

ANNEX 2 – BSC AGENT IMPACT ASSESSMENTS

Included below are the impact assessments received from the following BSC Agents:

1. SVAA System impact assessment (Logica)
2. SVAA Service impact assessment (Cap Gemini)
3. BMRA, CDCA, CRA, ECVAA, SAA and TAA Services impact assessment (NETA Central Service Agent)
4. FAA Service impact assessment (EPFAL)

1: Supplier Volume Allocation Agent System Impact Assessment

This impact assessment is relevant to the Modification: Allocation to a Single BM Unit only.

The Alternative Modification has no impact on SVAA system or service.

Logica Ref	LCRA179	Type	ELEXON Originated Change Request	Component	SVAA
ELEXON Ref	P007				
Assessor Name	Stephen Wilcock	Assessor Location	Logica Project Team, Leatherhead	Date	09/07/2001
<p>Title: Allocation of Supplier Volumes for more than One Supplier to one BM Unit in a GSP Group</p> <p>Description</p> <p>Where affiliate suppliers wish to be able to allocate their demand to a single BM Unit within a GSP Group, then each Supplier provides confirmation of the requisite allocation requirements to the SVAA. At Settlement, SVAA will make the requisite allocations from the designated Supplier BM Units to the nominated Single BM Unit and will provide the Allocated Supplier Volumes to the SAA. Therefore the allocation is made within SVAA and SAA Settlement calculations are made on the Supplier BM Unit metered volumes after allocation to the Single BM Unit.</p> <p>Response</p> <p>This will be a complex change to SVAA. It will require</p> <ul style="list-style-type: none"> • A new database table to be added to the schema to record the combination of sets of BM Units for Supplier in GSP Group (BMUIGG) into the new Single BM Units Entity (SBMU). • Creation of a new Pxxxx (a number for xxxx will be decided at implementation) flow to allow Suppliers to create these SBMU combinations. • Creation of a new Form to allow creation, amendment and deletion of the SBMUs. • Modification to validation carried out by the existing D0299 flow loader. • Modification to validation carried out by the existing Form "Maintain BM Units for Supplier in GSP Group". • Changes to the generation (but not format) of the existing P0182 report to reflect the combined SBMUs. Note that the SVA Run will itself will not be changed as this would involve greater risk. • Creation of a new Supplier report to provide feedback to Suppliers on the SBMUs. • Modification of Archiving and Restore for the new Pxxxx flow, the new Supplier report and the new database table. <p>In addition, the SBMUs will require strict and extensive validation both initially when the flows are received into SVAA, and subsequently when the combinations are maintained using the SVAA client.</p>					

Note also that the existing D0296 report will not be modified, and will therefore not reflect the allocations to SBMUs (as agreed with Mandi Francis of ELEXON in a telephone conversation – 6th July 2001). Therefore this change will create an inconsistency between the P0182 report and the D0296 report.

The extensive nature of the changes means that the testing to be carried out will be equally extensive.

Database changes

The following represents Logica's proposed approach to the design of the new functionality. The actual approach may be refined during implementation.

A new table, called `idb_single_bm_units`, will be created to capture the SBMUs. It will be a child table of `idb_bm_unit_in_gsp_groups`.

It is envisaged that the table `idb_single_bm_units` will have the following columns

`BM_UNIT_PARENT_ID`

`BM_UNIT_CHILD_ID`

`EFFECTIVE_FROM_DATE`

`EFFECTIVE_TO_DATE`

`ACTIVE_FLAG`

Where N BMUIGGs are to be combined under a single BMUIGG for a particular time period this will be represented by N distinct rows in the SBMU table. This model was chosen to ensure there is no maximum limit on the number of BMUIGGs that may be combined together under one lead BMUIGG. So a case where four BMUIGGs are combined under a fifth BMUIGG will be represented by five rows in the database table. A lead BMUIGG will be represented by a row which has the same `bm_unit_parent_id` entry as `bm_unit_child_id` entry. This row is needed to enable the recording of confirmation by the Lead BMUIGG. The rows that relate to a particular SBMU combination will be uniquely identified by having the same combination of `bm_unit_parent_id` and `effective_from_date`.

A primary key of `bm_unit_parent_id`, `bm_unit_child_id` and `effective_from_date` will be enforced. Foreign keys onto the parent table will enforce that all BMUIGGs referenced in either `bm_unit_parent_id`, `bm_unit_child_id` columns will be valid as indicated in the parent `idb_bm_unit_in_gsp_groups` table.

The active flag indicates that the Supplier for that particular BMUIGG has confirmed his wish to have the BMUIGG added to the SBMU.

New Pxxxx flow

The creation of SBMU records will be effected by the receipt of a new Pxxxx flow. It will also effect the confirmation of SBMU records and the updating of the "Effective To Date" for such records. The Pxxxx flow will not effect deletions.

These Pxxxx files will be sent from the Suppliers to SVAA. In order to establish a new combination between BMUIGGs belonging to N different Suppliers, SVAA must receive N Pxxxx files; one from each Supplier involved. The contents of each of these files (apart from specification of the Supplier sending it) should be identical and should specify

1. The settlement date from which the new combination is valid.
1. The settlement date to which the combination is valid.
1. The Lead BMUIGG in the new combination.
1. A list of each BMUIGG, including the Lead BMUIGG, by name, in alphabetical order, that will

be included in the SBMU.

Our requirement that the content of each of the *N* Pxxxx files is identical is made to simplify the validation of these files by SVAA, and hence to reduce the cost of the implementation. Note, however, that in order for the contents of these *N* files to be identical, each of the *N* Suppliers sending them must have knowledge of each of the BMUIGGs to be included in the SBMU for all the other *N-1* Suppliers. Each of the sets of files may contain one or more SBMUs, but need not contain all SBMUs for that Supplier.

In ELEXON's document 018AAR section 2.2.1 it was specified that the format of this flow should be based on the P0185 flow. Logica do not have a specification for this flow, however, so instead propose a structure illustrated by the following example:

```
ZHD|PXXXX|X|SUP1|G|SVAA|20010627091355  
PBM|20020302|20020309|2__BMUNIT4  
CBM|2__BMUNIT1  
CBM|2__BMUNIT2  
CBM|2__BMUNIT3  
CBM|2__BMUNIT4  
ZPT|x|xxxxx
```

Such a file would represent a request by Supplier SUP1 to validate or request creation of the combination of 4 BMUIGGs: 2__BMUNIT1, 2__BMUNIT2, 2__BMUNIT3 and 2__BMUNIT4. 2__BMUNIT4 is indicated as the Lead BMUIGG for this combination and the combination would be effective from the 2nd of March 2002, until the 9th of March 2002. (If Supplier SUP1 owned 2 BMUIGGs, 2__BMUNIT3 and 2__BMUNIT2, then this single file would simultaneously confirm the inclusion of both of these BMUIGGs in the combination.)

The Pxxxx file(s) must be received before gate closure for the effective from Settlement Date specified in the file. This validation will be performed using the received time of the Pxxxx file as recorded by SVAA common file processing. If the file received time is later than the Settlement Date in the PBM record then the file will be rejected during the processing of the file (i.e. not on receipt of the file, but when it is loaded). ELEXON must specify whether all files for the SBMU must be received by this time, or only the first one.

All of the BMUIGGs listed in the file must belong to the same GSP Group throughout the effective period specified in the file. This information will be derived from the BMUIGG table.

At least one of the BMUIGGs listed in the file must belong to the Supplier sending the file (identified from the ZHD record), throughout the effective period specified in the file. This information will also be derived from the BMUIGG table.

The receipt of such a file from a Supplier will be taken as confirmation of that Supplier's wish to participate in the combination. Only once files from all relevant Suppliers have been successfully received will the combination be recognised for the purposes of volume allocation. There is no restriction as to the order in which the files from different Suppliers arrive.

