

CP1480 v2.0 'Creation of a new authorisation category for corrections to Bid-Offer Acceptance Related Data'



Contact**Claire Kerr**

020 7380 4293

claire.kerr@elexon.co.uk

Contents

1	Why Change?	2
2	Solution	3
3	Impacts and Costs	6
4	Implementation Approach	7
5	Initial Committee Views	8
	Appendix 1: Glossary & References	13

About This Document

The purpose of this Change Proposal (CP) Consultation for CP1480 v2.0 is to invite BSC Parties, Party Agents and other interested parties to provide their views on the impacts and the merits of CP1480 v2.0. The Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) will then consider the consultation responses before making a decision on whether or not to approve CP1480 v2.0.

There are five parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, proposed implementation approach and first CP Consultation. It also summarises the ISG's and SVG's initial views and subsequent views following the first CP Consultation on the proposed changes.
- Attachments A and B contain the proposed redlined changes to deliver the CP1480 v2.0 solution.
- Attachment C contains the full responses received to the CP Consultation for CP1480 v1.0.
- Attachment D contains the specific questions on which we seek your views. Please use this form to provide your response to these questions, and to record any further views or comments you wish to be considered.



What is the current process?

The Transmission Company (TC) must send Bid-Offer Acceptance (BOA) Related Data to the Settlement Administration Agent (SAA). The TC can correct errors in this data, if they identify the error at least eight Working Days (WDs) before the Initial Settlement Run (SF). After this, only errors of £3,000 or above can be corrected through the Trading Disputes process. Errors can be related to data that is incorrect, non-applicable or missing. The full process, including timescales, is set out in [BSC Procedure \(BSCP\) 18 'Corrections to Bid-Offer Acceptance Related Data'](#). As part of this process, the TC must send details of the proposed correction to the Party involved and gain their consent for the correction to be made. The TC will then forward this on to the SAA.

What is the issue?

BSCP18 is ambiguous on who may authorise corrections to BOA related data. It states that the TC must contact 'authorised personnel at BSC Party' but does not explicitly state who this should be at the BSC Party. This lack of clarity is creating problems for the TC when trying to identify the right individual to contact and can cause delays.

The TC is currently using a workaround, which involves contacting the BSC Service Desk to request contact details for a particular Party. The BSC Service Desk then contacts the Party to ask for them if they are happy for the contact details to be shared with the TC. This process is inefficient and does not always provide the TC with the information it requires if a Party does not respond.

If the TC is unable to gain consent for the correction then the error will enter Settlement at SF and can affect the imbalance price. The error can be raised as a Trading Dispute in accordance with [BSC Section W 'Trading Disputes'](#) and the process set out in [BSCP11 'Trading Disputes'](#). However if the error does not meet the criteria for a Trading Dispute, for example because its materiality is less than £3,000, then it cannot be resolved. If it does become a Trading Dispute, the process can be lengthy and require extra effort from Parties and ELEXON. It is therefore preferable to correct the error before SF.

The TC has informed ELEXON that there are at least two or three incidents per month that require it to seek consent for corrections. It noted that it has difficulty identifying a suitable contact or is unable to make contact with the Party at all.

Bid-Offer Acceptance Related Data

In BSCP18, the term 'Bid-Offer Acceptance Related Data' is used to refer to any of the following:

- Final Physical Notification (FPN),
- Bid-Offer Data (BOD),
- Quiescent Physical Notification (QPN),
- Bid-Offer Acceptance Level (BOAL) and
- Bid-Offer Acceptance Level Flagged (BOALF) data.

Proposed solution

CP1480 v1.0

National Grid Electricity Transmission Plc raised [CP1480 'Creation of a new authorisation category for corrections to BOA related data'](#) on 28 November 2016. To provide clarity on who can provide consent for corrections to BOA related data, it proposes that a new category of Authorised Persons (Category "E") is created specifically for that activity within [BSCP38 'Authorisations'](#).

CP1480 v2.0

For the reasons highlighted in Section 5 of this paper, CP1480 v2.0 proposes that in addition to the solution detailed above, the activity within BSCP38 can also be authorised by a Category "A" Authorised Person when no Category "E" Authorised Person is available.

