

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

P434 'Mandate to Half Hourly Settle the Non-Half Hourly Unmetered Supplies Metering Systems'

This Modification will require a period of mandatory Change of Measurement Class (CoMC) activity for all Non-Half Hourly (NHH) Unmetered Supplies (UMS) Metering Systems running from October 2023 to October 2024. It will also require all new UMS connections to be settled Half Hourly (HH) from October 2023. This will de-risk the Market Wide Half Hourly Settlement (MHHS) Transition Timetable. It will deliver Recommendation 8 by the Code Change and Development Group (CCDG) as set out in its [Recommendations on the Transition to Market-wide Half-Hourly Settlement \(MHHS\)](#).¹

This Assessment Procedure Consultation for P434 closes:

5pm on Tuesday 12 July 2022

The Workgroup may not be able to consider late responses.



The P434 Workgroup initially recommends **approval** of P434



The P434 Workgroup **does not** believe P434 impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Suppliers
- Licenced Distribution System Operators (LDSOs)
- Unmetered Supplies Operator (UMSOs)
- Meter Administrators (MAs)
- Half Hourly Data Collectors/Aggregators (HHDCs/HHDAs)
- Non Half Hourly Data Collectors/Aggregators (NHHDCs/NHHDAAs)

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¹ <https://www.elexon.co.uk/consultation/ccdg-consultation-on-transition-approach-for-mhhs/>

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About This Document



Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read the summary section
- Have 15 mins? Read sections 1 and 7
- Have 30 mins? Read all except section 6
- Have longer? Read all sections and the annexes and attachments
- *You can find the definitions of the terms and acronyms used in this document in the [BSC Glossary](#)*

The purpose of this P434 Assessment Procedure Consultation is to invite BSC Parties and other interested parties to provide their views on the merits of P434. The P434 Workgroup will then discuss the consultation responses, before making a recommendation to the BSC Panel at its meeting on 11 August 2022 on whether or not to approve P434.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach. It also summarises the Workgroup's key views on the areas set by the Panel in its Terms of Reference, and contains details of the Workgroup's Membership and full Terms of Reference.
- Attachment A contains the draft redlined changes to the BSC and its subsidiary documents for P434.
- Attachment B contains the draft data cleanse template for P434.
- Attachment C contains the specific questions on which the Workgroup seeks your views. Please use this form to provide your response to these questions, and to record any further views or comments you wish the Workgroup to consider.



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Why Change?

Market-wide Half-Hourly Settlement (MHHS) requires that all Metering System Identifiers (MSIDs) are settled on a Half-Hourly basis. The Code Change and Development Group (CCDG) has recommended moving Non Half Hourly (NHH) Unmetered Supplies (UMS) MSIDs to settle Half Hourly (HH) between October 2023 and October 2024, to mitigate the risk of not meeting the Transition Timetable set out by Ofgem in its [Full Business Case](#)², this recommendation was [endorsed by Ofgem](#)³.

Solution

Section S8 of the Balancing and Settlement Code (BSC), where the obligations for UMS are set out, will be amended to mandate all NHH UMS are settled HH via a Change of Measurement Class (CoMC) process. The dates by which this must happen are tied to the MHHS Transition Timetable and is referred to as the UMS Mandate Go-Live Date, under the current timetable, it would require all new UMS MSIDs to settle HH from October 2023 (12 months prior to the UMS Mandate Go-Live Date) and to settle all existing NHH UMS MSIDs on a HH basis by October 2024 (UMS Mandate Go-Live Date). The [MHHS Programme](#)⁴ will then migrate these HH UMS to the [MHHS Target Operating Model \(TOM\)](#)⁵.

Impacts & Costs

This Modification is expected to impact Suppliers, LDSOs, UMSOs, MAs, HHDCs, NHHDCs, HHDA and NHHDA. They may be required to amend systems and processes. Costs are expected to be low and subject to further assessment and consultation. This Modification will require changes to one BSC Section and three BSC Procedures (BSCP). No BSC System changes are expected, the central implementation costs are therefore expected to be low. On-going costs are expected to be low as no new requirements are proposed for Elexon and the Performance Assurance Board (PAB) for the migration activities.



Market-wide Half-Hourly Settlement

Ofgem is introducing half-hourly settlement (HHS) on a market-wide basis in order to realise the full benefits of settlement reform. The successful introduction of MHHS is a key component of Ofgem's work to facilitate decarbonisation and smarter, more flexible energy sector.



MHHS TOM

The MHHS TOM (designed by the Elexon-led Design Working Group (DWG)) is a set of Services required to deliver Settlement Period (SP) data (currently a Half Hour period) from a Meter to a central Settlement body, to enable the calculation of the amount of energy a Supplier's customers have consumed (or exported) in each SP for each Settlement Day. This calculation is then used in the Imbalance Settlement process which compares the Supplier's contracted purchases of energy to the amounts deemed to have been consumed (sales) by each of the Supplier's customers (and recognises any amounts of energy contracted by National Grid under the Balancing Mechanism)

² <https://www.ofgem.gov.uk/publications/electricity-retail-market-wide-half-hourly-settlement-decision-and-full-business-case>

³ [Update: Electricity Settlement Reform Significant Code Review. Response to the CCDG recommendations on the transition approach for MHHS \(ofgem.gov.uk\)](#)

⁴ <https://www.mhhsprogramme.co.uk/>

⁵ [Design Working Group preferred TOM report | Ofgem](#)

Costs Estimates			
Organisation	Implementation (£k)	On-going (£k)	Impacts
Elexon	26 to 38	2 to 4	Implementation costs are driven by holding Implementation Working Groups every 4-6 weeks during the Implementation Phase (24 month period). Minor implementation costs are associated with drafting and implementing BSC Sections S, BSCP520, BSCP502, BSCP501 and Guidance Notes. There may be on-going costs for Elexon for monitoring the CoMC activities as part of its existing operations.
NGESO	0	0	No impact identified
Industry	TBC from the Assessment Procedure Consultation	TBC	Costs for industry are expected to be low, and mostly confined to the CoMC process and data cleanse activities. Cost impacts and assumptions are to be validated via the Assessment Consultation.
Total	TBC	TBC	

Benefits

The main benefits to P434 is to de-risk the migration to the MHHS TOM and improve Settlement accuracy.

Implementation

The Workgroup recommend P434 is implemented via a special release, **five Working Days (WD) after the Authority decision is made**, so long as it is received by 31 October 2022.

Recommendation

The Workgroup initially agrees by **majority** that P434 would better facilitate the achievement of Applicable BSC Objectives (c) 'competition' and (d) 'efficiency in the BSC arrangements' and should therefore **be approved**. The Workgroup do not believe P434 will impact the EBGL provisions in the BSC. They believe P434 should be submitted to Ofgem for decision (not a Self-Governance Modification).



