BSC Panel 217

10 October 2013

Report on Progress of Modification Proposals

Adam Lattimore

10 October 2013

ELEXON

BSC Modifications Overview

Initial Written Assessment	-
Assessment Procedure	**P295, P297**
Report Phase	**P294**
With Authority	**P272, P286, P296**
Authority Determined	-
Self-Gov. Determined	-
Open Issues	**Issue 46, Issue 49, Issue 50, Issue 51, Issue 52**

217/07
Determination of CP1388 and CP1395

Adam Lattimore/Jon Spence

10 October 2013

ELEXON

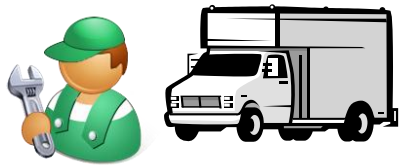
Why Panel approval?

- SVG were unable to make a unanimous decision on CP1388 nor CP1395
- Matter referred to the Panel (under SVG's Terms of Reference)
- Panel choices:
  - Approve one and reject the other (as mutually exclusive)
  - Reject both
  - Reject one and defer the other
  - Defer both

Background

- DECC
  - Legacy System Changes (Enduring) paper
  - Smart Metering Regulation Group (SMRG), Working Group 4 (WG4)
- BSC-MRA Working Group
  - P292
  - CP1388
- CP1388 education session
- CP1395

Current arrangements
Traditional metering



NHHMOA

Supplier

MTD

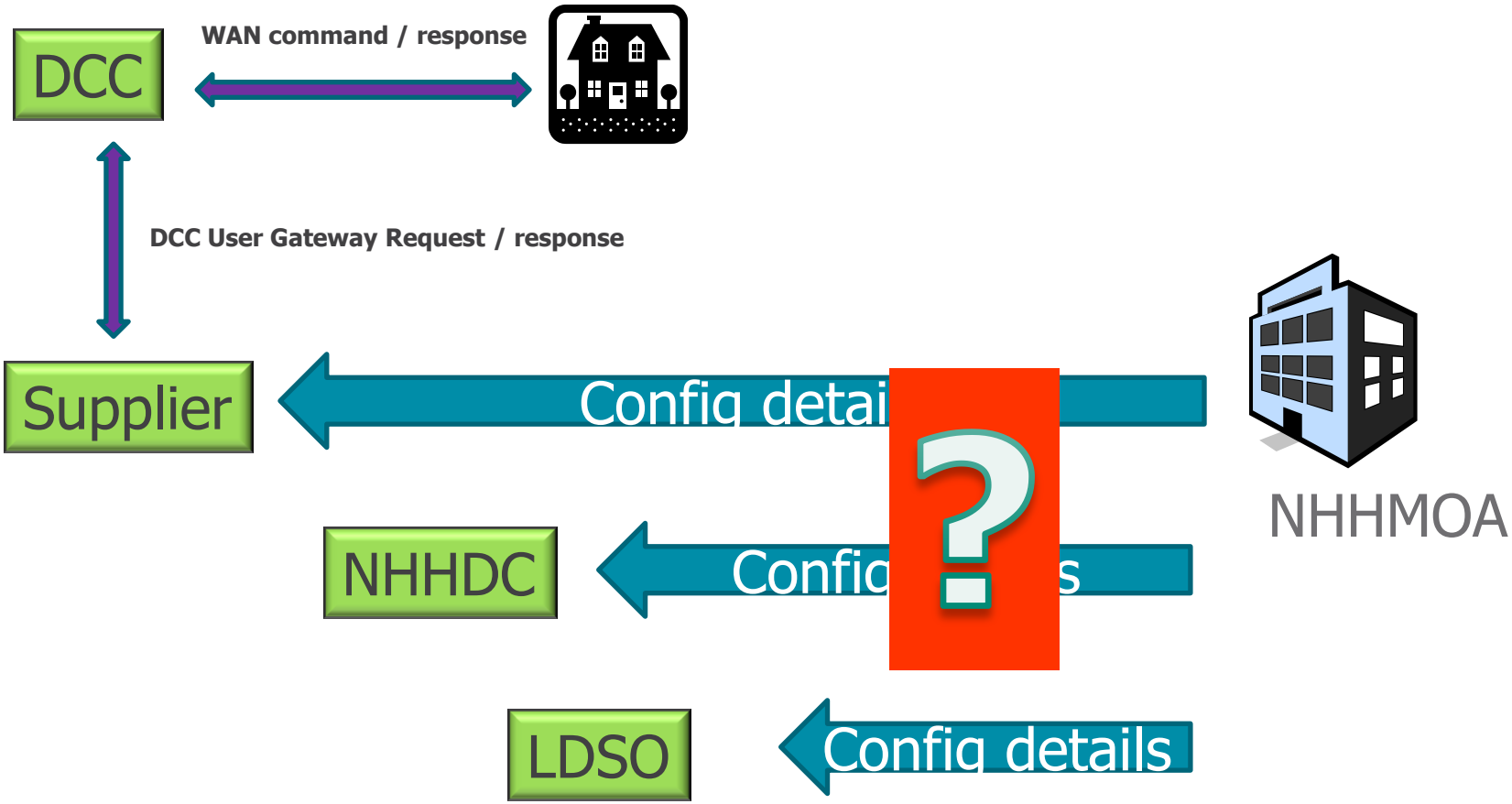
NHHDC

MTD

LDSO

MTD

Smart metering (configuration details)



