Balancing Principles Statement, Procurement Guidelines, ABSVD and BSAD

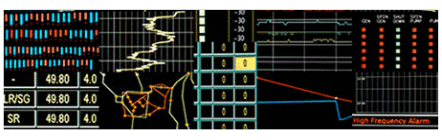
Annual Industry Consultation

20th December 2010

Responses requested by Monday 17th January 2011

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1 Executive Summary

Purpose of this document

National Grid is conducting an annual review of the Balancing Principles Statement (BPS), Procurement Guidelines (PGs), Applicable Balancing Services Volumes Data Methodology Statement (ABSVD) and Balancing Services Adjustment Data (BSAD) as required by Standard Condition 16 (C16) of its Electricity Transmission License.

National Grid is proposing the following changes to the documents:

- BPS – Deletion and rewrite of section 9 to clarify and simplify
- PGs – Insertion of Constraint Management Services and some housekeeping changes
- ABSVD – Addition of a fast de-load service and some housekeeping changes
- BSAD – Housekeeping changes

The changes proposed to the four documents are detailed in sections 3 to 6 of this document.

This consultation seeks industry views on the proposed changes in the BPS, PGs, ABSVD and BSAD documents. National Grid also invites views on any other aspects of the BPS, PGs, ABSVD, and BSAD documents.

Consultation Process

The proposed changes to the BPS, PG, ABSVD and BSAD are attached to this consultation in Appendix A, B, C and D respectively. The consultation document is available on National Grid's website and can be accessed by using the following link:
http://www.nationalgrid.com/uk/Electricity/Balancing/consultations/.



Following receipt of responses to this consultation, National Grid will prepare and submit a report (in accordance with Licence Condition C16 paragraph 8) to the Authority. The industry responses and the consultation report will be published on the above link.

The current version of the BPS, PG, ABSVD, and BSAD can be found at the following link:
http://www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicensestatements/

Consultation Timescales

In accordance with Licence Condition C16, the consultation period will be 28 days. Therefore the consultation timetable is as follows:

Consultation published	Monday 20th December 2010
Closing date for responses	Monday 17th January 2011
Consultation Report to the Authority	No later than Monday 24th January 2011

How to respond

The consultation questions are summarised in a proforma in Appendix E. Please complete the proforma and send your responses to balancingservices@uk.ngrid.com by Monday 17th January 2011.

Enquiries

If you wish to discuss any aspect of this document, please contact Tariq Hakeem by emailing tariq.hakeem@uk.ngrid.com or telephoning 01926 655439.

Document Structure

The remainder of this document is structured as follows:

- Purpose of the consultation



- Proposed changes
- Proposed implementation date
- Consultation responses
- Next steps
- Appendices
    A. Marked-up BPS for proposed changes
    B. Marked-up PGs with proposed changes
    C. Marked-up ABSVD with proposed changes
    D. Marked-up BSAD with proposed changes
    E. Consultation Questions



2 Purpose of the Consultation

In accordance with its license obligations under Standard Condition C16, National Grid is required to carry out an annual review of the Balancing Principles Statement (BPS), Procurement Guidelines (PGs), Applicable Balancing Services Volumes Data Methodology (ABSVD) and Balancing Services Adjustment Data (BSAD) and if appropriate, to propose changes to these documents.

The main purpose of the annual consultation is to keep PGs, BPS, ABSVD and BSAD up to date by seeking industry views on any proposed changes. These changes can only become effective if they are approved by the authority.



3 Proposed Changes to BPS

Currently, section 9 refers to unwinding of BOAs issued beyond the wall. However, in practise, BOAs cannot be issued beyond the existing BM window although a BOA within the existing window may be extended when the next BM window is reached. The change proposed to the BPS is to clarify this distinction and simplify the text of Section 9.

Table 1 – Proposed BPS changes

Section	Change	Comment
Section 9	**Delete:** 9 Cancelling of BOAs that extend beyond the wall The unwinding of BOAs that are issued beyond the wall will be in line with that of standard BOA.BOAs that are issued beyond the wall will be cancelled by returning the BMU to its PN in line with submitted dynamics taking into consideration any applicable price changes.	Deletion of Section 9
Section 9	**Insert:** 9 BOAs returning BMUs to PN (for BMUs that have been BOAed up to the wall) BMUs that have been BOAed up to the wall will be returned to PN, when the BM window	Insertion of revised section 9

	has been extended, by the subsequent issue of BOAs in line with submitted dynamics, provided parameters and prices have not changed as described in Section 8	

The proposed changes summarised above are shown in a changed marked version of the BPS in Appendix A.