MHHS Transition Timetable

Ofgem's decision is that the transition to MHHS should take place over 4 years and 6 months, with the transition beginning on the publication of its Full Business Case in April 2021 and ending in October 2025.

What is the issue?

The CCDG has recommended moving NHH UMS MSIDs to settle HH between October 2023 and October 2024 to mitigate the risk of not meeting the Transition Timetable set out by Ofgem in its Full Business Case.

If the transition for NHH UMS MSIDs is not brought forward, combined with the workload from other MHHS migration activities, it will significantly increase the risk that there will be insufficient time for Customers, Suppliers and UMSOs to address any issues that may arise with the transition to the MHHS TOM.

The transition to the MHHS TOM requires two high level steps:

1. CoMC activity to get the Advanced Metering Systems to settle HH; and
2. MHHS migration activity to move the Metering Systems to the MHHS TOM.

P434 will bring forward step one only, requiring all NHH UMS to be settled HH by October 2024.

How will Unmetered Supplies be settled under the MHHS Target Operating Model?

The UMSO role will remain like the existing role for HH UMS supplies in receiving inventories from Customers, validating and passing to the Unmetered Supplies Data Service (UMSDS). The requalification of the MA Role to the UMSDS is due to complete by September 2024. The current UMSO activity to determine NHH Estimated Annual Consumptions (EACs) and the associated processes will cease once the last NHH MSID has migrated to HH Settlement (currently targeted for October 2024).

The UTC (Coordinated Universal Time) Period Level Consumption will be calculated by the UMSDS. This service will be responsible for:

1. receiving inventory data associated with unmetered supplies from UMSOs;
2. validating the inventory data and responding to the UMSO, as appropriate;
3. accessing other dynamic information relating to the operation of Unmetered Supplies;
4. accessing standing data relating to Unmetered Supplies;
5. calculating Settlement Period level data for Unmetered Supplies; and
6. providing access to the calculated Settlement Period level data to the Market-wide Data Service (MDS) and other market participants.

The UMSDS will be an adapted version of the existing Settlement Market Role of Meter Administrator.

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Background

What are Unmetered Supplies?

An Unmetered Supply means a supply of electricity to a particular inventory of equipment in respect of which a LDSO has issued an Unmetered Supply Certificate. For example, this equipment could be any electrical equipment that draws a current and is connected to the Distribution Network without a meter e.g. street lights, traffic signs, zebra crossings, etc.

- An Unmetered Supply Certificate may be issued where:
 - The electrical load is of a predictable nature, and
 - The electrical load is less than 500 watts; or
 - It is not practical for a supply of electricity to be given through a conventional meter at the premises.

MHHS Recommendations

The Ofgem Significant Code Review (SCR) considering [Settlement Reform](#), also known as Market-wide Half Hourly Settlement (MHHS) was launched in July 2017. Under the SCR, the CCDG was convened to develop the MHHS TOM recommended by the Design Working Group (DWG).

The CCDG has [recommended](#) that a number of enabling changes are progressed before the full MHHS Design is baselined, on the basis these changes will need to be raised to allow the required lead time to implement and comply.

They are to give effect to the CCDG's recommendations 1, 3 and 8.

- **Recommendation 1** will require changes to the BSC and REC to introduce new SMRS registration data items and supporting processes.

BSC Change Proposal [CP1558](#)⁶ and REC Change Proposal [R0032](#)⁷ were raised in February 2022 to progress Recommendation 1.

- **Recommendation 3** will require the introduction as soon as possible of an obligation on Suppliers to ensure that all MSIDs with NHH settled CT Advanced Meters are moved to settle HH via the CoMC process by October 2023.

The CCDG initially considered whether there may need to be a consequential change under the REC and CUSC, however this is no longer the case because the Modification doesn't have a direct impact on the REC, but a complimentary REC Change has been raised ([R0015 'Remote communication obligations for Advanced Meters'](#)). Also due to the timing of the CoMC activity a CUSC Change is no longer required.

[P432](#)⁸ Modification was raised to progress Recommendation 3 in December 2021.

- **Recommendation 8** will require the introduction as soon as possible of an obligation on Suppliers to ensure that all Unmetered MSIDs are settled HH by October 2024. This will require changes to the BSC. The CCDG initially considered

⁶ <https://www.elxon.co.uk/change-proposal/cp1558/>

⁷ <https://reportal.co.uk/group/quest/-/new-registration-data-items-and-processes-to-support-the-transition-to-market-wide-half-hourly-settlement-mhhs->

⁸ <https://www.elxon.co.uk/mod-proposal/p432/>

whether there may need to be a consequential change under the CUSC, however this is no longer the case due to the timing of the CoMC activity.

This Modification is in support of Recommendation 8.

The CCDG sought direction from Ofgem on how to progress their recommendations. [In response](#), Ofgem requested that these enabling changes are progressed through the existing code governance framework, with oversight by the MHHS Programme.

Desired outcomes

This Modification should put in place the mandate for Suppliers, LDSOs, UMSOs and Meter Administrators to co-operate in the CoMC process in order the move NHH settled UMS MSIDs to Half-Hourly Settlement in a timely manner to facilitate MHHS.

Proposed solution

The obligations for UMS are set out in Section S8 of the Balancing and Settlement Code. It is proposed that the mandate to settle NHH UMS MSIDs on a HH basis is defined in this section of the BSC, together with, obligations on parties to co-operate in the CoMC process, and the centrally coordinated data cleanse operation.

We use dates based on the current MHHS implementation plan in this document. However, the compliance dates for P434 are fixed relative to the MHHS implementation plan. P434 will create a UMS Mandate Go-Live Date, which is defined as the relevant date in the MHHS Programme Timetable. The relevant date is the start of the MHHS migration to the MHHS TOM, currently milestone 11 in the current plan, set as October 2024.

The solution sets out a mandate that the movement of NHH MSIDs to HH should be completed by the UMS Mandate Go-Live Date (currently October 2024) and any new UMS MSIDs have to be registered directly into the HH Settlement process 12 months prior to the UMS Mandate Go-Live Date (currently from October 2023), this deadline will also prevent HH UMS MSIDs reverting to HH Settlement.

The Balancing and Settlement Code Procedure (BSCP) 520 'Unmetered Supplies Registered in SMRS' has been amended to change the UMS CoMC process so that it requires changing one of the existing NHH MSIDs to HH and de-energising/disconnecting the remaining MSIDs, the document also sets out the process for the coordinated data cleansing operation.

Data Cleanse and Planning

Data cleansing and migration activity can start at any time now that Ofgem has published the Full Business Case for the MHHS TOM, however the coordinated data cleanse activity window will commence no later than 18 months prior to the UMS Mandate Go-Live Date (currently from April 2023). The UMSO will need to work with the Suppliers to cleanse erroneous or non-existent NHH UMS MSIDs. The UMSO will need to logically disconnect where UMS no longer physically exists in consultation with the Supplier.