MTDs

D0150

SSC
MSNSFC
Register Id
Meter Register Type
Number of Register Digits
Meter Register Multiplier

Meter Id
Manufacturers Make & Type
MAP Id
Date of Meter Installation
Certification Date

D0149

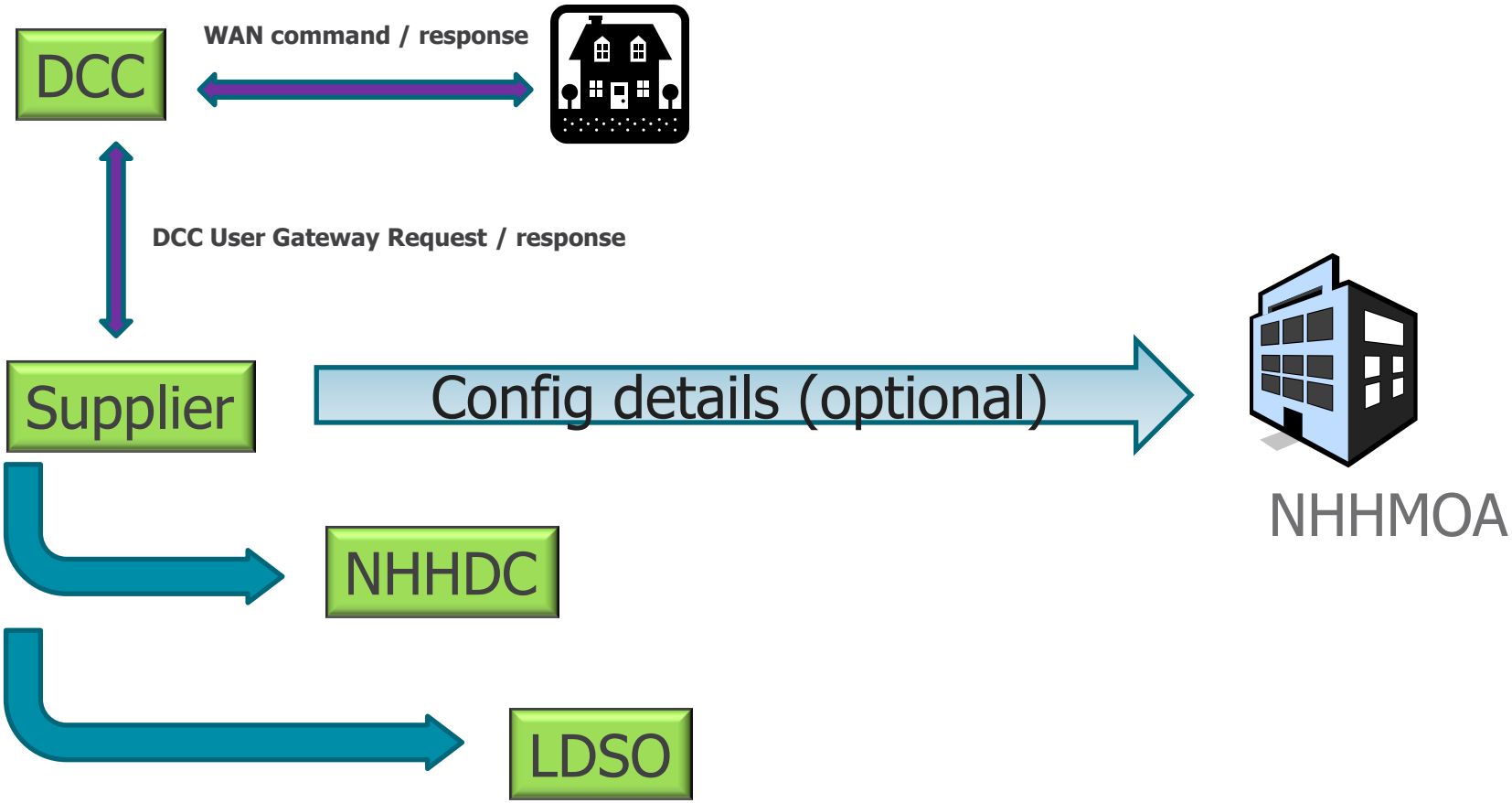
SSC
TPR
MSNSFC
Register Mapping Coefficient