Consultation Question 1
Do you agree that the changes proposed to the BPS, shown in table 1 have been implemented correctly to the BPS in Appendix A?

Consultation Question 2
Do you agree that the changes proposed to the BPS, shown above and in Appendix A, should be made?

Consultation Question 3
Do you have any other comments in relation to the changes proposed to the BPS?



4 Proposed Changes to the Procurement Guidelines

The changes proposed to the PGs are the addition of Constraint Management Services and some house-keeping changes. The proposed changes are summarised below in Table 1 and shown in a change marked version of the PG in Appendix B.

Table 2 – Proposed PG Changes

Section	Change	Comment
Part C, Commercial Ancillary Services	**Insert:** "Constraint Management Services" under Commercial Ancillary Services	Constraint Management Service
Part C, 2.1 – Description of Balancing Services, Ancillary Services	**Insert:** "Constraint Management Services – these services are required when the system is unable to transmit the power supplied to the location of demand due to congestion at one or more parts of the transmission system. The technical requirements for such a service will be specific to the location of the constraint and will be defined in the relevant Commercial Services Agreement."	Description of Constraint Management Services



Table 1 – Balancing Services Summary Table	**Insert:** "Constraint Management Services" in title column (a)	Constraint Management Service
Table 1 – Balancing Services Summary Table	**Insert:** "Bilateral Contracts or Contracts derived from market tenders" in Means of Procurement column (b)	Constraint Management Service
Table 1 – Balancing Services Summary Table	**Insert:** "As required" in Timescales column (c)	Constraint Management Service
Part C, 2.1 – Description of Balancing Services, Ancillary Services	**Delete:** "There is very limited and localised requirement for such a service" from the Commercial Intertrip paragraph	Housekeeping
Table 1 – Balancing Services Summary Table	**Insert:** "or Contracts derived from market tenders" in Means of Procurement column (b) for Commercial Intertrips	Housekeeping

Consultation Question 4
Do you agree that the changes proposed to the PG's, shown in table 2 have been implemented correctly in the PG's in Appendix B?

Consultation Question 5
Do you agree that the changes proposed to the PG's, shown in table 2 and in Appendix B, should be made?

Consultation Question 6
Do you have any other comments in relation to the changes proposed to the PG's?



5 Proposed Changes to the Applicable Balancing Services Volume Data Methodology Statement (ABSVD)

The changes proposed to the ABSVD are the addition of a fast de-load service and a number of house keeping changes. The proposed changes are summarised below in Table 2 and shown in a changed marked version of the ABSVD in Appendix C.

Table 3 - Proposed ABSVD changes

Section	Change	Comment
Page 2	**Delete link and replace with:** http://www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicensestatements/	Housekeeping -Replace out of date website link
Page 3	**Delete**: Reference to Transco	Housekeeping - Update contact details
Page 3	**Delete email address and replace with:** BalancingServices@uk.ngrid.com	Housekeeping - Update email address
Part A, Purpose of Document	**Delete link and replace with:** http://www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicensestatements/	Housekeeping: Replace out of date website link
Part A, Purpose of Document	**Delete:** Reference to Transco	Housekeeping - Update contact details
Part A, Purpose of Document	**Delete email address and replace with:** BalancingServices@uk.ngrid.com	Housekeeping - Update email address



Part C 2, Notification Procedure	**Delete:** Reference to Transco	Housekeeping - Update contact details
Part B 1.2, Balancing Services for inclusion of ABSVD	**Insert:** Fast De-Load Service – Energy volumes as a result of an instruction to fast de-load will be calculated in accordance with the relevant Commercial Services Agreement	Addition of fast de-load service.
Part C, ABSVD Methodology, Pg 16	**Insert:** Scheme, Commercial Intertripping Scheme or Fast De-Load Service	Addition of fast de-load service
Part C, ABSVD Methodology, Pg 16	**Insert:** "or the fast de-load in instruction", "or fast de-load", "or fast de-load"	Addition of fast de-load service
Part C, ABSVD Methodology, Pg 17	**Insert:** "or fast de-load instruction"	Addition of fast de-load service
Part C, ABSVD Methodology, Pg 17, Fig 3	**Insert:** "or a Commercial Intertripping Scheme (instantaneous trip)"	Housekeeping
Part C, ABSVD Methodology, Pg 18, Fig 3a	**Insert:** Figure 3a	See diagram

Consultation Question 7

Do you agree that the changes proposed to the ABSVD, shown in table 3 have been implemented correctly in the ABSVD in Appendix C?

