Issue 88 Microsoft Teams Meeting

- Welcome to the Issue 88 teleconference – we'll start in a moment
- No video please – conserve bandwidth
- All on mute – use IM if you can't break through
- Talk – pause – talk
- Lots of us are at home – be mindful of background noise and connection speeds
- "Raise your hand" feature to let the chair know you'd like to speak

ELEXON

Issue 88 ‘Clarification of BSC Arrangements relating to Complex Sites’

Meeting 4

18 February 2021

Agenda and meeting objectives

Agenda:

1. Update on actions from meeting 3
2. Complex Site Category Principles
3. Complex Site Process Improvements
4. Recommendations
5. Next Steps
6. AOB
7. Meeting Close

Objectives:

- Agree the high level principles underpinning the different proposed Complex Site Categories;
- Agree the BSCP improvements in regards to the Complex Site processes;
- Review standardised Complex Site Supplementary Information Form (CSSIF) proposal; and
- Ensure all issues on the Issue 88 Proposal Form have been addressed.

ACTION UPDATES

Actions

#	Action	Update
1	Draft high level principles for Category 5 Complex Sites	Completed – will go through in the next agenda item
2	Analyse any correlation between RFI responses and respondent's role	Completed – no clear correlation found between RFI responses and respondents role in relation to data estimation
3	Draft a standardised CSSIF	Completed – will go through in the "Complex Site Process Improvements" data item

CATEGORIES OF COMPLEX SITES

General Principles for creation of Complex Site classes

The objective of today's meeting is to finalise the principles that any subsequent Modification group would need to consider when devising a solution based on these principles. Whilst we encourage debate and any recommended solutions for the Modification Workgroup to consider, it is not an objective of the Issue Group to recommend a fully formed solution.

General Principles for Complex Site classes:

- A site where Totalisation is used would not be considered "Complex" where no other mathematical differencing (netting) is required outside of the aggregation of multiple feeder into the same premise. For avoidance of doubt, where totalisation is coupled with netting this would require a Complex Site arrangment.

- The criteria for each Complex Site class will be defined in either the BSC or CSDs. The processes around transfer of information will be defined in the BSCPs. Examples of each class of Complex Site will be included as guidance (either as an appendix or in a guidance note).

- Decision over the attributing of a Complex Site to a particular class will be via Supplier self-assessment against the different criteria.
- Committee approval will not be required for implementation of a Complex Site

- Classes 1-4 will be drafted based on the principles presented and agreed in the last meeting

- Grandfathering implications would need to be considered for any Complex Sites that are currently live in Settlement that do not meet the newly defined criteria for the Complex Site classes.

Class 5 Complex Site Description

- A site may qualify as a Class 5 Complex Site where netting of Imports from Exports is required across multiple MSIDs under the same Primary substation and all participants within the Complex Site are subject to the same scheme/commercial agreement.
  - The Complex Site criteria is not concerned with the terms of the agreement between the “scheme owner” and participants – i.e. different participants may be under different tariff structures (domestic vs non-domestic).

Class 5 Complex Site Principles

Elexon proposes the following principles to apply to Category 5 Complex Sites:

1. Suppliers will be required to notify Elexon of a Class 5 Complex Site
   - A process will need to be created to facilitate this notification
   - Notification may include details of all the MSIDs participating in the scheme
   - Notification may be required where individual “customers” opt in/out of the scheme to ensure the list of MSIDs remains up to date
   - Notification will be required where changes are made to the Primary Metering Equipment (not including Meter changes) or a significant change is made to the commercial arrangement under which the scheme operates (COS for instance).

2. MSIDs connected to an Associated Distribution System will not be excluded from partaking in a Class 5 Complex Site.

3. A Class 5 Complex Site must only be implemented where the Import under the netting arrangement is subject to the a Supply License Exemption (so as not to inadvertently result in final consumption levies not been paid in scenarios where they should be
   - Slides later in this section will explain Elexon’s rationale – seeking the Issue Group’s views

4. Each MSID within the Class 5 Complex Site should be energised.
   - Is this practical?
   - Does de-energisation of an MSID lead to it automatically being removed from the Complex Site?

5. Elexon will maintain a central register of Class 5 Complex Sites
   - Should this be confidential or public?

Class 5 Complex Site Principles

Following the last meeting a number of concerns were raised around impacts to Settlement in relation to a Class 5 Complex Site. These issues were:

- Potential impacts to Supplier levies;
- Potential impacts to BSC charges; and
- Potential adverse impact on Settlement such as GSP Group Correction Factor and Distribution (LLF)/Transmission (TLM) Losses.

Elexon have considered the significance of the above potential impacts and deem them to either have no impact or be negligible (in the case that the Import associated with the Complex Site is License Exempt Supply).

- **We are requesting the workgroup consider the debate around these points and make a decision as to whether the concerns raised need to be discussed further by the Modification Workgroup as principles.**

Any impacts on RO payments, FiT payments or DUOS charging are outside of the scope of Settlement. Any Suppliers wishing to establish a Class 5 complex site should ensure that any obligations in relation to levies and charges (which sit outside of the BSC) are met

Class 5 Complex Sites – Interactions with Supply Licence Exemptions

Elexon are proposing that the following is incorporated into the Class 5 Complex Site definition:

A Class 5 Complex Site must only be implemented where the Import under the netting arrangement is subject to the a Supply License Exemption (so as not to inadvertently result in final consumption levies not been paid in scenarios where they should be).

