



Newscast



Issue 636, 23 January 2017



Coming up this week

24 January[Imbalance Settlement Group](#) at 10:00**25 January**[P344 Workgroup](#) at 10:00**26 January**[Performance Assurance Board](#) at 10:00**27 January**[Performance Assurance Board](#) at 10:00

Spotlight on the System Price Analysis Report (SPAR)

The System Price Analysis Report (SPAR) is our monthly report on Imbalance Pricing. It includes an overview and analysis of the previous month's prices and pricing parameters. The [November](#) and [December](#) 2016 reports are now available on the [Operations Reports](#) page of our website.

The SPAR aims to increase industry understanding of pricing, in light of the Imbalance Price changes made as part of BSC Modifications [P305 'Electricity Balancing Significant Code Review developments'](#) and [P323 'Enabling inclusion and treatment of SBR in the Imbalance Price'](#) implemented in November 2015.

November System Price - Highest System Price in a half hour Settlement Period under P305

November saw the highest System Price in a half hour Settlement Period under P305 so far. The £1,528/MWh price was applied to imbalance volumes in Settlement Period 28 on 8 November 2016. November was also the first month since the introduction of BSC Modification P305 that System Prices exceeded £1,000/MWh.

Prices over £1,000/MWh were seen in six Settlement Periods over two days on 8 and 20 November 2016. High priced accepted Offers in the Balancing Mechanism set the System Price in these Periods. These high prices are considered in more detail in Appendix 1 of the [November System Price Analysis Report](#).

If you want to keep up to date with ELEXON's pricing analysis, SPAR is published monthly on the [Operations Reports](#) page of our website.

For further information, please email market.operations@elexon.co.uk.

Read the latest Operations reports

The [December Trading Operations Report](#) and the [BSC Operations Headline Report for November and December](#) have been published on the [Operations Reports](#) page of our website.

The Trading Operations Report provides a market-level overview of key events, issues or incidents over the last month, a wide range of statistics on the energy industry and a suite of market graphs.

In the BSC Operations Headline Report you will find commentary on BSC market operation, identification of key events and reporting of key data.

For further information please visit the [Operations Reports](#) page of our website.

New Applicable BSC Objective: Compliance with the Transmission Losses Principle

Following the Competition and Markets Authority (CMA) investigation into the supply and acquisition of energy in Great Britain, the CMA has implemented its [Electricity Transmission Losses Order](#) (secondary legislation) which includes changes to National Grid's Transmission Licence. These changes became effective on 15 December 2016.

Changes to the Transmission Licence included the introduction of a new Applicable BSC Objective (g) 'Compliance with the Transmission Losses Principle' in condition C3 paragraph 3.

The Transmission Losses Principle is now defined as 'the principle that the licensee shall ensure at all times that the costs of Transmission Losses are recovered from users of the national electricity transmission system in a manner which is sensitive to the relative impact on Transmission Losses of changes to each user's power flow as a result of their location on the national electricity transmission system'.

In addition, there are new paragraphs (1E-1I) in Condition C3 of the licence. These require National Grid to:

- Use its best endeavours to ensure that the BSC is modified, from 1 April 2018, in order to implement the specific locational transmission losses scheme mandated by the CMA's Order (this is being progressed through BSC Modification [P350 'Introduction of a seasonal Zonal Transmission Losses scheme'](#)).
- Step in to implement the CMA's mandated solution itself, outside the BSC, if the Modification is not implemented in time for 1 April 2018.
- Ensure that, after 1 April 2018, the BSC (as may be modified by any other future Modification Proposals) continues to comply with the Transmission Losses Principle.

This means that, while the solution for allocating transmission losses can be amended after 1 April 2018 to differ from P350, any replacement solution must continue to include a locational element.

You can find more information on the intention of the new licence provisions on pages 7-8 of the P350 Report Phase Consultation document, available on the [P350](#) page of our website.