The first file to arrive, to register a new combination (identified by "From settlement date" and "Lead BMUIGG") will define the combination, which the subsequent files must match. The arrival of the first file will add several new records to the SBMU table, one for each BMUIGG listed in the file. It will set the active_flag of one or more of these new records (the BMUIGGs for the Supplier of the file) to be active. All the other active_flag entries for these new records will initially be set to inactive. Subsequent files to arrive that register this combination (i.e. with matching "From Settlement Date" and "Lead BMUIGG") that are not consistent with the combination specified in the first file to arrive, will be rejected and an exception will be raised. Files that are consistent will set the active_flag to active on the corresponding existing record(s) in the table.

Before any SBMU records are created, a check is made that each BMUIGG in the file has an effective period spanning the effective dates of the requested SBMU. If this check fails, the file will be rejected, an exception will be raised and the combination will not be entered onto the database.

The flow can update the “Effective to Date” of the combination. In this case, for each BMUIGG in the file, validation of the updated effective period is carried out as described in the previous paragraph.

In addition, any new SBMUs or any change to the “Effective to Date” of an existing SBMU that impacts an SSR Run will require authorisation by the Standing Data Manager (as per normal SVAA functionality).

If a Pxxxx flow requests the creation of an SBMU record for BMUIGG X (whether as a “parent” or “child”) whose effective period overlaps that of an existing SBMU record for this BMUIGG (whether as a “parent” or “child”) then the request will be rejected and an exception will be raised. It will be rejected even if the record that it overlaps does not have its active flag set.

New Form

A new “Single BM Units” Form will be created to allow the Operator to maintain the SBMUs manually via the SVAA client.

It will be possible to create new SBMUs using the form and to alter the “Effective to Date” of existing SBMUs. The validation carried out by the Form in these instances is the same as carried out by the Pxxxx flow loader. Resulting exception messages will be displayed on the SVAA Client.

Additionally, with the Form it will be possible to add a new BMUIGG to an existing SBMU, or to delete a BMUIGG from a SBMU. As with the data load, any changes that impact an existing SSR Run will require authorisation by the Standing Data Manager, otherwise the changes can be made by the SVA Operator.

It will not be possible to change the “Effective from Date” or the Lead BMUIGG of the SBMUs.

Change to existing D299 flow

The D299 flow that updates BMUIGG records will require additional validation in the light of these changes. It must be ensured that any alteration to a BMUIGG record does not invalidate an existing SBMU record. An update to the GSP Group Id and Supplier Id of a BMUIGG record is prohibited if the record is the parent of an existing SBMU record. An update to the Effective to Settlement Date of a BMUIGG record is only permitted if it leaves this date later than the Effective to Settlement Date of any dependent SBMU records. An update that fails for either of these reasons will cause the load to fail and an exception message to appear in the exception log for that D299 file load.

Change to existing Form

The existing form “Maintain BM Units for Supplier in GSP Group” will also need additional validation. Any deletion of a BMUIGG record will now cascade delete any corresponding SBMU records. Where the BMUIGG record is not the Lead BMUIGG in the combination, it will be removed from the combination. Where the BMUIGG record is the Lead BMUIGG in the combination, then the SBMU will be deleted.

Change to existing Report

The P0182 : BM Unit Supplier Take Energy Volume Report will be changed to recognise SBMUs that are effective when the SSR Run takes place. Consumption volumes for these BMUIGGs will be combined under the specified Lead BMUIGG in the SBMU. The report will indicate Period BM Unit Allocation Volumes of zero for those BMUIGGs that have had their volumes reallocated to a different Lead BMUIGG in a SBMU. Where a SBMU exists for BMUIGGs used in the SSR Run, but has not been confirmed by all relevant suppliers, it will be disregarded in allocating volumes, and a Warning Exception will be generated.

New Supplier Report

A new Supplier report will be created to report to Suppliers on the allocations they have made under these combinations into SBMUs. Each Supplier will receive one report for each SSR Run performed, provided the Supplier has a BMUIGG involved in a SBMU effective on the settlement date of the SSR Run. This will report the volumes that were reallocated, to which BMUIGG they were allocated, and the Supplier for the Lead BMUIGG in the SBMU. If the Supplier has a Lead BMUIGG then the report will

detail which BMUIGGs allocated their volumes to it, the volumes allocated to it, and the Suppliers of those BMUIGGs. This report will provide implicit confirmation that the allocation to the single Lead BMUIGG was successful.

This report will take a comparable time to run as the P0182 report. It will be automatically generated following an SSR Run and this will impact SVAA performance accordingly. It will also be possible to invoke the report via the SVAA Client.

The report will be made available via the SVAA client in human readable format.

This design represents a change to how the output of the SSR Run is manipulated rather than a change the core functionality of the SSR Run. This change is handled within the reporting functionality instead. Changing the SSR Run carries with it a greater risk, and consequently it would be more costly and time consuming to do, and Logica do not feel that such an approach is justified in this case.

Archive and Restore

Archiving will be altered to include the new table idb_single_bm_units. Records will be archived when the effective to settlement date of the record is at least two years old. Since the Effective to Settlement Date is the same for all elements of a SBMU, this logic ensures whole combinations are removed. The new Pxxxx files received by SVAA will be archived when they are two years old, as is standard for received data files. The human readable version of the reports which are generated will also be archived after being retained on the system for at least two years.

Pxxxx files will be made available for restoration.

Testing

The changed P0182 report and the new data load and form will be tested. The SSR Run will be regression testing by running an SSR Run from the FAT scripts created last year for the LCR159 changes and comparing the results. The new functionality in the existing D299 file load and the corresponding client form will be acceptance tested, but not the existing functionality. Since the impact on Archive and Restore is very limited it is proposed that this will not be acceptance tested. Should ELEXON wish Archive and Restore acceptance testing to be included, it would add 3 days to the cost of this change. No performance testing is included.

Documentation Deliverables

Updates will be made to the following maintained products: SVAA Logical Design, SVAA Physical Design, SVAA Installation Guide, SVAA Operations Guide, SVAA System Management Guide and SVAA training material. The User Requirements Specification will also need to be updated by ELEXON.

Related Impact

The SSR Run will take longer to perform, due to the addition of the new Supplier report. The additional time taken will be approximately the same as the time taken for the existing P0182 report to run.

The amended P0182 report will be inconsistent with the existing D0296 : Supplier BM Unit report.

The URS will need to be updated.

<p>Assumptions</p> <p>The assessment assumes that:</p> <ul style="list-style-type: none"> • the change will be issued as a patch to SVAA; • preparation and release of the patches is included in the total price of the LCR; • updated documentation (including the client help file) will not be issued as part of this LCR. It is assumed this will be done at a later date; • only the changed software will be acceptance tested, with the exception that a regression test of the SSR run will be included; • no performance testing is included as part of this LCR; • all work will be done as a standalone LCR; • the D0296 : Supplier BM Unit Report will not be changed; • the URS will be need to be updated by ELEXON. The cost of the review of these changes by Logica has not been included in the cost; • the format of the new Pxxx file is as specified by Logica in this assessment; • archiving will not be tested as part of this LCR;
<p>Risks</p> <p>Logica consider this to be of medium risk since the validation required is complex and a number of functions are affected.</p>
<p>Other comments</p> <p>None.</p>
<p>Timescale implications</p> <p>Logica will assign 2 staff to work on this development, and deliver the patch 12 weeks from receipt of an appropriate CCN.</p>

Costs:

The Stage milestone payment profile is:

Change in Payment Profile	Stage Payments
Receipt of CCN	23,400
Start of System Tests for patches	38,900
Delivery of patches to SVAA software	15,567
Total	77,867

The above assessment and fixed price assume that:

- a CCN is received by 10/08/01;
- a Maintenance Service Contract exists until at least **3 months** after the acceptance of the changes;
- prices exclude VAT.

