

P395 Microsoft Teams Meeting

- Welcome to the P395 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

ELEXION

P395

Aligning BSC Reporting with EMR
Regulations - an enduring solution

1 October 2021

Meeting Objectives and Agenda

- Consider aligning the P395 Solution to P419;
- Consider updates to P395 Business Requirements and Legal Text; and
- Consider updates to indicative impacts and costs.

Agenda Item	Lead
Welcome and meeting objectives	Claire Kerr
Summary of 4th Workgroup Meeting	Ivar Macsween (Lead Analyst)
P419 Solution Alignment	Andres Alvarez, Callum Chambers (Elexon)
Updates to P395 Business Requirements and Legal Text	Colin Berry, Aditi Tulpule
P395 Terms of Reference – impacts and costs	Ivar Macsween, Workgroup
Next Steps	Ivar Macsween
Meeting Close	Claire Kerr (Chair)



SUMMARY OF 4TH WORKGROUP MEETING

P395 4th Workgroup Summary

Approach to Allocating Imports and Exports

- Two approaches to allocating Imports and Exports - the 'original approach' based on apportioning Boundary Point flows and an alternative 'merit order' approach that assumes a specific merit order.
- Analysis required numerous assumptions to reconcile each approach. Neither approach will necessarily match the contractual position on a given site, but the merit order approach avoids flows from licensed storage back to itself, therefore provides more credible results.
- Not feasible for a highly customisable approach where users can specify their own merit order, due to the level of testing that would be required to validate the correct allocation of energy.

P395 4th Workgroup Summary

- Difference between the methodologies is very small, but the merit order approach avoids taking flows from licensed storage back to itself and therefore gives more credible results than the original approach and the group considered this to be the best approach to adopt within the P395 Solution.
- Given the complexity, the algebra will be recorded within a separate methodology document - an “On-Site Energy Allocation Methodology” - which could be changed without a Modification if needed rather than codifying algebra in the BSC.

P395 4th Workgroup Summary

Reference period for Exports from Storage

- Best reference period to use when calculating how much of storage Export is chargeable? Elexon suggested a rolling period of N days i.e. percentage for day D based on average over days D-N to D-1.
- The Proposer agreed, noting that current storage technologies (batteries, pumped hydro) are short-term storage, so opportunities tend to be present in day ahead or intraday markets. He believed that 7 days should be sufficient to cover those needs, so 7 would be an appropriate value for N.

P395 4th Workgroup Summary

Report to LCCC/EMRS

- Elexon has a legal responsibility to provide EMRS with data requested pursuant to P395. Report to LCCC will therefore need to be built into the P395 solution. The implications of BSCCo failing to provide (or providing erroneous data) EMRS with the required data would result in a breach of Elexon's contractual obligations so risk needs to be clearly identified, understood and communicated to ensure proper management.

Public reporting

- Requirements for reporting to BSC Parties within the P395 solution - several members of the group want public reporting and the group considered the best way to implement these.
- The group wish for 2 forms of additional reports - a generic total and a Registrant-focused individual report. It was felt that the generic report could be made available on the Elexon Portal, while the more tailored report could be sent directly to Parties via a P flow.
- These reports would provide better overall visibility of data that would be useful for forecasting, modelling and validation.

P395 4th Workgroup Summary

CVA Arrangements

- As the interim solution only covers SVA sites, P395 should introduce a process to allow operators of CVA simple storage sites to declare it as licensed generation, and therefore not chargeable.
- In effect, this will extend the proposed declaration process (already envisaged for SVA) to CVA as well
- Introducing a process for separating out licensed storage and final demand within the same BMU in more complex CVA sites would be likely too expensive to justify for the small number of suitable sites, but the group wish to include a specific consultation question onwhether there is a stronger business case for this than is currently understood.

P395 4th Workgroup Summary

Roles and Responsibility

- Who should be responsible for registering Asset Metering Systems under P395?
- Under P375, it is clear that it is the VLP who should be responsible, but as there is no VLP to account for within the P395 solution, the group believe that the Supplier should be the one responsible for registering these metering systems, but wish to consult on this approach.

Identified Assessment Consultation Questions

1. Do you agree with the Workgroup that there an insufficient business case for separating out co-located activities at CVA level?
2. The Workgroup's proposal is that the Supplier should register the Asset Metering system under P395, do you agree?