Supplier / config details

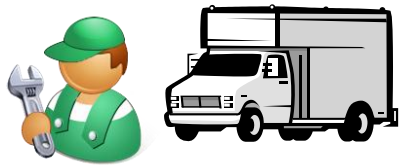
Meter Operator / device details

DCC
Comms Details
Security details

High level solutions
Configuration details (CP1388)



High level solutions
Device details (CP1388)



NHHMOA

Supplier

Device details

Optional

NHHDC

LDSO

High level solutions
Meter Technical Details (CP1395)

DCC

WAN command / response

DCC User Gateway Request / response

Supplier

Config details

NHHMOA

NHHDC

MTD (config + device)

LDSO

MTD (config + device)

High level solutions
Dataflows

CP1388

- New Dataflows
  - Smart Meter Configuration Details
  - Smart Device Details
  - Smart Equipment Work Management Request

CP1395

- Existing Dataflows (D0149 & D0150)
- Optionality for how configuration details provided
  - bi-lateral (DTN) flows or
  - internal system flows or
  - new dataflow Smart Meter Configuration Details

Joint IA
Aug-13

	CP1388	CP1395	No change
'Big 6'	*	*	
Small Suppliers	**		
LDSOs			
Agents			

* One 'Big 6' was supportive of both CPs, but preferred CP1395

** One Small Supplier only responded to CP1388 and was against that change.

- Consistent views reflecting positions throughout the development of a detailed solution
- Some comments on redlined changes, for CP1388 many repeated from previous consultation
- Majority in support of Feb-15 Release

CP1388
Views for

- The provision of asset details from the MOA to Supplier remains unchanged
- Simpler and more efficient in that Supplier (who configures the smart meter) provides the configuration details directly to the NHHDC who needs them to interpret readings
- Less risk of failure due to a single source of MTDs provided from the party with obligations for sending them
- Single point of contact in the case of missing MTDs
- Foundation for further improvements (e.g. merging Settlement Details, with configuration details)

CP1388
Views against

- Costly and disruptive to implement and unlikely to be an enduring solution
- 'Two tier process' will increase the risk to Settlement
- Additional complexity in determining the source of missing data for escalation purposes
- May need re-qualification
- Suppliers may struggle to relate tariffs and Standard Settlement Configurations (SSCs) together resulting in erroneous configuration detail flows or none being

CP1395
Views for

- MOA has the experience and expertise
- Least risky - simplest solution, 'minimal change principle'
- Timely provision of MTDs already an issue
- Any risk could be mitigated through appropriate controls
- Improvements could be introduced later based on evidence rather than assumption

CP1395
Views against (1)

- Additional party will increase
  - risk
  - the number and complexity of intra-party queries
- Does not resolve the current issue of data inconsistency between the D0149/D0150 and D0052

CP1395
Views against (2)

- Recipients of MTDs and Meter readings will not know which sets they are expecting to receive
- Less defined demarcation between smart and legacy Meters may lead to errors in future smart processes
- Over reliance on bilateral arrangements

CP1388 & CP1395
Views against any change

- Should be left to the Supplier
- Smart metering will reduce the need for any BSC governance around these Metering Systems
- With reduction in MOA intervention, processes for smart Meters won't be required and will have no direct impact on Settlement
- Industry should separate the smart and legacy arrangements

ELEXON and SVG's (majority) views (1)
'No change' option

- 'No change' is an option - P292
- Gap created by 'no change' around distributing configuration details and associated readings
- SEC to include Settlement governance would require amendments to the BSC and licences
- It is not certain that MTDs will be held centrally, certainly not at the start of the mass smart Meter rollout

ELEXON and SVG's (majority) views (2)

- Uncertainty and polarised views in industry
- New operating model will be a challenge for Suppliers and potentially a risk to Settlement
- We believe that CP1388 creates greater short-term implementation risk in terms of upheaval but less longer-term operational risk

ELEXON and SVG's (majority) views (3)

- It is our view that CP1395
  - introduces an industry standard for Suppliers to notify MOAs of configuration details
  - is a lower cost interim solution; and
  - risks can be mitigated, including further changes

SVG's recommendations

- The SVG could not make a unanimous decision, but it
  - **RECOMMENDED** by majority that the BSC Panel reject CP1388 and approve CP1395 for implementation on 26 February 2015, as part of the February 2015 BSC Release
  - **AGREED** that the CP1395 proposed amendments to BSCP504, BSCP514 and the SVA Data Catalogue volume 1 (including minor amendments in response to comments from the IA) deliver the aims of CP1395; and
  - **AGREED** that the CP1388 proposed amendments to BSCP504, BSCP514, BSCP515, SVA Data Catalogue volume 1 and SVA Data Catalogue volume 2 deliver the aims of CP1388

Applicable BSC Objectives
Objective (d)

