

P430 Microsoft Teams Meeting

- Welcome to the P430 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

P430

Allow Suppliers to use metering behind the site Boundary Point

17 March 2022

Meeting Objectives and Agenda

Agenda Item	Lead
Welcome and meeting objectives	Elliott Harper(Chair)
P430 Background and Issue	Mark Meyrick (Proposer)
P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point'	Craig Murray
Terms of Reference	Craig Murray
AMVLP Qualification Burden	Craig Murray
Proposed Solution	Colin Berry
Legal Text	Colin Berry
Implementation Date	Craig Murray
Next Steps	Craig Murray
AOB	Workgroup

Objectives:

- Achieve shared understanding of the defect and solution proposed by P430 and the Workgroup's Terms of Reference; and
- Address questions identified by Elexon during development of the solution



P430 BACKGROUND AND ISSUE

Background & Defect

- Following the approval of P375 by Ofgem on 24 February 2021, which allows Settlement from metering behind the Boundary Point from Asset Metering Virtual Lead Parties (AMVLPs) acting as Balancing Services Providers (BSPs), a market inconsistency has been identified
- The issue is that VLPs and AMVLPs are not the only BSPs acting in the market, as this role is also undertaken by Suppliers.
- As it stands, the P375 implementation will only be applied to Secondary Balancing Mechanism Units (SBMUs) which are used by AMVLPs, so is not available to Suppliers.
- Suppliers are already providing Balancing services with Primary BMUs and may have already undertaken the registration and testing processes with National Grid Electricity System Operator (NGESO). Transitioning to become an AMVLP, as required by P375, at this time would require this process to be repeated for SBMUs duplicating the originals.
- The Supplier Party role is a legitimate provider of Balancing Services and should be treated equally alongside other roles providing Balancing Services. This is an essential part of maintaining healthy competition in the BSP sector.
- For avoidance of doubt, the Proposer is not seeking to criticise the P375 Modification; on the contrary, they are supportive of its aim to better implement Settlement of Balancing Services behind the Meter. The intention is merely to extend the scope of P375 to include Suppliers.



What has been considered

- P375 did briefly address the point of Primary BM Units in the Final Modification Report, asserting that there is nothing to stop Suppliers registering as an AMVLP role in order to register AMSIDs and allocate AMSID Pairs to a SBMU. However:
 - The AMVLP registration process is expected to take between 3 and 5 months to complete and requires resource from both the applicant and Elexon. Quantifying this effort is not trivial and prior to the implementation of P375, completing the AMVLP registration confers very little advantage to an existing Supplier.
 - For new build Suppliers can try and make their assets 'in front of the meter' and thus avoid the issue. However, this isn't always possible, especially with existing assets of the customers of the supplier which are already behind the meter



Impacts on BSC Parties

- This will positively impact any market participant who seeks to provide ancillary services to the grid with a behind the meter asset and obviate the need for them to become an AMVLP.
- It will also impact VLPs and AMVLPs because there will be more competition in tendering for Grid ancillary services than is currently the case under P375.



Applicable BSC Objectives

The proposed solution would be positive against Applicable BSC Objectives (b), (c) and (d):

Applicable BSC Objective (b)

- P430, in conjunction with the introduction of AMVLPs under P375, would create the potential for greater participation in the BM, thus supporting system operation by providing the NGESO with a greater range of options for economic and efficient system balancing

Applicable BSC Objective (c)

- This Modification would remove barriers to competition in the energy markets, better facilitating competition between Suppliers and other providers operating in the market

Applicable BSC Objective (d)

- P430 would ensure alignment of AMVLP and Supplier provisions, and remove the need for a complex reconciliation service that is currently required as a consequence of not being able to participate in the P375 solution





P375 'SETTLEMENT
OF SECONDARY BM
UNITS USING
METERING BEHIND
THE SITE
BOUNDARY POINT'

What will P375 do?

- P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point'
 - Unanimously recommended by the Panel on 10 December 2020
 - Approved by Ofgem on 24 February 2021
 - Implementation date of 30 June 2022
- Metering systems situated 'behind' the defined Boundary Point can be used for Settlement purposes in place of the Boundary Point Metering systems
- Will allow balancing-related services on-site provided by smaller assets to be separated from imbalance-related activities, more accurately reflecting the balancing-energy volumes provided by the Balancing Service Provider (BSP)

How will P375 do it?

