that a BSC Party or applicable Party Agent can communicate with BSC Central Systems using data flows relating to its role under the BSC.

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<sup>1</sup> The Total System is made up of the Transmission and Distribution Systems that are covered by the BSC.

BSC Parties must either complete CVA Qualification testing, request to 'Opt Out' of specific test flows or seek a Waiver. Applicable Party Agents must either complete CVA Qualification testing or seek a waiver, but cannot "opt out". ECVNAs and MVRNAs must either complete CVA Qualification tests or seek a waiver.

The [Communications Requirements Document](#) (CRD) defines the software and hardware requirements to enable communications between BSC Parties, applicable Party Agents and the BSC Agents where the communications interfaces are defined in the CVA Data File Catalogue.

CVA Qualification Testing involves a half day booked with ELEXON's service provider, where BSC Central Systems will send valid and invalid data files and the BSC Party or applicable Party Agent will need to accept or reject the files, based on their validity. The tests also ascertain whether the Qualifying BSC Party or applicable Party Agent can send the relevant data flows to BSC Central Systems and that they can load the flows received. The tests are not designed to validate whether a BSC Party or applicable Party Agent is able to carry out the business processes that produce or consume the relevant data.

Automated data flows, as specified in the New Electricity Trading Arrangements (NETA) Interface Definition and Design (IDD) Part 1 document, require an electronic connection to the relevant CVA BSC Agent, plus appropriate software systems to read or generate the data files. The tests demonstrate that all the relevant connections and software are installed and working.

## **BSCP70**

[BSCP70 'CVA Qualification Testing for Parties and Party Agents'](#) defines the interfaces, interdependencies and timetable for the CVA Qualification Testing for Parties and applicable Party Agents as required by [Section O 'Communications Under the Code'](#) of the BSC, and the Communication Requirements Document. Specifically, it covers:

- Arrangements for CVA Qualification Testing;
- Requesting and obtaining Waivers for CVA Qualification Testing; and
- Reporting CVA Qualification status upon successful completion of CVA Qualification.

## **What is the issue?**

BSCP70 specifically excludes IAs and IEAs from being required to undergo CVA Qualification Testing. As there are four new Interconnectors scheduled to go live over the next four years (with a further seven planned) there is a potential risk to Settlement if the IAs and IEAs for the new Interconnectors have not demonstrated that they are able to send and receive the relevant Settlement data flows. This has been identified as an impact against Settlement Risk 033 as outlined in the Settlement Risk register. Settlement Risk 033 is the risk that the Interconnector Administrator does not submit, or submits inaccurate BM Unit Metered Volume data resulting in erroneous Trading Charges. Further information about the impact on this risk is detailed in section three of this paper.

This risk would be reduced by requiring IAs and IEAs to undergo Qualification Testing.

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### Proposed solution

As the IA and IEA roles under the BSC require communication with BSC Central Systems, BSCP70 should be amended to remove the statement which excludes IAs and IEAs from the requirement to undergo CVA Qualification Testing. It should also be amended to include the data flows relevant to IEAs and IAs for CVA Qualification Testing. Note these flows are described on the following page under 'Data Flows'.

### Proposer's rationale

This CP will make the CVA qualification process explicit to IAs and IAEs and reduce risk to Settlement as a result. This removes the inconsistency between BSCP70 and Section O of the BSC and thus the CRD which lists the IA/IEA flows for CVA qualification.

### Proposed redlining

The proposed redlining to deliver the solution to this CP can be found in Attachment B.

## Data Flows

The below table shows the flows that will be listed in BSCP70 to apply to IAs and IEAs.

Flow Type ID	Flow Description	Purpose
SAA-I006	BM Unit Metered Volumes for Interconnector Users	IAs submit Metered Volumes to SAA
SAA-I014	Settlement Reports	To enable a Party to check its Settlement position
SAA-I017	SAA Data Exception Report	To inform the IA of a problem with a SAA-I006
CDCA-I010	Exception Report for missing and invalid period data	To identify missing Metered Data
CDCA-I012	Report Raw Metered Data	To provide Party with Raw Metered Data
CDCA-I041	Interconnector Aggregation Report	To provide Aggregated Interconnector Metered Volumes to the IA
ECVAA-I009	ECVN Feedback	Reports the rejection (for business reasons) of a received ECVN
ECVAA-I013	Authorisation Report	To enable Party Agent to check the authorisations it has in place.
ECVAA-I014	Notification Report	To enable Party Agent to check its Notifications received by Central Systems
ECVAA-I022	Forward Contract Report	To enable Party to check its contract position for the following 7 Settlement Days
ECVAA-I028	ECVN Acceptance Feedback	To confirm to Party that Notification has passed validation and been accepted by the system

## 3 Impacts and Costs

### Central impacts and costs

#### Central impacts

Document changes are needed to BSCP70 to implement the solution to this CP. Further, internal processes will need to be updated to align to IAs and IEAs requiring to undergo CVA Qualification. BSC Central System changes are also required as outlined in the table below:

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none"><li>• BSCP70</li><li>• Internal Local Working Instructions</li><li>• Guidance Notes</li><li>• Communication Requirements</li></ul> <p>Document will also need to be updated to reference the specific flows that IAs and IEAs will be required to test</p>	<ul style="list-style-type: none"><li>• ELEXON service Provider costs to implement this CP are £3,151</li><li>• Service Provider documentation of the system setup and qualification tester instructions requires amendment to allow interconnectors to test flows against the Participant Test Service as part of BSCP70 qualification testing</li></ul>

#### Central costs

The central implementation costs for CP1521 will be approximately £3,931.