Don't forget to submit your Generation Capacity and Demand Capacity this season

Recent BSC Party performance in Generation Capacity (GC) and Demand Capacity (DC) submissions has been lower than usual in the past few seasons. In order to avoid the risk of BSC Default, BSC Parties need to ensure they are able to meet the BSC obligations for Generation Capacity and Demand Capacity. Any Party responsible for a BMU must declare the BMU's maximum Generation Capacity and Demand Capacity for each BSC Season. To be able to meet BSC requirements, the declaration must be made at least **10 Working Days (WD) prior to the start of the BSC Season**. For the Spring 2017 BSC Season, BSC Parties must submit their GC/DC values no later than **15 February 2017**. The values will be effective from **1 March 2017**.

To submit your declaration, you can use the forms in [BSCP15/4.3](#) and send them to neta@imserv.com or the online form on the of the [ELEXON Portal](#).

Please ensure that you submit the values in MW only. These values should match the MAXIMUM MW(h) you may Demand or Generate in any given Settlement Period (30 minutes) over the season. Please ensure you use the correct column(s).

Please note that your GC/DC submission is the maximum/minimum Metered Volume expected for a single Settlement Period in the BSC Season. The BSC requires that you submit this as accurately as you can.

For further information or questions, please email SettlementOperations@elexon.co.uk.

Modifications, Change and Implementation

P350 Report Phase Consultation

Deadline for responding: **2 February 2017, 17:00**

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 (TLF) for each Grid Supply Point (GSP) Group for each BSC Season in order to allocate transmission losses on a geographical basis. The CMA is mandating, through secondary legislation and licence changes, an Implementation Date of **1 April 2018**.

The BSC Panel initially recommends that **P350 should be approved**. P350 is expected to affect **generators, Suppliers, Distribution System Operators (DSOs)** and the **Transmission Company**.

Please send your response to bsc.change@elexon.co.uk using the consultation document and response pro-forma available on the [Consultations](#) page of our website.

Please note that this is your final opportunity to comment on this Modification.

Further information can be found on the [P350](#) page of our website. If you have any questions or would like to discuss this Modification further, please contact **Lawrence Jones** on 020 7380 4118 or email bsc.change@elexon.co.uk.

New BSC Issues raised: looking for Issue Group members

[Issue 65 'Causes and treatment of large Line Loss Factors'](#)

Issue 65 was raised by ELEXON on 13 January 2017. The Supplier Volume Allocation Group (SVG) noted some very large Line Loss Factors (LLFs) reported recently. Members raised concerns these LLFs may not be representative of the actual losses at these sites. This Issue Group will examine the causes of these high LLFs, if they are appropriate and what steps, if any, are required to address them under the BSC.

We are looking to hold the first meeting in the **week commencing 27 February 2017**, with **28 February 2017** being the current preference. If you would like to take part but are unable to attend this date please advise of dates that you are available in your response and we will seek to accommodate where possible.

[Issue 66 ' Responsibility for addressing Meter faults for Dual Function Meters with different Suppliers for Import and Export'](#)

Issue 66 was raised by Ecotricity on 19 January 2017 to address concerns over the ownership and maintenance and repair process for Meters that have separate Import and Export Suppliers. The Issue Group will examine if the current process (where the Import Supplier nominates a Meter Operator -MOP- and the Export Supplier must nominate the same MOP) is prohibiting competition, increasing costs or simply failing due to communication issues between Suppliers and MOPs. The Issue Group will also determine what actions, if any, can be taken via the BSC to address any gaps identified.

We are looking to hold the first meeting during the **week commencing 13 February 2017**, with **14 February 2017** being the current preference. If you would like to take part but are unable to attend this date please advise of dates that you are available in your response and we will seek to accommodate where possible.

[Issue 67 'Meter Timeswitch Code for Smart Meters'](#)

Issue 67 was raised by SSE on 19 January 2017 to address problems with application of the current set of Meter Timeswitch Codes (MTC) to smart meters. The Issue Group will look at the existing MTC arrangements and determine what changes are required to accommodate Smart Metering Equipment Technical Specification (SMETS) meters that can be operated in credit or prepayment and sustain a number of different time pattern regimes and tariffs.

We are looking to hold the first meeting during the **week commencing 27 February 2017**. If you would like to take part but are unable to attend this week please advise of dates that you are available in your response and we will seek to accommodate where possible.

Please email bsc.change@elexon.co.uk by **17:00 on 3 February 2017**, indicating your availability for these meetings.