MA, LDSOs, Suppliers, HHDCs, NHHDCs and UMSOs will be mandated to cooperate with each other for the data cleanse and CoMC activities.

There will be an obligation for UMSOs and Suppliers to complete the data cleanse template provided by Elexon to facilitate the data cleanse activities.

Dealing with orphaned MSIDs should be part of the data cleanse activities and they shouldn't be disconnected if UMSOs/Suppliers can't get hold of the Customer. MSIDs should only be disconnected if it becomes apparent there is no UMS apparatus connected for the UMS MSID. By the UMS Mandate Go-Live Date (currently October 2024) the expectation is that all NHH MSIDs move to HH by undergoing a CoMC even if there are still uncertainties or unknowns that need to be dealt with.

Once the data cleanse is complete the Supplier in conjunction with the UMSO, MA and HHDC will migrate its portfolio of NHH UMS MSIDs to HH via the CoMC process. This activity will be coordinated by Elexon.

Key dates based on current MHHS timetable:

Jun 2022 new Data Transfer Network (DTN) data flows between UMSO & MA for Summary and Control files implemented ([CP1546 'Introducing DTC flows to transfer UMS Summary Inventories and Control files'](#))⁹

From Oct 2022 (or earlier) to Oct 2023 – commercial arrangements agreed between Suppliers and organisations acting as Meter Administrators

From Oct 2023 (or earlier) to Oct 2024 – complete NHH to HH CoMC for all UMS MSIDs as mandated by this Modification

From Oct 2023 all new UMS connections shall be HH from date of connection as mandated by this Modification and CoMCs back to NHH will be prevented

These activities will then be followed by the migration to the TOM Service, the Unmetered Supplies Data Service, from Oct 2024 to Sept 2025 (or earlier) under the MHHS Programme.

CoMC Process

The CCDG discussed the transition approach with the [Unmetered Supplies User Group \(UMSUG\)](#)¹⁰ and identified two potential options for the CoMC approach:

Option one

Option one follows the current CoMC process in BSCP520 which requires a new MSID to be established with HH Measurement Class. To enable the CoMC the new HH MSID is energised and the old NHH MSIDs are de-energised on the day of change, and then subsequently disconnected. Some UMSOs also set the NHH MSIDs to a zero EAC to further assure accurate Settlement

Option two

Option two involves changing the CoMC process in BSCP520 so that one of the existing NHH MSIDs is changed to HH and the remaining MSIDs are de-energised/disconnected.

The P434 Workgroup preferred option two and agreed that this option will be taken forward as the CoMC approach. The new CoMC process will only kick in 12 months prior to the UMS Mandate Go-Live Date. Suppliers will drive the CoMC process, however there needs to be a heavy amount of UMSO coordination.

UMS certificates

Once MSIDs are migrated to HH, there will be no requirement for UMSOs to send UMS certificates unless it has been requested by the Supplier or Customer. The Workgroup does not envisage that Suppliers will need to hold a certificate for record.

⁹ <https://www.elexon.co.uk/change-proposal/cp1546/>

¹⁰ <https://www.elexon.co.uk/group/unmetered-supplies-user-group-umsug/>

Three Decimal Places for Data Flows

HHDCs, HHDAAs and Suppliers will have the option to send/receive the D0379 (Half Hourly Advances UTC) or D0380 (Half Hourly Advances for Inclusion in Aggregated Supplier Matrix) to the nearest three decimal places from October 2023 so that the volumes for these smaller energy consuming sites are calculated more accurately.

Implementation Working Group

Exelon will set up an Implementation Working Group for interested Parties to facilitate the Implementation and resolve any operational issues. It is proposed these meetings will be held every four to six weeks and run from October 2022 to October 2024.

The Terms of Reference for the Group will be drafted following P434 approval, but will include things such as:

- Suggesting amendments to the guidance note; and
- Helping Parties meet their new BSC requirements.

Benefits

This Modification will mitigate the risk of not meeting the Transition Timetable set out by Ofgem in its Full Business Case. If the transition for NHH UMS MSIDs is not brought forward, combined with the workload from other MHHS migration activities, it will significantly increase the risk that there will be insufficient time for Customers, Suppliers and UMSOs to address any issues that may arise with the transition to the MHHS TOM.

This change is part of the move to MHHS. The Ofgem full business case set out the benefits of implementing MHHS. Ofgem estimate MHHS will save consumers about £300m per year, with anticipated £4bn-£5bn consumer savings in total over the period to 2040. This change forms part of that implementation. For the avoidance of doubt the TOM Service will be unable to support the existing NHH Settlement arrangements.

Specifically, the HH Settlement calculation for UMS is more accurate as it models the behaviour of each piece of inventory data provided by the Customer. For example, if a street light is switched off for a period during the night this behaviour will be modelled using the Charge Code which indicates the Circuit Watts for the street light and the Switch Regime which shows the pattern of behaviour. Likewise, if the street light dimmed to another light output level the energy calculation will reflect the behaviour. In general terms the calculation will better reflect the energy consumed within a Settlement Period.

In the NHH calculation, EACs are calculated across the Customer's inventory which is then applied to a static profile. These profiles are based on Profile Class 1 (the domestic profile) or Profile Class 8 (the flattest non-domestic profile) which do not reflect the consumption pattern of actual UMS. The NHH calculation does not take account of the fact that days are longer in summer or shorter in winter. Whereas the HH calculation uses actual sunrise and sunset times or derives them from the Astronomical Almanac.

This Modification will therefore result in more accurate and equitable Settlement, whilst reducing the MHHS delivery risks for relevant MHHS Participants.

Assessment Consultation Question

Do you agree P434 will decrease the risks associated with transition to the MHHS TOM and to what extent will it decrease the risks?

The Workgroup invites you to give your views using the response form in Attachment C

Alternative solution

No alternative solution was raised by the Workgroup, however the Workgroup did discuss CoMC option one as an alternative solution to CoMC option two. See section 6 for further details on the Workgroup discussions.

The Workgroup would like to understand from the Consultation what would be the total cost to Parties' organisations for using CoMC option one and CoMC option two. CoMC option one is the current process in BSCP520 and option two is detailed in the redlining for BSCP520, please refer to this document to see details of the process.

Assessment Consultation Question

Do you agree with the Workgroup that there are no potential Alternative Modifications within the scope of P434 which would better facilitate the Applicable BSC Objectives?

The Workgroup invites you to give your views using the response form in Attachment C

Assessment Consultation Questions

What would be the total cost to your organisation if CoMC option 1 is used?

What would be the total cost to your organisation if CoMC option 2 is used?

