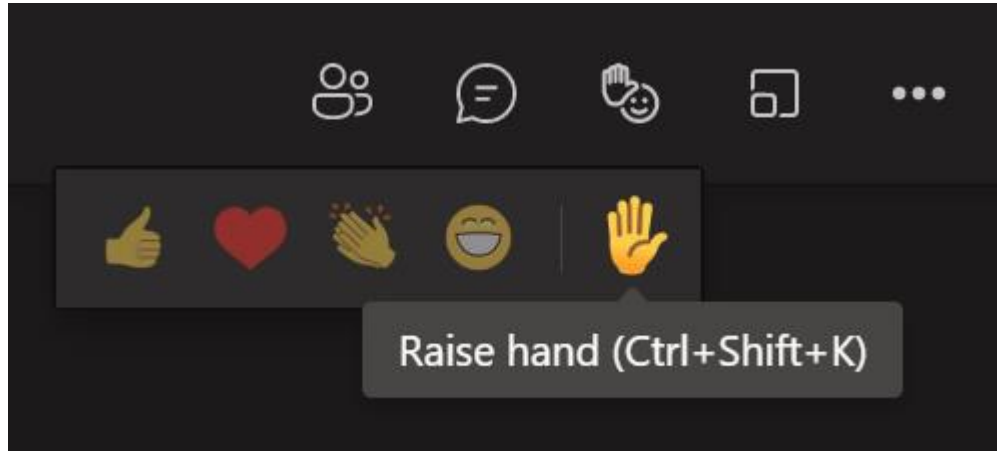


Issue 96 Digital Meeting Etiquette

- Welcome to the Issue 96 Workgroup meeting 2 – we'll start shortly
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk – use the Raise hand feature in the Menu bar in Microsoft Teams if you want to speak, or use the Meeting chat



- Lots of us are working remotely – be mindful of background noise and connection speeds

ELELEXON

Issue 96 Workgroup 2

‘Assessing the reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt and licensed supply’

16 March 2022

Meeting Agenda

Objectives for this meeting:

- Present the proposed solutions developed by Elexon;
- Discuss the points for consideration for each potential solution;
- Discuss the preferred solution for Issue 96;
- Confirm next steps.

Agenda Item	Lead
1. Welcome and Meeting objectives	Lawrence Jones (Chair)
2. Introduction and Background	Lorna Lewin (Design Authority)
3. Proposed Solutions	Lorna Lewin
4. Workgroup discussion	Workgroup
5. Next steps	Jenny Sarsfield (Lead Analyst)
6. Meeting close	Lawrence Jones



INTRODUCTION AND BACKGROUND

Background

- Licensed Suppliers are required to pay a number of charges on electricity they supply to premises in Great Britain, including charges for:
 - Contracts for Difference (CFD); and
 - Capacity Market (CM)
- The BSC Panel agreed (8 November 2018 - [284/07](#)) to delegate to SVG the power to agree that SVA Metering Systems should be treated as recording **exempt supply** and therefore should not be subject to EMR Charges
- An exempt supply application could relate to either:
 - An Import Metering System (with evidence that the exempt supplier would always be generating enough electricity to meet the demand); or
 - An Export Metering System (with evidence that the exempt supplier would have enough customers to use the generation)
- In December 2020, Elexon agreed to examine whether improvements could be made to the interim SVG process to better facilitate applications
- In addition, the Panel also requested that enduring solutions be investigated, to consider options to handle Metering Systems which are recording a mixture of exempt and licensed supply