It is proposed that the process in BSCP18 will explicitly reference both Category "A" and Category "E". When a Party nominates an individual to be a Category "E" Authorised Person, they will be required to provide consent for ELEXON to share their information with the TC specifically for the purpose of considering corrections to BOA related data in accordance with BSCP18. Under BSCP38, when Parties first register their Category "E" Authorised Person(s), they will be required to provide a password. However, this password will not be used against a Party by the TC, or even submitted to the TC.

Category "A" Authorised Persons will also be asked to provide consent for ELEXON to share their information with the TC specifically for the purpose of considering corrections to BOA related data in accordance with BSCP18. In this regard, the form which Parties use to create new authorisations, BSCP38 section 5.1 part C, will contain a consent statement which a Party must acknowledge and agree to when creating a Category "E" authorisation. The same statement will also require acknowledgement, if a Party chooses to use the online form on the [ELEXON Portal](#) to create the new authorisation, rather than the BSCP38/5.1 form. For the avoidance of doubt, the statement will inform the Party that the Category "E" Authorised Person's information will be made available to the TC who may need to contact them to gain consent for corrections to BOA related data.

The name of the Category "A" and Category "E" Authorised Person, the Party which they represent, and their email and telephone contacts, will be made available to the TC. BSCP38 will place an obligation on the TC not to ensure that the information will only be used for the purpose of seeking consent to correction of BOA related data and that the information will not be shared with any other third party. The TC will have access to the Category "A" and Category "E" information via the ELEXON Portal.

In order to implement the solution, the Central Registration Agent (CRA) will be responsible for a one-off exercise to create and add Category "E" Authorised Persons to the authorisation register and gain consent from Category "A" Authorised Persons. On an ongoing basis, the CRA will perform an annual confirmation process as per all other authorisation categories.

Proposer's rationale

The Proposer believes that by having a clearly defined process, with specific individuals who have the authorisation to provide consent to BOA data corrections, the time taken to complete the process, and the risk of errors entering Settlement will be reduced.

CP Consultation Question

Do you agree with the CP1480 v2.0 proposed solution?

Please provide your rationale.

We invite you to give your views using the response form in Attachment D

Proposed redlining

Attachments A and B contain the proposed changes to BSCP18 and BSCP38 respectively to deliver the CP1480 v2.0 solution.

CP Consultation Question

Do you agree that the draft redlining delivers the CP1480 v2.0 proposed solution?

If 'No', please provide your rationale.

We invite you to give your views using the response form in Attachment D

ELEXON's views

ELEXON initially believed, and had discussed with the Proposer prior to this CP being raised, that there were constraints with the initial proposed solution, as described below. This meant that it may not be the most efficient way of resolving the difficulties that the TC is facing.

- i) From experience of similar exercises, ELEXON believed it unlikely that all Parties will respond to a communication requesting Category "E" nominations and that a low response rate will mean that the TC still does not have a contact point for every Party for this purpose. This would limit the value of the benefit of the change.
- ii) Category "A" Authorised Persons have the same powers as all other authorised categories, but we do not believe it is appropriate to propose sharing all Category "A" contact details with the TC. For large organisations, Category "A" Authorised Persons are often company directors who will usually not be the correct people to deal with such operational issues. Conversely, some smaller organisations only have Category "A" Authorised Persons so this will mean the TC does not have a list of every person that can give consent to BOA data corrections.

ELEXON believed that there is no need to restrict consent for BOA data corrections to certain authorised individuals. ELEXON understood that the TC has the option of establishing a process for getting consent directly from Parties without placing obligations in the BSC and BSCPs that may not achieve the TC's desired outcome.

Following the SVG's recommendation to allow the TC to contact the Category "A" Authorised Person in the absence of any Category "E" signatory, ELEXON believes that the

proposed solution has been moderately enhanced. Concerns expressed previously that the solution may not achieve the desired outcome have been addressed. With the inclusion of Category "A" Authorised Persons in the process, ELEXON is of the view that the prospect of a response from Parties and consent for correction to BOA related data will increase.