The Workgroup invites you to give your views using the response form in Attachment C

Legal text and Code Subsidiary Documents

The P434 proposed draft redlined text is available in Attachment A. Further discussions had by the Workgroup on the proposed redlining can be found in section 6.

Assessment Consultation Question

Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P434?

The Workgroup invites you to give your views using the response form in Attachment C

Assessment Consultation Question

Do you agree with the Workgroup that the amendments to the Code Subsidiary Documents in Attachment A deliver the intention of P434?

The Workgroup invites you to give your views using the response form in Attachment C

Estimated implementation costs of P434

Elexon

P434 is a document only change, no changes to Elexon systems are required. We therefore anticipate the central implementation costs to be less than £2K for the proposed Document changes. Elexon will also need to provide resource for the Implementation Working Group which is expected to run from October 2022 to October 2024 (every 4-6 weeks) resulting in an expected cost of ~£1K to £1.5K per month (£24K to £36K).

Please note, the Implementation Phase here is referring to the Period until the UMS Mandate Go-Live Date (currently October 2024).

It is also anticipated that 0.25 FTE of effort will be spent on the monitoring activities over the one year CoMC period, and a further (up to 0.25 FTE, so 0.5 FTE in total) effort will be required if follow up actions are needed if CoMC activities are not complete.

Industry

Costs for industry will be assessed during this consultation. However, for those roles the Workgroup believe will be impacted, the Workgroup have indicated whether it believes the costs are likely to be high, medium or low based on the following categories. We invite you to validate and refine these estimates via this consultation:

- High: >£1 million
- Medium: £100-1000k
- Low: <£100k

Implementation cost estimates			
Organisation	Item	Implementation (£k)	Comment
Elexon	Systems	0	No impact identified. P434 is a Document only change.
	Documents	<2	Costs associated with drafting and implementing Sections S, BSCP520, BSCP501, BSCP502 and the Guidance Notes.
	Other	~1 to 1.5 per month	Costs associated with the Implementation Working Group for ~24 months.
NGESO	Systems & process	0	No impact identified

Implementation cost estimates			
Organisation	Item	Implementation (£k)	Comment
Industry	Systems & processes	<100	Costs to industry will be confirmed via the consultation, however costs are expected to be low, and mostly confined to the CoMC process and data cleanse activities.
Total		<100	

Estimated on-going costs of P434

On-going cost estimates		
Organisation	Implementation (£k)	Comment
Elxon	~2 to 4 per month	0.25 to 0.5 FTE during CoMC activity, ~12 month period. This includes costs for monitoring the CoMC activities as part of our existing operations.
NGESO	0	No impact identified
Industry	<100	Costs to industry will be confirmed via the consultation. Industry will be invited to support the Implementation Working Group.
Total	<100	

Assessment Consultation Question

Will your organisation incur any costs in implementing P434?

What will the ongoing cost of P434 be to your organisation?

Will your organisation incur additional costs as a result of P434 that you would not have incurred under MHHS? Alternatively, would there be any cost savings from migrating NHH UMS Metering Systems before the MHHS migration?

The Workgroup invites you to give your views using the response form in Attachment C

P434 impacts

Impact on BSC Parties and Party Agents		
Party/Party Agent	Impact	Estimated cost
Supplier	Suppliers will lead the CoMC activity and support the data cleanse activities. System and process changes may be needed.	L
UMSO/LDSO	UMSOs/LDSOs will need to lead the data cleanse activities and support the CoMC process. System and process changes may be needed.	L

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Impact on BSC Parties and Party Agents		
Party/Party Agent	Impact	Estimated cost
MA	MAs will be appointed to support the CoMC activities.	L
HHDC	HHDCs will need to support the CoMC activities. HHDCs will have the option to send the D0380 flows to three decimal places from October 2023, which might incur additional costs.	L
NHHDC	NHHDCs will be de-appointed to support the CoMC activities.	L
HHDA	HHDAAs will need to support the CoMC activities. HHDAAs will have the option to receive the D0380 flows to three decimal places from October 2023, which might incur additional costs.	L
NHHDA	HHDAAs will need to support the CoMC activities.	L

Impact on the NETSO	
Impact	Estimated cost
None identified	None

Impact on BSCCo		
Area of Elxon	Impact	Estimated cost
Assurance	No additional assurance activity is needed to monitor the migration, but if there are issues with Compliance then appropriate measures and techniques can be applied. Supporting the Implementation Working Group.	L
Participant Management	Drafting the Guidance and FAQ documents, supporting the Implementation Working Group.	L
Operational Support Managers	Supporting the communication activities for P434, working with Suppliers, DCs and UMSOs.	L

Impact on BSC Settlement Risks
This Modification will lead to a small increase on the BSC Settlement Risk <u>011 SVA Risk: Unmetered Supplies volumes calculated incorrectly</u> as Risk 11 covers all risks associated with UMS. However, the risk to Settlement from P434 is low due to the small volumes of energy (the total consumption of UMS is <2% of the SVA market).

Impact on BSC Systems and process	
BSC System/Process	Impact
None	All existing systems expected to be able to accommodate this small change in activity.

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Impact
None	None anticipated at this stage.

Impact on Code	
Code Section	Impact
BSC Section S 'Supplier Volume Allocation'	Section S has been amended to set out the mandate for Parties to comply with the CoMC process and data cleanse activities, introduce a new term that will describe the timetable date "UMS Mandate Go-Live Date", add in the requirement that HH UMS certificate are only issued on request.

Impact on EBGL Article 18 terms and conditions	
No impact identified.	

Impact on Code Subsidiary Documents	
CSD	Impact
BSCP520 'Unmetered Supplies Registered in SMRS' ¹¹	<p>The UMS CoMC process in BSCP520 has been amended so that it requires changing one of the existing NHH MSIDs to HH and de-energising/disconnecting the remaining MSIDs.</p> <p>Sets out the process for the coordinated data cleansing operation.</p> <p>Clarifies in the absence of more specific information, the latitude and longitude for the geographic centre of the Grid Supply Point (GSP) Group should be used.</p> <p>Sets out the requirement that the UMS Certificate should only be issued on request by the Supplier or Customer.</p>
BSCP501 'Supplier Meter Registration Service' ¹²	BSCP501 has been amended to clarify that Non Half Hourly MOA Appointments for UMS should no longer be available past the UMS Mandate Go-Live Date.

¹¹ <https://www.elexon.co.uk/csd/bscp520-unmetered-supplies-registered-in-smrs/>

¹² <https://www.elexon.co.uk/csd/bscp501-supplier-meter-registration-service/>

Impact on Code Subsidiary Documents	
CSD	Impact
BSCP502 'Half Hourly Data Collection For SVA Metering Systems Registered in SMRS' ¹³	BSCP502 has been amended to include the optionality of sending data flows with three decimal places.
Operational Information Document (OID) ¹⁴	The latitude and longitude for the geographic centre of the different GSP Groups have been added to the OID.

