



## Newscast

**ELEXON**

Issue 622, 3 October 2016



## Coming up this week

**4 October**Supplier Volume Allocation Group at **10:00****5 October**Technical Assurance of Metering Expert Group at **10:00****6 October**Trading Disputes Committee at **10:00**

## Training video: Management and Resolution of Erroneous EACs/AAs

The Balancing and Settlement Code arrangements can be complex, so we have developed **three training videos** that we hope will help break the arrangements down to bite-size modules. These videos are available to view on [ELEXONUK YouTube channel](#).

The first in the series is our 22 minute video on [Management and Resolution of Erroneous EACs/AAs](#), aimed at customers involved with large Estimated Annual Consumption (EAC) and Annualised Advance (AA). Through five short modules, our Market Entry Analyst explains the management and resolution of EACs and AAs; its impact on the market, monitoring, reporting, and the actions to address it. He also covers how the Trading Disputes process is used to correct errors in Settlement.

### Who will benefit?

- new entrants to the Non-Half Hourly market
- new starters in teams that deal with Non-Half Hourly Settlement processes
- experienced members of the same teams
- anyone who does not deal directly with Non-Half Hourly Settlement processes but wishes to understand the impact that non-Settlement processes can have on Settlement.

You can also view this video and download the accompanying slides from the [Training videos page](#) of our website.

We hope that you find the EAC training video useful and look forward to hearing your feedback. Please email [communications@elxon.co.uk](mailto:communications@elxon.co.uk) if you have any comments or other subjects that you that you would like us to cover in the future.

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## Your opinion counts: Performance Assurance Framework review consultation

The electricity market is set to change significantly over the next decade. Smart metering will have profound impacts on wholesale electricity and the BSC, changing industry processes, providing unprecedented quantities and granularity of data, and presenting new assurance challenges. Non-Traditional Business Models (NTBMs) have also been becoming more prevalent and more varied. Their prevalence is likely to increase as initiatives like smart metering create new competitive opportunities inside of wholesale electricity.

The [Performance Assurance Framework \(PAF\)](#) through which the BSC provides risk management should evolve to meet the challenges of a changing market. Assurance under the BSC should remain robust, but must not act as an undue barrier to innovation or competition.

The current PAF provides for a flexible, integrated approach to the deployment of techniques. ELEXON and the Performance Assurance Board (PAB) believe there are opportunities to further enhance the application of the risk-based PAF implemented in 2007, to address the challenges of a changing industry. Specific areas of the PAF where we particularly believe this to be the case include the BSC Audit, Market Entry and Exit and the current approach to escalation of non-compliant participants.

In order to ensure that the review is informed by as broad a set of views as possible, **we have issued a consultation to all Performance Assurance Parties**, inviting their views on the PAF. The consultation is your opportunity to influence the scope of the review.

To respond to the consultation, please email a completed response form to [max.oconnor@elexon.co.uk](mailto:max.oconnor@elexon.co.uk), copying in [design.authority@elexon.co.uk](mailto:design.authority@elexon.co.uk), by **17:00 on 14 October 2016**.

The consultation document and response form are available on the [PAF Review Consultation](#) page of our website.

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## August P321 Interim Report published

The implementation of Modification [P321 'Publication of Trading Unit Delivery Mode'](#) has been deferred to June 2017. In order to provide industry with some of the benefits of P321 in advance of next June, we developed an interim solution through the publication of monthly reports. The August report is now available on the [P321 page](#) of our website.

The interim solution will continue to be published for each month until P321 is implemented in June 2017. The report is a single, downloadable Excel/CSV file containing the most recent data for the monthly reporting period. This will be R1 data where available, otherwise SF data.

Reports for previous months can be obtained by emailing [SettlementOperations@elexon.co.uk](mailto:SettlementOperations@elexon.co.uk).

For further information, please contact [Matt McKeon](#), Market Advisor, on 0207 380 4377.

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National Grid news  
**nationalgrid**

### National Grid starts publishing call-off contract enactment volumes

When a locational constraint is active on the electricity transmission system National Grid will take actions in

the market to manage it. One available action is to enter into an optional (call-off) constraint management contract with a service provider ahead of time. These are procured where there is less certainty over the timing of the requirement and can be called within agreed timescales during the service period.

