Change Proposal – F40/02 (Page 1 of 2)

CP No: R644 (mandatory BSCCo)

by

Title (mandatory by originator)

Extension To Selection Criteria for Modification Proposal P10

Description of Change (mandatory by originator)

Urgent Modification Proposal P18 is currently being assessed. The Panel recognise the importance of this change and have requested that the next report (Mid-July) should include detailed information and costing of a workaround that could be put into place a short period after a positive determination on P18.

Logica is currently developing the solution to a previous urgent modification (P10), and it has been recognised that it would be possible to put into place a hook that would significantly ease the production of the workaround for P18.

Any workaround will require two components: a mechanism to decide which acceptances not to include in the imbalance price calculation and then how to calculate and set the prices. This change provides a mechanism to allow the second of these components to remain within the central systems, and still be flexible enough to support a range of options for determining which acceptances to exclude, be that P18A, P18Ai, P15, or even alternative solutions. Without this hook it is highly likely that any workaround would need to take responsibility for calculation the prices and using BSAD to ensure the central systems calculate the desired price (i.e. that calculated by the alternative mechanism).

It is important to note this proposal does not fully deliver P18. It is an enabler, and provides a hook that could help the development of any workaround.

Proposed Solution(s) (mandatory by originator)

There is a historic redundant piece of functionality within the central systems to allow the SO to indicate which acceptances are "deemed" and which ones are not. This functionality was superseded during development, however the database fields, data flows, and data maintenance screens remain. In addition we have been informed that the central systems make no use of this flag for any other purpose.

As part of the work on P10, a new view is being created to query the Bid-Offer volumes (i.e. QAO^n_{ij}) and the Acceptance volumes (i.e. QAO^{kn}_{ij}) to determine which volumes are DeMinimis and should be excluded from the calculation of SSP/SBP. We have been informed by Logica that it would be a simple technical change to also consult the raw acceptance data (using the acceptance number in the key) to include the deemed acceptance flag as part of the selection criteria. Currently this flag is always set to false and this would mean include the acceptance. Setting it to true would mean ignore this acceptance and its associated volume when calculating SSP/SBP. It is not proposed this change would affect the cashout prices for each Bid or Offer.

For the purposes of P10 this flag should remain unset and hence have no effect. This change does not include any functionality to set this flag, other than using the existing manual GUI interface.

Justification for Change (mandatory by originator)

As stated in the description field, P18 is not yet approved for implementation. However P10 is developing a similar piece of functionality, in the same area of code. Hence inclusion of this change into the P10 project would not alter the basic structure of the project, or plan. It is therefore possible that this change would not significantly alter the overall costs and timescales of P10.

If it is not possible to make use of this opportunity at this time, and a workaround becomes necessary, then the costs, and more importantly timescales, to subsequently develop this functionality would, in all probability, be sufficient to exclude it from consideration for a workaround. As a result any workaround would need to take responsibility for calculating, and setting, the prices. This is considered a significant undertaking.

The response to this CP should indicate the costs and impacts of the following approaches:

- Adopting this change as soon as practical.
- Developing/Testing this solution and the original in parallel for a period of time. In this case the
 response should indicate how long this could be continued without significant impact on the end
 date for P10.

In both cases the response should indicate the additional testing required to show that P10 is unaffected, and that there are no side-effects of using the deemed acceptance flag for this new purpose.

Other Configurable Items Potentially Affected by Proposed Solution(s) (optional by BSCCo)

The deemed acceptance flag is mentioned in a number of controlled documents:

- BMRA SS input/output and range checking
- SAA DS description of BOAL loader functionality
- CRA URS limited to reference in glossary
- IDD Pt 1 BMRA Web and TIBCO reporting formats
- IDD Pt 2 NGC interface for transmitting acceptances (BOALs)
- BMRA/SAA Interface specification description of contents of BOAL record

In each case these references refer to its presence in the data flows, import functions or maintenance screens. There are no references to any functionality that is dependent on the setting of this flag.

Impact on Core Industry Documents (optional by originator)

None

Related Changes and/or Projects (mandatory by BSCCo)

None

(If Yes, No. of Pages attached:....)

Attachments: N*

(delete as appropriate)