

# INTERCONNECTOR ADMINISTRATOR DATA SUBMISSION

This document outlines the methodology used to assess the Settlement Risk related to BM Unit Metered Volume data submitted by the Interconnector Administrator. We are not seeking to exhaustively outline all aspects considered during this assessment; our aim is to draw out the main data items considered and any key assumptions when estimating a future impact range.

**The risk that...** an Interconnector Administrator does not submit, or submits inaccurate BM Unit Metered Volume data **resulting in...** erroneous Trading Charges

**Category:** Central aggregation and trading charges

**Sub category:** Metered Volumes for Interconnector Users

**Covers:** The process and quality of data by which the Settlement Administration Agent (SAA) receives BM Unit metered data for each Interconnector User (IU) from the Interconnector Administrator (IA).

This risk also captures the provision of BM Unit Metered Volumes for Interconnector Error Administrators.

## Estimated impact in 2019/20

Market	Lower	Middle	Upper
Interconnectors	£0	£81.5k	£845k

**Does not cover:** The collection of Interconnector Metered Volumes by the Central Data Collection Agent (CDCA).

**Please note:** The Interim Information (II) Settlement Run which is performed 5 Working Days after the Settlement Date will not be considered for this risk. The purpose of the II run is to facilitate the Credit Cover calculation, and therefore does not have an impact on trading charges.

## At risk population

As part of this assessment, we seek to understand the population at risk in the upcoming period, i.e. how many times will the underlying process occur where the risk can manifest.

The at risk population for this risk is Central Volume Allocation (CVA). BM Unit Metered data submitted by the Interconnector Administrator could impact Interconnector Users and the Interconnector Error Administrator.

## Data point considered

Extracted from Central Registration Agent (CRA) system data sources, we considered the number of operational Interconnectors, the number of registered Interconnector BM Units, the total available capacity through Interconnectors.

Market	2016/17	2017/18	2018/19
No. of Interconnectors	4	4	5
No. of Interconnector BM Units	276	286	306
Total available capacity (MW)	4,000	4,000	5,000

➤ Great Britain interconnector capacity increased in 2018/19 with the addition of the NemoLink interconnector to Belgium; a total of five Interconnectors provide a capacity of 5,000MW.

# INTERCONNECTOR ADMINISTRATOR DATA SUBMISSION

## Forecast

Below are the key considerations and assumptions when forecasting the at risk population in the 2020/21 period:

- 2020 – three new interconnectors expected to go live (3,400MW)
- 2021 – one new interconnectors expected to go live (500MW)
- 2022 – two new interconnectors expected to go live (2,800MW)
- 70 new Interconnector BM Units will be registered for each Interconnector that becomes operational

## Failure rate

From the population at risk, we need to estimate the proportion where the risk will manifest, i.e. the failure rate. To do this, we assess historical performance in the area and consider any upcoming changes that have the potential to impact future performance.

## Data points considered

When assessing historical performance in the area, we considered:

- The number of revised Interconnector Deemed Metered Volume (IDMV) files submitted to the BSCCo for authorisation.

Market	2016/17	2017/18	2018/19
No. of revised IDMV	5	0	2
Failure rate	0.3425%	0%	0.1096%

## Forecast

Below are the key consideration and assumptions when forecasting failure rates in the 2020/21 period:

- A lower, average, and upper failure rate was calculated based on the number of historical IDMV files re-submitted, as a proportional of all IDMV files submitted.
- For 2019/20 to date of scoring (December 2019), 19 IMDV re-submissions have been received so far. This is a large increase compared to the numbers seen in 2016-2019 reporting periods. This has been factored into the materiality impact of Risk 33.

# INTERCONNECTOR ADMINISTRATOR DATA SUBMISSION

---

## Impact

To estimate the impact of a risk we need to understand the error volume on average per instance.

### Average error per re-submission

The average error per re-submission was calculated by evaluating the volume difference between the re-submitted IMDV file and the previous volumes used in Settlement.

Market	Avg. error per re-submission(MWh)
Lower	0
Middle	241
Upper	494

## Forecast

Below is a key consideration and assumptions when forecasting failure rates in the 2020/21 period:

- For 2019/20 to date of scoring (December 2019), for the 19 IMDV re-submissions have been received so far, the average volume change from the re-submission was 99MWh. This is a lower error volume than in previous periods. This change to more frequent, but lower volume re-submissions has been factored into the materiality impact of Risk 33.

We convert the error volume into a monetary value by the forecast system buy and sell price for the upcoming period.

## Other considerations for this risk

- No trading disputes relating to Interconnector BM Unit Metered data were raised.
- Interconnector nominations through non-physical power exchange platforms.