Impact on other Configurable Items	
Configurable Item	Impact
None	None identified

Impact on Core Industry Documents and other documents	
Document	Impact
Ancillary Services Agreements	None anticipated at this stage.
Connection and Use of System Code	The CCDG initially considered whether there may need to be a consequential change under the Connection and Use of System Code (CUSC) to prevent NHH UMS MSIDs being double charged during the year in which they are migrated. It concluded that due to the implementation timing the potential double charging issues are avoided so a CUSC Modification is not needed.
Data Transfer Services Agreement	None anticipated at this stage.
Distribution Code	
Grid Code	
Retail Energy Code	
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	

¹³ <https://www.elexon.co.uk/csd/bscp502-half-hourly-data-collection-for-sva-metering-systems-registered-in-smrs/>

¹⁴ <https://www.elexon.co.uk/guidance-note/operational-information-document/>

Assessment Consultation Question

Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?

Do you agree with the Workgroup's assessment that P434 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

Will P434 impact your organisation?

The Workgroup invites you to give your views using the response form in Attachment C



What are the consumer benefit areas?

- 1) Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?
- 2) Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?
- 3) Will this proposal support:
 - i) new providers and technologies?
 - ii) a move to hydrogen or lower greenhouse gases?
 - iii) the journey toward statutory net-zero targets?
 - iv) decarbonisation?
- 4) Will this change improve the quality of service for some or all end consumers. Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient and effective.
- 5) Are there any other identified changes to society, such as jobs or the economy.

Impact of the Modification on the environment and consumer benefit areas:

Consumer benefit area	Identified impact
1) Improved safety and reliability The Workgroup did not identify any impacts on this consumer benefit.	Neutral
2) Lower bills than would otherwise be the case Bills will be more accurate, but it is offset by the MA and HHDC costs, so the impact is neutral.	Neutral
3) Reduced environmental damage HH Settlement of UMS allows new technologies such as central management systems to be used to introduce flexibility to do things like reduce lighting load, which will help the move to net zero and de-carbonisation.	Positive
4) Improved quality of service The additional data the MA role facilitates is likely to improve the quality of service as it has the potential to develop TOU tariffs.	Positive
5) Benefits for society as a whole There is a benefit from the cleansing activities and getting more accurate inventories e.g. Customers that had updated to LED lighting but didn't update inventories were paying for their old lighting.	Positive

A Workgroup Member pointed out that the benefits identified are a result of UMS connections moving HH rather than a direct impact of P434. However, these benefits will be realised earlier as a result of P434 as the CoMC migrations will be brought forward.

A Workgroup Member highlighted that additional data will benefit Customer but it hasn't been decided which Party will inform Customers what their consumption is. Once EAC certificates are end dated there will be no formal notification of consumption. The consensus was that this should sit with the Supplier.

The MHHS Programme explained that they are looking at options around how a replacement view of annual consumption may be provided either from central systems or another process.

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Assessment Consultation Question

Do you agree with the Workgroup's assessment of the impact on the consumer benefit areas?

The Workgroup invites you to give your views using the response form in Attachment C

5 Implementation

Recommended Implementation Date

The Workgroup recommends an Implementation Date for P434 of:

- **5 WDs** after the Authority's decision is received, so long as the decision is received by 31 October 2021.

The CCDG has recommended this change to be implemented as soon as possible to ensure that all UMS MSIDs are moved to settle HH via the CoMC process by October 2024 and new connections from October 2023.

The Proposer and Workgroup agree and therefore recommend this Modification is implemented via a special release, five WDs after Authority approval. The Workgroup were also mindful that participants will need sufficient time to make changes to commercial arrangements and believed these activities would need to start by November 2022. The Workgroup therefore set a 'decision by date' for Ofgem. This will provide the maximum lead time to meet the migration timescales that will be set by this Modification.

Assessment Consultation Question

Do you agree with the Workgroup's recommended Implementation Date?

How long (from the point of approval) would you need to implement P434?

[The Workgroup invites you to give your views using the response form in Attachment C](#)

Relative Timelines

The Workgroup discussed whether there should be a fixed or relative timeline approach for the P434 obligations as there are currently uncertainties around the existing timelines for MHHS. The Proposer explained that there is a clear need for relative timelines for P434 as opposed to P432 (where the mandate includes fixed dates), this is because the Metered space may involve site visits to fix any problems with the Meters prior to migration e.g. to rectify password problems, however for P434 site visits are not needed.

The Proposer and the Workgroup supported pinning the P434 deliverables against the MHHS milestone plan and agreed the legal text should be drafted in a way that the timelines are relative.

Data Flows

Appointment flows

The Workgroup discussed that there is an inconsistency between BSCP520 and the Energy Market Architecture Repository (EMAR)¹⁵ in the use of the D0011¹⁶ (Agreement of Contractual Terms), D0148 (Notification of Change to Other Parties), D0151 (Termination of Appointment or Contract by Supplier), D0155 (Notification of New Meter Operator or Data Collector Appointment and Terms) and the D0261 (Rejection of Agent Appointment) flows. BSCP520 identifies the use of these flows, but the EMAR does not include the instances for MAs. A Workgroup Member pointed out that if there is going to be a transition of 20,000 UMS Metering systems to HH this volume of re-appointments lends itself to the use of the EMAR flows via the Data Transfer Network (DTN).

The Workgroup also considered whether the use of the DTN may not be cost effective for those participants that have not configured their systems to accept these flows for these instances, given this will be a one off activity. Once the move to MHHS is complete these data flows may no longer be used.

The Proposer expressed their concerns that setting up an MA role within the EMAR could be a sizeable system change for Suppliers to facilitate. However, they believed it should be encompassed as it would reduce the burden on operational staff and should result in fewer errors. It was noted that some Suppliers may not have systems in place to support this change, so if they cannot send the data flows for this purpose, then an alternative method (e.g. emails) will need to be agreed bilaterally between Parties.

A Workgroup Member pointed out that for DCs it is difficult to know who the MA is with these flows, as the D0148 doesn't state who the MA is and who they are expecting to receive data from. The Proposer pointed out that if the MAs are appointed using the D0148 via the DTN, it will include this information.

The Workgroup is keen to understand the associated costs of using the EMAR approach through the consultation.

¹⁵https://emar.energycodes.co.uk/rm/web#action=com.ibm.rdm.web.pages.showFoundationProjectDashboard&componentURI=https%3A%2F%2Femar.energycodes.co.uk%2Frm%2Frm-projects%2F_Xqe2IFBPEeuGWeSXvTEFcQ%2Fcomponents%2F_XwleIFBPEeuGWeSXvTEFcQ

¹⁶ <https://www.electralink.co.uk/dtc-catalogue/>

Assessment Consultation Question

What is the best mechanism for bulk appointments? Would the benefits of using the DTN outweigh the costs?