- The following slides provide an explanation as to why we have come to this conclusion
- We are seeking the Issue Group's views and recommendation as to whether the Class 5 Complex Site definition should be linked to License Exempt Supply

Scenario 1 – The Simple Case

1. All the customers and generators have their Metering Systems registered by the same licensed Supplier
2. The generators are using all their Export to make an exempt supply to the customers (except where the customers don't need all of it, when the excess will be disposed of through the licensed Supplier)
3. The customers are taking all their Import from the generators (except when the generators aren't generating enough, in which case they'll need additional top-up supply from the licensed Supplier)

- The HHDC nets the Import and Export to calculate a net figure, which is either:
  - Net Export (because the generators Exported more than the customers needed); or
  - Gross Import (which is reported to EMRS and pays EMR levies)
  - Zero

Class 5 Complex Sites – Interactions with Supply Licence Exemptions

Scenario 2 – not all of the Export can be exempt supply

This is the same as scenario 1, except one or more of the generators can't (or doesn't want to) use all of their Export as exempt supply (even if the customers have matching Import).

For example, suppose the generator is using a class A exemption, but their generating unit sometimes exports more than 2.5 MW (and they can't use that excess as exempt supply, because their customers are all Domestic).

- A method would be required to split the exempt supply from the non-exemptible Export
- The Generator would need an additional Export MSID aside from the Export MSID associated with the Class 5 Complex Site
- This split could potentially be facilitated through a Shared SVA Meter arrangement using BSCP550.
  - In the example above the capped block method would be used to limit the Import of the Class 5 Complex Site to 1.25MWh (2.5MW).
  - Under current BSC rules the MSIDs would need to be registered under separate Supplier IDs.
  - A Shared SVA Meter arrangement could also be used to facilitate a Class 5 Complex Site where multiple Suppliers are involved in the scheme.

Non-Standard Complex Sites

- Where a Supplier wishes to register a Complex Site that does not meet the criteria defined for Classes 1-5 they can apply for a non-standard Complex Site.

- An application process for non-standard Complex Sites will need to be devised.

- Approval for a non-standard Complex Site will be given by the relevant committee.
  - Proposed committee is SVG (a Panel decision delegated to SVG).

ISSUE 88 PROCESS CHANGE RECOMMENDATIONS

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Issue 88 Complex Site Process Recommendations

Below is a summary of the changes to the Complex Site process previously discussed and agreed. These will form a recommendation to raise a Change Proposal addressing these improvements.

- Amend and improve the Complex Site validation test
  - Clarify that both the D0003 and the aggregated output of the Complex Site rule should be sent from HHMOA to HHDC. The HHDC should check both as part of the Complex Site Validation test. The D0214 should only be sent on confirmation of proving against both data sets.
- Mandate the use of the Complex Site Supplementary Information Form (CSSIF)
- Make clear that a change in Feeder Status of any of the MSIDs within the Complex Site should result in an updated CSSIF
- Create a Supplier to Supplier instance of the CSSIF to be sent on Change of Supplier (COS)
- Create a requirement to provide an SLD to accompany CSSIFs related to Boundary Point MSIDs.

Issue 88 Complex Site Process Recommendations

Elexon has drafted a standardised Complex Form based on previous Issue Group discussions and submitted examples. Summary of changes are below:

- Effective to/from date
- Addition of Class of Complex Site (dependent on Mod)
- Addition of related MSIDs to highlight Boundary/Embedded relationship
- Removal of D0268 duplication
- Smart Meter indicator
- Version number
- Easier format to understand and populate (change from word to excel).

ISSUE 88 RECOMMENDATIONS

Issue 88 - Recommendations

Issue 1 – Combining multiple Boundary Points into a single SVA Metering System may not be consistent with the BSC

- It is not clear whether totalisation should be allowed under the BSC as described in the relevant BSCPs
- Issue 88 Workgroup believes totalisation should be allowed under the BSC and any Modification that comes out of Issue 88 should amend relevant text to make this clear
- Does the Workgroup endorse this view?

Issue 88 - Recommendations

Issue 2 – It is unclear whether Export and Import can be netted as part of a Complex Site arrangement

- The rules around netting are not currently clear in the BSC
- Issue 88 Workgroup believes netting **should** be allowed in certain, clearly defined circumstances
  - Recommends a Modification be raised to introduce Categories of Complex Sites, netting would be allowed in sites described defined under Categories 3, 4 and 5
  - Netting allowed in Categories 3 and 4 to establish gross output, netting allowed under Category 5 allowed to establish net output
- Does the Workgroup endorse this recommendation?

Issue 88 - Recommendations

Issue 3 – The concept of ‘site’ is not clearly defined

- Discussed formally defining ‘site’ in the BSC in terms of Complex Sites
- Formal BSC definition of ‘site’ problematic due to myriad implications across BSC and its subsidiary documents
- Drafted Complex Site Categories to more clearly define a site in the context of a Complex Site
- Does the Workgroup endorse this recommendation?

Issue 88 - Recommendations

Issue 4 – Process Improvements

- Various minor process improvements to the Complex Sites processes and requirements were considered
- Issue 88 Workgroup agreed on a recommendation to raise a Change Proposal to implement minor process changes to improve the Complex Site process (e.g. standardised, mandatory CSSIF)
- Does the Workgroup endorse this recommendation?

Issue 88 Recommendations

1. Raise a Modification to introduce Complex Site Categories into the BSC and subsidiary documents

2. Raise a Change Proposal to implement Complex Site process improvements

3. Raise an Issue to consider the methods of estimating data related to Export Metering Systems

NEXT STEPS

Next Steps

Next Step	Date
Draft Issue Report	22 Feb – 16 March 2021
Circulate Issue Report to members for review	16 – 22 March 2021
Present Issue Report to BSC Panel	8 April 2021
Action BSC Panel recommendations	TBC

AOB

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THANK YOU

BSC Change

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