

---

## Issue 96 - Workgroup 1 Summary

---

### Summary

#### 1 Welcome and Meeting Objectives

The Chair welcomed attendees and presented the following meeting objectives to Workgroup (WG) Members:

- Provide an overview of Issue 96 and the potential solutions;
- Discussion of the potential enduring solutions for the reporting of chargeable volumes for Supplier Volume Allocation (SVA) Metering Systems that record both exempt and licensed supply; and
- Confirm if there are any additional topics or options that should be covered as part of the Issue Group.

#### 2 Overview of Issue 96

Elexon explained that in 2018 the Supplier Volume Allocation Group (SVG) were delegated the power to agree that SVA Metering Systems should be treated as recording exempt supply, and therefore should not be subject to EMR Charges. As part of the current interim solution there is no process that allows for allocation of appropriate volumes where a portion should be exempt and another portion should be licensable. The Panel requested that enduring solutions to handle Metering Systems which are recording a mixture of exempt and licensed supply be investigated. Four options were presented to the WG Members:

- Option 1 – Using existing BSCP550 arrangements;
- Option 2A – Modification to amend the definition of Shared SVA Meter Arrangement;
- Option 2B – Change proposal to amend BSCP550 to add a new type of Allocation Schedule; and
- Option 3 – Modification to allow allocation carried out ex-post by a third party.

#### 3 Discussion of Potential Enduring Solutions

Elexon stated that, in their opinion, Option 1 would not adequately address the limitations experienced by the interim solution, and the WG agreed. The WG also felt that Option 2A was not a viable enduring solution for exempt supply as it would not allow for splitting volumes ex-post. The WG then discussed the various merits and complexities of Options 2B and 3.

Elexon noted that, from a governance point of view, the pre-implementation phase for Option 2B may be quicker and easier as it would require a Change Proposal (CP) rather than a Modification. However, the implementation could still be just as time-consuming and costly. The IT systems required for both options could be complicated, and a WG member noted that as different customers could nominate different Half Hourly Data Collectors (HHDCs), it may not be practical to have a number of HHDCs developing IT solutions to calculate the exempt supply for complex peer-to-peer trading. This could be resolved by only allowing trading with Suppliers utilising the same HHDC, but this would be very restrictive.

The WG noted that Option 3 would see the costs to develop solutions borne by parties who wish to develop innovative solutions, not the HHDCs. It was also noted that Option 3 would bring exempt supply in line with other charges such as the Renewables Obligation (RO), but that the reconciliation process would need to be more frequent – while RO is calculated annually, the WG suggested that exempt supply be calculated in real-time within each Settlement period.

#### 4 Next Steps

- It was agreed that at the next WG meeting more detailed strawman proposals for both Options 2B and 3 would be presented to the WG for consideration.
- It was also agreed that the WG would take into account any update from the BEIS review into exempt supply.

## 5 Actions

The following actions were agreed by the WG:

- Self-nominated Member to share information on their peer-to-peer trading platform with the WG, to aid in understanding of the types of business models that may require a more complex solution.
- Elexon to liaise with HHDCs around their potential role in Option 2B to gain an understanding of the complexities, costs, and timescales associated with pursuing this option.
- Elexon to develop strawman proposals detailing the role of HHDCs in Option 2B and the third party in Option 3, to enable better prediction of timescales and costs.
- Next WG meeting to be planned and availability of WG members sought once the proposals have been developed.