

## National Grid

### Notes of the Ancillary Service Backing Sheet Workshops

Two workshops were held, on 24<sup>th</sup> February and 3<sup>rd</sup> March 2009, to review the preliminary and final backing sheets sent to service providers. I am very grateful for the useful comments from all those who attended - the attendees of each workshop are shown at the end of this note. This note captures the discussions and considers the next steps.

#### Format

Support was received for the provision of one file per month per service instead of the daily technical reports currently received. This would cover BM Start-up, Hydro Services, GT Fast Start, Mandatory Frequency Response, Reactive and STOR. However it was highlighted that a single file per service would not be possible where (a) the reporting granularity across all services was not agreed to be at a daily resolution in the future, and (b) different payment resolutions exist for a particular service e.g..GT Fast Start Capability payments are by day, but utilisations are by instruction (in this example two files would be supplied).

The majority of providers use the data to load into another system, so the file format needs to allow this to happen smoothly e.g. simple clear headers and no breaks in data throughout the file. The options considered were that data could be provided as TXT or CSV, or in an Excel spreadsheet. The consensus was that TXT or CSV would be acceptable.

Excel was discounted as an option as some providers noted that there could be issues with the excel version that difference parties used, but a number of providers noted that an optional excel template would be welcomed for importing monthly data files as it would save them having to develop one.

The reports would be compressed to reduce file size.

#### How to Issue the Backing Sheets (Transmission Medium)

The options considered for transferring the data were:

- (1) Web-based service
- (2) E-Mail with password
- (2) E-Mail with encryption
- (4) FTP

**Option (1)** A number of service providers supported a **web-based** service, whereby providers could download their own data without National Grid needing to send it out. The drawbacks of this option were noted as development time and cost, maintenance costs and password control. Benefits would include the time saved in sending out the reports, providers being able to download just the data they need, the availability of historical data etc. Further work needs to be done to investigate the cost and time to implement such a system. The benefits of this type of system will need to be considered in light of the fact that statements and backing reports are only issued once or twice a month. Another consideration is whether such a system would satisfy the CUSC obligation for National Grid to issue statements and backing sheets within certain timescales as some providers wish to be sent the data, rather than have to actively download it themselves.

**Option (2)** was identified as not providing an appropriate level of security for some companies. The main issue with using **e-mail** is related to security. The reports are currently sent out password protected; National Grid's current processes are designed to ensure that only the correct recipients receive the reports – the password is a secondary control in case these processes break down.

It is recognised however that this password could be 'cracked' with any serious attempt – the existing use of e-mail to issue the reports relies on the ethics of an incorrect recipient not trying to 'crack' the password of reports that were obviously not belonging to them. In consideration of the above and due to the fact that a financial loss could be associated with that information being shared with other providers, it was recognised that, if e-mail were the option selected, it would be appropriate to encrypt the data.

**Option (3)** There was general support for e-mailing the data with encryption. Whilst further assessment needs to be undertaken as to the appropriate level of encryption, it was thought that 256-bit encryption would meet all corporate IS security requirements.

**Option (4)** A few providers currently receive their reports via **FTP** and it was noted that at least one provider wished to continue receiving them via this route. The main drawback with FTP is the complication of resolving problems, largely due to the fact that the IS departments of both companies (National Grid and service provider) need to work closely with each other and with their respective settlements teams – experience has shown this to be a lengthy and tedious process with problems often remaining unresolved for many months with frequent recurrence.

## **IS Security**

The requirement to encrypt any reports to be e-mailed raised its own problems. The first is that the providers would require some software to decrypt the reports. It would be possible for National Grid to encrypt the reports in such a manner that no software were required by the recipient, but this process would create executable files (those with a .exe suffix) that are usually prevented from being sent and received through e-mail gateways by standard IS security protocol.

A solution to each problem was discussed. The decryption software could either be so cheap and commercially available as to be an acceptable solution or National Grid may be able to provide it free of charge (this possibility needs to be investigated further). The problem with executable files being rejected by e-mail gateways might be resolved by providers 'allowing' this type of file (sent from known e-mail addresses at National Grid) to be accepted.

If providers wish to choose their own password, this can probably be accommodated – this will be confirmed in due course.

## **Impact on Systems**

Most providers were supportive of changes to the backing sheets and the method of issuing them as the perceived benefits outweighed any consequential changes to their systems. One provider noted that changes would be unwelcome because of the consequential changes to their system already designed to work with the existing files being sent by National Grid. It was noted that, although a single solution would be preferred, it would be possible to have more than one file type and issue route for different providers, at least as an interim solution. This would allow some providers

to reap the benefits of any changes, without forcing others to change their current processes and systems.

