



Response Proforma for Constraint Information Consultation

National Grid invites responses to this consultation by **5 December 2010**. The responses to specific consultation questions (summarised below) or any other aspect of this consultation can be provided by completing the following proforma.

Please return the completed proforma to balancingservices@uk.ngrid.com.

Respondent:	Steve Wilkin
Company Name:	ELEXON Limited
Does this response contain confidential information?	No

No	Question	Response (Y/N)	Rationale
1	<p><i>Do you find the BMRS zonal information beneficial?</i></p> <p><i>(i) If yes, please provide rationale, including any qualitative and/or quantitative benefits.</i></p> <p><i>(ii) If no, please state whether the BMRS zonal information could be removed to improve efficiency of information provision (section 5.1).</i></p>		<p>ELEXON supports the review that National Grid is undertaking on constraint transparency. We will work with National Grid if the consultation responses suggest that changes might be desirable to systems or processes governed by the Balancing and Settlement Code (BSC), e.g. the functionality of the BMRS.</p> <p>On the question you pose in part (ii) we don't have a view for or against but will be very interested to see others' views.</p> <p>However, we observe that a change to the data to be reported by BMRS Zone, as it is specified in Section V with subsidiary obligations in other Sections of the BSC, will require a BSC Modification Proposal to be raised and approved.</p>
2	<p><i>Do you think that there would be benefit in aligning the BMRS zones with OC2 zones? Please state what benefits you would</i></p>	Yes	<p>We believe that, in principle, there is benefit in aligning the zones across the different planning and operational timescales as this would allow the industry to have a</p>



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	<p><i>derive from this improvement (section 5.1).</i></p>		<p>consistent set of information. A decision to change, however, would need to be based on an assessment of the relative costs and benefits.</p> <p>Changes to BMRS Zones require BSC Panel approval, as the BSC defines the BMRS Zones as being set by the BSC Panel in consultation with National Grid (BSC Section X-1 definitions).</p> <p>A change to the number and/or boundaries of the BMRS Zones would therefore not require a Modification Proposal, although removal of BMRS Zones in their entirety would, we believe, require a BSC Modification proposal to be approved – see our answer above to Question 1(ii). When it has previously considered changes to publish new or amended data on the BMRS the BSC Panel has supported the principle of publishing data where this delivers industry benefits. The BSC Panel is therefore likely to seek a cost/benefit justification for any proposal to change the BMRS Zones. The responses to your consultation would, if they are non-confidential, provide a useful input to this as the BSC Panel is likely to ask for evidence of the benefits.</p> <p>We would like to clarify a statement on the 2010 costs quoted for BMRS Zone changes set out in footnote 13 to the consultation. The ELEXON “operational costs” quoted are not ongoing costs but a one-off cost of implementation. These relate to our overheads in delivering a BSC Systems Release, and will be shared across the changes in the release. We suggest that, if you wish to progress other BMRS changes arising from this consultation, you therefore progress these in parallel with any</p>



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			BMRS Zone changes to achieve cost and efficiency savings in our Release management.
3	<i>Do you think that the current OC2 and BMRS zones should be reviewed to assess their appropriateness? Please provide rationale (section 5.1).</i>		If the consultation responses suggest that this would be desirable, ELEXON proposes as joint review with National Grid as either one or both Grid Code and BSC would be impacted.
4	<i>Do you think that there would be benefit in aligning the OC2/BMRS zones with the Seven Year Statement study zones? Please state what benefits you would derive from this improvement (section 5.1.3).</i>		Our answer is the same as for Question 2, in that we believe that there would be benefit, in principle, in aligning the zones across the different planning and operational timescales, but that a cost/benefit analysis would need to be undertaken to see if this justified a change.
5	<i>Do you think that there is sufficient information on opportunities for generation connection within SYS? If not, please provide details of any additional information needs in this area (section 5.1.4).</i>		
6	<i>Do you think that there would be benefit in making TOGA generator outage information available to all market participants? Please state what benefits you would derive from this information (section 5.2).</i>		<p>We already publish some data from National Grid's TOGA system on the BMRS. If the industry desires the publication of more TOGA (or other) information, the BMRS would be a suitable platform for its publication. Many recent BSC Modifications have been aimed at increasing reporting on the BMRS, e.g. P219, P220, P226, P243 and P244. (P243 moved the Output Usable data from the ELEXON website to the BMRS and published it by BM Unit as well as System Zone.)</p> <p>The principles behind all of these Modifications have been that data should be transparent, accessible, and consistent/comparable as far as possible and published in a single location rather than</p>



