ISG167/02 – TRADING UNIT APPLICATION FOR LYNEMOUTH POWER STATION

MEETING NAME: ISG 167

Date of meeting: 24 March 2015
Owner/author: Mike Smith
Purpose of paper: Decision
Classification: Public

Summary: Lynemouth Power has submitted a Trading Unit Application to combine the Balancing Mechanism Units associated with Lynemouth Power Station within a Class 6 Trading Unit. We invite the ISG to approve the Class 6 Trading Unit Application.

1. BSC requirements

1.1 Section K of the Balancing and Settlement Code (BSC) sets out the basis for establishing and registering Balancing Mechanism (BM) Units and assigning those BM Units to Trading Units.

1.2 The Party responsible for the Exports from and/or Imports to Plant and Apparatus connected to the Transmission System or a Distribution System is required to establish and register BM Units which comprise that Plant and Apparatus.

1.3 The criteria for establishing what configuration of Plant and Apparatus constitutes a BM Unit are set out in K3.1.

1.4 Certain configurations of Plant and Apparatus are deemed to satisfy the criteria set out in K3.1.2 and constitute a single BM Unit, e.g.:

- Any Generating Unit, Combined Cycle Gas Turbine (CCGT) Module or Power Park Module whose Export Metering System(s) is or are registered in the Central Meter Registration Service (CMRS), i.e. as a Central Volume Allocation (CVA) Metering System; or
- The Plant and Apparatus which comprises part of, and which Imports electricity through the station transformer(s) of, a Generating Plant, where the Metering System(s) for those Imports is or are registered in CMRS.

1.5 By default a CVA registered BM Unit is a Sole Trading Unit, however Section K4 allows a Party to apply to have a combination of such BM Units belong to a particular class of Trading Unit. There are six classes of Trading Unit and these are described in Section K, Annex K-2 and BSC Procedure (BSCP) 31:

- Classes 1 to 3 relate to BM Units associated with a generating station;
- Class 4 relates to Exempt Export BM Units in the same Grid Supply Point Group;
- Class 5 relates to Interconnector BM Units; and
- Class 6 relates to those BM Units which do not fit into any of the other classes.

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1 "Classification and Registration of Metering Systems and BM Units"
2 "Registration of Trading Units"
1.6 Having more than one BM Unit within a Trading Unit allows all the BM Units in the Trading Unit to be treated the same for:

- Transmission Loss Multipliers (TLMs);
- Production/Consumption flag;
- Certain BSC costs;
- Residual Cashflow Reallocation Cashflow (RCRC); and
- Balancing Services Use of System (BSUoS) charges.

1.7 BSCP31 sets out the application process for registering these six classes of Trading Units and requires certain evidence, information and documents to be provided for each application.

1.8 BSCP31 requires the ISG to approve Trading Unit applications for all classes except Class 4.

2. **Background**

2.1 Lynemouth Power Station is an embedded Power Station consisting of three Generating Units rated at 140MW each.

2.2 The Metering Systems (Import and Export) for the Power Station are currently registered with the Supplier Meter Registration Service (SMRS) of the Licensed Distribution System Operator (LDSO) it is connected to, Northern Powergrid.

2.3 Lynemouth Power Station is currently subject to a licence exemption which is due to expire on 31 March 2015. Lynemouth Power has applied to Ofgem for a generation licence to take effect from 1 April 2015. If the generation licence is granted then the Metering Equipment associated with Lynemouth Power Station will need to be registered in the Central Meter Registration Service (CMRS) as a Central Volume Allocation (CVA) Metering System.

2.4 In addition, BM Units, Aggregation Rules and the Meter Technical Details are to be registered with the Central Registration Agent (CRA) and the Central Data Collection Agent (CDCA). These registrations are being progressed by Lynemouth Power to meet this timescale.

3. **Trading Unit Application**

3.1 In February 2015 we received a Trading Unit Application (Attachment A) from Lynemouth Power to combine the BM Units that are to be associated with Lynemouth Power Station within a Class 6 Trading Unit:

- E_LYNE1;
- E_LYNE2;
- E_LYNE3.

4. **Transmission Company and LDSO views**

4.1 We circulated the Trading Unit Application and associated documents (Attachments A - D) to the Transmission Company and the LDSO and asked them to confirm if the metering arrangements are compatible with transmission/distribution service charging and are operationally acceptable.

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3 In accordance with BSCP31, the BSC Panel delegated approval of Class 4 Trading Units to the BSCCo.

4 In accordance with K2.1.1 (b) of the BSC.
The Transmission Company confirmed it has not identified any issues with this application from an operational or use of system perspective.

The LDSO confirmed that the data it receives for both of the existing MSIDs supports use of system charging for each. The LDSO also confirmed it has no operational issues regarding the metering at the site.

5. **ELEXON’s view**

5.1 We support the Trading Unit Application for the BM Units that will be associated with Lynemouth Power Station to form a Class 6 Trading Unit.

5.2 We believe that the electrical arrangements of the BM Units associated with Lynemouth Power Station do not exactly match the diagrammatic representation of a Class 1 Trading Unit\(^5\), therefore should form a Class 6 Trading Unit as the configuration of the BM Units does not fit into any of the other classes.

5.3 The applicant has requested that if the ISG approve the Trading Unit Application, the Effective from Date (EFD) for the Class 6 Trading Unit be the 1 April 2015.

6. **Recommendations**

6.1 We invite you to:

   a) **NOTE** that the applicant has provided the necessary evidence, information and documentation in support of their application;

   b) **NOTE** that the Transmission Company and the LDSO consider the metering arrangements compatible with transmission/distribution service charging and are operationally acceptable;

   c) **NOTE** that we support the application; and

   d) **APPROVE** the Trading Unit Application from Lynemouth Power to form a Class 6 Trading Unit for Lynemouth Power Station with an EFD of 1 April 2015.

**Attachments**

Attachment A – Trading Unit Application (including covering letter)

Attachment B – Electrical single line diagram

Attachment C – Meter Technical Details

Attachment D – Connection Agreement (Schedule 6)

**For more information, please contact:**

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\(^5\) As depicted in diagram 4.2.1A ‘Power Station with optional demand fed from within the Power Station System’ in BSCP31, Appendix 4.2.