2: Supplier Volume Allocation Agent Service Impact Assessment

This high level impact assessment is relevant to the Modification: Allocation to a Single BM Unit only.

The Alternative Modification has no impact on SVAA system or service.

Please note that this is a typed copy of a manually received (by fax) version of the impact assessment.

MP No:	007	Title	Requirements Specification for Allocation of Supplier Volumes for more than One Supplier in a GSP Group
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BCA Name	C J Mallinson	Assessor	SVA Agent	Date	20/07/01
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<p>Costs</p> <p>The following costs are indicative only and based on the limited information provided in the document reference 018AAR V1.0 provided with MP007 together with the comments and assumptions stated below. More accurate costs can be provided when detailed information becomes available.</p> <p>Option 1</p> <p>Initial costs: £20,000 to amend, test and implement Data Marshalling and the Logging Application and to test the ISRA release developed by Logica for this modification.</p> <p>On-going costs: It has been assumed that the new SBM Unit Allocation flow will be a manual interface via fax or e-mail, as implied in the MP, <u>not an electronic flow into ISRA</u> as suggested by Logica. On the assumption that the format of the Single BM Unit Allocation flow and the processing is similar in nature to the P0185 flow, this could be treated as part of the existing BM Unit Allocation service, providing that the combined total of BM Unit allocations and SBM Unit allocations does not exceed 40 per day. Processing charges would be £16.94 per SBMU Allocation up to a maximum of 40 allocations per day.</p> <p>Option 2</p> <p>The document reference 018AAR V1.0 states that option 2 has no impact on the SVA Agent process. This option has not been assessed.</p>
<p>Timescale Implications</p> <p>Should option 1 be chosen then, due to the number of changes already planned to the ISRA Software, the SVA Agent would recommend that implementation is deferred until after the Oracle 8 upgrade, i.e. Q2 2002.</p>
<p>Risks</p>

Comments

General

In order to avoid the potential problems associated with cross-matching documents from different sources, the SVA Agent strongly recommends that single notifications are submitted, providing confirmations from all Suppliers. Costings have been prepared on this basis.

The proposed new Supplier report will require changes to both the Logging and Data Marshalling Applications.

Additional validation of the D0299 flow in ISRA, as suggested in Logica's response, could result in incompatibility with MDD.

Testing

The Data Marshalling and Logging Applications will require Application Management Unit Testing and System Testing, and Business Operations User Acceptance Testing.

It is recommended that full width testing of the functional changes within ISRA is undertaken. This should include interface testing with the Data Marshalling and Logging Applications.

Implementation

Due to the complex nature of the proposed change, it is recommended that implementation of this version of ISRA should be undertaken at a weekend. This will allow time for confidence testing which would include the processing of IVAR and DPP runs.

Exclusions

No allowance has been made for System Integration, Pre Production Testing or End to End Testing involving other BSC Parties or Agents. If this is required by ELEXON then additional costs will be incurred.

Recommendation

Impact assessment issued by SVAA to BSCCo Baseline Management

Julian Sellen

20/07/01

3: BMRA, CRA, CDCA, ECVAA, SAA and TAA BSC Agent Impact Assessment

NETA Change Form

To be completed by the Originator						
Request ID (to be provided by the Customer) P7 Reference: ICR118		Affected AA/TAA/CRA/CDCA/ECVAA				
Request Name:		Increase in Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in the Same Company Group.				
Agreement by the customer to proceed to the next stage						
	High Level Assessment	Detailed Assessment	Quotation	Contract Change	Agency Fix Report	Request under Clause 14.2 (delay)
Which stage is being requested	✓					
Signed by Customer Baseline Manager						
Signed by Customer Contract Manager						
Date of agreement to proceed to next stage					n/a	n/a
Date this stage to be completed by	13/07/01					
Configuration of Service(s) (baseline affected)						
Assumed Changes (over baseline)						
Priority		High/Medium/Low				
Identified by : Sandy Blows			Date Submitted: 29/07/01			
Description of Change See attached original P7						
Reason for Change (benefits) See attached original P7						
Implications of not making the change See attached original P7						
Attachments/references		P7				
Competition Item Yes/No/n/a	Reasons for Competition					
If Change Request made under Clause 14.2 (delay)	Required supporting information attached					

To be completed by the Service Provider				
	High Level Assessment	Detailed Level Assessment	Change Quotation	
Tick which stage is being completed	✓			
Signed by Service Provider Contract Manager				
Date	13/07/01			
Validity period of costs/prices	Change Quotation			
	Change		30 days	
Does the change involve any changes to the System or Services			No	
Would the undertaking of a Detailed Level Assessment or Change Quotation delay the Trigger Milestone or the Planned Go-Live Date before Go Live or any Release Date after Go Live			N/a	
If Yes – specify which Milestones/Release Dates would be affected	N/a			
Impact on any Milestones of incorporation of change	N/a			
Indicative impact on resources for change incorporation	Phase of the work			
	Design	Build	Test & Trial	Operate
	Labour			
	Materials/3rd Party			
Impact on Service Levels	None			
Impact on IDD	No			
Price for Detailed Level Assessment				Indicative/firm
Price for Change Quotation				Indicative/firm
Price for Change	No cost			Indicative
Assumptions for the above Price:				
<ul style="list-style-type: none"> The SAA validation of the SVAA Supplier Volume allocation Report will allow for volumes of zero to be allocated for a BM Unit, and does not require an allocation for every Stage 2 BM Unit. The CRA (and other Central Services) do not place any constraints on the types of BM Units allocated to Trading Units, either for registration or in subsequent calculations. 				
If the change is to be incorporated after Go Live, is this change proposed to be a patch or release				
If patch, expected time of incorporation				
If release - what release number		Release number		
Date		Release Date		
For High Level Assessment only – is it a Detailed Level Assessment Yes/No		If No, estimate of time and resources required to complete		

Resources Required to undertake	Detailed Level Assessment	Change Quotation
Labour		
Materials		
Consequential amendments to base line:		
Proposed method of Change/ Work statement		
Proposed Plan for Change		
Has the customer has indicated this is a competitive change		No
	Service Provider Plan for competition	
	Risks/Constraints of competition	
	Service Provider plan for incorporation of change including testing	
	Documentation to be produced by Service Provider to enable competition according to plan above	
	Indicative costs of Service Provider role in competition	
For Change Notice only – to be completed by the Customer		
Basis for payment		
Agreed Customer Caused Delay: Yes/No		
If Yes, amount of delay		
Date Change to become effective.	Is this to be a Release Date? Yes/No	
Other items as required under the Change Management Procedures		

4: FAA (EPFAL) BSC Agent Impact Assessment

From: Hooley, Sarah

Sent: 13 July 2001 15:00

To: 'ccc@elexon.co.uk'

Subject: FW: CPC024 - DLIA on P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in the Same Company Group.

Sarah Hooley

Logica EPFAL

CPC024: Detailed Level Impact Assessment (DLIA) for Modification Proposal P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in The Same Company Group.

I agree/disagree* with the proposed changes.

How much notification do you require? _____ No. Of days.

Do the changes stated impact your organisation? **No**

Comments on the appropriateness of the three sub options of the 'Trading Unit' option:

Any other comments:

Name: _____SARAH HOOLEY_____

BCA/PACA* _____BCA_____

Organisation: _____LOGICA EPFAL_____

Date: ___13/07/01___

ANNEX 3 – CORE INDUSTRY DOCUMENT IMPACT ASSESSMENTS

No impact assessments have been received which indicate that there is an impact on Core Industry Documentation.

ANNEX 4 – TRANSMISSION COMPANY ANALYSIS

The following is a copy of the full impact assessment received from the Transmission Company.