### **Additional Information**

A 'user guide' was highlighted as a good idea – this is likely to give worked examples of calculating payments from the raw data, as well as general information relating to the settlement of the various services.

Advance notice of adjustments was requested – National Grid will endeavour to phone/e-mail with notice of adjustments to give as much notice as possible.

Greater detail of adjustments and reconciliations was requested. National Grid endeavours to at least include commentary as to the reason for adjustments and will investigate what information it is possible to issue e.g. revised payments by BMU.

The possibility of having electronic invoices and summary sheets (instead of paper copies) was discussed. This will need further discussion to ensure any changes meet finance and audit requirements – having these available in addition to paper copies as a interim step is one possibility.

A breakdown of the reactive service by BMU and settlement period was requested – this will be looked into to see what can be provided as the new reports are developed.

A list of Ancillary Service instructions was requested to be included with the monthly reports. This should be possible and will be developed along with the new reports.

A list of STOR availabilities at the week ahead, day ahead and any redeclarations was requested.

National Grid offered to hold an annual 'seminar' to discuss the settlement of all ancillary services. This could involve running through an overview of the related data, processes and timescales, and going through worked examples for each service. This idea was welcomed.

Information relating to the settlement of ancillary services is available on National Grid's website

(<http://www.nationalgrid.com/uk/Electricity/Balancing/services/settlement/>).

Developments with changing the backing sheets (such as these notes) will be updated on this page. Suggestions for other information that you would find useful on this web-page are welcomed.

### **Next Steps**

- 1) Workshop attendees to highlight any errors or omissions with these notes.
- 2) National Grid to investigate the following:
  - Current web-based services used in National Grid and the rest of the industry
  - Level of encryption required
  - The range of software available to encrypt/decrypt the data
  - Whether National Grid can provide the encryption software
  - Possibility of enabling executable files to be passed through e-mail gateways
  - Possible reporting granularity by service
  - Development of excel template for importing files
  - Possibility of moving from paper to electronic invoices
  - Level of detail that can be provided with adjustments
  - Whether reactive service can be broken down by BMU/Settlement Period

- How best to provide a list of instructions with some services
  - Level of detail to go into the user guides
- 3) National Grid to issue proposals for the following:
- Web-based, E-mail or FTP method of issuing backing sheets
  - File format (content and structure etc)
  - File type (e.g. csv)
  - Encryption type and process
- 4) Consultation with all service providers for proposed developments
- 5) Implementation of agreed developments

### **Timescales**

Some of the identified developments, such as the user guides, are not dependent on the consultation process and can be implemented as soon as possible.

The timescale for the other steps is difficult to identify due to the wide scope of options. I expect the consultation process to take a couple of months before the developments can be agreed. After that, if it were agreed to follow an e-mail or FTP route, then I would expect implementation to be about another four months for development, testing and roll-out (noting that continuation of existing files and processes may continue in parallel, if required). If a web-based route were agreed, then I expect this would take a lot longer – if this were the case then an interim solution might be appropriate until a full enduring system is ready.

I will contact you as soon as we have made significant progress with the items detailed in step two of the 'Next Steps' above. If you have any comments, corrections, additions or questions, please contact me straight away.

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***11 March 2009***

### **Attendees – 24th February**

Jim O Donnell	Flexitricity
Helen Cottiss	Saltend Co-Generation
Peter Harverson	Npower CoGen
Guy Tyrrell	Npower CoGen
Jo Birchley	British Energy
Nikki Goulding	British Energy
Raoul Thulin	RWE
Anthea Walker	Eon
Andy Kelsall	Eon
Steve Bloomfield	Eon
Randy Price	GdF Suez Energy UK
John-Paul Jones	EdF Energy
Jason Boughtwood	EdF Energy
Dan Mauger	Demand Logic
Sandra Robins	First Hydro
Emmanuel Mariott	Drax Power
Phil Dixon	Drax Power
Toby Thornton	National Grid
Jo Barker	National Grid
Ispal Sangra	National Grid

### **Attendees – 3rd March**

Mark Edwards	First Hydro
Tim Pickop	Thames Power
Vicky Gibson	SSE
James Lewington	SSE
Gurpal Singh	St Clements Services
Toby Thornton	National Grid
Jo Barker	National Grid
Ispal Sangra	National Grid
Greg Hunt	National Grid