

# P395 Microsoft Teams Meeting

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- Welcome to the P395 teleconference – we'll start in a moment at 10:00
- 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

# ELEXION

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## P395

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Excluding generators from BM Unit  
Gross Demand and the calculation of  
EMR Supplier Charges

4 December 2020

# Meeting Objectives and Agenda

- Refresher on the P395 Proposed Solution;
- Agree process and discuss level of precision Workgroup think is suitable; and
- Consider updates to the actions from the previous Workgroup meeting.

Agenda Item	Lead
Welcome and meeting objectives	Claire Kerr (Chair)
Solution Summary	Colin Berry (Elexon)
Summary of 1st Workgroup Meeting	Ivar Macsween (Elexon)
Action Updates	Colin Berry
Demonstration of Merit Order Approach	Nick Heyward (Statkraft)
Stakeholder Requirements	Colin Berry
P395 Business Requirements	Colin Berry
P395 Terms of Reference and Next Steps	Ivar Macsween
Meeting close	Claire Kerr



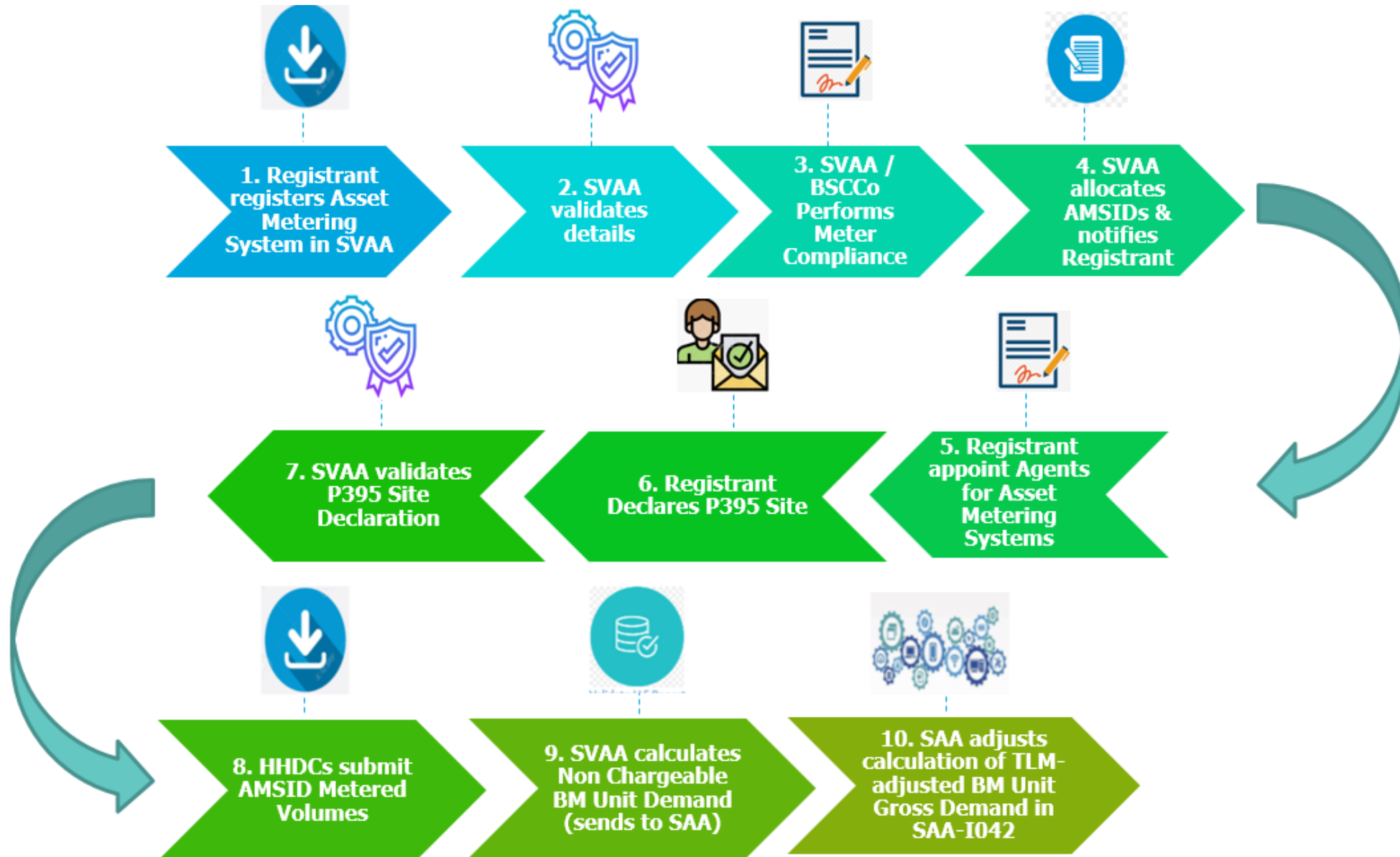
# P395 SOLUTION SUMMARY

## P395 Solution Summary

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- P395 seeks to adjust the calculation of TLM-adjusted BM Unit Gross Demand sent to EMRS in the SAA-I042 to remove import used by Generation (including Storage Facilities) operated by generation licensees
- Simple SVA sites – interim solution just requires Boundary Point (MSID) data
  - migrate the interim solution operated by EMRS to BSC
- Simple CVA sites – extend the SVA interim solution to CVA sites
- Complex SVA & CVA sites – requires information about Import & Export MSID data and asset meter data to identify the volumes of electricity used by:
  - Customer demand;
  - Licensee-operated Generation; and
  - Licensee-operated Storage.
- Allows calculation of proportion of Import MSID volume that is non chargeable
- Summed to Supplier level and deduct from TLM-adjusted BM Unit Gross Demand

# P395: Proposed Solution







# SUMMARY OF 1<sup>ST</sup> WORKGROUP MEETING

## P395 1st Workgroup Summary

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- The group noted that the Complex Sites example in the IWA was limited to a particular flow of electricity between the boundary point and the onsite activities (a wind farm, storage facility and final demand customer).
- Other scenarios (i.e flows of electricity between activities) should be considered e.g:
  - 1) Where licensed generation is exclusively used to charge storage in a co-located site
  - 2) Where a Party is exporting more than they are importing in a co-located site
- The group were comfortable that the charging outcomes summarised in Table 4 (next slide) of the Modification Proposal are correct. Therefore P395 should propose a solution consistent with these outcomes.



# Which Imports should be chargeable?

No.	Scenario	Pre-interim solution (Table 1)	Interim + Difference Metering (Table 2)	Correct outcome (Table 4)