Consultation Question 8

Do you agree that the changes proposed to the ABSVD, shown in table 3 and in Appendix C should be made?

Consultation Question 9



Do you have any other comments in relation to the changes proposed to the ABSVD?

6 Proposed Changes to Balancing Services Adjustment Data (BSAD)

The changes proposed to the BSAD is clarification that system-to-system services from Interconnectors will be included in the calculation of BSAD and a house keeping change.

Table 4 - Proposed BSAD changes

Section	Change	Comment
Page 4	**Delete link and replace with:** http://www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicensestatements/	Housekeeping -Replace out of date website link
Section 3.1, Forward Contracts	**Insert:** "services from Interconnectors,"	Clarification

Consultation Question 10
Do you agree that the changes proposed to the BSAD, shown in table 4 have been implemented correctly in the BSAD in Appendix D?

Consultation Question 11
Do you agree that the changes proposed to the BSAD, shown in table 4 and in Appendix D should be made?

Consultation Question 12
Do you have any other comments in relation to the changes proposed to the BSAD?



7 Proposed Implementation Date

It is envisaged that, unless directed by the Authority otherwise, the implementation date for the revised BPS. PG, ABSVD and BSAD will be 1st April 2011.

8 Consultation Responses

8.1 Summary of Consultation Questions

The consultation questions are summarised in Appendix E. The proforma in Appendix E can be used to respond to the consultation questions, as described in section 8.2.

8.2 How to Respond

Responses should be submitted by replying to the consultation questions in Appendix E and e-mailing the completed proforma to balancingservices@uk.ngrid.com.

If you do not wish any elements of your response to be made publicly available, please mark these as confidential.

8.3 Deadline for Responses

The consultation period for this consultation is 28 days from the date of publication (20th December 2010) of this document. Therefore responses are required **by 17th January 2010**.

8.4 Help with Queries

If you have queries regarding any aspect of this consultation, please contact:

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9 Next Steps

Following receipt of responses to this consultation, National Grid will prepare and submit a report (in accordance with Electricity Transmission Licence Standard Condition C16 paragraph 8) to the Authority. The consultation document, consultation report, and all responses, will be published on National Grid's website: www.nationalgrid.com/uk/Electricity/Balancing/consultations/.

The current version of the four documents mentioned in this report can be found at the following link: www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicensestatements/



10 Appendix A
Marked-up BPS for Proposed Changes

Please see a separate document



11 Appendix B
Marked-up Procurement Guidelines for Proposed Changes

Please see a separate document



12 Appendix C
Marked-up ABSVD for Proposed Changes

Please see a separate document



13 Appendix D
Marked-up BSAD for Proposed Changes

Please see a separate document



14 Appendix E
Consultation Questions

National Grid invites responses to this consultation by 17th January 2011. The responses to specific consultation questions (summarised below) or any other aspect of this consultation can be provided by completing the following proforma.

Please return the completed proforma to balancingservices@uk.ngrid.com.

Respondent:	
Company Name:	
Does this response contain confidential information? If yes, please specify.	

No	Question	Response (Y/N)	Rationale
1	*Do you agree that the changes proposed to the BPS, shown in table 1 have been implemented correctly to the BPS in Appendix A?*		
2	*Do you agree that the changes proposed to the BPS, shown above and in Appendix A, should be made?*		
3	*Do you have any other comments in relation to the proposed changes to the BPS?*		
4	*Do you agree that the changes proposed to the PG's, shown in table 2 have been implemented correctly in the PG's in Appendix B?*		
5	*Do you agree that the changes proposed to the*		



No	Question	Response (Y/N)	Rationale
	PG's, shown in table 2 and in Appendix B, should be made?		
6	*Do you have any other comments in relation to the changes proposed to the PG's?*		
7	*Do you agree that the changes proposed to the ABSVD, shown in table 3 have been implemented correctly in the ABSVD in Appendix C?*		
8	*Do you agree that the changes proposed to the ABSVD, shown in table 3 and in Appendix C should be made?*		
9	*Do you have any other comments in relation to the changes proposed to the ABSVD?*		
10	*Do you agree that the changes proposed to the BSAD, shown in table 4 have been implemented correctly in the BSAD in Appendix D?*		
11	*Do you agree that the changes proposed to the BSAD, shown in table 4 and in Appendix D should be made?*		
12	*Do you have any other comments in relation to the changes proposed to the BSAD?*		