3 Impacts and Costs

Central impacts and costs

Central impacts

The CRA will need to add the new Category "E" to its database and make changes to the ELEXON Portal to allow the TC to have access to all Category "A" and Category "E" details and for Parties to access their own Category "E" details. The CRA will also conduct a one-off exercise to contact Parties to ask them to nominate a Category "E" individual(s). Additionally, the CRA will also have to get consent from all Category "A" Authorised Persons.

ELEXON will also make the necessary document changes, which will require one WD of effort.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none">• BSCP18• BSCP38	<ul style="list-style-type: none">• CRA• ELEXON Portal

Central costs

The central implementation costs for CP1480 will be approximately **£9,500**. This includes costs to deliver changes to systems and documents.

BSC Party & Party Agent impacts and costs

CP1480 is expected to impact Parties that participate in the Balancing Mechanism (BM) activities (i.e. Suppliers and generators), if they choose to give consent to share Category "A" Authorised Person information and/or create a Category "E" Authorised Person. Such Parties will have to fill out the BSP38/5.1 form and may need to establish processes and roles for Category "E" Authorised Persons. We do not expect that other types of Party will assign a Category "E" signatory.

As part of the CP Consultation, we will seek to clarify the extent of the impact and any associated costs required to implement CP1480 v2.0.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
<ul style="list-style-type: none">• Transmission Company	Will have access to both Category "A" and Category "E" information.
<ul style="list-style-type: none">• Generators• Suppliers	May choose to nominate individuals for Category "E" authorisation and give consent to share Category "A" information.

CP Consultation Questions

Will CP1480 v2.0 impact your organisation?

If 'Yes', please provide a description of the impact(s) on your organisation and any activities which you will need to undertake between the approval of CP1480 v2.0 and the CP1480 v2.0 Implementation Date (including any necessary changes to your systems, documents and processes). Where applicable, please state which of the roles that you operate as will be impacted and any differences in the impacts between each role.

Will your organisation incur any costs in implementing CP1480 v2.0?

If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs.

We invite you to give your views using the response form in Attachment D

4 Implementation Approach

Recommended Implementation Date

CP1480 v2.0 is proposed for implementation on **2 November 2017**, as part of the November 2017 BSC Systems Release. This is the next available Release that this CP can be included in.

CP Consultation Question

Do you agree with the proposed implementation approach for CP1480 v2.0?

Please provide your rationale.

We invite you to give your views using the response form in Attachment C

ISG's initial views

CP1480 v1.0 was presented to the ISG at its meeting on 13 December 2016 ([ISG188/06](#)). Several ISG Members recognised the issue with the current situation, but had concerns that the proposed solution may not achieve the desired outcome in practice, for similar reasons as highlighted in section 2. Several options were discussed at the ISG including:

1. The BM Unit owners can provide contact details for their control room when registering a BM Unit with the Transmission Company. However, the ISG did note uncertainty as to whether these contact details would be sufficient.
2. Changing the Grid Code to include an obligation on BM Unit owners to provide a contact for consenting to BOA related data corrections at the point that the BM Unit is registered with the Transmission Company.

SVG's initial views

CP1480 v1.0 was presented to the SVG at its meeting on 3 January 2017 ([SVG191/07](#)).

The SVG acknowledged the issues with the current situation. The SVG also agreed with the concerns expressed by both the ISG and ELEXON in relation to the limitations of the proposed solution, and concern that the solution would not resolve the issue. The SVG therefore believed that CP1480 would not be an efficient use of BSC resource.

The SVG discussed several alternative options including:

1. The TC could create its own contact list outside the BSC, without the need for a new BSC authorisation category;
2. BSCP18 could be amended to allow the TC to correct BOA related data if it has notified the Party and the Party has not objected within a set timeframe (rather than requiring the Party's explicit consent) – an SVG Member suggested that there may need to be a monetary threshold above which explicit consent is still required. (This solution option would require a different CP); and
3. The TC could utilise its other existing contacts with Parties under the Grid Code and the Connection and Use of System Code (CUSC), e.g. for control rooms/invoicing teams, to identify the correct individuals for consenting to BOA related data corrections.

On balance, the SVG believed the problem would be more efficiently solved outside the BSC, but noted that CP1480 should proceed to consultation if the Proposer still wished to progress it.