Further information can be found on the relevant Issue pages of our website. If you have any questions, please contact **Royston Black** on 020 7380 4203 or email bsc.change@elexon.co.uk.

CALF values for the Spring 2017 BSC Season: 1 February 2017 appeal deadline

The Credit Assessment Load Factor (CALF) values for the Spring 2017 BSC Season, which runs from **1 March to 31 May 2017**, are available from the Credit/Credit Alerting section under the Financial and Credit menu on the [ELEXON Portal](#).

What can I do if I believe the assigned value does not accurately represent the expected Balancing Mechanism (BM) Unit activity?

If you are the Lead Party of a non-Credit Qualifying BM Unit, you can appeal an assigned CALF value if you believe it does not accurately represent your expected activity. To raise an appeal, please complete the CALF Appeals proforma in Appendix 5 of the [CALF Guidance document](#) and email it to bscservicedesk@cgi.com by **1 February 2017**. To find out more about CALF appeals, please see Section 12 of the CALF Guidance document.

The holiday CALF deadline for the Spring 2017 BSC Season is **15 February 2017**, 10 working days before the start of the season. Please ensure you request a copy of the Holiday CALF proforma via bscservicedesk@cgi.com.

If you have any questions, please email SettlementOperations@elexon.co.uk.

Funds Administration Agent (FAA) Payment Calendar published

The [Funds Administration Agent \(FAA\) Payment Calendar for 2017/18](#) is now available on the FAA Dashboard on the ELEXON Portal. This lists the Notification Date and calendar Payment Date for each Settlement Day and Settlement Code in BSC Year 2017/18.

For further information or questions about the FAA Payment Calendar, please email bscservicedesk@cgi.com.

Performance Assurance Board meetings: 26 and 27 January 2017

Due to the full agenda for the January PAB meeting there will be two Performance Assurance Board (PAB) meetings taking place on **26 January 2017 and on 27 January 2017**. You can view all the open session papers on the [PAB 192A](#) and [PAB 192B](#) pages of our website. There are a number of items in the open session of the agenda this month that may be of interest to you. These are:

PAF KPIS – The Performance Assurance Framework (PAF) Key Performance Indicators (KPIs).

(REM) 2018/19 – ELEXON invited the PAB to endorse the draft REM 2018/19 for industry consultation.

CP1481 'Housekeeping Change to BSCP536 following approval of P339'– PAB will consider the issue and proposed solution, determine if the change is a Housekeeping Change, and then make a decision on whether to approve CP1481.

BUSRR – This paper sets out the steps taken by ELEXON to address the actions requested by the PAB following ELEXON's initial recommendations for amendments to the Business Unit Settlement Risk Rating (BUSRR) criteria at its April 2016 and October 2016 meetings.

The Removal of Qualification Process for SVA Party Agents and CVA MOAs - This paper outlines the step-by-step processes of administering the Removal of Qualification (RoQ) process, after a Qualified Party has been escalated through to the PAB from sources such as the Technical Assurance Agent, the BSC Auditor, EFR Analyst or through other Performance Assurance Framework (PAF) techniques.

SMUs – This paper summarises ELEXON's recommendations to the PAB following its review of the monthly Supplier Migration Plan Updates (SMUs), provided by Suppliers as required by [P322](#).

If you have any questions, please email PABSecretary@elexon.co.uk.

ELEXON Circulars published last week

Since 16 January 2016, we have published five ELEXON Circulars. These Circulars were for information and related to:

[EL02602](#): Decrease in the Credit Assessment Price (CAP) to £57/MWh effective from 14 February 2017

[EL02601](#): Planned National Grid BSAD outage: 30 January 2017

[EL02600](#): Update: Incorrect Triad data being published on BMRS

[EL02599](#): Planned National Grid BSAD outage: 24 January 2017

[EL02598](#): Delay in the processing of Transparency data on BMRS

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

Upcoming meetings and events

- 31 January** - [Supplier Volume Allocation Group](#)
- 2 February** - [Trading Disputes Committee](#)
- 7 February** - [Unmetered Suppliers Users Group](#)
- 8 February** - [P344 Workgroup](#)
- 9 February** - [BSC Panel](#)
- 15 February** - ['Introducing ELEXON' seminar](#)

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



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