To: Claire Power

Central Change Coordination
3rd Floor
1 Triton Square
LONDON
NW1 3DX

Tel: 020 7380 4120

Fax: 020 7380 4136

Email: ccc@elexon.co.uk

CPC024: Detailed Level Impact Assessment (DLIA) for Modification Proposal P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in The Same Company Group.

We agree with the proposed changes to the Allocation to a Single BM Unit.

We disagree with the proposed changes to the Allocation to a Trading Unit.

How much notification do you require?

- | | |
|-----------------------------------|---------------------------|
| 1. Allocation to a Single BM Unit | 0 No. Of days. |
| 2. Allocation to a Trading Unit | Variable - see attachment |

Do the changes stated impact your organisation?

- | | |
|-----------------------------------|--------|
| 1. Allocation to a Single BM Unit | - No |
| 2. Allocation to a Trading Unit | - Yes. |

Comments on the appropriateness of the three sub options of the 'Trading Unit' option:

Sub-option 1 is the only appropriate option and the only one we have impact assessed
- see attachment.

Any other comments:

Please see attachment for the effect on our charging statement if Trading Unit sub-option 1 is recommended.

Name: _____Phil Lawton_____

BCA/PACA* _____BCA_____

Organisation: _____National Grid Company_____

Date: _____12 July 2001_____

Attachment : Impact of P7 Modification Proposal on National Grid

BM Unit Option

Based on the information available, National Grid believe that this option can be accommodated without requiring any change to the charging methodologies or National Grid's software systems.

Trading Unit Option – Sub-Option 1

Under this option, National Grid would have to change the charging methodology for the Transmission Network Use of System (TNUoS) charges, and then change its processes and/or systems accordingly.

The current TNUoS charging methodology is based on there being only one Supplier BM Unit in each Trading Unit. The output during the Triad from any Exempt Export BM Units belonging to the same Trading Unit is used to reduce the TNUoS Demand charges for the Supplier who is the Lead Party of the only relevant Supplier BM Unit. If there is the capacity for more than one Supplier BM Unit to belong to a Trading Unit, additional rules will be needed to decide how the Triad Benefit would be apportioned between the relevant Suppliers.

The TNUoS charging methodology that has been approved by the Authority, to come into force under the new Transmission Licence conditions associated with CUSC implementation, has the same rules for Trading Units as the current one. Therefore it also would need to be modified under the Trading Unit Option. Under the new Transmission Licence conditions, a new set of modification and notification procedures will have to be followed. Normally, National Grid will have to consult with the Users on any modification for at least 28 days, report the outcome to the Authority, and then give 28 days for the Authority to decide whether to veto the proposed changes. These normal requirements on consultation and notification times can be waived or reduced by the Authority's direction. This process would have to be undertaken as soon as possible after the Authority approves of this option of the BSC modification. The charging modification process will dictate the appropriate changes to the charging methodology that best meet National Grid's licence obligations. Ideally the approved BSC modification should be implemented on the date of completion of National Grid's charging modification processes.

The nature of the changes required to National Grid's charging systems is clearly dependent on the outcome of the consultation on the changes to the charging methodology. On the basis of the limited information available to date, and assuming that the changes to the charging methodology do not result in the need for complex changes to the charging rules and software, then it is believed that the software changes can be made as part of a typical maintenance project. These projects tend to cost in the region of £100k to £500k.

TNUoS charges for SVA registered suppliers are reconciled in June each year. If the timing of the BSC and Charging Methodology changes are such that the software cannot be changed in time for reconciliation in 2002, National Grid believes that it should probably be possible to establish a manual process to cope with the change for the first year provided that the number of Trading Units taking advantage of the new rules remains small (say less than 20).

Trading Unit Option – Sub-Options 2&3

The report is not consistent in the description of these sub-options. Our response is based on the interpretation that Sub-Option 2 is for "Affiliate Supplier BM Units and any CVA BM Units", and Sub-Option 3 is for "Any BM Units". These two sub-options would allow BM Units associated with licensed

Power Stations to be combined with Supplier BM Units, and indeed, other Power Stations, into a Trading Unit. We believe that these options are inappropriate and should be omitted because they involve substantial extensions to the original proposal which was only for Supplier Demand in the same Company Group and embedded generation to maximise the embedded benefits.

In particular, the extension to any CVA BM Units would have very wide impact on the BSC itself as well as NGC's charging methodologies, as detailed below.

- It would require a review to the definition of Production and Consumption Status in BSC Section T3.5. For example the BM Units associated with licensed Power Stations and forming Trading Units with Supplier BM Units would be able to take Consumption Status and hence net its output off Consumption energy accounts.
- It would discriminate against Generators in exporting GSP Groups and demands in importing GSP Groups. The metered volumes of these Parties would not be netted off completely in Trading Units and therefore would be disadvantaged in comparison to other Parties whose Transmission charges can be avoided.
- If Interconnector BM Units are included in "any CVA BM Units", then BSC Section K5 also need to be reviewed.
- It would interfere with the principle of a 45:55 overall ratio for transmission losses charges between generators and demands. In BSC Section T2.3, generation TLM and demand TLM are applied according to Trading Units' delivering or offtaking status. Allowing any CVA BM Units to combine with Supplier BM Units into Trading Units would undermine the intended losses payment ratio between Generators and demands.
- It would require a fundamental review of National Grid's TNUoS charging methodology. The underlying principle of distinctive Generation charges and Demand charges, with the 27:73 balance ratio between the total Generation TNUoS charge and total Demand TNUoS charge, would be undermined under these two sub-options.
- It would require a fundamental review to National Grid's BSUoS charging methodology. The underlying principle of all generation and demand paying a flat BSUoS charge would be undermined if a considerable amount of generation and demand can avoid paying the BSUoS charges by forming Trading Units.
- It is likely that these fundamental reviews of National Grid's charging methodology would lead to substantial software developments to enable the current charging principles to be continued. The size of the software development is clearly dependent on the outcome of the review but could be of a similar size to the development needed to the charging systems for NETA.

It is clear that a sub-option extending to allow any CVA BM Units to form Trading Units with Supplier BM Units is not an appropriate "alternative" to the original proposal and can only be considered in a fundamentally different modification. The extension to the non-affiliate Supplier BM Units, while also beyond the scope of the original proposal, could be considered due to its limited additional impacts. We believe, therefore, only the following two sub-options should be considered under the Trading Unit Option for modification P7:

1. Any affiliate Supplier BM Units,
2. Any Supplier BM Units.

The current BSC rule allowing any CVA Exempt Export BM Units to join a Trading Unit in the same GSP Group is not expected to change with this modification.

The second sub-option suggested above is expected to have the same impact on National Grid as Sub-Option 1.

ANNEX 5 – DEFINITION STAGE CONSULTATION RESPONSES

Responses from P7 Definition Consultation

Representations were received from the following parties:

No	Company	File Number	For	Against	Other
1.	Powergen	07_Def_001	✓		
2.	Scottish & Southern	07_Def_002			Further definition required
3.	GPU Power UK	07_Def_003			No Comment
4.	Seeboard	07_Def_004		✓	Considered benefits outweighed by costs
5.	Npower/Innogy	P7_Def_005			Further assessment required
6.	NGC	P7_Def_006			Considered proposal would favour large companies and has NGC charging implications
7.	TXU Europe	P7_Def_007			Further assessment required
8.	ScottishPower	P7_Def_008			Further definition required

P7_Def_001 - Powergen

From: Peter.Bolitho@pgen.com[SMTP:Peter.Bolitho@pgen.com]
Sent: 08 May 2001 09:32
To: Modifications@elexon.co.uk
Subject: P7 Definition Comments

The presentation given to the BSC Panel last on 3 May sets out the embedded benefits we were seeking to capture namely, Elexon charges, BSUoS, transmission losses and TNUoS charges. This may not be an exhaustive list.