- Asset Metering VLP (AMVLP) registers Asset(s), AMVLP Agents & related Asset Metering System(s) with SVAA
- SVAA generates AMSID Pair for valid Asset(s) & notifies AMVLP
- AMVLP allocates AMSID Pair to Secondary BM Unit(s) for:
 - Asset Metering; or
 - Asset Differencing
- AMVLP submits to SVAA :
 - MSID Pair Delivered Volumes where AMSID Pairs used for Asset Differencing; or
 - AMSID Pair Delivered Volumes where AMSID Pairs used for Asset Metering
- HHDCs submit HH AMSID Metered Volumes to SVAA
- Second AMVLP may allocate same AMSID Pair to Secondary BM Unit



TERMS OF REFERENCE

P419 – Terms of Reference

- a) Should Suppliers be required to undergo a Qualification process and Qualify as Asset Metering Suppliers, in line with AMVLP Qualification?
- b) What are the reporting and data requirements of the AMVLP Hub, including Market Messages, to support P430?
- c) What are the expected costs of qualifying as an AMVLP?
- d) How will P430 impact the BSC Settlement Risks?
- e) What changes are needed to BSC documents, systems and processes to support P419 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?
- f) Are there any Alternative Modifications?
- g) Should P430 be progressed as a Self-Governance Modification?
- h) Does P430 better facilitate the Applicable BSC Objectives than the current baseline?
- i) Does P430 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?



AMVLP QUALIFICATION IMPACT

AMVLP Qualification Impact – Central Costs

P430 Terms of Reference (c) “What are the expected costs of qualifying as an AMVLP?”

Central Costs

- Cost of AMVLP Qualification is **£9653 per applicant**. This is included in Elexon’s operational costs and funded by all BSC Parties, not the applicant
- An AMVLP applicant does **not** need to pay the £500 accession fee if already registered in other roles
- In the case of trading parties, the maximum base monthly charge will already be covered (£250 per month)
- There are charges associated with the registration of further BM Units for Asset Metering (£60), but these would be required regardless of AMVLP/Supplier Qualification route
- As part of Qualification, Elexon reviews the Witness Testing Reports and Outcome Reports, and prepares papers for the Performance Assurance Board. Overall effort is expected to be 1 – 2 days FTE per applicant and is included in Elexon’s operational costs

Summary

- The central costs for AMVLP Qualification are negligible and included in Elexon’s operational costs

AMVLP Qualification Impact – Participant Costs

P430 Terms of Reference (c) “What are the expected costs of qualifying as an AMVLP?”

Participant Costs

- Party recently went through Qualification for a Virtual Lead Party
- Experienced organisation with core team consisting of four members across two companies working on a project basis
- Total impact was 0.5FTE over 6 months

Timeline

- The Qualification process should take approximately 3 - 6 months to complete, though this may take slightly longer due to the complexities associated with AMVLP being a new role

AMVLP Qualification Impact

P430 Terms of Reference (c) “What are the expected costs of qualifying as an AMVLP?”

- Does the Workgroup have any additional information on estimated costs/effort associated with Qualification?
- Does the Workgroup have any further thoughts on Qualification impacts?

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Do you have any additional information on estimated costs/effort associated with Qualification?

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Do you have any further thoughts on Qualification impacts?

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PROPOSED SOLUTION

P430 Business Requirements summary

- Suppliers register Secondary BMUs & allocate MSID / AMSID Pairs
- AMS Registration Service
- AMVLP Agents to be renamed 'Asset Metering Party Agents'
- 'AMVLP Hub' shall be known as 'Asset Metering System (AMS) Hub'
- Data flows & Reports for use by Suppliers
- Qualification
- Assurance

P430 Proposed Solution (1 of 4)

- Suppliers register Secondary BMUs & allocate MSID / AMSID Pairs
 - BSC systems shall allow a Supplier to:
 - register Secondary BMUs;
 - allocate MSID Pair(s) to a Secondary BMU where neither, one or both MSIDs are in one of the Supplier's Primary BMUs (provided that they are all in the same GSP Group) ;
 - allocate AMSID Pair(s) to a Secondary BMU; and
 - use Secondary BM Units that do not contain AMSID Pairs
 - BSC systems shall NOT allow a Supplier to:
 - register the same MSID Pair to both a Secondary BMU AND an Additional BMU for BM purposes

However, a Supplier may additionally register the same MSID Pair to an Additional BM Unit for non-BM purposes, but would not notify the MSID Pair to SVAA in this scenario

P430 Proposed Solution (2 of 4)

