

18 November 2019

Dear ACER,

ELEXON's response to your public consultation on the implementation framework for the mFRR European platform

ELEXON is the Code Manager for the Balancing and Settlement Code (BSC). We are responsible for managing and delivering the end-to-end services set out in the BSC and accompanying systems that support the BSC. This includes responsibility for the delivery of balancing and imbalance settlement and the provision of assurance services to the BSC Panel and BSC Parties. We manage not just the assessment, but also the development, implementation and operation of changes to our central systems and processes.

Our responses to the questions in the consultation are detailed below. We have only answered those questions where we believed we could add value.

For the avoidance of doubt these views are those of ELEXON Ltd alone, and do not seek to represent those of the BSC Panel or Parties to the BSC.

If you would like to discuss our response in detail, please contact Matthew Roper, matthew.roper@elexon.co.uk.

Yours sincerely,

Matthew Roper
Market Architect

PUBLIC CONSULTATION ON THE IMPLEMENTATION FRAMEWORK FOR THE MFRR EUROPEAN PLATFORM

Q1: Do you agree with the high-level principles and conditions proposed by the Agency for elastic demand?

Firstly we wish to explain our role and interest in this consultation.

ELEXON Limited delivers the electricity balancing settlement, imbalance settlement and related data publication services that are critical to the successful operation of Great Britain's (GB's) current electricity trading arrangements under the national GB Balancing and Settlement Code. We are not a TSO, but we undertake operations that, in some other EU Member States, are undertaken by TSOs.

The views expressed in this consultation response are those of ELEXON Limited alone, and do not seek to represent those of the Parties to the GB Balancing and Settlement Code which we administer.

ELEXON notes the revision to Article 3(4) and welcomes the ACER use of consistent terminology 'Market Time Unit' which has been defined as "the period for which the market price is established or the shortest possible common time period for the two bidding zones, if their market time units are different." is an appropriate replacement.

Q2: Do you agree to allow scheduled counter-activations in the mFRR platform in order to maximise the economic surplus subject to reporting and monitoring of possible negative effects?

ELEXON agrees to allow scheduled counter-activations in the mFRR platform in order to maximise the economic surplus but note that direct counter activations could happen for other needs than for balancing. Allowing counter activations for reasons other than balancing could therefore distort CBMP and therefore the local imbalance price as it will no longer represents the real time value of energy (as it would no longer reflect the physical balancing actions taken in that ISP but also system actions) and so could be seen to be in direct contradiction of EBGL Article 44 1(b) "ensure that imbalances are settled at a price that reflects the real time value of energy".

ELEXON welcomes the monitoring and reporting of such counter activations and request that counter activations for system actions have their own specific report so any impact can be quantified and understood.