P419 BACKGROUND

P419 - Background

Following the Targeted Charging Review, the second BSUoS Task Force was launched. The Task Force made two recommendations for implementation in April 2023:

- ✓ BSUoS should be charged to Suppliers based on their Final Demand
- ✓ BSUoS should be recovered using a fixed tariff.

Connection and Use of System (CUSC) Modification CMP308 'Removal of BSUoS charges from Generation' is proposing that BSUoS is charged to Final Demand in line with the recommendation of the Task Force.

This BSC Modification is being raised to support CMP308, by ensuring National Grid ESO receives required SVA HH Final Demand metered data for BSUoS billing purposes excluding non-Final Demand.



DEFECT AND PROPOSED SOLUTION

P419 – Defect and Proposed Solution

National Grid ESO currently rely on Elexon to collect and report aggregated metered data for Supply Volume Allocation (SVA) registered Metering System Identifiers (MSIDs), which is reported in the P0210 'TUoS Report' data flow.

In addition to the existing Supplier Metered Data provided in the P0210, P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281', implemented on 1 April 2021, introduced requirements for certain additional metered volumes to be reported separately, to allow them to be excluded from BSUoS charges, and a 'corrected' Supplier BMU data position to be provided. However, these volumes still include metered data for certain eligible service facilities that CMP308 would seek to exclude.

The proposed approach to aggregating metered data is to extend processes introduced by P383 to enable the aggregation of metered data for these specific 'declared' electricity generation facilities and eligible service facilities, for which the proposed process is:

- ✓ Self-declaration
- ✓ Validation
- ✓ Instruction to HHDA to report metered data
- ✓ Report metered data to SVAA
- ✓ Aggregate metered data
- ✓ Report aggregated Metered Data.



DECLARATION SUBMISSION

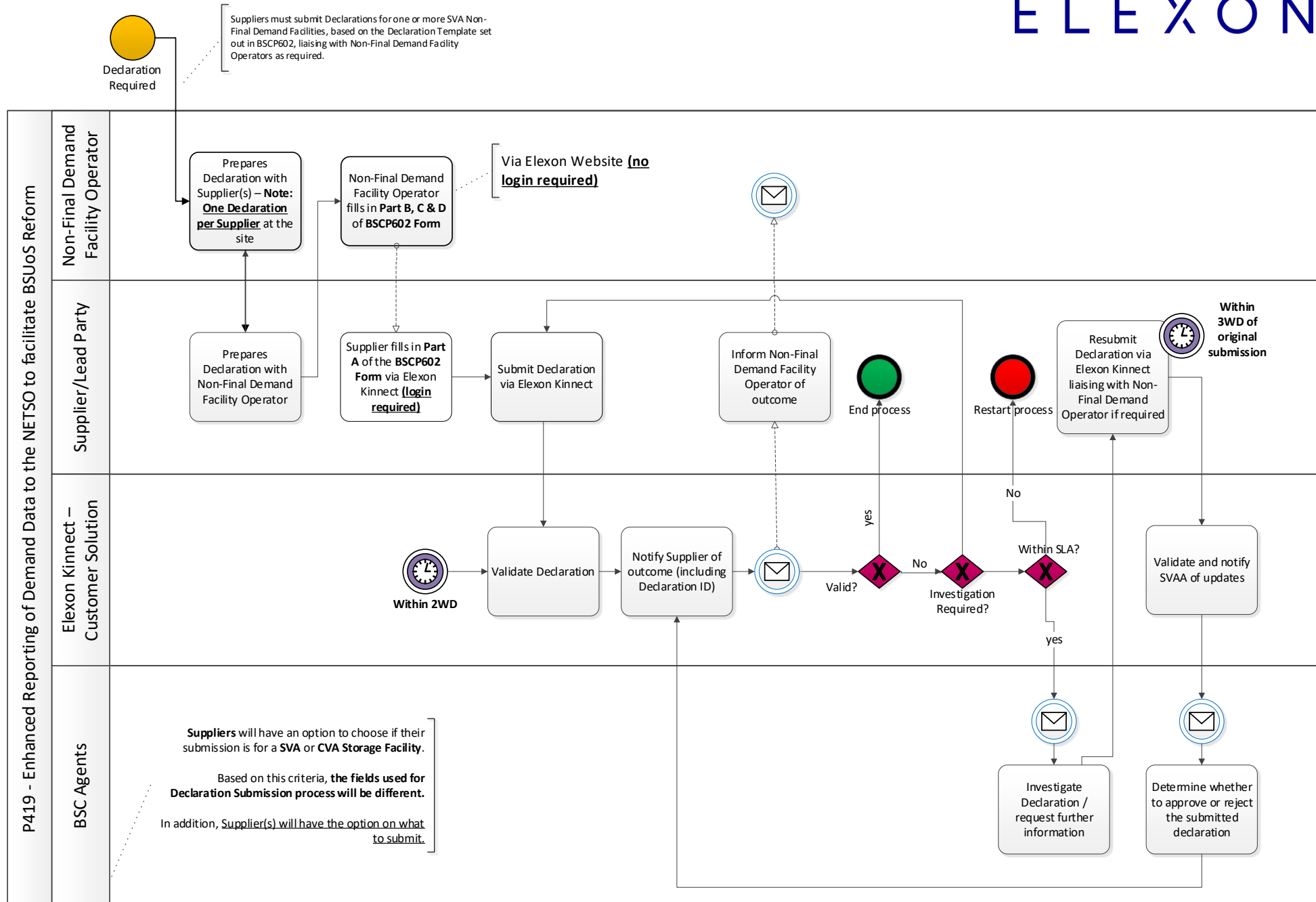
ALIGNED DECLARATION
PROCESS APPLICABLE TO
P419/P395, IN PARTICULAR
WHERE MULTIPLE SUPPLIERS
ARE PRESENT AT A SITE