As regards the mechanisms to meet (or partially meet) the objectives of the modification we believe this is likely to be best achieved by aggregating metered quantities at the BM Unit level. We are not at this stage convinced that full realisation of the stated benefits is achievable at the Trading Unit stage.

The embedded benefits are not achieved through 'MVRNing' nor do we believe it is organisationally practical to either transfer customers from one consumption account to another or transfer the embedded generation (or part of it) between accounts. The former would be difficult given the two consumption accounts may be separate legal entities and the latter is less than ideal as it would require multiple contracts between the embedded generator and a single company group and sharing meter arrangements.

Regards

Peter Bolitho

Powergen plc. 53 New Broad Street, London EC2M 1SL
Telephone +44 (0) 2476 42 4000
Fax +44 (0) 2476 42 5432

P7_Def_002 – Scottish and Southern

From: Beverley Grubb[SMTP:Beverley.Grubb@scottish-southern.co.uk]
Sent: 08 May 2001 10:18
To: Modifications@elexon.co.uk
Subject: P7 Definition Comments

BSC Modification Proposal P7: Allocation of Supplier Demand to the Same BMU in a GSP Group for all Suppliers in the Same Company Group.

Scottish and Southern Energy are unclear which embedded benefits this proposal seeks to maximise and how it is proposed this would be achieved in future. As such we agree the proposal should proceed to the Definition Procedure with a view to providing clarification and sufficient definition to allow Participants to carry out more detailed assessment and provide comment. We believe the Modification Group should focus on:

- clarifying which benefits the proposal seeks to maximise
- explain why this can not be achieved under current arrangements e.g through ECVN, MVRN, Trading Units
- determine the impact and changes required to deliver the benefits being sought

It is likely that this modification will run in parallel to the forthcoming review of the impact of the NETA on smaller generators. The Modification Group should take account of the terms of reference and findings of this group to ensure there is no conflict of interest, unnecessary duplication or inconsistencies.

Regards

Beverley Grubb
Market Development
Scottish and Southern Energy

P7_Def_003 – GPU Power UK

From: Gardener, Rachael[SMTP:rachael.gardener@gpupower.co.uk]
Sent: 14 May 2001 11:02
To: '<ELEXON-Modifications>'
Subject: Consultation on Consultation on Modification Proposal P7

Hello

GPU POWER UK would like to return a response of 'No Comment' to Consultation on Modification Proposal P7.

Thanks
Deborah Hayward
(on behalf of)
Rachael Gardener

Deregulation Control Group &
Distribution Support Office
GPU POWER.CO.UK

• 08457 353637 Ext: 09 - 3802
Fax: 01384 405177
Email: rachael.gardener@gpupower.co.uk &
dcg@gpupower.co.uk

P7_Def_004 – Seeboard

From: Fraser, Sue[SMTP:Sfraser@seeboard.com]
Sent: 14 May 2001 14:47
To: 'modifications@elexon.co.uk'
Subject: P7 Definition Comments - SEEBOARD Response

Seeboard's response is as follows:

Seeboard understands the points raised by Powergen and recognises that a very small minority of BSC Parties could see some reductions in their costs if this change were to be implemented. However Seeboard believes the benefits are likely to be small in relation to the costs that might be incurred to make the necessary changes in central and other systems. Those parties affected can realise all of the embedded benefits by managing their businesses (perhaps by attracting new customers by sharing the embedded benefits) in such a way as to ensure that demand always exceeds embedded generation in all BMU's.

Seeboard is opposed to this modification because it expects costs to greatly exceed any benefits. For those companies involved other strategic options exist to realise the supposed "embedded benefits".

Sue Fraser
for Dave Morton
0190 328 3465

P7_Def_005 – Npower

Definition Comments on Modification Proposal P7

The objective of this proposal, to overcome the deficiencies of existing mechanisms within the BSC or restrictions on their use, is to be supported as consistent with Government policy and original NETA objectives to facilitate the embedded generation market. However, it is acknowledged that there may be other possible methods of overcoming these problems, which could be implemented either as an alternative or in addition to this, to open up a variety of routes to market for different types of embedded generation.

This is consistent with the following BSC (Panel) objectives:

"Promoting effective competition in the generation and supply of electricity"

"That the Code is given effect without undue discrimination between Parties or classes of Parties"

Detailed Comments

Issues Raised

Clarification of embedded benefits

The concept of 'embedded benefits' is fairly well understood in the industry, and is essentially the 'netting' of Transmission Losses and certain charges related to energy from embedded generation consumed within the same GSP Group. These include BSUOS, TNUOS (Triad) and BSCCo charges (smaller). (Note that Residual Cashflow Reallocation is effectively a negative benefit.)

Clarification of proposal

It needs to be clarified how the reallocation of energy to a different BM Unit would be carried out. As noted in Elexon's initial assessment, this could be:

- By modification of the SVAA software
- By combining BM Units in a Trading Unit (this might involve removing the seemingly arbitrary prohibition (in BSC Section K 4.4.1(a)) on combining an Exempt Export BM Unit with more than one Supplier BM Unit and/or extending the definition of Exempt Export BM Unit to include an exporting Additional BM Unit)
- By introducing another process into the SAA systems.

Existing mechanisms available, and associated issues

Re-registration using Change of Supplier process - As noted in Elexon's initial assessment, there are significant risks associated with the transfer of large numbers of customers using this process. In addition, there may be contractual and Licence issues under some circumstances. Under

the current BSC Credit Cover arrangements, the transfer of a significant volume out of a BM Unit during a BSC Season may also result in an excessive and irrational call on the Party's Credit Cover facilities, since the DC for that BM Unit cannot be reduced below the maximum Qmij that has already occurred.

MVRN - This mechanism effectively only transfers credited energy at the Energy Account level, and hence does not affect the balance of import and export energy at the BM Unit or Trading Unit level and hence the capacity to enable embedded benefits in respect of embedded generation.

Shared SVA Meter Arrangements - The use of this mechanism is restricted to Half Hourly Metering Systems only. It also involves additional processes.

CVA Exempt Export BM Unit (EEBMU) - There are various problems with this route to market for embedded generators:

- If the embedded generator wishes to participate in the Balancing Mechanism, there are significant associated responsibilities (e.g. communications with the SO) which they may not wish to undertake themselves.
- b) Licensed Suppliers are currently prevented (under BSCP68) from transferring the registration of sites (metering systems) from SVA to CVA, where they may be combined (as an EEBMU) to be part of a Trading Unit with a Supplier BM Unit. (This issue is already being addressed under BSCP40)
- c) A large EEBMU may have difficulty finding a suitably large single Supplier BM Unit (other than that belonging to a (former) Host PES) with which to combine. BSC Section K 4.4.1 (a) currently prevents more than one Supplier BM Unit from being included in such a Trading Unit. Could this restriction be removed?

Additional BMU - In principle there is no reason why an embedded generator should not be able to be registered by a Licensed Supplier in an Additional BM Unit (in SMRS) and effectively be treated as an EEBMU. This would enable it both to participate in the Balancing Mechanism (in the absence of QFPN functionality in the market) and gain embedded benefits. This would require an extension of the definition of an Exempt Export BM Unit and/or removal of the restriction on combining more than one Supplier BM Unit in a Trading Unit. (This could be restricted to BM Units for which the Lead Parties are within the same company group).

QFPNs - This would be an alternative method of enabling the PN of an embedded generator to be segregated from the bulk demand in a Supplier's Base BM Unit. Without the QFPN functionality the cost of Non-Delivery Charges (due to the inherent unpredictability in bulk customer demand) would outweigh any possible benefit.

