

National Grid Transco

Response to Ofgem/DTI Conclusions and second consultation on the legal text of a GB BSC Document (November 2003) in relation to The Balancing and Settlement Code Under BETTA

Introduction

National Grid welcomes this third opportunity to comment on the proposals for developing a GB BSC. As previously stated, we recognise differences in the use of the 132kV system in Scotland leading to it being designated as transmission and note the potential complications that this may cause.

Further comments in relation to the specific issues raised in the third GB BSC consultation paper are outlined below:

1. Business Days

National Grid agrees with Ofgem/DTI that it is not appropriate, or necessary to revise the definition of 'Business Day' to account for Scottish Bank Holidays. The inclusion of Scottish Bank Holidays in the Non-Business Day definition would have the effect of impacting upon the operation of all parties within England and Wales. National Grid do not believe that Scottish parties will be unduly discriminated against if Business Days are treated in line with the current provisions within the BSC.

However, National Grid does note that in section 4.100 of its consultation, Ofgem/DTI are proposing that SVA profiles allow for different day types in Scotland to account for Scottish Bank Holidays. National Grid believes that further consideration of this issue is needed to ensure that there is a consistency of approach throughout the GB BSC in relation to the treatment of Scottish Bank Holidays.

2. Single Profiling

National Grid believes that it would be better if a different profile for SVA Metering could be used for Scotland than is used for England and Wales due to the obvious differences in temperatures and sunset times experienced in Scotland. This would provide consistency with the existing arrangements within Scotland without impacting upon the principles or objectives of BETTA. However, given the extra cost and complexity involved in operating and managing multiple profiles and the expert view that using a single profile would only have a small effect on calculated energy volumes in each GSP Group, National Grid support the proposal to use a single set of regression coefficients for profiling of SVA Metering.

3. BMRS Zones

National Grid notes that the creation of a sixth BMRS constraint boundary (zone) to cover the whole of Scotland would create a position where the data associated with three generation companies (SSE, SP and BE) would be aggregated. Given the nature of BE's generation activities in Scotland it would be relatively simple for SSE and SP to determine each other's notified position within Scotland. This could be viewed as undesirable as it undermines the principle, which was used when the original five zones were set up, of the zones being aggregated to a level where an individual party's position can not be identified by another.

National Grid's internal project plan is base-lined on the assumption that the present BMRS zone 'A' will be expanded to include Scotland. National Grid believes that if a new constraint boundary were subsequently deemed necessary, it could be added at a later date.

If it were decided that a sixth zone should be added as part of the existing BETTA workload, there would be changes required to the base-line, and a decision would be required before April to ensure a reasonable chance of the work being completed in time for go-live. The costs of introducing the required system changes to allow for a sixth zone would be in the region of £40k.

4. Half-Hour data for transmission owners

National Grid supports the suggestion that, if it is concluded that transmission owners require half-hourly settlement metered data, the GB BSC and STC are the appropriate documents for such provisions to be detailed.

National Grid recognises that current provisions limit the information that non-BSC parties can gain from central systems and that this may result in the GBSO having to act as a conduit for the data. National Grid's strong preference would be for the appropriate changes to be made to the BSC to allow the BSCCo to pass the required data directly to the transmission companies. As a last resort, if this can not be accommodated within the GB BSC, it is important that the arrangements put in place for the GBSO to pass data to Transmission Companies are cost efficient and in a format that does not require significant system development or data manipulation on the part of the GBSO.

5. Modifications to the E&W BSC

National Grid supports Ofgem's stated approach and commitment to include Scottish Parties in the consultation of proposed BSC Modifications at the Report Stage. It is important that Scottish parties have the opportunity to comment upon changes currently progressing through the Modifications Process and that, in the interests of efficiency, this is done in line with the timescales that the modification proposals are considered by the current BSC Panel and the Authority.

National Grid supports the proposal to include P118, P119 and P126 in the GB BSC. Furthermore it supports the proposal to include the approved modifications that have not yet been implemented, namely P116, P130, P99, P114 and P123.

National Grid notes the comments made in paragraph 5.17 in relation to P82 and the introduction of zonal transmission losses on an average basis. Recognising the fact that there is no intention to introduce zonal transmission losses into the GB BSC, National Grid recognises that there is subsequently no need to introduce P125 into the GB BSC to deal with transmission loss factors associated with the Scottish Interconnector.

National Grid believes that it is appropriate to implement P122, as currently drafted, into the GB BSC. P122 "Assessment of Credit Cover during a Holiday Period" covers the Easter, Christmas and New Year holiday periods. The start and end dates within the P122 legal text cover the statutory holidays over both of these periods in Scotland as well as in England and Wales. It is not therefore necessary to change these start or end dates to accommodate differences in Scottish holidays.