#### Impact on BSC Settlement Risks

##### Impact on BSC Settlement Risks

There is a positive impact on BSC Settlement Risks, as the probability of Settlement Risk 033 materialising is reduced. CVA qualification testing for IAs will ensure correct and accurate data is submitted into Settlement.

## BSC Party & Party Agent impacts and costs

These are expected impacts on IAs and IEAs for new Interconnectors, who will be required to undergo CVA Qualification.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
Interconnector Administrator	IAs must ensure they have access to facilities which are proven to enable them to interface with the BSC Central Services Agent (CSA) and that they have had their unique details such as Party Name, Party ID, Party Agent ID and contact details registered by the CRA.
Interconnector Error Administrator	IEAs must ensure they have access to facilities which are proven to enable them to interface with the BSC Central Services Agent (CSA) and that they have had their unique details such as Party Name, Party ID, Party Agent ID and contact details registered by the CRA.

## 4 Implementation Approach

### Recommended Implementation Date

We propose this CP be implemented on **27 February 2020** as part of the scheduled February 2020 BSC Release.

This is the earliest opportunity this CP can be implemented such the benefits can be realised.

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## 5 Proposed Progression

### Progression timetable

The table below outlines the proposed progression plan for CP1521:

Progression Timetable	
Event	Date
CP Progression Paper presented to Supplier Volume Allocation Group (SVG) for information	3 September 2019
CP Progression Paper presented to Imbalance Settlement Group (ISG) for information	17 September 2019
CP Consultation	14 October 2019 – 8 November 2019
CP Assessment Report presented to ISG for decision	19 November 2019
CP Assessment Report presented to SVG for decision	3 December 2019
Proposed Implementation Date	27 February 2020 (February 2020 BSC release)

### CP Consultation questions

We intend to ask the standard CP Consultation questions for CP1521. We do not believe any additional questions need to be asked for this CP.

Standard CP Consultation Questions
Do you agree with the CP1521 proposed solution?
Do you agree that the draft redlining delivers the CP1521 proposed solution?
Will CP1521 impact your organisation?
Will your organisation incur any costs in implementing CP1521?
Do you agree with the proposed implementation approach for CP1521?

## 6 Recommendations

We invite you to:

- **NOTE** that CP1521 has been raised;
- **NOTE** the proposed progression timetable for CP1521;
- **PROVIDE** any comments or additional questions for inclusion in the CP Consultation; and
- **NOTE** that CP1521 will be presented to the ISG for information on 17 September 2019.

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## Appendix 1: Glossary & References

### Acronyms

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

Acronyms	
Acronym	Definition
BM	Balancing Mechanism
BSC	Balancing and Settlement Code
CRD	Communications Requirement Document
CVA	Central Volume Allocation
ECVAA	Energy Contract Volume Aggregation Agent
IA	Interconnector Administrator
IEA	Interconnector Error Administrator
ISG	Imbalance Settlement Group
SVG	Supplier Volume Allocation Group

### External links

External Links	
Description	URL
BSCP70: CVA Qualification Testing for Parties and Party Agents	<a href="https://www.elexon.co.uk/csd/bscp70-cva-qualification-testing-for-parties-and-party-agents/">https://www.elexon.co.uk/csd/bscp70-cva-qualification-testing-for-parties-and-party-agents/</a>
A New Participant's Guide to CVA Qualification	<a href="https://www.elexon.co.uk/documents/training-guidance/bsc-guidance-notes/cva-qualification-new-participants-guide-2/">https://www.elexon.co.uk/documents/training-guidance/bsc-guidance-notes/cva-qualification-new-participants-guide-2/</a>
Performance Assurance process documents	<a href="https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/">https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/</a>
Communication Requirements Document	<a href="https://www.elexon.co.uk/wp-content/uploads/2011/10/communication_requirements_document_v17.0.pdf">https://www.elexon.co.uk/wp-content/uploads/2011/10/communication_requirements_document_v17.0.pdf</a>
BSC Section O - Communications Under the Code	<a href="https://www.elexon.co.uk/the-bsc/bsc-section-o-communications-under-the-code/">https://www.elexon.co.uk/the-bsc/bsc-section-o-communications-under-the-code/</a>

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