- P375 AMS Registration Service extended to Suppliers
 - Supplier may register Asset Metering Systems in accordance with BSCP602
 - Stage 1: Asset Registration
 - Stage 2: Asset Metering System Party Agent Registration
 - Stage 3: Asset Meter Registration
 - Supplier receives an AMSID Pair for each Asset registered on completion of Stage 1
 - Cannot include AMSID Pair in a Secondary BMU until all 3 Stages have completed
 - Other AMVLP activities shall also apply to a Supplier with Secondary BMU(s)
 - Using an MSID Pair and / or AMSID Pair registered by a different Supplier or AMVLP in its Secondary BMU Loss of MSID Pairs
 - Loss of AMSID Pair and / or MSID Pair
- AMVLP Agents to be renamed 'Asset Metering System Party Agents'

P430 Proposed Solution (3 of 4)

- The 'AMVLP Hub' shall be known as the 'Asset Metering System (AMS) Hub' and consist of:
 - Supplier (or AMVLP);
 - Meter Operator Agent or (where permitted) Asset Metering Meter Operator Agent; and
 - HH Data Collector and (if desired) Asset Metering HH Data Collector
- A Supplier which is an AMS Registrant must appoint AMS Party Agents
- AMS Hub processes:
 - Processes for Asset Metering Party Agents set out in BSCP603;
 - AMS Hub data flow should be transferred via the DTN where possible; and
 - Suppliers must ensure that their systems can correctly identify and process AMSIDs received in the 'MPAN Core' data item in the AMS Hub data flows.

P430 Proposed Solution (4 of 4)

- Suppliers required to submit MSID Pair / AMSID Pair delivered volumes for BM services provided through Secondary BM Units in P0282
- Suppliers required to receive and process P0282 Response files (P0283, P0284) and Exception Report (P0285)
- Suppliers will receive reports sent to AMVLPs (P0288, SAA-I014, sub-flow 4)
- Suppliers will be allowed to use BSCP602 processes that would otherwise only be available to AMVLPs (and VLPs)
- No additional Qualification required for Suppliers that wish to use AMVLP processes
- Elexon Assurance processes around Asset Metering will apply to Suppliers with Secondary BMUs

P430 Proposed Solution

P430 Terms of Reference:

- a) Should Suppliers be required to undergo a Qualification process and Qualify as Asset Metering Suppliers, in line with AMVLP Qualification?
- b) What are the reporting and data requirements of the AMVLP Hub, including Market Messages, to support P430?

Do Workgroup members have any additional views on the proposed P430 solution?



Do you think Suppliers should be required to undergo a Qualification process and Qualify as Asset Metering Suppliers?

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Are there any further reporting and data requirements of the AMVLP Hub that need to be considered?

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Do you have any further thoughts on the P430 solution?

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LEGAL TEXT

P430 Legal Text (1 of 2)

Expected to impact most BSC Sections amended for P375:

❖ Section J

- Change "Virtual Lead Party Agent" to "Asset Metering System Party Agent"

❖ Section K

- Virtual Lead Parties and Suppliers
 - to establish and register Secondary BM Units
 - may provide Balancing Services
 - to establish and register Asset Metering Systems, where so elected in accordance with BSCP602
 - shall not be allocated any volumes for Balancing Services as measured by an Asset Metering System
- Change "Virtual Lead Party Agent" to "Asset Metering System Party Agent"
- Another Virtual Lead Party or Supplier applies for registration of that Asset Metering System and becomes the Registrant (the "New Asset Metering System Registrant")
- Amend to clarify:
 - interaction between Suppliers' Secondary BM Units and Additional BM Units
 - Suppliers' use of BM Units (Primary vs Secondary)

P430 Legal Text (2 of 2)

❖ Section L

- No impact

❖ Section S

- "Virtual Lead Parties or Suppliers that have allocated half hourly SVA Metering Systems and, where applicable, Asset Metering Systems* in one or more of their Secondary BM Units..."
- Change "Virtual Lead Party Agent" to "Asset Metering System Party Agent"
- "an "Asset Metering Party Agent" an is any Party Agent of a Virtual Lead Party or Supplier required to be appointed in respect of Asset Metering Systems"
- Each Virtual Lead Party and Supplier shall, in accordance with Section J, appoint and register "Asset Metering Party Agents"
- "~~Supplier~~ Performance Assurance for SVA Metering Systems"

❖ Section S-2

- "Virtual Lead Party or Supplier"