P395/P419 Solution Alignment – Multiple Suppliers are present at a single site

P419 - Enhanced Reporting of Demand Data to the NETSO to facilitate BSUoS Reform	P395 - Aligning BSC Reporting with EMR Regulations – an enduring solution
Business Requirements (BRs) propose that each Supplier at the site submits their Declaration.	Business Requirements (BRs) <u>proposed</u> that a lead Supplier submit their Declaration on behalf of all other Suppliers at the site.
Elxon proposes that each Supplier at the site will have to submit their own declaration. This alignment will bring efficiencies from a single 'approach' across the Modifications, supported by online data entry and validation for the end to end process (see next slide).	
<div>Workgroup to agree to incorporate on solution alignment</div> <div><u>Any thoughts/queries?</u></div>	

Declaration Submission Summary

P419 - Enhanced Reporting of Demand Data to the NETSO to facilitate BSUoS Reform <u>Applicable to P419/P395, in particular where multiple Suppliers are present at a site</u>	
<p>Declaration is required > Supplier & Non-Final Demand Facility Operator work together to fill in details required from BSCP602 Form.</p> <p>Non-Final Demand Facility Operator will need to complete Part B, C & D of BSCP602 Form via Elexon Website, upon submission this will flow into Elexon Kinnect and notify each Supplier for them to complete Part A of BSCP602 Form</p> <p>Suppliers will complete the Declaration and submit it via Elexon Kinnect (Customer Solution).</p>	<p>Elexon Kinnect (Customer Solution) will validate the Declaration and notify the Supplier of the outcome (valid or invalid – this confirmation will contain the validation ID).</p> <p>Regardless of the Declaration being valid or invalid > it is the Supplier’s responsibility to notify the Non-Final Demand Facility Operator of the outcome and send the Declaration ID.</p>
<p>If valid > then the process will end there.</p> <p>If invalid (<u>incorrect or missing information</u>) > Supplier will be informed and will have to resubmit the Declaration within 3WDs of the original submission.</p>	<p>Supplier will be kept updated of outcome via Elexon Kinnect (status of Declaration) or via email when required.</p>



An aerial photograph of a rural landscape. In the center, a white wind turbine stands in a green field. To the left, a farm with a grey-roofed building and a large group of black and white cows is visible. The landscape is divided into green fields by brown hedgerows. The right side of the image is overlaid with a solid teal color containing white text.

