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ELEXON

Issue 717, 28 August 2018



Coming up this week

30 August

Issue 69 'Performance Assurance Framework Review' teleconference at 10:00

30 August

Performance Assurance Board at 10:00

31 August

Issue 69 'Performance Assurance Framework Review' teleconference at 14:00

P344 'Project TERRE' approved

P344 'Project TERRE implementation into GB market arrangements' will be implemented on **28 February 2019** as part of the February 2019 BSC Release. On **24 August 2018**, the Authority **approved** the **Proposed Modification** (customer consent required for the sharing of Half-Hourly delivered volumes with the customer's Supplier) for P344. Click here to read Ofgem's decision letter.

BSC Modification P344

P344 is an enabling Modification of the Trans-European Replacement Reserves Exchange (TERRE) balancing product, which will allow Balancing Service Providers (BSPs) (Parties, customers and independent aggregators) to deliver Replacement Reserve (RR) volumes to National Grid from generation or demand side response. P344 will facilitate payments between National Grid and GB BSPs for activations issued to GB BSPs via National Grid subject to validation of delivered volumes. The BSC changes for P344 also remove all BSC barriers to customers and independent aggregators participating directly in the existing Balancing Mechanism (BM), hence promoting competition across a wider and more diverse set of market participants.

P344 has wide-reaching implications across the industry. You can find further information about the full impacts in the relevant documents on the P344 page of our website.

What's happened so far?

We have actively engaged with colleagues from across the industry, which has enabled and facilitated effective cross-Code collaboration with National Grid's Grid Code. For the past two years, we have worked closely with National Grid and the P344 Workgroup members to develop the P344 solution, which is the most complex and wide ranging Modification in the history of the BSC. It has been a long journey, but the unified approach with National Grid means that we have worked hard to find a solution for the wholesale electricity market, and most importantly, for our customers and stakeholders.

ELEXON's Foundation Programme

ELEXON's Business Strategy, with the support of our stakeholders, aims to simplify and consolidate complex

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technology platforms to meet the future needs of our customers.

Ofgem's approval of P344 means our Foundation Programme continues to be on track to deliver this more flexible, accessible and scalable central systems data platform to support the BSC changes required for TERRE, and will also provide enduring value to the industry for future market development initiatives.

Where can I find more information?

You can find more information on the P344 page of our website. If you have any questions or would like to discuss this Modification further, please contact **Elliott Harper** on 020 7380 4302 or email bsc.change@elexon.co.uk.

P362 'BSC Sandbox' approved

On **20 August 2018** the Authority **approved** the **Alternative Modification** for P362 'Introducing BSC arrangements to facilitate an electricity market sandbox', which was implemented today, five working days following approval as a standalone BSC Release.

What is the approved solution?

P362 will enable parties to be derogated against specific BSC obligations to trial pre-competitive and innovative products and services, with the Authority acting as the point of entry to coordinate applications across the industry. Anyone can apply for derogation, however non-BSC Parties will be required to accede to the BSC and complete the relevant market entry processes before the derogation can be effective, as you can't be derogated from something you aren't a party to. The approved solution will also enable National Grid to raise and be granted derogations alongside BSC Parties.

The Authority's decision letter, along with National Grid's notice to modify the BSC, is available on the P362 page of our website.

What does this mean?

We have been working to innovate, provide new opportunity for market participants, and to develop the BSC framework to align with the ever changing dynamic of the GB wholesale electricity market. The Authority's approval of P362 enables ELEXON to implement provisions that will continue to facilitate innovation and future BSC market development initiatives.

Where can I find more information?

You can find more information on the P362 page of our website. If you have any questions or would like to discuss this Modification further, please contact **Ivar Macsween** on 020 7380 4270 or email bsc.change@elexon.co.uk.

Have your say: Consultation on increasing the Credit Assessment Price (CAP)

Following an increase in forward market prices, a Credit Assessment Price (CAP) review was triggered.

We have issued a consultation paper on the value of the Credit Assessment Price (CAP). This is available on the Consultations page of our website. Do you agree with the proposal to **increase the value** of CAP to £70/MWh from its current value of £59/MWh?