- Both better facilitate Applicable BSC Objective (d) by enabling Suppliers and MOAs to fulfil their future responsibilities

- CP1395
  - Suppliers with in-house MOA functions can agree bilateral arrangements
  - provides an industry 'standard configuration details' flow for those who wish to use it
  - lower cost interim solution pending further smart developments

- CP1388
  - Not prudent to implement at this time

Applicable BSC Objectives
Objective (C)

- CP1388
  - High implementation and longer-term running costs of two parallel arrangements (legacy and smart)
  - Impact on smaller Suppliers and their MOAs

- CP1395
  - There may still be issues for smaller participants
  - But would better facilitate competition than the alternative of CP1388 or the 'no change' option

Potential future changes

- ELEXON identified / SVG discussed potential future changes that could impact
  - how MTDs are exchanged; or
  - reduce need to transfer MTDs
- Reforms under discussion at Ofgem under the CoSEG
- Impact on CP1388 & CP1395

Recommendations (1)

We invite the Panel to

- **AGREE** that CP1388 and CP1395 would better facilitate Applicable BSC Objective (d)

- **AGREE** that CP1388 would not better facilitate Applicable BSC Objective (c), and that CP1395 would better facilitate competition than no change or CP1388

Recommendations (2)

We invite the Panel to

- **APPROVE** CP1395 for implementation on 26 February 2015, as part of the February 2015 BSC Release
- **AGREE** with the CP1395 proposed amendments to BSCP504, BSCP514 and the SVA Data Catalogue volume 1; and
- **REJECT** CP1388

Minutes of Meeting 216 & Actions Arising

Adam Richardson

10 October 2013

Chairman's Report

Michael Gibbons

10 October 2013

217/01
ELEXON Report

Peter Haigh

10 October 2013

Distribution Report

David Lane

10 October 2013

ELEXON

National Grid Update

Ian Pashley

10 October 2013

European Update: Ofgem

Lisa Charlesworth

10 October 2013

217/01a
Report from the ISG

10 October 2013

217/01b
Report from the SVG

10 October 2013

217/01c
Report from the PAB

10 October 2013

217/01d
Report from the TDC

10 October 2013

217/01e
Report from the JESG

10 October 2013

217/02
Trading Operations Report

10 October 2013

ELEXON

217/03
Change Report

10 October 2013

217/04
Market Index Definition Statement (MIDS) Review 2013 - ISG Recommendation

Oliver Xing

10 October 2013

What is the MIDS?

- The Market Index Definition Statement (MIDS) defines how the Market Index Price (MIP) is calculated
- The MIP reflects the short-term electricity price on the wholesale market
- The MIP determine the "reverse" Energy Imbalance Price
- The BSC requires the MIDS to be reviewed annually by ELEXON

Initial Findings

- The current Individual Liquidity Threshold of 25MWh remains suitable
- The current timeband and product weightings remain suitable
  - Trades made within 12 hours of Gate Closure
  - Half Hour, 1 Hour, 2 Hour and 4 Hour products

Initial ISG's Recommendation

- The ISG recommended no change should be made to the current MIDS parameters

- The ISG requested that ELEXON consult the industry on making no change to the MIDS

Consultation Responses

- Three responses were received
  - All agreed that no change should be made to the MIDS
  - Two respondents commented on Ofgem's EBSCR

ISG's Recommendation to the Panel

- The ISG is recommending to the BSC Panel that no change should be made to the MIDS

Recommendation

- **NOTE** the contents of the paper
- **NOTE** the ISG's recommendation
- **AGREE** no change to the Market Index Definition Statement (MIDS)

217/08
Making Use of Audio-Visual Facilities

Adam Richardson

10 October 2013

Background

Summer 2012
Modification P287
'Allow the BSC Panel to conduct Modification Business via teleconference'

Spring 2013
Panel Discussion - improving accessibility

"…there [shall be] transparency and openness in the conduct of the business of the Panel…"

BSC Panel Objective B1.2.1(e)

"Information will be promptly and publicly available to users"

Code Administration CoP – Principle 3

"Hold teleconference rather than 'face to face' meetings if this is more convenient for those that wish to participate"

Code Administration CoP Guidance – Principle 1

"Improve websites, potentially with the inclusion of web-based forums, to provide easy access to information"

Code Administration CoP Guidance – Principle 1

Options

1. Audio Recording
2. Webinars

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3. Video Recording
4. Live Video Streaming

Options

1. Audio Recording

2. Webinars

Internal Use Only	Publish	
	In Full	Edited
	Implementation ~£1k	
	On-going ~£0.5k	
		On-going ~£0.4k

Considerations

Audio Recording

• Reference for the minutes	• Could curtail discussion • Hard for to keep track without declaring speaker

Publication in Full

• Record of meeting available ahead of approved minutes	• Risk of divulging confidential info

