

To Mark Bygraves, Chief Executive Officer (ELEXON); Steve Wilkin, European Coordination Manager (ELEXON); John Pettigrew, Chief Executive (National

Grid); Dermot Nolan, Chief Executive (Ofgem)

18 December 2017

Department for Business, Energy & Industrial Strategy 3 Whitehall Place, London SW1A 2AW T: 030 0068 5337 www.gov.uk/beis

Dear Sirs,

Implementation of the Electricity Balancing Guideline – Notice of assignment of specified electricity balancing tasks or obligations

I refer to my letter dated 16 October 2017and the subsequent consultation by BEIS dated 1 December 2017 ("the consultation").

Pursuant to Article 13(4) of Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing ("the Electricity Balancing Guideline"), the Secretary of State may assign certain electricity balancing tasks or obligations under the Electricity Balancing Guideline which would otherwise be performed by the GB System Operator, National Grid, to one or more third parties.

Following careful consideration by BEIS of the responses to the consultation, the Secretary of State hereby assigns to BSCCo (Balancing and Settlement Code Company) and BSC Clearer (as those terms are defined in the Balancing and Settlement Code) those electricity balancing tasks or obligations specifically identified and further detailed in the attached annex to this notice.

For the avoidance of doubt, the Secretary of State reserves the right at any time to vary or withdraw this notice of assignment in whole or part.

Yours faithfully,

Dr Steph Hurst

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Head of Energy Markets and Affordability

For and on behalf of the Secretary of State for Business, Energy and Industrial Strategy

Strategy

CC: Joint European Stakeholder Group

Annex: List of specified electricity balancing tasks or obligations in Regulation (EU) 2017/2195 assigned to BSCCo (Balancing and Settlement Code Company) and BSC Clearer.

Art ¹		High level	Description	Timeframe
12.3	a	Publication of information	BSCCo/BSC Clearer to publish Net Imbalance Volume in accordance with the requirements of the BSC (Balancing & Settlement Code), as amended from time to time.	Ongoing requirement to publish as soon as possible; no later than 30 minutes after real time.
12.3	b	Publication of information	BSCCo/BSC Clearer to publish information on balancing energy bids (made in accordance with the requirements of the BSC, as amended from time to time). Including: - type of product; - validity period; - offered volumes; - offered prices, - information on whether the bid was declared as unavailable. Information is to be anonymised in accordance with the requirements of the BSC, as amended from time to time.	Ongoing requirement to publish as soon as possible; no later than 30 minutes after the relevant Settlement period
12.3	С	Publication of information	BSCCo to publish information on whether the balancing energy bids (reported under 12.3b) was converted from a specific product or from an integrated scheduling process in accordance with the requirements of the BSC, as amended from time to time.	Ongoing requirement to publish as soon as possible; no later than 30 minutes after the relevant Settlement period
12.3	d	Publication of information	BSCCo to publish information (in accordance with the requirements of the BSC, as amended from time to time) regarding how balancing energy bids from specific products or from an integrated scheduling process have been converted into balancing energy bids from standard products.	Ongoing requirement to publish as soon as possible; no later than 30 minutes after the relevant Settlement period
12.3	e	Publication of information	BSCCo/BSC Clearer to publish aggregated information on balancing energy bids (in accordance with the requirements of the BSC, as amended from time to time) including: - total volume of offered balancing energy bids; - total volume of offered balancing energy bids separately per type of reserves; - total volume of offered and activated balancing energy bids separately for standard and specific products; - volume of unavailable bids separately per type	Ongoing requirement to publish as soon as possible; no later than 30 minutes after the relevant settlement period

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¹ The full text of the Regulation can be found in the European Union's official journal. See here - http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L...2017.312.01.0006.01.ENG&toc=OJ:L:2017:312:TOC

		of reserves.	
	Publication of	BSCCo/BSC Clearer to send data that it publishes	No later than two
	information	under 12.3a-e above to the EMFIP (ENTSO-E	years after entry into
12.5		European data platform).	force of EBG
	Monitoring of	BSCCo/BSC Clearer to monitor the fulfilment by	
	compliance	all parties of the requirements of the BSC in	
	with the BSC	accordance with the requirements of the BSC, as	Ongoing requirement
10.0		amended from time to time.	
18.9	Calculation of	BSCCo/BSC Clearer to calculate the activated	Ongoing requirement
	balancing	volume for balancing energy in accordance with	Ongoing requirement. Timeframe for ongoing
	energy	the requirements of the BSC, as amended from	compliance is 1 year
	volumes	time to time.	after publication (after
			entry into force of the
			Electricity Balancing
45.2			Guideline).
	Financial	BSCCo/BSC Clearer to settle the activated volume	Ongoing requirement.
	settlement of	of balancing energy with BSC Parties in	Timeframe for ongoing
45.3	balancing energy	accordance with the requirements of the BSC, as amended from time to time.	compliance is 1 year after publication.
75.5	Financial	BSCCo/BSC Clearer to calculate and settle the	
	settlement of	activated volume of balancing energy for the	Ongoing requirement.
	balancing	frequency containment process with BSC Parties	Timeframe for ongoing
	energy	in accordance with the requirements of the BSC,	compliance is 1 year after publication.
46.1		as amended from time to time.	arter publication.
	Financial	BSCCo/BSC Clearer calculate and settle the	Ongoing requirement.
	settlement of balancing	activated volume of balancing energy for the frequency restoration process with BSC Parties in	Timeframe for ongoing
	energy	accordance with the requirements of the BSC, as	compliance is 1 year
47.1	Cherey	amended from time to time.	after publication.
	Financial	BSCCo/BSC Clearer calculate and settle the	0
	settlement of	activated volume of balancing energy for the	Ongoing requirement. Timeframe for ongoing
	balancing	reserve replacement process with BSC Parties in	compliance is 1 year
	energy	accordance with the requirements of the BSC, as	after publication.
48.1	Color Little	amended from time to time.	- 1
	Calculation of imbalances,	BSCCo/BSC Clearer to calculate imbalance adjustments in accordance with the	Ongoing requirement
	imbalances,	requirements of the BSC, as amended from time	Ongoing requirement. Timeframe for ongoing
	prices and	to time.	compliance is 1 year
	imbalance		after publication.
49.1	adjustments		· .
	Calculation of	BSCCo/BSC Clearer to calculate imbalance	Ongoing requirement.
	imbalances,	adjustments in accordance with the	Timeframe for ongoing
40.0	imbalance	requirements of the BSC, as amended from time	compliance is 1 year
49.3	prices and	to time.	after publication.