1.	Electricity imported from Total System, and used by a Licensee-operated Generator.	<b>Supplier charged</b> on Imports to Licensee-operated Generation.	<b>Supplier not charged.</b>	<b>Not chargeable</b> (as the electricity was supplied to a licensee-operated generator for activities authorised by their Generation Licence).
2.	Electricity imported from Total System, and used for some non-generation licensed purpose (e.g. end use by a customer, or exempt generation).	<b>Supplier charged</b> on Imports to customer.	<b>Supplier charged</b> on Imports to customer.	<b>Chargeable</b> – the electricity was supplied to the premises by a Supplier, and is therefore subject to EMR levies.
3.	Electricity imported from Total System, stored for a period of time in a generation Licensee-operated Storage Facility, and then Exported back to the Total System.	<b>Supplier charged</b> on Imports to the Storage (in relation to the Settlement Period in which the Import occurred).	<b>Supplier not charged.</b>	<b>Not chargeable</b> (as the electricity was supplied to a licensee-operated Generator for activities authorised by their Generation Licence).
4.	Electricity imported from Total System, stored for a period of time in a Licensee-operated Storage Facility, and then used on-site for some non-generation licensed purpose (e.g. end use by a customer, or exempt generation).	<b>Supplier charged</b> on Imports to the Storage (in relation to the Settlement Period in which the Import occurred).	<b>Supplier charged</b> at the point in time the electricity is used by the Customer (not the point in time it is supplied to the premises and stored).	<b>Chargeable</b> – the Licensee-operated generator has not just stored the electricity, but has also provided it to an on-site Customer. This is an exempt supply activity (not a Licensed Generation activity), and therefore the original supply to the premises (which was stored) is supply (for the purposes of the Act). EMR levies should be charged on this supply.
5.	Any electricity generated on-site (from something other than electricity, i.e. not storage), regardless of whether it's used on-site, or stored and subsequently Exported.	<b>Supplier not charged.</b>	<p><b>Supplier charged</b> for electricity generated on-site and used by the Customer – this is because the difference metering gives the impression that the on-site generation has been Exported to the Distribution System and subsequently Imported from the Distribution System.</p> <p><b>Supplier not charged</b> where the registrant of the Customer's Import Metering System is not a licensed Supplier.</p>	<b>Not chargeable</b> (as it was not supplied to the premises).



# P395 ACTIONS UPDATE

# P395 Actions Update 1

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- At the 1<sup>st</sup> Workgroup meeting, Elexon took an action to investigate the treatment of missing/estimated data for P375 and P379, noting that assumptions made for these other Modifications may need to be challenged, and that dedicated default rules may be required for P395 to avoid or minimise perverse outcomes.
- For P375 - use of estimated data is not proposed. Obligation is on the VLP to sort out the issues to avoid non delivery charges etc. We are looking to use the P375 approach with as little changed as possible.