How does this affect me?

This potentially affects the amount of Credit Cover that Parties are required to lodge, and so we encourage Parties to respond to the consultation.

Should the Credit Committee meet?

If all respondents and Credit Committee members agree with the proposed value, there will be no Credit

However, if one or more respondents or a Credit Committee member requests it, ELEXON will arrange a Credit Committee meeting after the consultation closes to determine the new CAP.

Want to know more about the CAP?

You can find more information on the CAP, the Credit Committee and the review process on the Credit Committee page of our website. We have also published FAQs to help you become more familiar with this process.

How do I respond?

Trading Parties can comment on this consultation using the consultation proforma available on the Consultations page of our website.

Please email your responses to Credit.Committee@elexon.co.uk by 17:00 on 4 September 2018.

Consultation for Allocation of a new Grid Supply Point (GSP) to a GSP Group

We have received a new GSP registration application from the Transmission Company. Southern Electric Power Distribution (SEPD) is connecting two new circuits into the existing East Claydon 132kV substation. This new Systems Connection Point will be registered in Settlement as a new GSP, to be known as East Claydon - Southern GSP (ECLA H).

The Transmission Company propose that GSP ECLA_H is allocated to the Southern (_H) GSP Group.

A diagram showing the proposed change is included in the consultation document.

You can read this consultation on the Operations and Settlement Consultations section of our website. If you have any views on the allocation of the above GSP to the Southern GSP Group, please respond using the consultation response form, and email it to bm.unit@elexon.co.uk by 17:00 on Tuesday 11 September 2018. Your response should be titled East Claydon GSP Registration.

For more information, please email **Katie Wilkinson** at bm.unit@elexon.co.uk.

Invitation to join Issue 69 'Performance Assurance Review' workstream

Would you like to join workstream 4 'Data Provision'?

As part of ELEXON's Issue 69 'Performance Assurance Framework Review' we seek members to join this Issue Group for the **Data Provision workstream**.

What is Workstream 4 - Data Provision?

This workstream explores alternative ways of providing data that gives better capacity for accurate risk appraisal, to better support assurance techniques, place less burden on participants to provide data, and are easier to change to meet future industry demands. The workstream will consider the technical practicalities of how data would be sourced, loaded, and exposed to end users.

We seek participants with expertise in Settlement Risks, data retrieval, data processing, auditing, and performance reporting, along with any other interested parties.

We aim to hold the first workstream meeting on one of the following dates:

- Tuesday 2 October 2018
- Wednesday 3 October 2018

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You can find more information on the Issue 69 and PAF Review pages of our website. If you have any questions, please contact **Adam Rawles** on 020 7380 4203 or email pafreview@elexon.co.uk.

Next Performance Assurance Board meeting: 30 August 2018

The next Performance Assurance Board (PAB) meeting is on **Thursday 30 August 2018**. You can view all the open session papers on the PAB meeting page of our website. There are a number of items in the open session of the agenda this month that may of be interest to you. These are:

- **Non-confidential Settlement Risk Report**: This paper invites the PAB to agree the contents of the Non-Confidential Settlement Risk Report.
- **BSC Audit Scope 2018/19 for Approval**: The revised BSC Audit Scope for the 2018/19 BSC Audit year is for PAB's approval.
- **Performance Assurance Framework (PAF) Review update** This set of papers presents an update on progress with the three remaining workstreams of the PAF Review project. Key items are:
 - PAF Procedures workstream: This paper provides an update on the PAF Procedures
 workstream of the PAF Review. A draft risk register is provided for PAB endorsement ahead of the
 final workstream report at the meeting in September, and PAB is invited to comment on the risk
 register.
 - Performance Assurance Techniques (PAT) Review workstream: This paper provides an
 update on the progress with the PAT Review workstream. This paper describes the approach to the
 reviews we are undertaking on the PATs, the order of the reviews and how interested stakeholders
 can get involved.
 - Data Provision workstream:. This paper provides an update of the progress with the PAF
 Review Data Provision workstream. This workstream reviews what data the PAF can and could
 have access to and how it could be used, and describes the next steps including an upcoming
 Issue 69 working group that we are seeking members for see the Invitation to join Issue 69
 'Performance Assurance Review' workstream article above.
- PAB 2019 Meeting Dates: This paper presents the 2019 Performance Assurance Board (PAB) meeting dates.