Publication of Edit

• Edits make it easier to listen to desired agenda item	• As above

Webinars

• Parties could listen in live without having to travel	• As above

Recommendations

The Panel is invited to:

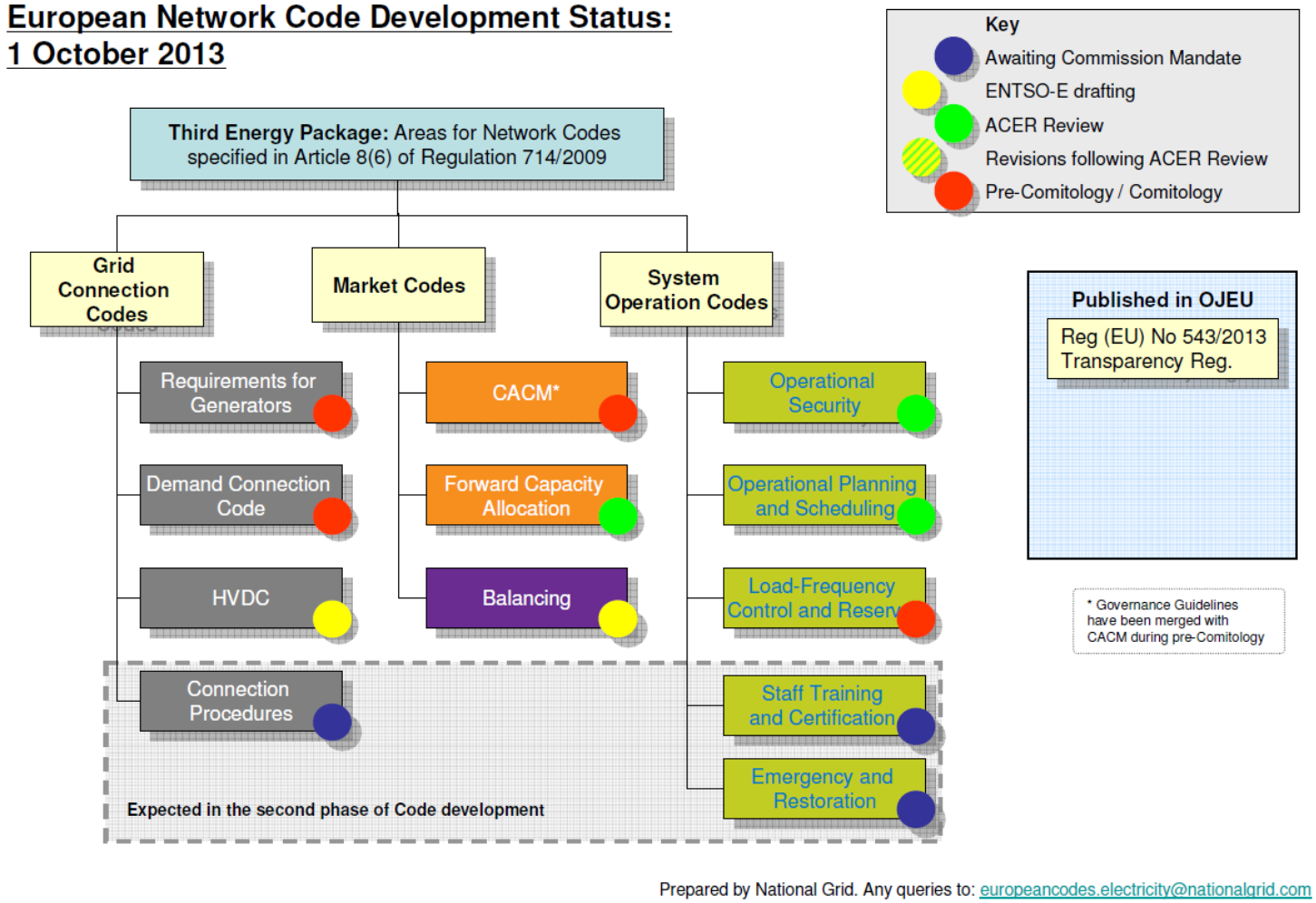
- **AGREE** that ELEXON makes arrangements for audio recordings to be made of Panel meetings for ELEXON use only;
- **AGREE** that ELEXON makes arrangements for the open portion of each Panel meeting to be broadcast via webinar for a trial period to determine the appetite among BSC Parties for such a facility;
- **CONFIRM** whether the Panel supports the further investigation of video recording and streaming; and
- **NOTE** that ELEXON will review the success of any options that are taken forward and, if appropriate, will consider extending their use to other Panel Committees in consultation with the BSC Panel.

