
Issue 96 - Workgroup 2 Summary

Summary

1 Welcome and Meeting Objectives

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

- 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.

2 Introduction and Background

Elexon reminded the WG about the background of Issue 96, and the progress so far. 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. Previously, four options had been presented to the WG Members, which were shortlisted to the following two:

- 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 Proposed Solutions

Elexon developed detailed proposals for the two shortlisted options, which were presented to the WG.

Option 2B would involve the Half Hour Data Collector (HHDC) submitting separate volumes for licensed and exempt supply into Settlement using Shared SVA Metering Arrangements. Information about the exempt supply arrangements would be 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.

Elexon presented the proposed Allocation Schedule structure, a worked example to illustrate the use of the Allocation Schedule, and the proposed process for Option 2B. After some discussion the consensus of the WG was that Option 2B may be suitable for stable, long-standing arrangements, but that it would be difficult to facilitate more complex arrangements. For example, it may not be flexible enough to support matching across many generators with many customers, or unpredictable renewable generation.

Option 3 would involve a new third party role, the "Exempt Supply Calculation Agent" (ESCA), who would calculate the volumes of licensed and exempt supply, and submit them to central BSC Systems. The ESCA would perform the calculation based on Settlement metered data provided by the HHDC or Supplier. The WG discussed assurance of the ESCA role, and a majority agreed that qualification for anyone wishing to undertake this role would be required, even if they held qualification for an existing role. However, as the scope of the role could be different depending on the type of arrangements being facilitated, it was acknowledged that differing levels of qualification may be appropriate. The WG also discussed the source of Meter data utilised by the ESCA, and concluded that in order to future proof the solution the ESCA should be able to use data from HHDCs and smart meters.

Following these discussions, the majority of the WG indicated a preference to progress Option 3. The potential timeline for progressing this as a BSC Modification was then discussed, including the possibility of Option 2B or a Sandbox solution being progressed in the interim. The conclusion was that neither would be a suitable option to progress as an interim solution, but that a variant on Option 2B, that we will call Option 2C, could be. Option 2C would follow the same process as 2B but the matching step could be done by the ESCA, who would report the volumes back to the HHDC to enter into Settlement. This would reduce the demand on the HHDCs and allow for increased flexibility.

4 Next Steps

- It was agreed that the WG would recommend that a Modification be raised for Option 3, and that a Party could progress this before the Issue was closed.
- It was agreed that Elexon would prepare a proposed solution for Option 2C, that could be assessed further.

5 Actions

The following actions were agreed by the WG:

- Elexon to confirm if there is an Imbalance Settlement Risk associated with the ESCA role.
- Elexon to develop strawman proposal for Option 2C, to enable better prediction of timescales.
- Elexon to develop timescale estimates for Option 3 and Option 2C, to inform discussion of whether both should be progressed.
- Next WG meeting to be planned and availability of WG members sought once the proposal has been developed.