## P395 Approach

- If the HHDC data has not been received by “D+3 WD”, when it is expected for the II Volume Allocation Run (VAR):
  1. SVAA would send a P0034 “Notification of missing data”
  2. The SVAA process to calculate BM Unit Non-Chargeable Demand would not run for II VAR\*
    - Proposal is not to use default or estimated data
  3. SAA would still calculate the TLM-Adjusted BM Unit Gross Demand
    - but it not be adjusted to remove BM Unit Non-Chargeable Demand
  4. The expectation is that HHDC data would be received in time for the SF run (~D+15 WD)
    - P375 solution does not require SVAA to “chase” the HHDC again
    - Do we need a reminder at [D+10 WD] for P395?

*Note that there is no obligation on the HHDC to submit data for subsequent VARs – unless they have revised data.*

## P395 Actions Update 2

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- Elexon took an action to develop options for apportioning Imports to Storage Facilities, e.g. default profiles and site specific method, including relative pros and cons, and thoughts on how to build and assess the options.
- Elexon also took an action to engage with a Workgroup member to better understand their proposal for alternative approach for aggregating and allocating metered volumes between behind the meter activities at colocated sites
  - e.g. using a merit order that better reflects likely physical flows between assets.
- We had a meeting with Statkraft on 16 November where they demonstrated their merit order approach.
- Nick from Statkraft has agreed to demonstrate this merit order approach to the Workgroup.





# P395 STAKEHOLDER REQUIREMENTS



## P395: Stakeholder Requirements

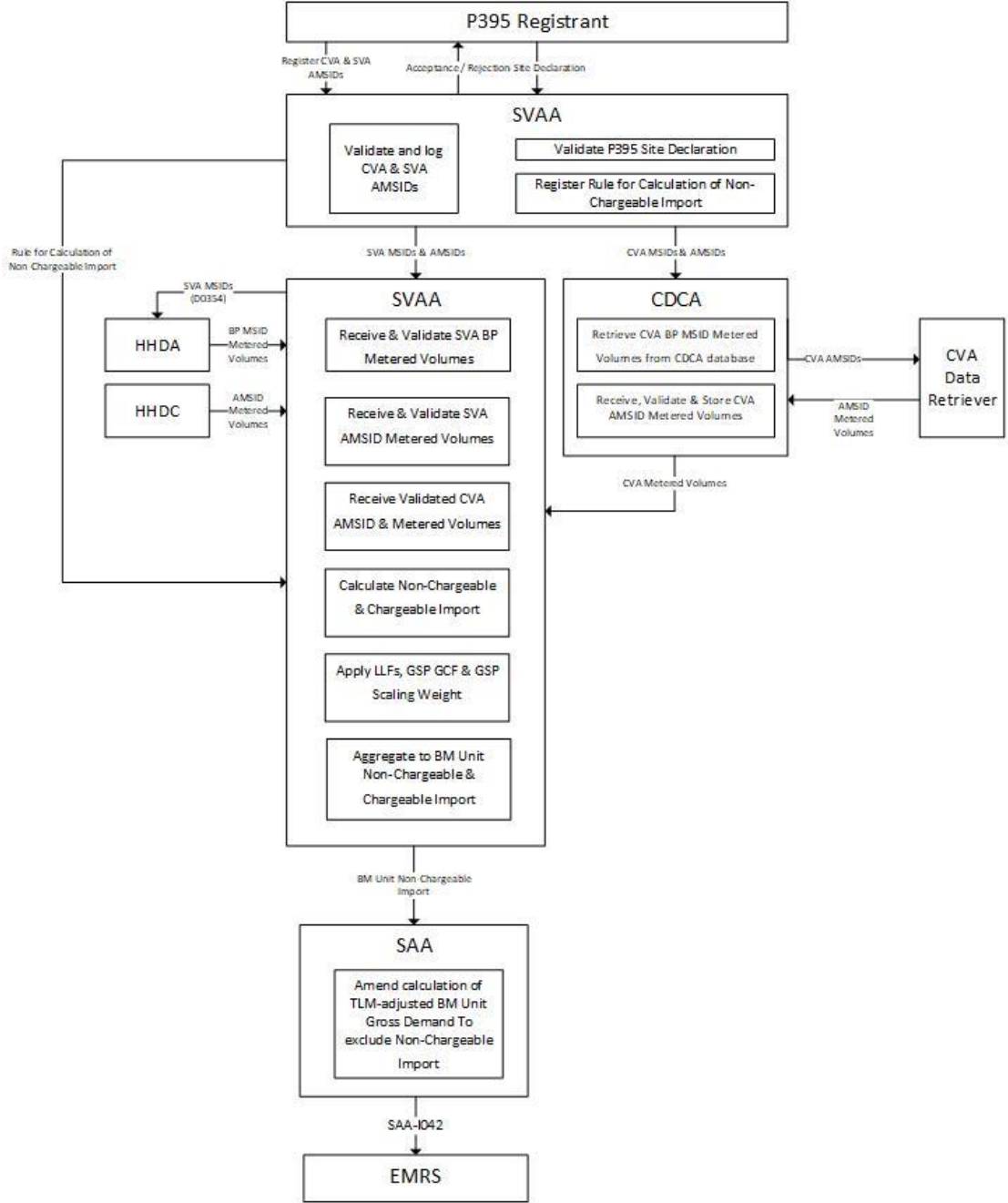
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- The requirements for our key stakeholders EMRS & LCCC for the P395 Solution
  - Migrate the ‘interim’ solution for Simple SVA Sites from EMRS to BSC systems
    - removes need for EMRS to carry out complex manual process
    - moves the responsibility for adjusting data to automated BSC process – BSC systems will have the necessary data
    - will be “baselined” into BSC arrangements – no longer ‘interim’ solution
  - “Seamless” Settlement Date transition for migration – no impact on EMRS Parties
  - Introduce new BSC processes for:
    - Simple CVA sites; and
    - Complex SVA, CVA and mixed SVA & CVA sites
  - No changes to the structure of the SAA-I042