Other issues arising

Concerns were expressed in the drafting of the BSC about the perceived risks of allowing several Supplier BM Units within the same GSP Group to be combined in a Trading Unit. Given the general ability to 'net' embedded generation against demand registered by the same Supplier anywhere within a GSP Group (which has existed since the introduction of the 1998 Trading Arrangements) and the fact that total embedded generation within any GSP Group is likely to remain many times less than the total demand there for the foreseeable future, it is not clear what purpose is being served by the current prohibition on combining more than one Supplier BM Unit in a Trading Unit. Removing this restriction would appear to open up the market for embedded generation, by creating more potential buyers (Suppliers) through whom embedded benefits could be realised - particularly for larger and hence more material sites, in terms of realising the Government's CHP and Renewables targets.

Whether issues raised warrant further assessment & evaluation under Assessment Procedure

It appears that embedded generators currently have significant problems finding economic routes to market under NETA - an issue which is to be addressed by the review, recently announced by OFGEM, of the initial impact of NETA on smaller generators. In addition to the significant risks of Imbalance charges (which can be partly mitigated through 'consolidation'), there also seem to be problems with other mechanisms by which they can obtain embedded benefits to help redress 'economy of scale' and other disadvantages, which this Modification Proposal seeks to address.

Given Government policy objectives of promoting opportunities for CHP and Renewables (which account for a large share of embedded generation), this Modification Proposal is clearly worthy of further assessment and evaluation under the Assessment Procedure.

Richard Harrison
Innogy/Npower Limited

P7_Def_006 – NGC

Response from National Grid on Modification Proposal P7
Allocation of Supplier Demand to same BM Unit in a GSP Group

General Points

- The main consequence of the modification being adopted in whichever form, is that the BSUoS/TNUoS charges will be reallocated between participants without reducing the total. Hence any savings achieved by one BSC Party will result in higher charges for other Participants. As larger companies will potentially benefit more from this proposal, there is a risk of discrimination in favour of the large corporate groups against separate independent companies.

If this occurred, it would contravene the BSC objective;

"promoting effective competition in the generation and supply of electricity..."

- The BSC does not recognise alliances or coalitions between trading parties. If one BSC Party wished to be "linked" with another BSC Party, rules would have to be agreed as to which BSC Party's were eligible to be linked in this way and which were not.

Specific Points on Options

- Option 2 - "Assigning BM Units to a common Trading Unit"

This option has implications on National Grid's charging methodologies and systems. At present for the Transmission Network Use of System (TNUoS) charges, the net charges for the Trading Unit are levied on the Lead Party of the single supplier BM Unit in the Trading Unit. If there were more than one supplier BM Unit in the same Trading Unit, new rules would be needed to assign the netting-off by Exempt Export BM Unit's output to each of the Suppliers.

Any change to National Grid's Charging methodologies must be approved by the following process;

First, NGC have to consult with CUSC parties for a period of at least 28 days on the proposed changes, unless the Authority decrees otherwise. A report will then be issued to the Authority by NGC setting out the terms of the modification, representations made during the consultation, any change to the terms of the modification, how the modification better meets the relevant objectives and a timetable and date for implementation of the modification.

Unless the Authority has, within 28 days of the report being furnished to it, given a direction that the modification may not be made, NGC will make the modifications to the relevant Charging Methodology.

It needs to be established that the benefits of option 2 would justify such a modification and remain within the applicable objective of the BSC and our Transmission Licence;

"the efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence"

- Option3 - "Allowing demand from different Suppliers to be assigned to a single BM Unit"

Option 1 and 3 may be interpreted as being very similar, however an alternative interpretation of option 3 may allow allocation from one GSP Group to another. Please confirm that option 3 only relates to demand and BM Units within the same GSP Group.

Other Options

As requested in the consultation we believe there are other existing options that may meet the objectives of the proposal

- Suppliers merge into one company

This option is consistent with the BSC, which does not recognise the concept of "linked" BSC Party's and allows a BSC Party to retain multiple brands. Also, it has the advantage of requiring no change to the BSC or associated documents/systems.

- National Grid Facilitated Triad Trading

The objectives of the proposal may be partially met by this option, which is already available. The Exempt Export BM Unit forms a Sole Trading Unit on its own and Triad Trades, via National Grid's facilitation with the Supplier(s) within the same GSP Group.

P7_Def_007 – TXU Europe

P007 Modification Group
Ltd
Elexon Ltd
1 Triton Square
London

TXU Europe Energy Trading

Wherstead Park
Wherstead
Ipswich
Suffolk
IP9 2AQ

14th May 2001

P007 - Allocation of Supplier Demand to the same BM Unit in a GSP Group for all Suppliers in the Same Company Group

In response to the above Modifications Proposal our comments are set out below;

Assessment of the Issues Raised

In order to make an Assessment of the Issues raised by the Mod it is necessary to specify what the issues are. In our view the issue being raised can be phrased as "is the treatment of negative demand under the BSC appropriate"?

Our understanding of the treatment is that the BM Unit would be part of a delivering Trading Unit and would have the TLM+ applied to it - as would any other generation. The resulting positive value for QCE would contribute to the value of RCRC as any other generation would. Consequently it is not obvious that the BSC rules are "inappropriate" as regards these issues.

We note that the BSC Settlement data is used for the purposes of calculating certain NGC charges such as TNUoS and BSUoS. In respect of the former it is unclear how the BM Unit metered volume is treated. In respect of the latter the effect is to levy a charge on the adjusted metered volume. We agree that this may not be the most appropriate treatment in the circumstances described by the Proposer.

Desirability of Further Assessment

In view of the above we believe that the proposal would merit further Assessment.

Suggested Method of Resolution

The above could be resolved by treating the relevant BM Units of the related Supplier Ids as a Trading Unit - this would change the treatment of the positive BM Unit metered volume from being a charge to the Supplier to being a Credit - assuming that the net Trading Unit position is Offtaking.

The simplest way of achieving this is by using the current rules that allow the Panel to specify a set of BM Units as being a Trading Unit via a Class 4 Trading Unit Application.

Philip Russell

P7_Def_008 – ScottishPower

From: NETA_SPOC[SMTP:NETA_SPOC@Scottishpower.plc.uk]
Sent: 14 May 2001 16:46
To: 'ELEXON-Modifications'
Subject: P7 Definition Comments from ScottishPower

ScottishPower has reviewed the documentation relating to Modification Proposal P7: Allocation of Supplier Demand to Same BM Unit in a GSP Group and has the following comments to make.

We do not feel that PowerGen have been particularly clear in defining the embedded benefits" referred to in this Modification Proposal. Our comments below are based on the assumption that the benefits desired by PowerGen cover:

- Lower triad charges associated with TuoS;
- Lower BSUoS charges; and
- Lower share of transmission losses

If a supplier's demand BMU has a negative demand total, due to an excess of embedded generation, he will not get the full value of the embedded benefits above because the negative demand total is likely to attract positive charges. The full embedded benefits cannot be obtained unless the supplier's demand is greater than the embedded generation total. So we agree that there is a genuine problem to be addressed for companies who don't have sufficient demand under any single licence.

One issue is whether separate legal/licensed entities within an overall company group are forced to have separate consumption accounts, and therefore separate demand BMUs, under the BSC. If so, Powergen's proposal in this Modification Proposal would not achieve the benefits described above. MVRNs will reallocate demand between consumption accounts but that does not address the volume related embedded benefits issue, as the volumes concerned are those calculated against each consumption account prior to any MVRN.

From a legal perspective, if a group has 2 or more legal/licensed entities, it is our understanding that they will have to sign the BSC separately (as ScottishPower and Manweb did) and that they will then be required to have separate energy accounts and separate supplier demand BMUs. They can adopt the MVRN approach for imbalances but again this doesn't address the embedded benefits issue.

Also, there may be a problem if only one of the licensed subsidiaries signs the contract to buy the energy from the generator. Would it be legally-acceptable to allocate generation to the consumption of a licensed supplier with whom the generator has no formal contract? Note that it is permissible for an embedded generator to sell its output to two different suppliers (meter splitting). Perhaps this is the solution that should be

adopted by groups in this position, if necessary by promoting a change so that a generator can split its output across more than 2 different suppliers. In this way they could spread the generation across a number of different demand BMUs and retain, in aggregate, the embedded benefits.