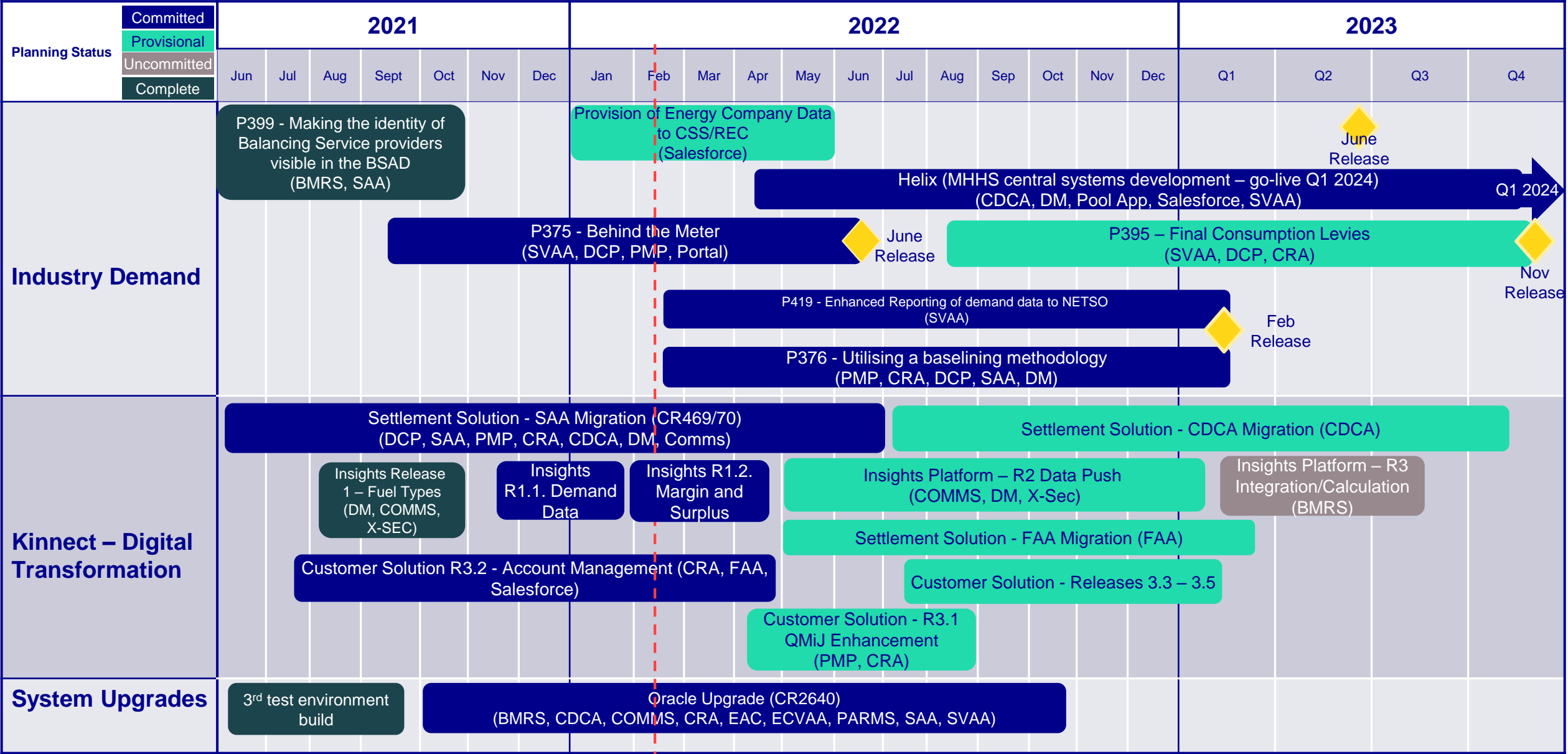
❖ Annex X-1, Annex X-2

- Changes to be determined once other BSC Section impacts confirmed



IMPLEMENTATION DATE

P430 Implementation Date



Current Position

P430 Implementation Date

- Due to system impacts of P430 solution and existing delivery pipeline, earliest potential date for implementation would not be before 2024
- An exact date will be able to be targeted once solution has been finalised and fully assessed against the delivery pipeline



NEXT STEPS

P430: Next Steps

Event	Date
Present IWA to Panel	9 December 2021
Workgroup meeting 1	17 March 2022
Workgroup meeting 2	W/C 25 April 2022
Impact Assessment	W/C 2 May 2022
Workgroup meeting 3	W/C 30 May 2022
Assessment Procedure Consultation	June 2022
Workgroup meeting 4	July 2022
Present Assessment Report to Panel	11 August 2022
Report Phase Consultation	16 August 2022 – 16 September 2022
Present Draft Modification Report to Panel	13 October 2022
Issue Final Modification Report to Authority	19 October 2022

A.O.B

ELEXON

THANK YOU

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17 March 2022