To ensure transparency of the optional (call-off) contracts National Grid is now publishing the enacted MW volume per Settlement Period by 10:30 the previous day on the [Outcome – System Services](#) page of National Grid's website, under the 'contract enactment' tab.

More information on Constraint Management Services can be found [here](#). Alternatively, please contact [Commercial.Operation@nationalgrid.com](mailto:Commercial.Operation@nationalgrid.com).

If you have any feedback or queries please contact [trading@nationalgrid.com](mailto:trading@nationalgrid.com).

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## Modifications, Change and Implementation

### Live Consultations

#### P350 Industry Impact Assessment

**Response date: 7 October 2016, 17:00**

P350 'Introduction of a seasonal Zonal Transmission Losses scheme'. The Competition and Markets Authority (CMA) [Energy Market Investigation](#) has concluded that the absence of locational pricing for transmission losses creates an adverse effect on competition. To deliver the CMA's remedy, P350 will introduce a Transmission Loss Factor for each Grid Supply Point (GSP) Group for each BSC Season in order to allocate transmission losses on a geographical basis. This solution will be the same as under Rejected Modification P229 'Introduction of a seasonal Zonal Transmission Losses scheme'. The CMA is mandating, through secondary legislation and licence changes, an Implementation Date of **1 April 2018**.

P350 is expected to affect **generators, Suppliers, Distribution System Operators (DSOs)** and the **Transmission Company**.

#### P342 Assessment Procedure Consultation

**Response date: 7 October 2016, 17:00**

P342 'Change to Gate Closure for Energy Contract Volume Notifications' proposes to introduce a new deadline for the purposes of submitting Energy Contract Volume Notifications (ECVNs) and Metered Volume Reallocation Notifications (MVRNs) for each Settlement Period. This new contract notification deadline would be decoupled from Gate Closure and would be set 60 minutes after the start of the relevant Settlement Period (30 minutes after the end of the Settlement Period).

P342 is expected to impact **BSC Trading Parties, Energy Contract Volume Notification Agents (ECVNAAs)** and **Metered Volume Reallocation Notification Agents (MVRNAs)**. Trading Parties will be able to submit ECVNs and MVRNs up to 60 minutes after the start of the relevant Settlement Period.

#### P339 Assessment Procedure Consultation

**Response date: 12 October 2016, 17:00**

P339 'Introduction of new Consumption Component Classes for Measurement Classes E-G' seeks to introduce new Consumption Component Classes (CCCs) for Measurement Classes 'E', 'F' and 'G'. These new CCCs will enable aggregated consumption volumes for both Active Import (AI) and Active Export (AE) to be identified separately.

P339 is expected to impact **Supplier Volume Allocation Agent (SVAA) systems, ELEXON, Suppliers, Supplier Agents** and **License Distribution System Operators (LDSOs)**.

#### P347 Assessment Procedure Consultation

**Response date: 19 October 2016, 17:00**

[P347 'Relaxing Settlement Performance Level at R1'](#) proposes to reduce the read Settlement Performance Level at the First Reconciliation Volume Allocation Run (R1) for Half Hourly (HH) Metering Systems in Measurement Classes 'F' and 'G'. This will remove a perceived barrier to Elective Half Hourly Settlement.

P347 is not expected to require central system changes. We do not expect BSC Parties or Party Agents to be impacted by this change.

#### **CP1466 Impact Assessment**

**Response date: 7 October 2016, 17:00**

[CP1466 'Removing SMETS compliant Meters from the scope of BSCP601'](#) proposes to remove the requirement of protocol approval and compliance testing for Smart Metering Equipment Technical Specifications (SMETS) compliant Meters. This will be achieved by removing SMETS compliant Meters from the scope of BSCP601 'Metering Protocol Approval and Compliance Testing'.

CP1466 is expected to impact **Half Hourly Data collectors (HHDCs)**.

For further details please visit the [Consultations](#) page of our website.