The Workgroup invites you to give your views using the response form in Attachment C

D0139 (Confirmation or Rejection of Energisation Status Change)

The Workgroup discussed that the instances between UMSOs/Suppliers/MAs for the D0139 data flow are not recognised in the EMAR. In HH UMS there is no concept of needing to de-energise the MSIDs during the Christmas period as they work all year around, but this is not the case for NHH MSIDs e.g. festive lighting are typically energised in November and de-energised at the end of January. Envisaging that a number of these NHH MSIDs are likely to become HH MSIDs, MAs may need to receive the D0139 data flows through the DTN to make the energisation/de-energisation process more efficient, however this could result in increased costs for Participants.

It was discussed that CP1546 is introducing the concept of a zero inventory charge code, so an alternative approach is that the UMSO could send a zero inventory charge code to the MA then the MSID can remain energised throughout the year (but settling on zeros when not in use), with the HH data calculated correctly. This approach will make no difference to billing or DUoS and it would reduce the need for change to use the D0139.

The MHHS Programme stated that this is a transitional issue, under MHHS the energisation status will be provided through the Unmetered Supplies Data service. The direction of travel seems to be that on change of energisation status Parties will submit zeros until it is re-energised. Although this is a temporary issue, it was pointed out that there will be at least one Christmas period where the D0139 flows will need to be sent, so the Workgroup is keen to understand through the Consultation what impact it will have on Parties to send MAs the D0139 data flows via the DTN.

Assessment Consultation Question

Do you agree Meter Administrators should receive D0139 data flows via the DTN? Would the benefits of this outweigh the costs?

The Workgroup invites you to give your views using the response form in Attachment C

Three Decimal Places for Data Flows

The Workgroup discussed that at the moment MAs send data flows to three decimal places to the HHDCs, but BSCP502 states that the data flows sent to the DA is to one decimal place. When these flows are rounded to the nearest one decimal place it can result in a value of zero, this causes the granularity to be lost, the purpose of rounding to three decimal places is to make sure the volume for smaller energy consuming sites are correctly calculated.

The Workgroup agreed that BSCP502 needs to include the optionality for Parties to send the D0379 (Half Hourly Advances UTC) or D0380 (Half Hourly Advances for Inclusion in Aggregated Supplier Matrix) from October 2023 to be sent using three decimal places.

The Workgroup is keen to understand through the Consultation if the DC/DA systems can process these data flows to three decimal places and what impact this will have.

Assessment Consultation Question

What impact will sending/receiving the D0379 and D0380 flows be for HHDCs, HHDA's and Suppliers?

The Workgroup invites you to give your views using the response form in Attachment C

PECU Arrays

A Workgroup Member explained that BSCP520 currently gives UMSOs the choice to determine if a Customer needs a Photo Electric Control Unit (PECU) Array or not. They questioned whether this should still be the case going forward or whether the use of PECU Arrays for Customers with larger loads should be mandated as it will result in more accurate Settlement.

The other suggestion was to have a default PECU Array within each GSP Group that would ultimately need to be owned and maintained by the MA or the Unmetered Supplies Data Service. The Workgroup noted that although a PECU array would usually result in more accurate Settlement, if it's situated in a larger area like Lancashire, an array in the middle of that GSP Group will not be reflective of the whole area.

The majority of the Workgroup agreed that although this is an issue that should be resolved, it is not in scope of P434, so it should be picked up at UMSUG instead. At the UMSUG meeting on [15 June 2022](#)¹⁷ (UMSUG136) this item was discussed and it was agreed Elexon will establish a sub-group to consider this issue.

Data cleanse

The Workgroup agreed that UMSOs should take lead with the data cleanse with input from Suppliers and Customers and Elexon should coordinate the activities.

The Workgroup suggested developing a data cleanse template which includes all the data items the UMSOs will need to carry out the data cleanse activities. It was agreed that UMSOs will send the template to the Suppliers and the Suppliers will be mandated to fill out the template. The Workgroup believe the use of the template will help reduce complexity (as all impacted parties will use the same template and become familiar with it) and help standardise the data cleanse activity, improving efficiency.

It was asked at what point the MSID that will be kept and the remaining that will be de-energised for the CoMC process will be identified. A Workgroup Member pointed out that it might be too early to identify this during the start of the data cleanse phase, but could be identified later on in the phase whilst UMSOs and Suppliers are in discussion. The Proposer had the view that they didn't mind when the primary MSID is chosen as long as it is done before October 2023, so the data cleanse update was not updated to include this requirement.

It was also agreed that dealing with orphaned MSIDs should be part of the data cleanse activities. MSIDs shouldn't be disconnected because they can't get a hold of the Customer. These sites should only be disconnected if it becomes apparent there is no UMS apparatus connected for the UMS MSID. By October 2024 the expectation is that all NHH MSIDs move to HH by via the CoMC process, even if there are still uncertainties or unknowns that

¹⁷ <https://www.elexon.co.uk/meeting/umsug136/>

need to be dealt with. Any outstanding issues will need to be dealt with under the HH arrangements post-October 2024.

The Workgroup also discussed that some NHH MSIDs don't have a related flag, where multiple MSIDs on a certificate are with different Suppliers. It was suggested that UMSOs could look at the last date of registration on portfolios that contain two or more MSIDs and take the MSID with the latest date being the one that is the intended Supplier. However, it was pointed out that UMSOs cannot make that choice on behalf of their Customers without knowing which Supplier the Customer wishes to retain.

Assessment Consultation Question

Do you agree with the data items included in the mandated data cleanse template?

The Workgroup invites you to give your views using the response form in Attachment C

Implementation Working Group

The Workgroup suggested setting up a Working Group for interested Parties so they can thrash out edge cases like the one above. Elexon agreed to set this working group up during the implementation phase of P434, and to hold these meetings every 4 – 6 weeks from approval of this Modification (targeting October 2022) to October 2024.

UMS Certificates

The Workgroup discussed whether the requirement to produce UMS certificates should remain in the BSC once we move to HH Settlement. It was pointed out by a Workgroup Member that HH UMS certificates will still be relevant long term, when there is a Customer change in responsibility a UMS certificate will be required to provide the details of the new incoming Customer in relation to the MSID on the certificate.

Another Member asked whether HH UMS certificates between Parties can be replaced with a data flow instead. The Proposer was hesitant to introduce a new data flow for this Modification and highlighted that there will be a gradual decline of the EMAR post MHHS.

The consensus was that HH UMS certificates shall remain and should be sent to Customers and Suppliers upon their request, however it shouldn't be a requirement to send a UMS certificate as part of the data cleanse and CoMC activities. The Workgroup stated that they did not envisage that Suppliers would need to hold certificates for record, as historically certificates were requested for the EAC information but that data will not be available in HH Settlement.