Introduction to Issue 96

- Issue 96 was raised to investigate enduring solutions for the handling of Metering Systems which are recording a mixture of exempt and licensed supply, in order that BSC Systems can correctly report the volume of licensed supply for purposes of Capacity Market (CM) and Contract for Difference (CFD) charging
- The first Issue 96 Workgroup considered four potential enduring solutions for distinguishing exempt supply from licensed supply:
 - 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
- The Workgroup evaluated the options and requested more detailed proposals for the shortlisted options:
 - Option 2B: Half Hour Data Collector (HHDC) submits separate volumes for licensed and exempt supply into Settlement using Shared SVA Metering Arrangements. Information about the exempt supply arrangements is provided to the HHDC (by the licensed Suppliers involved) as a new type of Allocation Schedule. BSC Procedure BSCP550 ('Shared SVA Metering Arrangement of Half Hourly Import and Export Active Energy') would be amended to allow for this new form of Allocation Schedule
 - Option 3: A new third party role, the "Exempt Supply Calculation Agent" (ESCA), calculates the volumes of licensed and exempt supply, and submits them to central BSC Systems. The ESCA would perform the calculation based on Settlement metered data provided by the HHDC or Supplier



PROPOSED SOLUTIONS

Key Assumptions

- Key assumptions underlying both straw man solutions are as follows:
 - The solution is only needed for exempt supply across licensed networks
 - The solution is intended for use by customers and exempt suppliers registered in the Supplier Volume Arrangements (SVA)
 - Exempt supply volumes settled under the solution must be verified against Half Hourly Import and Export metered data
 - The solution must be able to enforce limits on the volume of exempt supply sold by each exempt supplier
 - The solution must support a variety of different exempt supply arrangements
 - Exempt supply volumes must be adjusted for network losses

Proposed Solution for Option 2B

- The basis of Option 2B is that each customer purchasing exempt supply will have a Shared SVA Metering Arrangement, to provide them with an additional MSID (referred to in BSCP550 as a pseudo MSID or Secondary MSID)
- This Secondary MSID will be used for their exempt supply purchases (and their primary MSID for licensed Supply)
- Key assumptions underlying the proposed solution for option 2B are as follows:
 - Each Import Metering System will be assigned an additional MSID
 - HHDC will split Import into exempt and licensed supply
 - Import and Export MSIDs must have the same appointed HHDC
 - Optionally, HHDC may split Export into exempt supply and other Export
 - Unless the BSC is changed, a single licensed Supplier must register the Import Metering System for all of an exempt Supplier's customers
 - The Import Supplier must separate the exempt supply Secondary MSIDs into special-purpose BM Units (containing only exempt supply)
 - The Import Supplier will register with CRA the BM Units used for exempt supply

Proposed Solution for Option 3

- The basis of Option 3 is that a new third party role, the “Exempt Supply Calculation Agent” (ESCA), calculates the volumes of licensed and exempt supply, and submits them to central BSC Systems
- The ESCA would perform the calculation based on Settlement metered data provided by the HHDC or Supplier
- The SVAA will be responsible for applying line losses
- Key assumptions underlying the proposed solution for option 3 are as follows:
 - The Exempt Supply Calculation Agent will calculate exempt supply volumes - this may be one of the licensed Suppliers facilitating the exempt supply arrangement, or it may be a third party acting on their behalf
 - Import and Export MSIDs must have the same appointed ESCA
 - There is no requirement for a central register of ESCA appointments
 - Metered data used by the ESCA to calculate exempt supply volumes must be sourced from the HHDC system
 - The BSC will specify key Settlement requirements for the ESCA role

Proposed Solutions

- Document containing full proposed solutions will be shared on screen



WORKGROUP DISCUSSION

Points for Consideration – Option 2B

- Key points which the Workgroup may wish to consider in relation to Option 2B include:
 - Allocation Schedule
 - Percentage Allocations
 - Prescriptiveness of Allocation Schedule
 - Requirement for BM Units
 - Assurance of BM Units
 - Central system changes

Points for Consideration – Option 3

- Key points which the Workgroup may wish to consider in relation to Option 3 include:
 - Assurance of the ESCA role
 - Supplier Assurance
 - Source of Metered Data



NEXT STEPS

Next steps

- Consider any actions from this meeting
- Meeting summary to be sent to Issue Group Members
- Issue 96 Workgroup Meeting 3 to be scheduled, if necessary
- Any Other Business?

MEETING CLOSE

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THANK YOU

Jenny Sarsfield

jenny.sarsfield@elexon.co.uk

bsc.change@elexon.co.uk

16 March 2022