UPDATES TO P395 BUSINESS REQUIREMENTS AND LEGAL TEXT

P395 Business Requirements

BR1 - Migrate EMRS interim solution to BSC Systems as the 'EMR MSID' process

- EMRS sends SVAA the details of all Suppliers / MSIDs included in the workaround
- EMRS stops operating workaround

BR2 - Supplier or CVA Registrant submits a Declaration

- EMR MSID Declaration (was SVA Simple Site)
 - declare MSIDs
- EMR CVA BM Unit Declaration (was CVA Simple Site)
 - declare CVA BM Units
- EMR AMSID Declaration (was SVA Complicated Site)
 - declare MSID Pairs and AMSID Pairs
 - could be for more than one Supplier

P395 Business Requirements

BR3 – SVAA validates declaration

- MSIDs must exist in ECOES / CSS
- CVA BM Units must exist in CMRS
- AMSIDs must be registered in SVA Metering System and Asset Metering System Register
 - *the same AMSID Pair can be used for P395 and P375 without conflict*

BR4 - Register Generation / Storage Facility as Asset

- Same process as for AMVLPs for P375
 - i) Registration Stage 1: Supplier registers Asset
 - ii) Supplier receives AMSID Pair from SVAA (BR17) and appoints MOA and HHDC
 - iii) Registration Stage 2: Supplier registers MOA and HHDC
 - iv) Registration Stage 3: Supplier registers Asset Meters

If Asset already registered for P375, Supplier can use related AMSID Pair in Declaration (see BR12)

P395 Business Requirements

BR5 – SVAA validates Asset Registration

- same process as for P375, except:
 - Supplier is Asset registrant
 - Supplier cannot include AMSID Pairs in BM Units
 - Supplier can include AMSID Pairs in EMR AMSD Declaration
- SVAA must be able to differentiate between uses of AMSID Pairs

BR6 – SVAA must store all valid Declarations and Asset Registrations for P395

P395 Business Requirements

BR7 – SVAA calculations

1) EMR MSID Declarations

- entire MSID Metered Volume, adjusted for LLF, for each Import MSID is non-chargeable demand

2) EMR MSID Declarations

- Metered volumes for all MSIDs & AMSIDs in Declaration used to calculate non-chargeable demand for each Import MSID
- Calculations to be specified in new 'On-Site Energy Allocation Methodology' Configurable Item (BR16)

3) MSID-level non-chargeable demand volumes aggregated and GSPGCF applied

4) Summed to give 'Period BM Unit Non-Chargeable Demand' for each Supplier BM Unit

BR8 – SVAA issues 'Period BM Unit Non-Chargeable Demand' data to SAA

P395 Business Requirements

BR9 – CRA notifies CVA BM Units in EMR CVA BM Unit Declarations to SAA

BR10 – SAA Calculations

For Supplier BM Units

- 1) Applies TLMs to Period BM Unit Non Chargeable Demand
- 2) Calculates TLM-Adjusted Period BM Unit Chargeable Demand for Supplier BM Units
= 'TLM Adjusted BM Unit Gross Demand' – 'Period BM Unit Non Chargeable Demand'

For CVA BM Units

- 3) TLM-Adjusted Period BM Unit Chargeable Demand = 0

Send 'TLM-Adjusted Period BM Unit Chargeable Demand' to EMRS instead of 'TLM-Adjusted Gross Demand' in the SAA-I042 to EMRS

P395 Business Requirements

BR11 – SVAA provides quarterly reports to EMRS

BR12 – Supplier or AMVLP seeks to register an Asset, but it's already registered

- Supplier can use AMSID Pair relating to Asset registered by AMVLP for P375
- AMVLP can use AMSID Pair relating to Asset registered by Supplier for P395
- A second AMVLP can also use AMSID Pair – subject to rules in BSCP602
- No conflict between P375 use and P395 use of AMSID Pairs

BR13 – BSC Parties shall be able to access BSC Party-level P395 data

BR14 - BSC Systems shall publish Market-wide report

P395 Business Requirements

BR15 – Assurance Measures

- BSCCo to publish a list all Generation Assets that are part of a current valid Declaration on the BSC website
- SVAA to check the validity of Declarations on a monthly basis & report invalid Declarations to BSCCo
- Where any interested party believes that a given Declaration does not meet the required criteria, then they could report such that Declaration to BSCCo
- BSCCo to investigate any invalid Declarations
- SVAA to end date invalid Declarations and notify BSCCo
- Report invalid Declarations to the Panel