# P395 DRAFT BUSINESS REQUIREMENTS

# P395: Context Diagram



# P395: BR Summary Table

Req. Ref	Requirement Area	Requirement Alignment
BR1	Create and maintain a SVA and CVA Asset Metering Systems Register	P375
BR2	Registrant requests AMSIDs	P375
BR3	SVAA Processes 'P395 Request to Raise AMSIDs'	
BR4	Registrant appoints Party Agents	P375
BR5	Registrant submits P395 Site Declaration	
BR6	SVAA Validation of P395 Site Declarations	P375
BR7	BSCCo Validation of P395 Site Declarations	P375
BR8	Draft CoP for CVA Asset Meters	P375
BR9	Asset Metering Systems CoP compliance	P375
BR10	Create, maintain and publish a list of CoP Compliant Meters	P375
BR11	Registrant request to include Meters in the Approved List	P375
BR12	Addition of Meters to the Approved List	P375
BR13	Deregistration of AMSIDs	P375
BR14	Differentiation between uses of AMSID Pairs	
BR15	Approval of updates to the Metering System Register	P375
BR16	Notification of SVA MSIDs to HHDA	P344
BR17	Notification of CVA MSIDs and AMSIDs to CDCA	
BR18	Submission of HH AMSID Metered Data	P375
BR19	CDCA response to notification of CVA MSIDs and AMSIDs	
BR20	Receipt of Metered Data	P375,P344.
BR21	SVAA Calculations	
BR22	Issue data to SAA	
BR23	SAA Calculations	
BR24	Migrate EMRS interim solution	





# P395 TERMS OF REFERENCE



## P395: Implementation

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When should P395 be implemented?

- Dependencies on:
  - P375 (use of Asset Metering); and
  - P383 (use of BP Data for non Settlement purposes):
- P383
  - was approved by the Authority on 28 February 2020 for implementation on 1 April 2021
- P375
  - Draft Modification Report to be presented to the BSC Panel on 10 December
  - Final Modification Report to be submitted to Ofgem for decision on 14 December
  - Recommended Implementation Date:
    - 3 November 2022, if an Ofgem decision is received by 30 June 2021 (tbc)

## P395 Terms of Reference

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- a) Which Imports should be chargeable?
- b) How should Imports to Licensed Generation be calculated?
- c) Should the HHDC report both Boundary Point and Asset Metering Systems' Metered Data to SVAA?
- d) What are the costs and benefits of the method for apportioning the electricity Imported to a storage facility between chargeable and non-chargeable Imports?
- e) How best to transition from the interim to the enduring solution?
- f) What changes are needed to BSC documents, systems and processes to support P395 and what are the related costs and lead times?
- g) Are there any Alternative Modifications?
- h) Should P395 be progressed as a Self-Governance Modification?
- i) Does this Modification Proposal better facilitate the Applicable BSC Objectives than the current baseline?



# NEXT STEPS

## P395: Next Steps

- Elexon to continue to document the Business Requirements and issue these for Workgroup review.

Event	Date
Present IWA to Panel	12 November 2019
Workgroup meeting 1	31 March 20
<b>Workgroup meeting 2</b>	<b>4 December 2020</b>
Workgroup meeting 3	W/C 18 January 2021
Workgroup meeting 4	W/C 22 February 2021
Assessment Procedure Consultation	8 March – 26 March 2021
Workgroup meeting 5	W/C 5 April 2021
Present Assessment Report to Panel	10 June 2021
Report Phase Consultation	14 June – 28 June 2021
Present Draft Modification Report to Panel	8 July 2021
Issue Final Modification Report to Authority	12 July 2021

# ELEXON

## THANK YOU

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**Ivar Macsween**

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4 December 2020