The SVG noted that it was not desirable to have errors in BOA related data, and that it would be useful to have further clarity on how/why these occur.

6 Industry Views on CP1480 v1.0

Two responses were received to the consultation for CP1480 v1.0, with the table below summarising these responses. The full detail of the responses can be found in Attachment C.

Summary of CP1480 CP Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the CP1480 proposed solution?	1	1	0	0
Do you agree that the draft redlining delivers the CP1480 proposed solution?	1	1	0	0
Do you believe that it is necessary or desirable to restrict who can authorise corrections to BOA related data?	1	1	0	0
Will CP1480 impact your organisation?	1	1	0	0
Will your organisation incur any costs in implementing CP1480?	1	1	0	0
Do you agree with the proposed implementation approach for CP1480?	1	1	0	0
Do you believe there are any potential alternative solutions (e.g. those discussed by the ISG and SVG as detailed in Section 5 of the Consultation Paper) that would provide a better solution than the one proposed by CP1480?	1	1	0	0
Do you have any further comments on CP1480?	0	2	0	0

Comments on the CP

One respondent agreed with the proposed solution and one disagreed. The respondent disagreed on the basis that the solution appears overly bureaucratic in comparison to alternatives suggested by the Panel sub-Committees and that the benefits are unclear. The other respondent did not believe that the solution would fully rectify the issue, but noted that it would be an improvement. The first view aligns with the ELEXON view as stated in section 2 of this paper.

One respondent noted concerns over whether a single point of contact would be sufficient to resolve the issue given that BOAs are a 24 hour operational point. There are further limitations due to planned or unplanned absences, a view that ELEXON acknowledges.

The consultation respondents had split views on whether there should be restrictions on who can authorise corrections to BOA related data.

One respondent disagreed because they preferred the alternative solutions suggested. In particular, they believed the solution where the TC creates its own contact list outside the BSC is the best option.

One consultation respondent commented that the alternatives suggested by the Panel sub-Committees are not better in its opinion. However, they noted that, as a new entrant, they have no direct operational experience of the issue. The other consultation respondent suggested that a solution not requiring an authorised signatory, or a process outside of the BSC arrangements, would be preferable.

Comments on the proposed redlining

No comments were received on the proposed redlining submitted for consultation.

ISG's views

CP1480 v1.0 was presented to the ISG for decision on 21 February 2017 ([ISG191/04](#)). The ISG agreed to defer its decision on the change until ELEXON had provided further information on the following three areas. ELEXON's response to these was provided at the ISG meeting on 28 March 2017 ([ISG192](#)), which can also be found below:

Information requested at ISG191	
ISG question	ELEXON's response
Can ELEXON clarify the timescales on how long an Authorised Person has to respond to an issue (i.e. confirmation that a 24/7 Party contact is not required for corrections to BOA related data, contrary to the suggestion of a consultation respondent)?	We advise that an Authorised Person has a minimum of 3 WDs to give consent to a correction and so the process does not require a contact outside of normal working hours.
Can ELEXON investigate the possibility of an Authorised Person using a generic mailbox to decrease the reliance on a single person to address/resolve any issues?	We note that an Authorised Person is not able to use a generic mailbox under BSCP38. However, BSCP38 does allow Parties to nominate more than one person to be an Authorised Signatory in any particular category. Therefore Parties could achieve the same effect by registering multiple Category "E" Authorised Persons.
Can the ELEXON Portal allow all categories of Authorised Signatories to be managed online, so Parties can dynamically maintain their set of Authorised Persons, instead of the current paper-based system?	We believe that the use of the ELEXON Portal to manage Authorised Signatories can be done outside of this CP as a potential service improvement. However we note that it would be beneficial to progress a CP to clarify that in BSCP38, changes to Authorised Persons can be made online.

An ISG Member noted that if a Party has three WDs to respond to the TC before SF, this implies the TC must have 10 WD to identify if a correction is needed. They therefore queried whether this could be reduced to allow the Party more time to respond. ELEXON noted that in the draft redlining it was specified that the TC could only identify BOA related data error at a minimum of eight WDs before SF, which means they have eight to 15 WD.