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	imbalance		
	adjustments		
	Calculation of	BSCCo/BSC Clearer shall settle imbalances with	
	imbalances,	BSC Parties in accordance with the requirements	
	imbalance	of the BSC, as amended from time to time.	
	prices and		
	imbalance		Ongoing requirement
	adjustments;		
	AND Financial		
	settlement of		
52.1	imbalances		
	Calculation of	BSCCo/BSC Clearer shall calculate final position,	
	imbalances,	the allocated volume, the imbalance adjustment	Ongoing requirement.
	imbalance	and the imbalance in accordance with the	Timeframe for ongoing
	prices and	requirements of the BSC, as amended from time	compliance is 1 year
54.1	imbalance adjustments	to time.	after publication.
54.1	Calculation of	BSCCo/BSC Clearer shall calculate the final	Ongoing requirement
	imbalances,	position of a BSC Party using one of the	until implementation
	imbalance	approaches outlined in 54.3a-c in accordance	of the proposal
	prices and	with the requirements of the BSC, as amended	pursuant to Article
	imbalance	from time to time.	52.2; timeframe for
	adjustments		ongoing compliance is
			1 year after
54.3			publication.
	Calculation of	BSCCo/BSC Clearer shall not calculate allocated	
	imbalances,	volume for a BSC Party which does not cover	Ongoing requirement.
	imbalance	injections or withdrawals	Timeframe for ongoing
	prices and		compliance is 1 year
- 4 -	imbalance		after publication.
54.5	adjustments	BSCCo/BSC Clearer shall indicate the size and	
	Calculation of imbalances,	direction of the settlement direction for an	
	imbalances,	imbalance, or include:	Ongoing requirement.
	prices and	- a negative sign to indicate a BSC	Timeframe for ongoing
	imbalance	Party's shortage;	compliance is 1 year
	adjustments	- a positive sign, to indicate a BSC	after publication.
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54.6	Calculation of	Party's surplus. BSCCo/BSC Clearer shall (in accordance with the	
	imbalances,	requirements of the BSC, as amended from time	Ongoing requirement.
	imbalance	to time) determine the imbalance price for each	Timeframe for ongoing
	prices and	imbalance settlement period, its imbalance price	compliance is 1 year
	imbalance	areas, and each imbalance direction.	after publication.
55.3	adjustments		,
	Calculation of	BSCCo/BSC Clearer shall ensure (in accordance	
	imbalances,	with the requirements of the BSC, as amended	0
	imbalance	from time to time) that the imbalance price for	Ongoing requirement.
	prices and	negative imbalance is not less than, alternatively:	Timeframe for ongoing
	imbalance	 the weighted average price for 	compliance is 1 year after publication.
	adjustments	positive activated balancing energy	מונפו שטוונמנוטוו.
55.4		from frequency restoration reserves	

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		and replacement reserves;	
		 or in the event that no balancing 	
		activity in either direction has	
		occurred during the imbalance	
		settlement period, the value of the	
		avoided activation of balancing	
		energy from frequency restoration	
		reserves or replacement reserves	
	Calculation of	BSCCo/BSC Clearer shall ensure (in accordance	
	imbalances,	with the requirements of the BSC, as amended	
	imbalance	from time to time) that the imbalance price for	
	prices and	positive imbalance is not greater than,	
	imbalance	alternatively:	
	adjustments	 the weighted average price for 	
		negative activated balancing energy	Ongoing requirement.
		from frequency restoration reserves	Timeframe for ongoing
		and replacement reserves;	compliance is 1 year
		 or in the event that no balancing 	after publication.
		activity in either direction has	
		occurred during the imbalance	
		settlement period, the value of the	
		avoided activation of balancing	
		energy from frequency restoration	
55.5		reserves or replacement reserves	
33.3	Calculation of	BSCCo/BSC Clearer shall, in the event that both	
	imbalances,	positive and negative balancing energy from	
	imbalance	frequency restoration reserves or replacement	
	prices and	reserves have been activated during the same	Ongoing requirement.
	imbalance	imbalance settlement period, determine the	Timeframe for ongoing
	adjustments	imbalance settlement price (for both positive and	compliance is 1 year
		negative) using at least one of the methods in	after publication.
		55.4 or 55.5 as required by the BSC, as amended	
55.6		from time to time.	