In summary, we would like to see a clearer definition of the benefits PowerGen wish to achieve by raising this proposal before being able to comment further.

I hope you find these comments helpful and please do not hesitate to contact me if you wish to discuss any of the points raised above further.

Regards,

Steve Field
Calanais for ScottishPower
Design Authority, Deregulation Services
Int - 700 2313 Ext - 0141 568 2313
<http://asg.scottishpower.plc.uk> (Intranet)

ANNEX 6 – SECOND CONSULTATION AND IMPACT ANALYSIS RESPONSES

Representations were received from the following parties:

No	Company	File Number	Option 1		Option 2		
			For	Against	For	Against	Sub-option
1	National Grid	P7_IA_001					
2	Scottish & Southern	P7_IA_002			✓		1
3	London Electricity	P7_IA_003			✓		2
4	Yorkshire Electricity	P7_IA_004		✓	✓		2
5	Npower and Npower Direct Ltd (NDL)	P7_IA_005		✓	✓		2
6	Seeboard	P7_IA_006		✓		✓	
7	ScottishPower	P7_IA_007			✓		1
8	GPU Power Distribution	P7_IA_008					
9	Powergen	P7_IA_009			✓		
10	TXU Europe	P7_IA_010			✓		3
11	British Energy	P7_IA_011		✓	✓		3
12	Siemens Metering DataCare	P7_IA_012					
13	Siemens	P7_IA_013					
14	Bridge of Cally Energy Investments Ltd	P7_IA_014	✓		✓		

P7_IA_001 – National Grid

The Transmission Company's Impact Assessment is not represented here, but is included separately in **ANNEX 5**.

P7_IA_002 – Scottish & Southern

From: Sue Macklin[SMTP:Sue.Macklin@scottish-southern.co.uk]
Sent: 13 July 2001 12:12
To: Modifications@elexon.co.uk; ccc@elecpool.com
Subject: CPC024 - DLIA on P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in the Same Company Group

This response is sent on behalf of Southern Electric, Scottish and Southern Energy, Keadby Generation Limited and SSE Energy Supply Limited.

Generally we support the proposal although we would not want to see it made mandatory. Of the two implementation methods suggested we prefer option 2 'Allocation to a Trading Unit' - sub-option 1 'Affiliate Supplier BM Units', as this gives greatest benefit at least cost. Option 1 would require significant system changes. We require 3 months notice of implementation.

On a more practical note there is some confusion about where this response should be sent. Your email required responses to be sent to ' Modifications@elexon.co.uk' while the attached CPC asked for responses to be sent to the Change Control Co-ordination. We have already included a comment about this anomaly in our response to Modification P28.

Sue Macklin

P7_IA_003 – London Electricity

From: Walker Rachel[SMTP:Rachel_Walker@londonelec.co.uk]
Sent: 13 July 2001 15:41
To: 'ccc@elexon.co.uk'; 'modifications@elexon.co.uk'
Subject: P7 consultation/assessment

Please find below London Electricity's response to the above modification.

Regards

Rachel Walker

London Electricity agrees with the general principle of modification P7 - Allocation of Supplier Demand to the Same BM unit in a GSP Group for all Suppliers in the Same Company Group to increase the benefits of embedded generation. We would like to agree cost implications for this modification before giving our unconditional support.

We believe that Option 2 is the better solution as this has less of an impact on our systems whilst achieving a broadly similar result. We do not think that the use of Trading Units will be impractical as it is unlikely that the units will change their configuration very frequently. Of the three sub-options within Option 2 we support the second sub-option of allowing Affiliate Supplier BM Units and any CVA BM units to be assigned within a GSP Group. This allows the greatest amount of flexibility within a company group without facilitating any market manipulation that may occur by allowing any supplier BM Units to be allocated together. It will also allow a single party to retain control of the Trading Unit which will be in the interests of transparency of action and responsibility which would not occur with sub-option 3.

We expect that changes to our internal systems to accommodate this modification could take up to six months for Option 1 or up to 2 months for Option 2.

P7_IA_004 – Yorkshire Electricity

From: Emma.Coates@yeg.co.uk

Sent: 13 July 2001 14:35

To: ccc@elexon.co.uk

Subject: CPC024 - DLIA on P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in the Same Company Group.

Dear CCC,

Yorkshire Electricity agree to the above change proposal and would prefer to go with Option 2, sub option 2.

Other comments:

Option 1 would have a big impact on our organisation therefore we would not be in favour of this option.

If you have any queries, please let me know.

Cheers,

Emma Coates

Business Analyst, Supply Design Authority

Information Systems Services

Yorkshire Electricity

www.yeg.co.uk

P7_IA_005 – Npower and Npower Direct Limited (NDL)

From: Lees, Helen
Sent: 13 July 2001 14:23
To: 'ccc@elexon.co.uk'
Subject: Elexon CPC24

Please find attached below a copy of Npower and Npower Direct Ltd's response to CPC24.

<<NDL response CPC024.doc>> <<Npower response CPC024.doc>>

If you have any queries re these responses, please do not hesitate to contact me.

Regards

Helen Lees
Design Authority, Commercial Services
npower

<<NDL response CPC024.doc>>

CPC024: Detailed Level Impact Assessment (DLIA) for Modification Proposal P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in The Same Company Group.

I agree/~~disagree~~* with the proposed changes.

How much notification do you require? _____ No. Of days.

Do the changes stated impact your organisation? Yes/~~No~~*.

Comments on the appropriateness of the three sub options of the 'Trading Unit' option:

NDL's preferred Option is Option 2, sub-Option 2. NDL could accept Option 2 sub-option 3 if necessary. Option 1 would have a significant impact upon our systems and would require significant system development therefore we are not in favour of this Option. If Option 1 were selected as the way forward NDL would require a copy of the additional report referenced in section 2.2.3 of the document.

Any other comments:

Name: Helen Lees

BCA/PACA* _____

Organisation: Npower Direct Ltd (NDL)

Date: 13 July 2001

<<Npower response CPC024.doc>>

CPC024: Detailed Level Impact Assessment (DLIA) for Modification Proposal P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in The Same Company Group.

I agree/~~disagree~~* with the proposed changes.

How much notification do you require? _____ No. Of days.

Do the changes stated impact your organisation? Yes/~~No~~*.

Comments on the appropriateness of the three sub options of the 'Trading Unit' option:

Npower's preferred Option is Option 2, sub-Option 2. Npower could accept Option 2 sub-option 3 if necessary. Option 1 would have a significant impact upon our systems and would require significant system development therefore we are not in favour of this Option. If Option 1 were selected as the way forward Npower would require a copy of the additional report referenced in section 2.2.3 of the document.

Any other comments:

Name: Helen Lees

BCA/~~PAGA~~* _____

Organisation: Npower

Date: 13 July 2001

P7_IA_006 – SEEBOARD

From: Fraser, Sue
Sent: 13 July 2001 14:51
To: 'ccc@elexon.co.uk'
Subject: CPC024 - SEEBOARD Response

For the attention of Claire Power

Please find attached our response to CPC024.

<<CPC024 - SEEBOARD Response.doc>>

Sue Fraser
for DAVE MORTON

<<CPC024 - SEEBOARD Response.doc>>

[CPC024: Detailed Level Impact Assessment \(DLIA\) for Modification Proposal P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in The Same Company Group.](#)

I **disagree** with the proposed changes.

How much notification do you require? **90 Days (depending on option adopted – also see comments below).**

Do the changes stated impact your organisation? **Yes**

Comments on the appropriateness of the three sub options of the 'Trading Unit' option:

Whilst we oppose both options the "Affiliate Supplier BM Unit" sub-option would provide the least contentious of these unsupported options.