However, following subsequent ISG and SVG meetings and liaising with nominated ISG and SVG Members, the draft redlining has been revised to include Category "A" Authorised Persons as an escalation point in the CP1480 v2.0 solution. It has also been amended to update the timings for the BOA corrections process in BSCP18. This has made the process more flexible for Parties to accept/reject corrections to the TC, where the error is identified earlier than the cut-off time (8WD before SF).

CP Consultation Question

Do you agree that the revised timescale is reasonable for Parties to resolve BOA related data errors noting that Category "A" Authorised Persons can also be used as an escalation point?

If 'No', please provide your rationale.

We invite you to give your views using the response form in Attachment C

The ISG was also updated on the SVG's views from SVG193 and agreed with the amended solution that the TC can contact a Category "A" Authorised Person when there is no Category "E" Authorised Person available (see discussion below). The draft redlining was subsequently amended before it is issued for a second industry consultation. This can be found in Attachments A and B.

SVG's views

CP1480 v1.0 was presented to the SVG for decision on 28 February 2017 ([SVG193/06](#)). The SVG reiterated the concerns highlighted by the ISG. An SVG Member queried whether, in the absence of any Category "E" signatory, CP1480 allows the TC to contact the Category "A" Authorised Person instead. ELEXON confirmed that the current CP1480 redlining does not permit this, since it only allows ELEXON to share Category "E" details with the TC. The SVG Member noted that, if a Party does not nominate a Category "E" Authorised Person, the TC will be unable to obtain consent to any BOA related data corrections. The Member considered that, as currently drafted, the CP would therefore be worse than the current baseline, under which the TC at least has the option to try any contacts at the Party.

Other SVG Members agreed and advised that they were therefore not minded to approve CP1480 in its current form. They agreed to defer the CP until ISG gives their view on the suggestion for a Category "A" Authorised person.

At its meeting on 4 April 2017, ELEXON updated the SVG ([SVG194](#)) on the views from ISG192. The SVG agreed to consult on the amended solution and draft redlining discussed at SVG193.

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronyms	
Acronym	Definition
BM	Balancing Mechanism
BOA	Bid-Offer Acceptance
BSCP	Balancing and Settlement Code Procedure (<i>Code Subsidiary Document</i>)
CP	Change Proposal
CPC	Change Proposal Circular
CRA	Central Registration Agent
ISG	Imbalance Settlement Group (<i>Panel Committee</i>)
SAA	Settlement Administration Agent
SF	Settlement Final
TC	Transmission Company
SVG	Supplier Volume Allocation Group (<i>Panel Committee</i>)
WD	Working Day

External links

A summary of all hyperlinks used in this document are listed in the table below. All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2	BSCPs page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/
2	BSC sections page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/
3	CP1480 page on the ELEXON website	https://www.elexon.co.uk/change-proposal/cp1480/
3	ELEXON Portal website	https://www.elexonportal.co.uk/news/latest
8	ISG188 meeting page on the ELEXON website	https://www.elexon.co.uk/meeting/isg-188/?from_url=https://www.elexon.co.uk/events-calendar-item/isg-188/
8	SVG191 meeting page on the ELEXON website	https://www.elexon.co.uk/meeting/svg-191-2/?from_url=https://www.elexon.co.uk/events-calendar-item/svg-191/
11	ISG191 page on the ELEXON website	https://www.elexon.co.uk/meeting/isg191/?from_url=https://www.elexon.co.uk/events-calendar-item/isg-190/

CP1480 v2.0
CP Consultation

8 May 2017

Version 1.0

Page 13 of 14

© ELEXON Limited 2017

External Links		
Page(s)	Description	URL
11	ISG192 page on the ELEXON website	https://www.elexon.co.uk/meeting/isg-192/?from_url=https://www.elexon.co.uk/events-calendar-item/isg-191/
12	SVG193 page on the ELEXON website	https://www.elexon.co.uk/meeting/svg-193/?from_url=https://www.elexon.co.uk/events-calendar-item/svg-193/
12	SVG194 page on the ELEXON website	https://www.elexon.co.uk/meeting/svg-194/?from_url=https://www.elexon.co.uk/events-calendar-item/svg-194/