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			<p>fragmented across multiple platforms.</p> <p>These principles have come from BSC Parties (particularly smaller Parties) and Ofgem's Demand-Side Working Group (large energy users). Parties have previously given a preference for using the BMRS over other platforms (see P220, P226, P243), as it is robust, widely-used and anyone can use the Low Grade service for free.</p> <p>The BMRS already publishes a much wider set of electricity market related information than just that derived from BSC settlement and operational data such as Output Usable. For example, it contains data related to the Large Combustion Plant Directive, and acts as a source of data for the ENTSO-E European data platform.</p>
7	<p><i>Do you think that there would be benefit in making TOGA generator availability information available to all market participants? Please state what benefits you would derive from this information (section 5.2).</i></p>		<p>The BMRS would be a suitable platform on which to publish this information – see our answer to Question 6.</p>
8	<p><i>Do you think that making the Picasso information available to the market would reduce the costs of transmission constraints? Please state how you would use this information to help reduce the constraint costs (section 5.3.2).</i></p>		<p>The BMRS would be a suitable platform on which to publish this information – see our answer to Question 6.</p>
9	<p><i>Do you think that simpler and easier to interpret Picasso information (e.g. aggregate information for a given constraint group) would meet your information needs? Please provide rationale how best such</i></p>		



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	<i>information could be published (section 5.3.2).</i>		
10	<i>Do you feel that provision of Picasso information could lead to national security issues? Please provide rationale, including any alternative ways of providing this information to the market which would avoid these concerns (section 5.3.3).</i>		
11	<i>Do you feel that the release of the Picasso information could result in an increase (or decrease) in constraint costs. Please provide rationale (section 5.3.3).</i>		
12	<i>Do you feel that there would be benefit in ex-post publication of Picasso information as a way of mitigating risk of market exploitation whilst providing transparency for greater scrutiny? Please provide rationale (section 5.3.3).</i>		
13	<i>Do you think that there would benefit in making the cost allocation methodology available to the market? Please provide rationale (section 5.4).</i>	Yes	The cost allocation methodology should be public to allow for transparency in the cost of constraints. It will also allow for comparison with the imbalance price formulation, which is intended to remove the cost of constraint actions from the main imbalance price. This could potentially reveal opportunities to improve the BSC pricing methodology by incorporating elements of the cost allocation methodology (although the robustness and cost-reflectivity of any such proposal would need to be assessed through the BSC Modification process).
14	<i>If the answer to Q10 is yes, please stated how such a methodology should be governed (e.g. via licence) (section 5.4).</i>		



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15	<p><i>Do you think that there would benefit in publishing more granular information on constraint management tenders and bilateral agreements. Please state how you would use this information to help reduce the constraint costs (section 5.5).</i></p>		
16	<p><i>Do you have a preference for provisions on disclosure of information to be included in one of the following (please provide rationale for your answer):</i></p> <ul style="list-style-type: none"> <i>(i) Bi-lateral agreements?</i> <i>(ii) Codes (e.g. BSC)?</i> <i>(iii) Procurement Guidelines?</i> <i>(iv) Generation / NGET licences?</i> <i>(v) Other</i> <p>(section 5.6).</p>		<p>As already noted in our answers to previous questions, we believe the BMRS would be a suitable platform for the publication of constraint related data. If there were to be an obligation to publish constraint data and that data were to be published on the BMRS, it may be appropriate to have the requirements (to publish and to publish on the BMRS) within the BSC. In this scenario, there may also need to be obligations elsewhere, e.g. if the data related to non-BSC Parties.</p>
17	<p><i>Do you think that there would be benefit in publishing information on planned transmission outages? Please state what benefits you would derive from this information (section 5.7).</i></p>		
18	<p>Consultation Question 18</p> <p><i>Do you think that there would be benefit in publishing information on actual transmission outages? Please state what benefits you would derive from this information (section 5.7.1).</i></p>		
19	<p><i>Do you have a preference for access to the constraint-related information in one of the following ways (please provide rationale for your answer):</i></p> <ul style="list-style-type: none"> <i>(i) Public access (no restrictions)?</i> <i>(ii) Access restricted to market participants only?</i> 		<p>The European Energy Regulators' group ERGEG have recently consulted on a guideline for European electricity data transparency. In the guideline the group proposed a central European data platform with open and free public access. Without expressing a view on access restrictions to British constraint data, if the</p>



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	<p>(iii) Access restricted to parties on a 'need to know' basis?</p> <p>(iv) Access to information in some other way (please provide rationale) (section 5.7.2).</p>		<p>European platform were to publish any constraint information relating to GB, we note it would be difficult to justify a more or less restrictive approach to accessing the same or similar data in the national context.</p>
20	<p>Are there any other comments that you wish to make on this consultation?</p>		<p>We said in ELEXON's response to the European Energy Regulators' consultation on data transparency that we believed that ELEXON would be best placed to act as market data manager on behalf of National Grid in supplying the required electricity data for our market to the European data platform, whether that is BSC data or non-BSC operational data.</p> <p>In the context of your consultation on constraint information transparency, we also believe that the BMRS is best placed to act as the information platform for constraint-related data.</p> <p>If you would like additional information on any of the topics raised in this response, please contact Steve Wilkin on steve.wilkin@elexon.co.uk</p> <p>or</p> <p>020 7380 4253.</p>