

<b>Modification Proposal – BSCP40/03</b>	MP No: P273
<p><b>Title of Modification Proposal</b></p> <p>Make the SVA Funding Share calculation robust to changes in Scaling Weights</p>	
<p><b>Submission Date:</b></p> <p>11 August 2011</p>	
<p><b>Description of Proposed Modification</b></p> <p>We propose to change Annex D-1, Annex S-2, and Tables X-5, X-6 and X-7 in Annex X-2 of the BSC, to ensure that the SVA Funding Shares calculation is robust to changes in GSP Group Correction Scaling Weights (<math>WT_N</math>).</p>	
<p><b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <i>(mandatory by originator)</i></p> <p>This Modification Proposal seeks to rectify a manifest error/minor inconsistency in the BSC, in accordance with the process described in Section F2.1.1(d)(iv). The Profiling and Settlement Review Group (PSRG) and the Supplier Volume Allocation Group (SVG) have asked us to bring the defect to the attention of the BSC Panel and to recommend that the Panel raises a Modification Proposal.</p> <p>The calculation of SVA Consumption Funding Shares (<math>FSCS_{pm}</math>) in Annex D-1 of the BSC currently assumes that Scaling Weights are zero for energy associated with Half Hourly metering. This assumption has been valid since the introduction of supply competition in 1998, but it will cease to be valid if non-zero Scaling Weights are introduced for Half Hourly (HH) GSP Group Correction. As HH metering becomes more prevalent, it becomes more likely that the Scaling Weights may need adjustment.</p> <p>The Panel has the ability to change the Scaling Weights without a Modification Proposal. It has delegated this ability to the SVG. Following the PSRG’s recommendation, the SVG is currently discussing whether to introduce cost-reflective Scaling Weights (including non-zero values in the HH market) from 1 April 2012. Further details of the SVG’s discussion are available on our website (SVG paper <a href="#">SVG122/09</a>).</p> <p>Annex D-1 clearly states that the quantity <math>FSCS_{pm}</math> is intended to be a measure of Non Half Hourly (NHH) consumption. The fact that the algebra in the calculation currently prevents this from being achieved if HH Scaling Weights are non-zero (even though this is allowed for in the BSC provisions for GSP Group Correction in section 9 of Annex S-2) is therefore clearly a manifest error/inconsistency. A technical change is required to the algebra in order to ensure that the algorithm continues to deliver the correct measure and is robust to any future changes in Scaling Weights.</p> <p>This Modification Proposal is not dependent on the outcome of the SVG’s discussions regarding the introduction of new Scaling Weights, as it relates to an existing defect in the BSC. However, the SVG has asked that the defect be rectified before April 2012 so that, if it does decide to change the Scaling Weights in the future, the calculation remains robust.</p> <p>You can find further information in our attached Initial Written Assessment.</p>	
<p><b>Impact on Code</b> <i>(optional by originator)</i></p> <p>Please see our attached draft legal text. You can find a detail explanation of the changes in our attached Initial Written Assessment.</p>	
<p><b>Impact on Core Industry Documents or System Operator-Transmission Owner Code</b></p> <p>None.</p>	
<p><b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b></p> <p>No impact on BSC Parties, as this Modification Proposal in itself will not alter Parties’ SVA Funding Shares.</p> <p>We will make changes to the SVA Pool Application to give effect to the new definition. This will impact the Supplier Volume Allocation Agent (SVAA). It will not have any impact on BSC Parties or other BSC documentation.</p>	



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**Attachments: Yes**

Draft BSC legal text (4 pages)  
Initial Written Assessment (10 pages)