

## CP1521 'BSCP70 Amendments for Interconnector Administrator and Interconnector Error Administrator'



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### About This Document

The purpose of this Change Proposal (CP) 1521 CP Consultation is to invite BSC Parties, Party Agents and other interested parties to provide their views on the impacts and the merits of CP1521. 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 CP1521.

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the ISG and SVG's initial views on the proposed changes.
- Attachment A contains the Proposal Form for CP1521
- Attachment B contains the proposed redlined changes to BSCP70 required to deliver the CP1521 solution.
- Attachment C 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.

# 1 Why Change?

## What is the issue?

BSCP70 specifically excludes Interconnector Administrators (IAs) and Interconnector Error Administrators (IEAs) from being required to undergo Central Volume Allocation (CVA) Qualification Testing. As there are four new Interconnectors scheduled to go live over the next four years (with a further seven planned) there is a potential risk to Settlement if the IAs and IEAs for the new Interconnectors have not demonstrated that they are able to send and receive the relevant Settlement data flows. This has been identified as an impact against Settlement Risk 033 as outlined in the Settlement Risk Register. Settlement Risk 033 is the risk that the Interconnector Administrator does not submit, or submits inaccurate Balancing Mechanism (BM) Unit Metered Volume data resulting in erroneous Trading Charges. Further information about the impact on this risk is detailed in section three of this paper.

This risk would be reduced by requiring IAs and IEAs to undergo Qualification Testing.

## Background

An Interconnector is the apparatus used to transfer electricity between the GB Total System and an external system (i.e. an electricity network outside of Great Britain operated in another country). As well as the current [Interconnectors](#) that are in operation, two new Interconnectors ElecLink & Interconnexion France – Angleterre 2 (IFA2), are due to go live in January and June 2020 respectively. An Interconnector enables energy to flow between networks. This includes connections to Northern Ireland, France, the Netherlands and the Republic of Ireland.

Each physical Interconnector accedes to the Balancing and Settlement Code (BSC) as a BSC Party. They subsequently register with the roles of IA and IEA. The IA is responsible for determining and submitting BM Unit Metered Volumes into Settlement after the end of each Settlement Period. The IEA is allocated any difference between the actual Metered Volume (as metered at the point the Interconnector is connected to the GB Total System<sup>1</sup>) and the aggregate position of all Interconnector BM Unit Deemed Metered Volumes as notified by the IA.

An Interconnector User is any BSC Party that registers as an Interconnector User that wishes to trade volumes across an Interconnector. Interconnector Users have agreements with Interconnectors outside the BSC framework for use of the assets, with such agreements outlining the relationship between Interconnector Users and the Interconnector Administrator. These arrangements are a pre-requisite for trading across an Interconnector.

Interconnector Users require Interconnector BM Units to trade across an Interconnector, which come in pairs:

- A Production BM Unit for electricity entering the GB Total System; and
- A Consumption BM Unit for electricity being taken off the GB Total System.

As the energy volumes flowing across an Interconnector cannot be measured on a per-Interconnector User basis, the total energy volume imported/exported across the Interconnector per Settlement Period is deemed by the Interconnector Administrator and

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<sup>1</sup> The Total System is made up of the Transmission and Distribution Systems that are covered by the BSC.

submitted to Settlement. These volumes are accordingly proportioned to each Interconnector User.

## **CVA Qualification Testing for Parties and applicable Party Agents**

CVA Qualification applies to all BSC Parties, and Party Agents who interact with BSC Central Systems (for the purposes of this document, these Party Agents shall be termed 'applicable Party Agent'). Currently, Party Agents interacting with BSC Central Systems include Energy Contract Volume Notification Agent (ECVNA), Metered Volume Reallocation Notification Agent (MVRNA) and Central Volume Allocation Meter Operator Agents (CVA MOAs). CVA Qualification Testing gives assurance that a BSC Party or applicable Party Agent can communicate with BSC Central Systems using data flows relating to its role under the BSC.

BSC Parties must either complete CVA Qualification testing, request to 'Opt Out' of specific test flows or seek a Waiver. Applicable Party Agents must either complete CVA Qualification testing or seek a waiver, but cannot "opt out". ECVNAs and MVRNAs must either complete CVA Qualification tests or seek a waiver.