Thoughts on potential impacts of the European Electricity Balancing Network Code on the BSC

Steve Wilkin

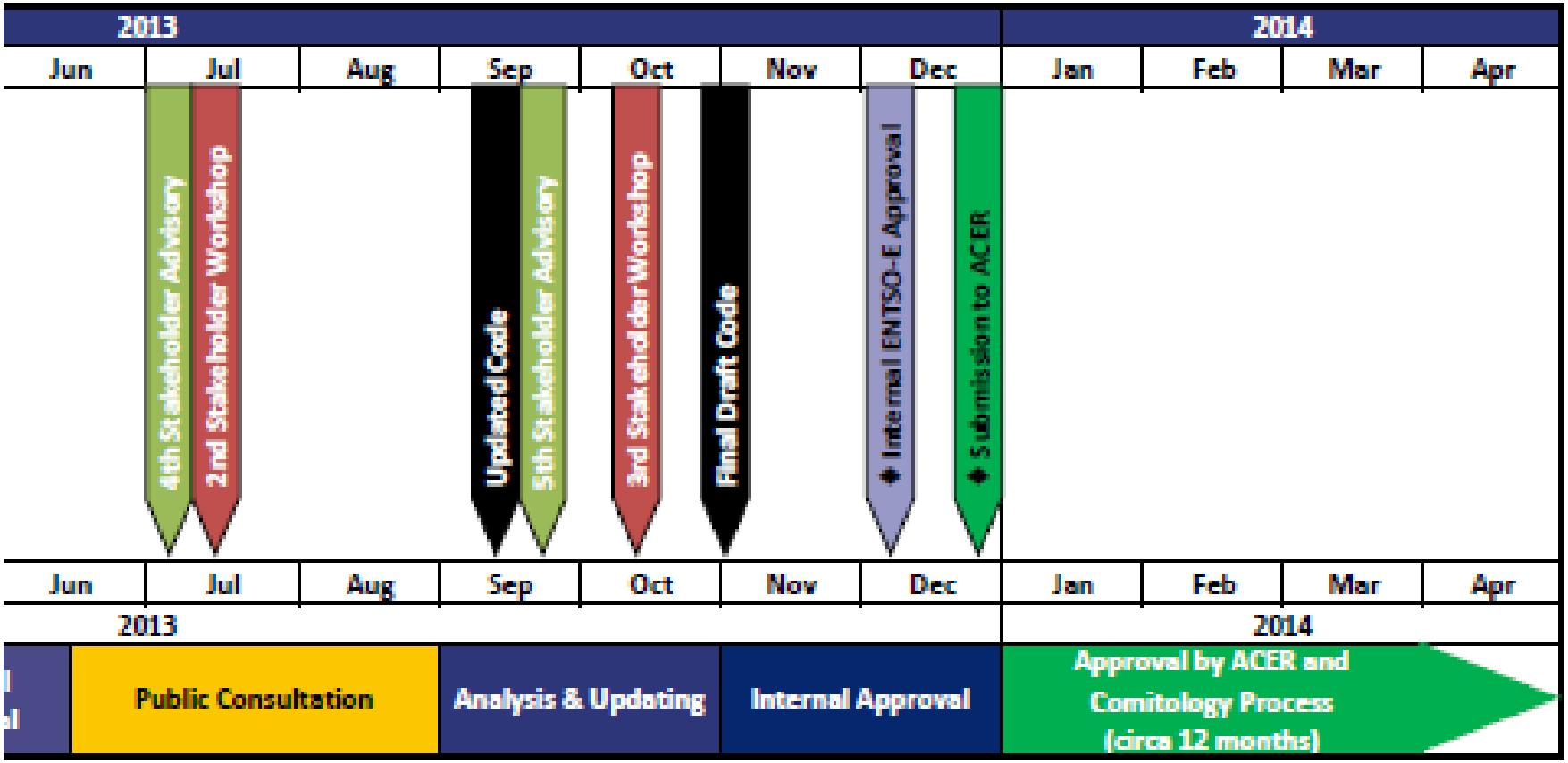
10 October 2013

Overview of Electricity Network Codes



Source: National Grid JESG website

EBNC Next Steps



Source: ENTSO-E website as at 15 September 2013

Context and Caveats

- The views in this presentation are based on an interpretation of the public consultation draft of the EBNC.
- The EBNC may change substantially as it progresses towards final form before coming into law in late 2014/early 2015.
- Various interpretations of how GB can meet the EBNC requirements are possible, including that we already meet them.
- But with all the caveats, here are my thoughts so far…..