From Oct 2023 (or earlier) to Oct 2024 – complete NHH to HH CoMC for all UMS MSIDs as mandated by this Modification

CoMC Process

The Workgroup was presented with two different options for the CoMC approach and were asked which they preferred:

- Option one - follow the current BSCP520 CoMC process as requiring a new MSID to be established with HH measurement class. To enable the CoMC the new HH

MSID is energised and the old NHH MSIDs are de-energised on the day of change, and then subsequently disconnected. Some UMSOs also set the NHH MSIDs to a zero EAC to further assure accurate settlement; or

- Option two - Change the CoMC process so that one of the existing NHH MSIDs is changed to HH and the remaining MSIDs are de-energised/disconnected.

Exelon explained that both options were consulted on as part of CCDG's consultation on the Transition Approach to MHHS and the following key themes were identified in the [responses](#)¹⁸:

Key Theme	Option	Analysis
Customer Interaction	1	Suppliers are best placed to initiate contact with Customers to notify changes to HH Settlement.
	2	Suppliers are best placed to initiate contact with Customers to notify change to HH Settlement. Potential for option 2 to keep link with Customer via converted NHH MSID.
Supplier Activity	1	There were concerns Suppliers could lose unwanted UMS supplies during the CoMC activity. The Supplier would need to register a new MSID.
	2	Increased manual Supplier activity may be required. However, Supplier system changes could reduce manual activity.
UMSO Costs	1	Option 1 will result in more manual effort for UMSOs.
	2	Some UMSOs would incur costs but system changes could potentially remove manual effort.
De-energisation/Disconnection	1	Suppliers would need to de-energise all NHH MSIDs and disconnect, which can be done at the same time as there will be no need to remove related MSID flags.
	2	Suppliers would need to remove the related MSID flag and only disconnect the NHH MSIDs not being converted to HH. However, the MSIDs to be disconnected and retained can be identified beforehand.

¹⁸ <https://www.exelon.co.uk/consultation/ccdg-consultation-on-transition-approach-for-mhhs/#:~:text=This%20consultation%20sets%20out%20the,the%20substance%20of%20those%20recommendations.>

Retrospective Changes to Inventories	1	Changes to NHH EACs could be progressed while the registration is live for the period that the NHHDC was appointed.
	2	Changes to NHH EACs could be progressed while the registration is live for the period that the NHHDC was appointed.
System Changes	1	Supplier systems are already set up to provide this option. It is not clear if UMSOs could implement changes to address manual effort required.
	2	Some UMSOs identify that system changes would be required but this would enable a reduction in manual effort. Suppliers would need to consider what system changes they require to deliver this option.
Manual Effort	1	UMSOs identify higher manual effort for this option.
	2	Suppliers identify greater manual effort for this option.
Data cleansing Activity	1	Required for this option.
	2	Required for this option.
BSCP changes	1	BSCPs need amending to set out requirements for data cleanse.
	2	BSCPs need amending to set out requirements for data cleanse and to set out the new CoMC process using the NHH MSID.

Conclusion

The Workgroup had a strong preference for option two and the consensus was to use this approach for the solution. It was agreed that Suppliers and UMSOs need to work together on the CoMC process but it will sit with Suppliers to drive the process and engage with Customers, as they are ultimately responsible under the BSC for the MSID.

The Workgroup pointed out that option one would require a lot of manual effort from UMSOs. The Workgroup assumed that Suppliers with a large number of NHH UMS would likely be more willing to automate their processes to facilitate option two. Whereas, Suppliers with a smaller number of UMS MSIDs that can't justify automating their processes, option two would likely require more manual work than option one. The Workgroup are keen to understand whether these assumptions are correct via the consultation.

The Workgroup mentioned that another appeal of option two was that Customers still retain a relationship with an existing unmetered MSID. This should reduce the number of

queries from Customers down the line, because a historical reference of what was trading before will be kept.

One Workgroup Member had concerns whether the MPRS system could facilitate the CoMC option two process and whether there will be any system constraints if the primary MSID is related to any secondary MSIDs. They pointed out that this should be checked with the main Service Provider. The Service Provider confirmed that this change can be facilitated as long as the MSIDs are not disconnected, the Supplier is the same for all the MSIDs and there is no Switch (Change of Supplier) in progress. Is there is a relationship between the MSIDs, the Supplier will need to delete the relationship before the LDSO can disconnect the redundant MSIDs.

Latitude and Longitude

The Lat/Long for each MSID/UMS Sub-meter is a key data item to calculate the sunset/sunrise times and materially differs across the country and across the year. Currently the UMSO and MA agree the Lat/Long used for each UMS Sub-meter, which has been done via email, to date, given the associated low volumes. However, for the migration of 20,000 MSIDs this is not feasible.

The Workgroup discussed that there are several approaches:

1. Use the MSID site address postcode of the MSID to derive the Lat/Long
2. Add a new field into the D0388 which the UMSO populates each time the flows is sent
3. Introduce a new flow completely
4. Default to a GSP Group average Lat/Long

The Workgroup noted that using the GSP Group average Lat/Long would involve the least change but using the site address would probably be the most accurate method. A Workgroup Member stated that the differences across most GSP Groups doesn't tend to be large and questioned whether there was a need to go down to post code level of accuracy. The Workgroup was also not keen on creating a new data flow for this work, given the costs associated with system and/or process changes this would likely bring.

The consensus was that, in the absence of better information, the default per GSP Group should be used. Where more specific information is gained from Customers for specific MSIDS, such as coordinates, this can be subsequently updated. The Workgroup agreed this should approach should be included in guidance for industry.

Assurance

The assurance team explained that they do not believe any additional assurance activities are needed to manage any migration resulting from P434, however they can monitor the migrations through the Implementation Working Groups.

They stated that no UMS Risks are Focus Risks in 2022/23 Risk Operating Plan. The PAB also agreed with this approach. The total consumption from UMS MSIDs make up a very small percentage of the SVA market (<2%) and failure to move these MSIDs to HH would have negligible Settlement impact.

However, engagement with Parties beforehand will still be a key priority for the assurance team. If any issues or problems are identified during or after CoMC phase, appropriate assurance measures or techniques can be applied, including escalation to the PAB.

Customer contracts

The Workgroup discussed whether Suppliers would need to change their Customer contracts to reflect any cost changes in the HH market. The Proposer stated they didn't perceive a contract change but instead a tariff change to reflect the cost differences of the MA coming in and potentially to capture any time of use (TOU) benefits. Also under CoMC option two, it won't be necessary to change Customer contracts as an MSID will be retained so some form of agreement will already be in place (whether that is a tariff or agreed contract).