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## Electricity Market Reform (EMR) update

### **Interim Levy Rate and Total Reserve Amount for 1 January 2017 to 31 March 2017 announced**

The Low Carbon Contracts Company (LCCC) has determined the Total Reserve Amount and the Interim Levy Rate for **1 January 2017 to 31 March 2017** as follows:

- Total Reserve Amount – £3,507,747.19
- Interim Levy Rate – £0.956/MWh

We have issued [EMR Circular 100](#) to inform Suppliers about their Credit Cover requirements and Interim Rate Payments. This Circular also details key dates and activities that Suppliers need to be aware of for the next two Quarterly Obligation Periods.

### **Register now! 'Introduction to EMR arrangements' seminar**

On **9 November 2016** EMRS and LCCC are hosting an seminar to introduce Suppliers to the Contracts for Difference (CFD) and the Capacity Market (CM) schemes. This event is aimed at Suppliers who have recently entered the electricity market or individuals from existing Suppliers that are new to EMR.

What will this session cover?

- overview of EMR
- overview of the different roles and responsibilities of the EMR bodies
- forecasting the Supplier Levy
- Supplier charges and calculations.

To register, please email [info@lowcarboncontracts.uk](mailto:info@lowcarboncontracts.uk).

For further information visit the [event](#) page of the EMRS website.

### **Keep in touch with what's happening with EMR**

Visit the [EMRS website](#) to view the latest news on EMR. Our EMR Circulars keep you informed of the latest changes, consultations and events. To register for EMR Circulars please subscribe to our mailing list on the homepage of the EMRS website. The [EMR Settlement Calendar](#) is also a useful way to check what is happening as it highlights key dates such as implementation events, deadlines for consultations and workshops. If you have any questions, please email [contact@emrsettlement.co.uk](mailto:contact@emrsettlement.co.uk).

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## New market participant: PetroChina International (London) Co. Limited

PetroChina International (London) Co. Limited (Party ID: PETCHINA) has acceded to the BSC, effective from 28 September 2016. This Party intends to register in the role of Non Physical Trader.

If you have any questions about the market entry process, please email [market.entry@elexon.co.uk](mailto:market.entry@elexon.co.uk).

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## Changes to Consolidated BSC

We have updated the [Consolidated BSC](#) and the [Changes Awaiting Implementation](#) pages of our website following implementation of [P352: Housekeeping changes to BSC Section M](#) on 16 September 2016 and approval of [P335: Inclusion of Non-BM STOR costs and volumes in the indicative cashout price](#) for implementation on 2 November 2017.

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## Next BSC Panel meeting: 13 October 2016

The next [BSC Panel meeting](#) is taking place on **13 October 2016** and will start at **10:00** at [ELEXON's offices](#).

All agenda items will be held in open session (except those deemed confidential) and representatives of BSC Parties may attend. The meeting papers and agenda will be available on the [BSC Panel meeting](#) page of our website from **Thursday 6 October**.

If you would like to attend or have any queries, please email the [Panel Secretary](#) by **Tuesday 11 October**.

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## ELEXON Circulars published last week

Since 26 September 2016, we have published five ELEXON Circulars. These Circulars were for information and related to:

- [EL02521](#): Increase in the Credit Assessment Price (CAP) to £53/MWh from 21 October 2016
- [EL02520](#): Cancelled: planned downtime on 'New' BMRS website on 1 October and 2 October 2016
- [EL02519](#): 'Legacy' BMRS website responding slowly: resolved
- [EL02518](#): Planned MIDP outage to impact BMRS System Price calculations and display – 29 September
- [EL02517](#): Withdrawal from the Balancing and Settlement Code – JP Morgan Chase Bank

Circulars are published in the [News](#) section of the ELEXON website.

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## Upcoming meetings and events

- 10 October** - [Issue 64](#)
- 11 October** - [P342 Workgroup](#)
- 13 October** - [BSC Panel](#)
- 13 October** - [P348 and P349 Workgroup](#)
- 18 October** - [P350 Workgroup](#)
- 19 October** - [P339 Workgroup](#)
- 25 October** - [Imbalance Settlement Group](#)
- 27 October** - [Performance Assurance Framework](#)

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**We are hiring!** [Check out our open roles and join the ELEXON team](#)



If you have any feedback on Newscast or any of our other publications, please email [communications@elexon.co.uk](mailto:communications@elexon.co.uk)

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