Electricity Balancing Network Code (EBNC)

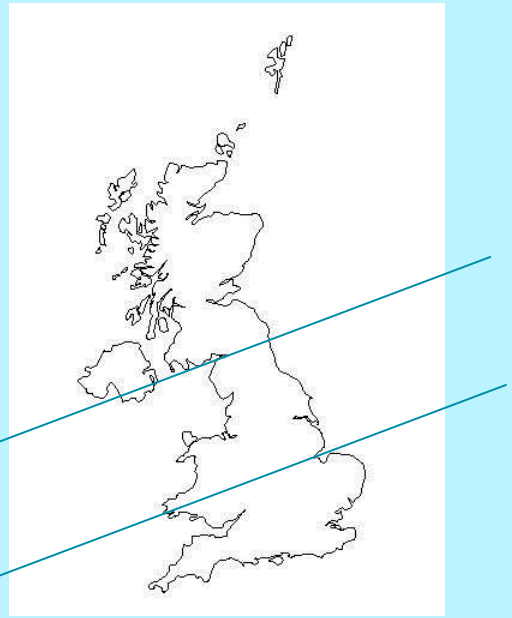
- There appear to be potential impacts in GB on:
  - technical design of BSC arrangements
  - BSC governance

- What has ELEXON done?
  - Responded to ENTSO-E consultation (drafting comments)
  - Written to Ofgem setting out thoughts on GB implementation (and this presentation is based on that)
  - Both published on ELEXON website (on the Industry Insights page)

Potential scope of changes affecting the BSC

Capacity Allocation and Congestion Management (CACM) Network Code

Market Splitting
Example:



Electricity Balancing Network Code ("a 6 year roadmap from 2015 onwards")

Balancing:

Coordinated Balancing Areas

Standard Balancing Energy & Reserve Products

Common Merit Order

Harmonised marginal pricing

Role of GB Balancing Mechanism?

Imbalance Settlement:

Main features harmonised within 3 years

Contract or physical Imbalances?

Harmonised Settlement Period (subject to CBA)

Imbalance price harmonisation

Role of Interconnectors?

Governance of BSC?

BSC – Balancing Mechanism

Aspect affected	Current GB	Draft EBNC (as I think it could be applied to GB)
Balancing Mechanism (BM)	"Pay as Bid" in £s	European Common Merit Order Lists of Standard Products and "Pay as Cleared" So for GB…….? *Articles 17(6) and 25(2)*

EU and GB Balancing Mechanism: is this how it will work?

European common merit order balancing (pay as cleared)

GB Bids & Offers converted to Euros?
BOAs from Europe converted to £s?

GB Balancing Mechanism (pay as cleared?)

Bids & Offers as now?

BSC – Imbalances

Aspect affected	Current GB	Draft EBNC (as I think it could be applied to GB)
Imbalance definition	Difference between contract and metered	Framework Guidelines give the same as BSC. Draft EBNC is ambiguous allowing for PN versus metered imbalances as well *Article 2 – definition of Imbalance and Position*
Imbalance Adjustments for Balancing Services	Not for all Balancing Services	For all Balancing Services – ELEXON (John Lucas) has highlighted this to SVG in paper SVG150/07 *Articles 16 and 39*
Interconnector Users	There are imbalances for identified interconnector users	Unclear who has responsibility for imbalances across interconnectors *Article 34(4)*

BSC – Imbalance Prices

Aspect affected	Current GB	Draft EBNC (as I think it could be applied to GB)
Single or Dual Imbalance Prices	Dual (but proposed to move to single under Significant Code Review)	Unclear – the supporting document allows for dual or single prices but the drafting is less clear *Article 50*
Imbalance price calculations	Remove system balancing actions	Short system balancing actions appear to be included *Article 50*
Imbalance Settlement Period	Half Hourly	Cost-benefit study on harmonisation required (metering as well?) *Article 48*

BSC – Other impacts

Aspect affected	Current GB	Draft EBNC (as I think it could be applied to GB)
Energy Contract Volume Notifications	Notified to ECVAA	Notified to National Grid in the first instance *Article 14(2)*
Publication platform	BMRS	Probably BMRS though references Transmission System Operators publishing information *Article 8(4)*
Contingencies	Black Start and Fuel Security may require market suspension	Unclear – this will I understand be in a future Network Code – in the meantime the concept of market suspension is not contemplated

EBNC and governance of the BSC

Principle	Current GB	Draft EBNC[1] (as I think it could be applied to GB)
Who undertakes imbalance settlement?	ELEXON and BSC Agents (essentially the Authority decides)	National Grid can delegate to ELEXON subject to Authority approval
Who undertakes balancing settlement?	ELEXON and BSC Agents	National Grid (but we have suggested similar rules as for imbalance)
Who is responsible for monitoring settlement?	BSC Panel	The Transmission System Operator, but how it does this is not specified
Who is responsible for raising BSC Modifications?	In general, any BSC Party	Not in the EBNC, but in general any interested party - ACER has published a separate change process for all Network Codes