The [Communications Requirements Document](#) (CRD) defines the software and hardware requirements to enable communications between BSC Parties, applicable Party Agents and the BSC Agents where the communications interfaces are defined in the CVA Data File Catalogue.

CVA Qualification Testing involves a half day booked with ELEXON's service provider, where BSC Central Systems will send valid and invalid data files and the BSC Party or applicable Party Agent will need to accept or reject the files, based on their validity. The tests also ascertain whether the Qualifying BSC Party or applicable Party Agent can send the relevant data flows to BSC Central Systems and that they can load the flows received. The tests are not designed to validate whether a BSC Party or applicable Party Agent is able to carry out the business processes that produce or consume the relevant data.

Automated data flows, as specified in the New Electricity Trading Arrangements (NETA) Interface Definition and Design (IDD) Part 1 document, require an electronic connection to the relevant CVA BSC Agent, plus appropriate software systems to read or generate the data files. The tests demonstrate that all the relevant connections and software are installed and working.

## **BSCP70**

[BSCP70 'CVA Qualification Testing for Parties and Party Agents'](#) defines the interfaces, interdependencies and timetable for the CVA Qualification Testing for Parties and applicable Party Agents as required by [Section O 'Communications Under the Code'](#) of the BSC, and the Communication Requirements Document. Specifically, it covers:

- Arrangements for CVA Qualification Testing;
- Requesting and obtaining Waivers for CVA Qualification Testing; and
- Reporting CVA Qualification status upon successful completion of CVA Qualification.

## 2 Solution

### Proposed solution

As the IA and IEA roles under the BSC require communication with BSC Central Systems, BSCP70 should be amended to remove the statement which excludes IAs and IEAs from the requirement to undergo CVA Qualification Testing. It should also be amended to include the data flows relevant to IEAs and IAs for CVA Qualification Testing. Note these flows are described on the following page under 'Data Flows'.

### Proposer's rationale

This CP will make the CVA qualification process explicit to IAs and IEAs and reduce risk to Settlement as a result. This removes the inconsistency between BSCP70 and Section O of the BSC and thus the CRD which lists the IA/IEA flows for CVA qualification.

#### CP Consultation Question

Do you agree with the CP1521 proposed solution?

*Please provide your rationale.*

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

### Proposed redlining

The proposed redlining to deliver the solution to this CP can be found in Attachment B.

#### CP Consultation Question

Do you agree that the draft redlining delivers the CP1521 proposed solution?

*If 'No', please provide your rationale.*

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

## Data Flows

The below table shows the flows that will be listed in BSCP70 to apply to IAs and IEAs.

Flow Type ID	Flow Description	Purpose
SAA-I006	BM Unit Metered Volumes for Interconnector Users	IAs submit Metered Volumes to SAA
SAA-I014	Settlement Reports	To enable a Party to check its Settlement position
SAA-I017	SAA Data Exception Report	To inform the IA of a problem with a SAA-I006
CDCA-I041	Interconnector Aggregation Report	To provide Aggregated Interconnector Metered Volumes to the IA
CRA-I014	Registration Report	To enable Party to ensure that its registration details are accurately recorded in Central Systems. This includes Party ID, name, address etc.
ECVAA-I007	ECVNAA Feedback	To confirm to Party that an Authorisation has been processed
ECVAA-I008	MVRNAA Feedback	To confirm to Party that an MVRNA Authorisation has been received
ECVAA-I009	ECVN Feedback	Reports the rejection (for business reasons) of a received ECVN
ECVAA-I010	MVRN Feedback	To report the rejection (for business reasons) of a received MVRN
ECVAA-I013	Authorisation Report	To enable Party Agent to check the authorisations it has in place.
ECVAA-I014	Notification Report	To enable Party Agent to check its Notifications received by Central Systems
ECVAA-I022	Forward Contract Report	To enable Party to check its contract position for the following 7 Settlement Days
ECVAA-I028	ECVN Acceptance Feedback	To confirm to Party that Notification has passed validation and been accepted by the system
ECVAA-I029	MVRN Acceptance Feedback	To confirm to Party that Notification has passed validation and has been accepted by the system

### 3 Impacts and Costs

#### Central impacts and costs

##### Central impacts

Document changes are needed to BSCP70 to implement the solution to this CP. Further, internal processes will need to be updated to align to IAs and IEAs requiring to undergo CVA Qualification. BSC Central System changes are also required as outlined in the table below:

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none"><li>• BSCP70</li><li>• Internal Local Working Instructions</li><li>• Guidance Notes</li></ul>	<ul style="list-style-type: none"><li>• Service provider documentation of the system setup and qualification tester instructions requires amendment to allow Interconnectors to test flows against the Participant Test Service as part of BSCP70 qualification testing</li></ul>

##### Central costs

The total BSC central implementation costs for CP1521 will be approximately £3,931.