Report from our Imbalance Settlement harmonisation workshop

On **Wednesday 22 August 2018**, ELEXON and National Grid jointly hosted a workshop with 20 industry participants to discuss the recent European System Operators' draft proposal to harmonise imbalance settlement, which is currently out for consultation.

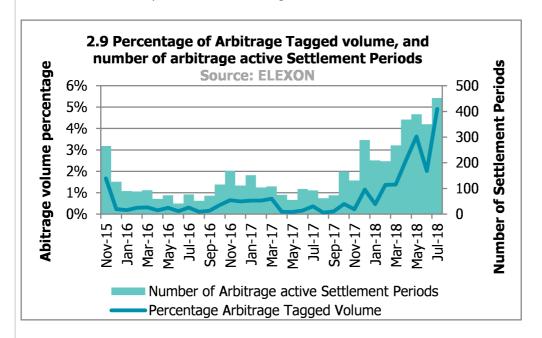
The aim of the workshop was to get a common understanding of the likely impacts on the BSC arrangements; and to encourage GB parties to respond to the current European consultation even if they agreed with the proposals. Because it's possible the European regulators might require changes before they give final approval. You can find details of the workshop here.

Read the latest System Price Analysis Report (SPAR)

The System Price Analysis Report (SPAR) is our monthly report on imbalance pricing, and includes an overview and analysis of the previous month's prices and pricing parameters. The SPAR aims to increase industry understanding of pricing, in light of the changes made as part of BSC Modification P305 'Electricity Balancing Significant Code Review developments' implemented in November 2015. Further changes as part of P305 will come into effect on **1 November 2018**.

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In July 2018, 4.91% of balancing volume was Arbitrage Tagged; which is the highest percentage in a month since the introduction of BSC Modification P305 in November 2015. Arbitrage Tagging was active in 452 (31%) of Settlement Periods in July, which was also the highest in a month since November 2015.



This month's SPAR also includes an appendix on the impact of temperature on the System Price.

For more information, please email market.analysis@elexon.co.uk.

New Market Participant

East Anglia One Limited (Party Id: EAOWIND) has successfully acceded to the Balancing and Settlement Code, effective from **20 August 2018**. This Party intend to register in the role of **Generator**.

If you have any questions about the market entry process, please email market.entry@elexon.co.uk.

Transmission Loss Factor values for the Autumn 2018 Season

The Balancing Mechanism (BM) Unit Specific Transmission Loss Factor (TLF) values for the Autumn 2018 Season are available on the **TLFs Determination** page under "BM Unit Specific Transmission Loss Factors (TLFs)" on the **ELEXON Portal**. This file provides the TLF for each BM Unit that is registered to be active during the period **1 September 2018** to **30 November 2018**. The file will be updated as a result of any subsequent BM Unit registrations and/or de-registrations that will be effective during this period. We will change the version number in the file name whenever the content changes in the file.

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

ELEXON Circulars published last week

Since **20 August 2018**, we have published two ELEXON Circulars. The Circulars were for information and related to:

- EL02873: Credit Assessment Price (CAP) review consultation issued
- EL02872: Planned National Grid Balancing Mechanism Outage on Tuesday 11 September 2018

Upcoming meetings and events

4 September - Supplier Volume Allocation Group

6 September - Trading Disputes Committee

11 September - Joint European Stakeholder Group (JESG) September Meeting

13 September - BSC Panel

18 September - Design Working Group

18 September - Imbalance Settlement Group

19 September - 'Introducing ELEXON' Seminar

27 September - Performance Assurance Board



If you have any feedback on Newscast or any of our other publications, please email communications@elexon.co.uk

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