BR16 – BSCCo to develop ‘On-Site Energy Allocation Methodology’

- to specify calculation non-chargeable demand using MSIDs and AMSIDs
- Category 3 BSC Configurable Item

P395 Business Requirements

BR17 – SVAA generates AMSID Pair for Asset

- produced on successful validation of Asset Registration Stage 1 (BR4 i)
- will be notified to Supplier immediately
- Supplier can include in EMR AMSID Declaration after Registration Stage 3 complete (BR4)

BR18 – Supplier Appoints MOA & HHDC to AMSID Pair

- Supplier must appoint the same agents to Import AMSID and Export AMSID
- MOA & HHDCs will be called Asset Metering Party Agents (changed from AMVLP Agents)
- Supplier registers MOA & HHDC (BR4 ii)

BR19 – Asset Meters

- MOA installs Asset Meters
- informs Supplier
- Supplier Registers Asset Meters (BR4 iv)

P395 Business Requirements

BR20 – The HHDC provides Asset Metering System Metered Data to the SVAA

- Using the Dxxxx to be introduced for P375
- only required for SF, unless estimated data submitted at SF
- actual data required ASAP

BR21 – Suppliers may not allocate AMSID Pairs to BM Units

BR22 - SAA to amend the SAA-I042 to report 'TLM-Adjusted Period BM Unit Chargeable Demand' to EMRS instead of 'TLM-Adjusted Gross Demand'

- At present, we believe the following documents will be amended to enable P395;
 - Section J – Party Agents and Qualification under the Code
 - Section K – Classification and Registration of Metering Systems and BM Units
 - Section S – Supplier Volume Allocation
 - Annex S-2 – Supplier Volume Allocation Rules
 - Section T – Settlement and Trading Charges
 - Section V - Reporting
 - Annex X-1 – General Glossary
 - Annex X-2 – Technical Glossary



P395 TERMS OF REFERENCE

P395 ROM Costs and Impacts

Costs

- System changes required for this Modification are estimated to cost above £1 million, with changes required to SVAA (DCP and PMP), SAA (SAA Kinnect) and CRA (PMP) to enable P395.
- Central implementation costs for this Modification will be approximately £1500 to make the required document changes.

