

Upcoming BSC Modification - Imbalance charges for non-BM balancing service providers

BSC Modification

National Grid ESO is raising a BSC Modification ahead of the September BSC Panel, with the aim of updating the GB market to meet some elements of the Clean Energy Package more effectively, specifically in relation to imbalance charges. The Modification also aims to remove some inconsistencies between the BM and non-BM elements of the balancing services market.

Elements of the Clean Energy Package mean that the GB market needs to be updated to ensure that non-BM balancing services providers pay imbalance charges in additional scenarios that aren't currently covered. National Grid ESO has been working with Elexon on the Modification.

Impact of Clean Energy Package Articles 6.5 / 5.1

Article 5 of the Regulation on the Internal Market for Electricity (RIME) within the Clean Energy Package (CEP), deals with 'Balance Responsibility'. Article 5.1 states that "All market participants shall be responsible for the imbalances they cause in the system ('balance responsibility')." Furthermore, Article 6 of the RIME covers the 'Balancing Market'. Article 6.5 states that "imbalances shall be settled at a price that reflects the real-time value of energy."

The definition of market participants in the CEP extends to generators, aggregators, and demand response or storage services.

In totality, this means that all providers of balancing services should settle any imbalances (for any differences between instructed and delivered energy) at an imbalance price, paid against the differential between instructed and delivered energy.

In order to ensure the GB market meets the clauses in the regulation more effectively, National Grid ESO is proposing a BSC Modification to implement an imbalance approach for non-BM balancing services providers. This would also have the benefit of removing some inconsistencies between the BM and non-BM elements of the market.

The proposed solution looks to use and build on the functionality and processes introduced by BSC Modification P354, which should mitigate the amount of change required by market participants as a result of the Modification.

Contact

The Modification will be raised formally ahead of the September BSC Panel, after which BSC Workgroup nominations will be sought through the BSC Change process. We will also be discussing as an agenda item at relevant upcoming industry meetings. If you have any questions on this upcoming modification, or want to discuss further, please contact John Welch at National Grid ESO: email john.welch@nationalgrideso.com, phone 07866 165532 or contact Grahame Neale: email grahame.neale@nationalgrideso.com, phone 07787 261242.