

## CP1504 'Amend BSCP201's references to dual/single pricing following implementation of P305'



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### Contents

<b>1</b>	<b>Why Change?</b>	<b>2</b>
<b>2</b>	<b>Solution</b>	<b>3</b>
<b>3</b>	<b>Impacts and Costs</b>	<b>4</b>
<b>4</b>	<b>Implementation Approach</b>	<b>5</b>
	<b>Appendix 1: Glossary &amp; References</b>	<b>6</b>

### About This Document

The purpose of this CP1504 CP Consultation is to invite BSC Parties, Party Agents and other interested parties to provide their views on the impacts and the merits of CP1504. The Panel will then consider the consultation responses before making a decision on whether or not to approve CP1504.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach.
- Attachment A contains the proposed redlined changes to deliver the CP1504 solution.
- Attachment B contains the specific questions on which we seek your views. Please use this form to provide your response to these questions, and to record any further views or comments you wish to be considered.

# 1 Why Change?

## Background

[BSCP201 'Black Start and Fuel Security Contingency Provisions and Claims Processes'](#) describes the steps to be taken if there is a Black Start or a Fuel Security event, and supports the rules in [BSC Section G 'Contingencies'](#).

A Black Start, as defined in the Grid Code, is a recovery process for restoring electricity on the Transmission System and thereby on Distribution Systems. In certain Black Start situations, BSC Section G3.2 requires:

- Suspension of the normal imbalance pricing calculations; and
- Application of a special single imbalance price determined by the BSC Panel in accordance with BSC Section T1.7.

A Fuel Security Code (FSC) event occurs when the Secretary of State directs Power Stations and/or the Transmission Company to operate in specific ways. For example, a Power Station with a particular fuel type could generate more or less energy in order to balance the System, rather than a Power Station which would otherwise provide that service.

In certain FSC events, the Secretary of State can direct the Panel to determine and apply a special single imbalance price for a specified period, in accordance with BSC Section T1.7. This is recognised in BSC Section G4.2.

The last significant changes to BSCP201 were made in March 2014 for the implementation of [P276 'Introduce an additional trigger/threshold for suspending the market in the event of a Partial Shutdown'](#). At that time, the BSC operated dual imbalance pricing (i.e. the System Buy Price (SBP) and System Sell Price (SSP) had different calculations and values). The parts of BSCP201 that cover the determination and application of the special single imbalance price therefore refer to suspending dual pricing and applying a 'single imbalance price'.

## What is the issue?

[P305 'Electricity Balancing Significant Code Review Developments'](#), implemented in November 2015, replaced the dual imbalance pricing with a single imbalance price (it retained the calculation of SBP and SSP but set them to equal each other). This means that, in certain Black Start or Fuel Security situations, the normal single imbalance price calculations will be suspended and replaced with a special single imbalance price determined under BSC Section T1.7.

Following the implementation of P305, BSCP201's references to replacing dual pricing with a single imbalance price could cause confusion and should be amended.



### What is Imbalance Pricing?

Generators and Suppliers (BSC Parties) contract energy from one another for specified half hour periods (Settlement Periods). A Party is in imbalance if its contracted volume differs from the amount delivered. In such circumstances, the BSC Party is then subject to imbalance charges administered by the BSCCo.

### Proposed solution

CP1504 proposes to amend references to imbalance pricing contained in BSCP201 so that:

- References to suspending dual imbalance pricing should be re-worded to suspending normal imbalance pricing;
- References to applying a single imbalance price should be reworded to applying a Contingency Imbalance Price; and
- Contingency Imbalance Price should be defined in the BSCP as 'any imbalance price(s) determined in accordance with BSC Section T1.7 for the purpose of BSC Section G'.

Additionally, BSCP201 refers to 'DECC', which is out of date. Instead of changing to 'BEIS', BSCP201 should refer to activities being conducted 'on behalf of' or by 'a representative of' the Secretary of State so as to be future-proof. This should be included as a Housekeeping Change.

### Proposer's rationale

These changes will improve clarity and avoid confusion in a Black Start or FSC event. They will also future-proof against any further changes to imbalance pricing or government departments, thus avoiding future CPs needing to be raised.

#### CP Consultation Question

Do you agree with the CP1504 proposed solution?

*Please provide your rationale.*

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

### Proposed redlining

Attachment A contains the proposed changes to BSCP201, to deliver CP1504.

#### CP Consultation Question

Do you agree that the draft redlining delivers the CP1504 proposed solution?

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

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

### 3 Impacts and Costs

#### Central impacts and costs

##### Central impacts

CP1504 will require changes to BSCP201. As the Panel owns this BSCP, CP1504 will therefore need to be presented to the Panel for approval CP. No system changes are required for this CP and there will be no impacts on BSC Agents.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none"><li>BSCP201</li></ul>	<ul style="list-style-type: none"><li>None</li></ul>

##### Central costs

The central implementation costs for CP1504 will be approximately £360, one and a half ELEXON working days, to implement the relevant document changes.

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

##### Participant impacts

We do not expect CP1504 to impact any BSC Parties or Party Agents as it simply clarifies the existing BSC rules.

However, we will seek confirmation of this through the CP Consultation.

#### CP Consultation Questions

Will CP1504 impact your organisation?

*If 'Yes', please provide a description of the impact(s) on your organisation and any activities which you will need to undertake between the approval of CP1504 and the CP1504 Implementation Date (including any necessary changes to your systems, documents and processes). Where applicable, please state which of the roles that you operate as will be impacted and any differences in the impacts between each role.*

Will your organisation incur any costs in implementing CP1504?

*If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs.*

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

## 4 Implementation Approach

### Recommended Implementation Date

CP1504 is proposed for implementation on **1 November 2018** as part of the November 2018 BSC Release.

The November 2018 Release is the next available Release that can include this CP.

### CP Consultation Question

Do you agree with the proposed implementation approach for CP1504?

*Please provide your rationale.*

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

## Appendix 1: Glossary & References

### Acronyms

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

Acronyms	
Acronym	Definition
BSCCo	Balancing and Settlement Code Company
BSC	Balancing and Settlement Code
BSCP	Balancing and Settlement Code Procedure
CP	Change Proposal
FSC	Fuel Security Code
SBP	System Buy Price
SSP	System Sell Price

### External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2	BSCP201 'Black Start and Fuel Security Contingency Provisions and Claims Processes'	<a href="https://www.elexon.co.uk/bsc-and-codes/bsc-related-documents/bscps/">https://www.elexon.co.uk/bsc-and-codes/bsc-related-documents/bscps/</a>
2	BSC Section G 'Contingencies'	<a href="https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/bsc-sections/">https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/bsc-sections/</a>
2	P276 'Introduce an additional trigger/threshold for suspending the market in the event of a Partial Shutdown'	<a href="https://www.elexon.co.uk/mod-proposal/p276-introduce-an-additional-triggerthreshold-for-suspending-the-market-in-the-event-of-a-partial-shutdown/">https://www.elexon.co.uk/mod-proposal/p276-introduce-an-additional-triggerthreshold-for-suspending-the-market-in-the-event-of-a-partial-shutdown/</a>
2	P305 'Electricity Balancing Significant Code Review Developments'	<a href="https://www.elexon.co.uk/mod-proposal/p305/">https://www.elexon.co.uk/mod-proposal/p305/</a>