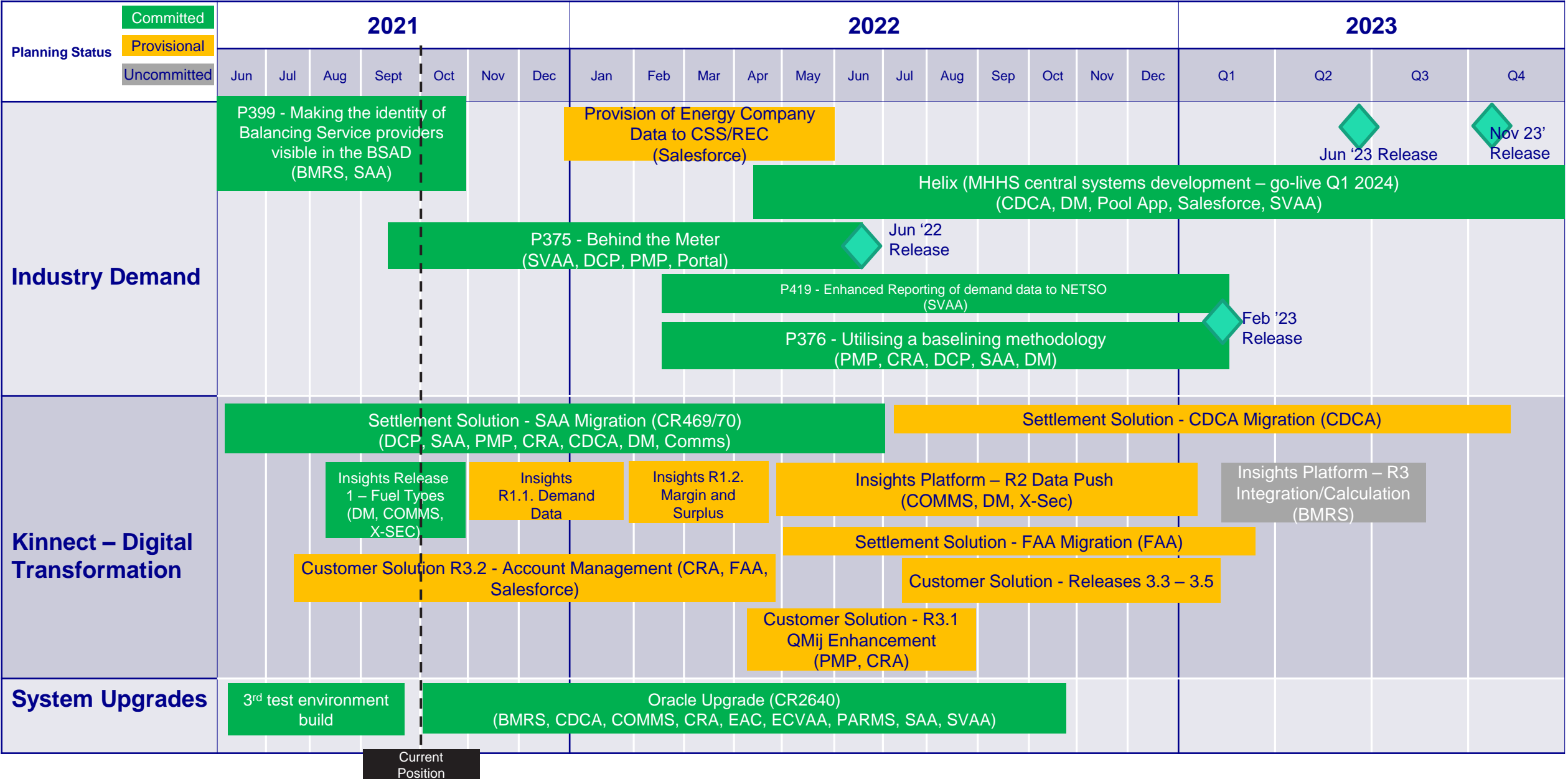
Impacts

- P395 will allow Suppliers and CVA Registrants to receive benefit from correct Final Consumption Levy charges from EMRS that have been calculated in accordance with BEIS & Ofgem's Joint Regulatory Framework. In order to achieve this, P395 will put in place a process to allow a Supplier or CVA Registrant to declare the Generators and / or Storage Facilities behind one or more SVA Boundary Point Import Metering Systems or CVA BM Units.
- Detailed descriptions of processes and interfaces necessary to support the proposal are in the BRs.
- Elexon impacts include updating LWIs & training materials and communicating the change to Parties. Exception handling and escalation management. Providing assistance and guidance to VLPs registering AMSID pairs.
- Positive impact on EMRS following migration of interim solution to BSC Systems.

P395 Implementation

- We are still assessing P395 and it is proving challenging to establish and schedule a release date for this Modification.
- This is due to a busy pipeline of complex system changes, key technology upgrades (Kinnect, Market Wide Half Hourly Settlement) and initiatives over the next 3 years, including P375, P376, P419.

Portfolio Pipeline and Plan



P395 Terms of Reference

- 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?

Assessment Consultation Questions

- Default Assessment Consultation questions ask for views on whether P395 will impact organisations, better facilitate BSC Objectives and seeks views on implementation approach and any Alternative Modifications.
- WG4 identified 2 additional questions:
 1. Do you agree with the Workgroup that there an insufficient business case for separating out co-located activities at CVA level?
 2. The Workgroup's proposal is that the Supplier should register the Asset Metering system under P395, do you agree?
- Are there any questions the Workgroup believe should be included?
 - anything that would help the Workgroup to complete assessment of P395?



NEXT STEPS

P395: Next Steps

- Elexon are continuing to work on the implementation approach for P395 and finalising Business Requirements and Legal Text. Another quick meeting will be necessary to review these items and provide updated views before we can issue P395 for consultation.

Event	Date
Present IWA to Panel	12 November 2019
Workgroup meetings 1 -4	31 March 20 - 24 May 2021
Workgroup meeting 5	1 October 2021
Assessment Procedure Consultation	25 October– 15 November 2021
Workgroup meeting 6	W/C 22 November 2021
Present Assessment Report to Panel	9 December 2021
Report Phase Consultation	13 December – 30 December 2021
Present Draft Modification Report to Panel	13 January 2022
Issue Final Modification Report to Authority	16 January 2022

ELEXON

THANK YOU

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