Any other comments:

Our position on this modification is unchanged, indeed we are probably further opposed to it since there are no benefits for SEEBOARD. Costs to our systems, especially for 'Allocation to a single BM Unit Option', but also possibly for 'Allocation to a Trading Unit Option' are very high.

This is a complex area but we suspect that if implemented it will only move costs around not reduce total industry costs for the components involved. In consideration of the fairness of existing arrangement, our view is that current arrangements do not appear to be unfair. Also, companies impacted could achieve the same result through internal measures rather than requiring industry changes.

If the proposal is taken forward we would appreciate a further examination of the timescales required to implement whichever option or sub-option is chosen. This will ensure implementation timescales can be set appropriately for this modification.

Name: Dave Morton
BCA/PACA*
Organisation: SEEBOARD
Date: 13TH July 2001

P7_IA_007 – ScottishPower

From: NETA_SPOC
Sent: 13 July 2001 16:39
To: 'ccc@elexon.co.uk'
Subject: ScottishPower Response to CPCs 24 and 25

Please find attached ScottishPower's comments on Change Proposal Circulars 24 and 25. If you have any problems with this email or its attachments, please do not hesitate to contact me.

Steve Field
Calanais for ScottishPower
Design Authority, Deregulated Services

CPC024: Detailed Level Impact Assessment (DLIA) for Modification Proposal P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in The Same Company Group.

I agree/~~disagree~~* with the proposed changes.

How much notification do you require? ____60____ No. Of days.

Do the changes stated impact your organisation? Yes/~~No~~*.

Comments on the appropriateness of the three sub options of the 'Trading Unit' option:

ScottishPower supports option 2 with sub-option 1 (ie only affiliate Supplier BM Units in a GSP Group can be allocated to a Trading Unit). The BSC already has sufficient arrangements for incorporating CVA BM Units and, for reallocating demand between separate BSC Parties (who are not part of an overall company group). To do otherwise would seem to be running contrary to the "spirit" of NETA.

Any other comments:

The suggestion in Option 2 to provide greater flexibility in setting up Trading Units would be useful but not essential. Our view is that these arrangements are unlikely to change particularly frequently.

The Modification Group seems to have given no consideration to the option of splitting a Generator's output between more than two Suppliers.

If Option 1 is chosen:

2.2.2 - it would be important that the normal SVAA calculations are still carried out and that the allocation to the single BMU should take place after those normal calculations but before the report to the SAA is produced.

2.2.3 - the lead supplier would need this additional report. The subsidiary suppliers would still want all their usual SVAA reports.

Name: _____David Nawrath_____

BCA/~~PACA~~* _____

Organisation: _____ScottishPower / Manweb_____

Date: _____13th July 2001_____

P7_IA_008 – GPU Power Distribution

From: Deregulation Control Group

Sent: 13 July 2001 15:58

To: 'Sahra Abdillahi'

Subject: GPU Power UK's Response to CPC024 - DLIA on P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in the Same Company Group.

Sahra,

Please find that GPU Power UK's response to CPC024 - DLIA on P7:

Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in the Same Company Group, is 'No Comment.'

Regards,

Jason

Jason J Guest

Deregulation Control Group & Distribution Support Office

GPU Power Distribution

P7_IA_009 – PowerGen

From: Dachgctrl@powergen.co.uk

Sent: 13 July 2001 15:30

To: Sahra Abdillahi

Subject: Re: CPC024 - DLIA on P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in the Same Company Group.

Please find attached comments from Powergen Energy:

Our preference in PGE would be option 2 as this would have minimal impact on both systems and reported data. Option 1 would require systems and data processing changes.

Regards

P7_IA_010 – TXU Europe

From: edward.coleman@txu-europe.com

Sent: 13 July 2001 16:18

To: ccc@elexon.co.uk

Subject: CPCs

CPC024: Detailed Level Impact Assessment (DLIA) for Modification Proposal P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in The Same Company Group.

I agree with the proposed changes.

How much notification do you require? 90 No. Of days.

Do the changes stated impact your organisation? Yes.

Comments on the appropriateness of the three sub options of the 'Trading Unit' option:

Option 3

Any other comments:

None

Name: Edward Coleman

BCA

Organisation: TXU

Date: 13/07/2001

P7_IA_011 – British Energy

From: Mate Martin[SMTP:martin.mate@british-energy.com]

Sent: 13 July 2001 18:12

To: 'Sahra Abdillahi'

Subject: RE: CPC024 - DLIA on P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in the Same Company Group.

Sahra,

Please find attached our response to CPC024, slightly delayed as advised by phone. Rachel Ace, our BCA, is out of the office today, so I have sent it instead. Hope that's OK,

Martin Mate

British Energy Power & Trading, British Energy Generation, Eggborough Power

CPC024: Detailed Level Impact Assessment (DLIA) for Modification Proposal P7: Allocation of Supplier Demand to the Same BM Unit in a GSP Group for All Suppliers in The Same Company Group.

I agree/disagree* with the proposed changes. – See below

How much notification do you require? _____ No. Of days. – See below.

Do the changes stated impact your organisation? Yes/No*. – See below.

Comments on the appropriateness of the three sub options of the 'Trading Unit' option:

The established precedent is that exempt embedded generation (EEG) may be netted against demand in a GSP Group to realise embedded benefits. This leads to the conclusion that any Supply BM Unit within the same GSP Group and any BM Unit comprising EEG within that same GSP Group should be permitted to form a Trading Unit for that purpose. I.e. Option 3 plus any BM Unit comprising only embedded demand and/or EEG. The administration and sharing of benefits between the parties to the Trading Unit would not be a BSC matter. Restriction to affiliate companies, as suggested in option 1, seems unnecessarily restrictive. The inclusion of any CVA BM Unit in the same GSP Group in a Trading Unit, as in option 2, is beyond the scope of the modification proposal and the BSC, and is not supported by British Energy.

Any other comments:

We do not support the proposal to combine energy associated with different legal entities into a single BM Unit (proposal 1), and believe effort in this direction would be better targeted at allowing en bloc transfer of registrations from one supplier to one or more other suppliers.

Changes to the established principles for defining Trading Units (proposal 2) should be the subject of an explicit consultation.

Insufficient detail of possible participant interface changes has been provided to allow a definite assessment of the impact of the proposals on the BE Group. If no changes are made to participant interfaces for those participants not requiring the facility, we believe there would be very minor impact

on the British Energy Group. Any direct change to normal participant interfaces arising from a change would require a minimum of 3 months for development and testing.

Name: Martin Mate, for

BCA: Rachel Ace

Organisation: British Energy Power & Energy Trading, British Energy Generation, Eggborough Power

Date: 13 July 2001

P7_IA_012 - Siemens Metering DataCare

Victoria Riley

Siemens Metering DataCare

I neither agree nor disagree with the proposed changes.

Comments on the appropriateness of the three sub options of the 'Trading Unit' option.

P7_IA_013 - Siemens

Roger Grew

Siemens - - No impact on Siemens Metering

P7_IA_014 - Bridge of Cally Energy Investments Ltd

Stephen Mooney

Bridge of Cally Energy Investments Ltd

I agree with the proposed changes. No Impact.

(hard copy response)

ANNEX 7 – THIRD CONSULTATION AND RESPONSES

Representations were received from the following parties:

No	Company	File Number	No change to comments	Change to comments
1	TXU		✓	
2	Siemens Metering Datacare Ltd		✓	
3	Slough energy Supplies, Fibre Power (Slough)			Yes, supported Trading Unit option and any Supplier grouping with any number of CVA LEGs in GSP Group
4	Scottish and Southern Energy		✓	
5	SEEBOARD		✓	
6	GPU Power		✓	
7	Npower		✓	
8	Yorkshire Electricity		✓	