Commercial arrangements

The CCDG suggested that Suppliers should seek commercial arrangements with MAs directly. The Workgroup agreed that with the large number of Customers that will need to be moved to HH Settlement it does require Suppliers to have arrangements with MAs. However, Customers currently do have direct MA agreements in some instances so the Workgroup didn't want to remove the ability of Customer choice in this space.

The Workgroup consensus was that the direct relationship between Suppliers and MAs will be beneficial, so the first point of call is the Supplier to put arrangements in place but the Customer can change their MA if they wish.

Assessment Consultation Question

Do you have any further comments on P434?

[The Workgroup invites you to give your views using the response form in Attachment C](#)



7 Workgroup's Initial Conclusions

The **majority** of the Workgroup Members believe that P434 would better facilitate Applicable BSC Objectives (c) and (d) and so should be **approved**. The minority believed P434 would be neutral against Objective (c). The Workgroup unanimously believes that P434 will be neutral against all other Objectives, (a), (b), (e), (f) and (g).

Does P434 better facilitate the Applicable BSC Objectives?

Obj	Proposer's Views	Other Workgroup Members' Views ¹⁹
(a)	• Neutral	• Neutral
(b)	• Neutral	• Neutral
(c)	• Positive	• Majority positive (one neutral)
(d)	• Positive	• Positive
(e)	• Neutral	• Neutral
(f)	• Neutral	• Neutral
(g)	• Neutral	• Neutral

Objective (c)

The Modification enables a smooth transition to the MHHS TOM for Unmetered Supplies. The Modification will promote effective competition in the generation and supply of electricity because the data will be more accurate and granular which will enable more accurate purchasing and promote innovation and competition. One Member added that ensuring the volumes of energy associated with these MSIDs are sent using three decimal places will further improve the accuracy of Settlement, rather than one decimal place, which would otherwise be the case.

One Workgroup Member was neutral against Objective C as they couldn't see the benefits of P434 on competition.

Objective (d)

The HH Settlement of UMS is more accurate, efficient and robust than the NHH processes which currently require Material Error Monitoring processes to be undertaken on a regular basis. This Modification will therefore better facilitate Applicable BSC Objective (d) as it will introduce more efficient and effective processing of UMS data for Settlement.

What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(c) Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

(f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

(g) Compliance with the Transmission Losses Principle

Assessment Consultation Question

Do you agree with the Workgroup's initial views that P434 does better facilitate the Applicable BSC Objectives than the current baseline?

The Workgroup invites you to give your views using the response form in Attachment C

¹⁹ Shows the different views expressed by the other Workgroup Members – not all Members necessarily agree with all of these views.

Workgroup's Terms of Reference





















































































Specific areas set by the BSC Panel in the P434 Terms of Reference	Conclusion
Consideration of the role of Elexon and the PAB in Migration planning and data cleansing.	Elexon and PAB had the view that no additional assurance activity is needed to monitor the migrations. The data cleansing will be led by UMSOs with input from Suppliers and Customers and coordinated by Elexon.
Should the CoMC process in BSCP520 change?	The Workgroup agreed that the CoMC process in BSCP520 should change so that an existing NHH MSID is changed to HH and the remaining MSIDs are de-energised/disconnected.
Do Suppliers need to change their Customers' contracts to reflect cost changes?	The Workgroup consensus was that given we are going with CoMC option 2 a contract change is not perceived but there could be tariff changes to reflect the cost differences of the MA coming in and potentially to capture any TOU benefits. Under option 2 it won't be necessary to break Customer contracts as retaining an MSID you already have some form of agreement in place (tariff or agreed contract).
Consider whether Suppliers should seek commercial arrangements with MAs directly or if Customers should have the option to pick their MA.	The Workgroup consensus was that Customers should keep the ability to pick their MAs.
Assessment of the costs and benefits, where possible and needed.	Costs for industry will be consulted on as part of the Assessment Procedure consultation. CoMC option 2 will be put forward however Workgroup consensus was that we should also ask participants their cost estimates for CoMC option 1.
How will P434 impact the BSC Settlement Risks?	The Workgroup agreed with the identified BSC Settlement Risks.
What changes are needed to BSC documents, systems and processes to support P434 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?	Workgroup agreed P434 is a document only change, costing Elexon <£1K to implement the change.
Are there any Alternative Modifications?	None raised by the Workgroup.
Should P434 be progressed as a Self-Governance Modification?	The Workgroup consensus is that P434 should not be progressed as a Self-Governance Modification.

Specific areas set by the BSC Panel in the P434 Terms of Reference	Conclusion
Does P434 better facilitate the Applicable BSC Objectives than the current baseline?	Workgroup's initial views by majority was P434 better facilitates Applicable BSC Objectives C and D.
Does P434 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?	The Workgroup believe that the redlining does not impact the EBGL Article 18 Terms and Conditions.

Assessment Procedure timetable

P434 Assessment Timetable	
Event	Date
Present Initial Written Assessment to Panel	10 February 2022
Workgroup Meeting 1	18 March 2022
Workgroup Meeting 2	20 May 2022
Workgroup Meeting 3	8 June 2022
Assessment Procedure Consultation (15WDs)	21 June 2022 – 12 July 2022
Workgroup Meeting 4	21 July 2022
Present Assessment Report to Panel	11 August 2022
Report Phase Consultation (10WDs)	15 August 2022 – 30 August 2022
Present Draft Modification Report to Panel	8 September 2022
Issue Final Modification Report to Authority	14 September 2022

Workgroup Membership and attendance

P434 Workgroup Attendance				
Name	Organisation	18 Mar 2022	20 May 2022	8 Jun 2022
Members				
Lawrence Jones	Elxon (<i>Chair</i>)			
Aylin Ocak	Elxon (<i>Lead Analyst</i>)			
Lee Stone	Npower (<i>Proposer</i>)			
Annika Moody	Imserv			
John Greene	SSE			
Ryan Parker	WPD			
Simon Askew	Business Energy Direct			
Tom Chevalier	Power Data Associates			
Phil Russell	Consultant			
Nik Wills	Stark			
Richard French	Power Data Associates			
Leanne Yates	Northern Power Grid			
Attendees				
Mark DeSouzaWilson	Elxon (<i>Design Authority</i>)			
Tina Wirth	Elxon (<i>Lead Lawyer</i>)			
Kevin Spencer	MHHS Programme			
Danielle Walton	Ofgem			
Jessica Davis	Elxon (SME)			
Freya Gardner	Elxon (SME)			
Andrew Giblin	UK Power Networks			
Ceri Jones	Scottish Power			
Nicola Dew	Northern Power Grid			
Paul Angus	SSEN			
Tym Huckin	Tym Huckin Ltd.			
Joseph Kavanagh	BUUK Infrastructure			
Lucy Penketh	Electricity North West			
Elaine Carr	SP Energy Networks			
Kate Murphy	EDF			
Tracey Dunne	Electricity North West Limited			
Meg Wong	Stark	