#### Impact on BSC Settlement Risks

##### Impact on BSC Settlement Risks

There is a positive impact on BSC Settlement Risks, as the probability of Settlement Risk 033 materialising is reduced. CVA qualification testing for IAs will ensure correct and accurate data is able to be submitted into Settlement.

#### BSC Party & Party Agent impacts and costs

These are expected impacts on IAs and IEAs for new Interconnectors, who will be required to undergo CVA Qualification.

## BSC Party & Party Agent Impacts

BSC Party/Party Agent	Impact
Interconnector Administrator	IAs must ensure they have access to facilities which are proven to enable them to interface with the BSC Central Services Agent (CSA) and that they have had their unique details such as Party Name, Party ID, Party Agent ID and contact details registered by the CRA.
Interconnector Error Administrator	IEAs must ensure they have access to facilities which are proven to enable them to interface with the BSC Central Services Agent (CSA) and that they have had their unique details such as Party Name, Party ID, Party Agent ID and contact details registered by the CRA.

## CP Consultation Questions

Will CP1521 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 CP1521 and the CP1521 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 CP1521?

*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 C

## 4 Implementation Approach

### Recommended Implementation Date

We propose this CP be implemented on **27 February 2020** as part of the scheduled February 2020 BSC Release.

This is the earliest opportunity this CP can be implemented such the benefits can be realised.

#### CP Consultation Question

Do you agree with the proposed implementation approach for CP1521?

*Please provide your rationale.*

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



### SVG's initial views

CP1521 was presented to the SVG for information and comment on 3 September 2019.

An SVG Member asked whether ELEXON had communicated with ElecLink as to whether the implementation timescales of CP1521 will align with [CP1516 'New Interconnector Fuel Type Categories: ElecLink & IFA2'](#). After discussions with ElecLink, ELEXON subsequently took CP1516 to the Panel to change the implementation date to ensure this was the case.

### ISG's initial views

CP1521 was presented to the ISG for information and comment on 17 September 2019.

ISG members did not provide further comment or question on CP1521.

## Appendix 1: Glossary & References

### Acronyms

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

Acronyms	
Acronym	Definition
BM	Balancing Mechanism
BSC	Balancing and Settlement Code
CRD	Communications Requirement Document
CVA	Central Volume Allocation
ECVAA	Energy Contract Volume Aggregation Agent
IA	Interconnector Administrator
IEA	Interconnector Error Administrator
ISG	Imbalance Settlement Group
SVG	Supplier Volume Allocation Group

### External links

External Links	
Description	URL
BSCP70: CVA Qualification Testing for Parties and Party Agents	<a href="https://www.elexon.co.uk/csd/bscp70-cva-qualification-testing-for-parties-and-party-agents/">https://www.elexon.co.uk/csd/bscp70-cva-qualification-testing-for-parties-and-party-agents/</a>
A New Participant's Guide to CVA Qualification	<a href="https://www.elexon.co.uk/documents/training-guidance/bsc-guidance-notes/cva-qualification-new-participants-guide-2/">https://www.elexon.co.uk/documents/training-guidance/bsc-guidance-notes/cva-qualification-new-participants-guide-2/</a>
Performance Assurance process documents	<a href="https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/">https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/</a>
Communication Requirements Document	<a href="https://www.elexon.co.uk/wp-content/uploads/2011/10/communication_requirements_document_v17.0.pdf">https://www.elexon.co.uk/wp-content/uploads/2011/10/communication_requirements_document_v17.0.pdf</a>
BSC Section O - Communications Under the Code	<a href="https://www.elexon.co.uk/the-bsc/bsc-section-o-communications-under-the-code/">https://www.elexon.co.uk/the-bsc/bsc-section-o-communications-under-the-code/</a>