

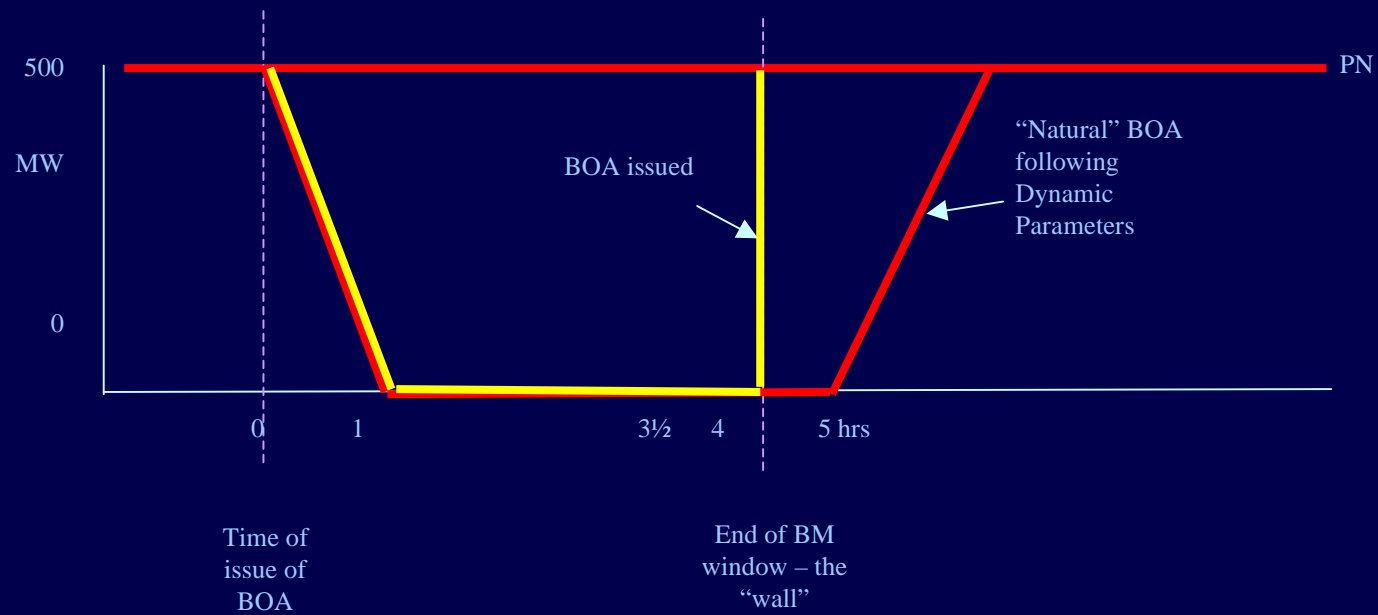
“Beyond the Wall”

Nick Sillito

Agenda

- ◆ **Description of the issue**
- ◆ **Current Situation**
- ◆ **Possible Improvements**
- ◆ **Consultation on way forward**

"the wall"



Current treatment

- ◆ **Based on Statement at Operational Forum**
- ◆ **A provider “left hanging at the wall” will normally receive BOAs to return them to FPN, subject to:**
 - ◆ **Dynamic parameters**
 - ◆ **Physical Notifications**
 - ◆ **Bids / Offers (as applicable)**

Potential long term solutions

- ◆ **Only give BOAs up to the wall (risk should be factored into price)**
- ◆ **Continue with current arrangements**
- ◆ **Formalise current arrangements in**
 - ◆ **bilateral contracts**
 - ◆ **balancing principles**
- ◆ **Other solutions?**

Seeking views

- ◆ Does “the wall” present a risk?
- ◆ What effect does reducing/removing the risk have on bid / offer prices
- ◆ What (if any) mechanisms are most appropriate?

Process

- ◆ **We will write to all BM participants, seeking views.**
- ◆ **Views to be discussed with Ofgem.**
- ◆ **See to implement a solution (if applicable)**