1. See EBNC Articles 11(4) and 47(1)

ELEXON

Next steps

entsoe
Reliable Sustainable Connected

completes draft by end 2013

ACER
Agency for the Cooperation of Energy Regulators

reviews and makes recommendation

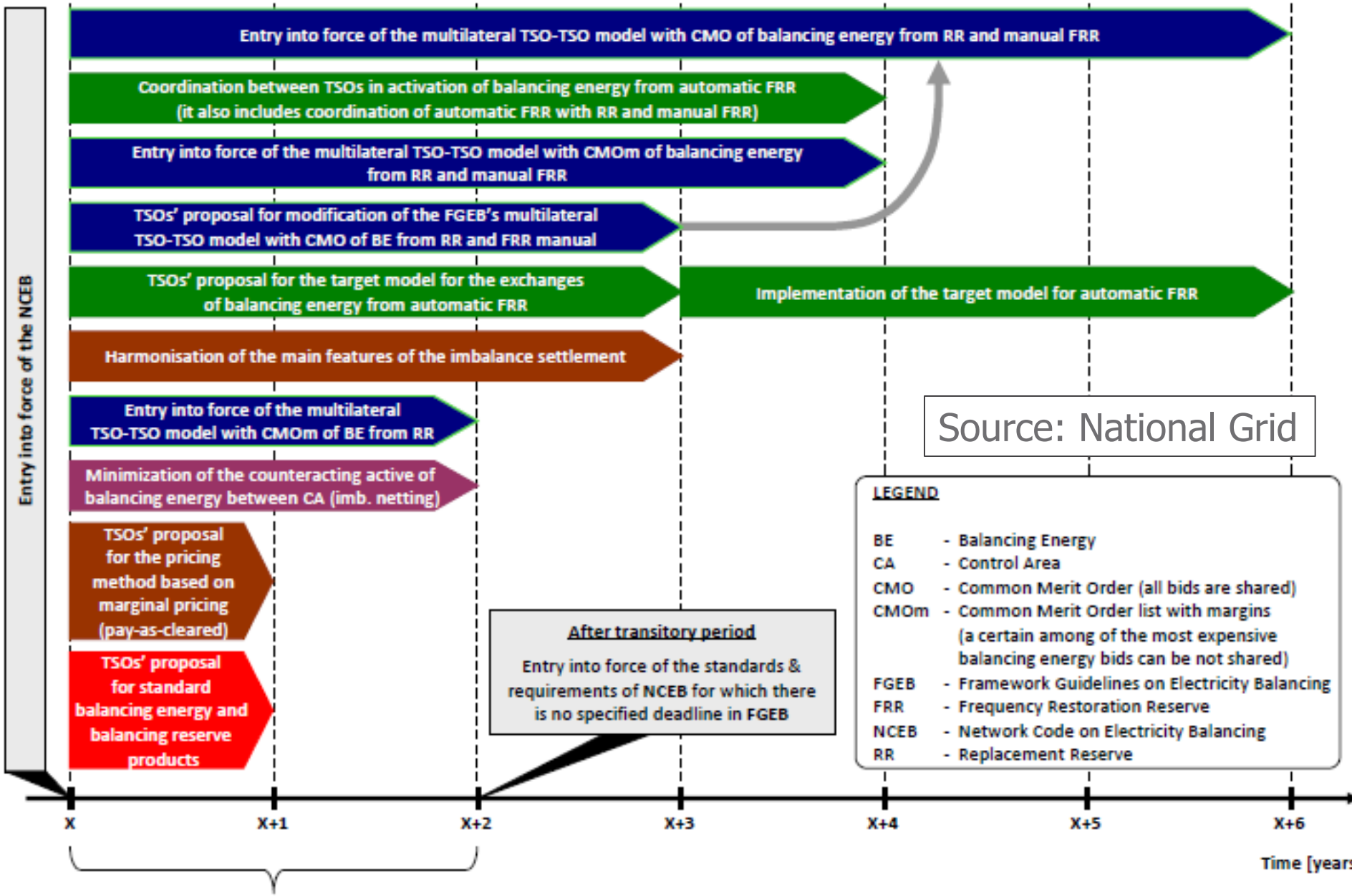
EUROPEAN COMMISSION

&

turn into law by early 2015

Phased implementation over six years

ELEXON



MAX LENGTH OF THE TRANSITORY PERIOD

The determination of the transitory period shall be subject to consultation with the relevant stakeholders

FGEB foresees **DEROGATIONS** – a maximum period of 2 years when some provisions of the NCEB can be ignored (granted case-by-case)

Addendum: Two other European impacts

- ACER has recently published Guidance on Network Code changes consisting of two basic processes:
  - A five yearly review of Network Codes and a batching of change proposals until then
  - An "urgent/priority" change process for changes between the five years that are considered high priority (not more than 3 to 4 months to progress to the Commission stage)

- Reporting of Bid-Offer Acceptances to ACER under the REMIT Regulation will be required, but timing of this not yet defined

217/05
Update on Electricity Market Reform

David Osborne

10 October 2013

ELEXON

217/06

Annual Performance Assurance Report (APAR)

Tabled

10 October 2013

ELEXON

Any Other Business

Next Meeting:
14 November 2013