Draft Modification Report

P437 'Allowing non-BSC Parties to request Metering Dispensations'

P437 will allow BSCCo (Elexon) to submit Metering Dispensation applications at the request of non-BSC Parties for new connections, in advance of a Registrant being appointed.

This arrangement will increase the probability of a compliant Metering System being installed at the relevant site.

As a result, it reduces the risk to BSC Settlement and de-risks the Metering Dispensation process.

The BSC Panel initially recommends **approval** of P437

The BSC Panel **does not** believe P437 impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Suppliers
- Non-BSC Parties (e.g. site developers)
- Registrants
- Licensed Distribution System Operators (LDSOs)
- The National Electricity Transmission System Operator (NETSO)

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Phase

- Initial Written Assessment
- Definition Procedure
- Assessment Procedure
- Report Phase
- Implementation

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Contents

1 Summary 3
2 Why Change? 5
3 Solution 8
4 Impacts & Costs 9
5 Implementation 16
6 Workgroup's Discussions 17
7 Workgroup's Conclusions 19
8 Panel's Initial Discussions 21
9 Report Phase Consultation Responses 22
10 Recommendations 23
Appendix 1: Workgroup Details 24

About This Document

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

- Have 5 mins? Read section 1
- Have 15 mins? Read sections 1, 8 and 9
- 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*

This is the P437 Draft Modification Report, which Elexon will present to the Panel at its meeting on 13 October 2022. It includes the responses received to the Report Phase Consultation on the Panel's initial recommendations. The Panel will consider all responses, and will agree a final recommendation to the Authority on whether the change should be made.

There are four 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 Code Subsidiary Documents (CSDs) for P437.
- Attachment B contains the full responses received to the Workgroup's Assessment Procedure Consultation.
- Attachment C contains the full responses received to the Panel's Report Phase Consultation.

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1 Summary

Why Change?

Balancing and Settlement Code (BSC) Section L 'Metering'[1] requires the Registrant of the Metering System to submit a Metering Dispensation application where the applicable Metering Equipment to which a Code of Practice (CoP) applies, will not or does not comply with some or all of the requirements contained in the CoP.

Given that the Registrant is usually appointed close to the energisation of a site, an earlier (preferably in the design stage of the site) submission of the Metering Dispensation application is not always possible.

This creates friction in the approval process for the relevant BSC Panel Committee, as they often are unable to suggest alternative arrangements without impacting commercial go-live of the relevant site.

Solution

Section L, which governs the Metering Dispensation procedure, will be amended to allow parties other than the Registrant of the applicable Metering System to request a Metering Dispensation for BSCCo (Elexon) to submit on their behalf. Incoming Registrants will be notified by Elexon of any Metering Dispensations. Registrants will also be able to check for any Metering Dispensations on the Statement of Site Specific Dispensations[2] and Statement of Generic Dispensations[3] respectively.

A new Interface and Timetable Information will be included in BSC Procedure (BSCP) 32 'Metering Dispensation'[4] to describe the proposed process for non-BSC Metering Dispensation applications.

CoPs 1, 2, 3, 5 and 10 and BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'[5] will be amended to reflect the changes to who is permitted to submit a Metering Dispensation application.

Impacts & Costs

P437 is expected to impact Registrants, Suppliers, LDSOs, CVA and SVA MOAs and the NETSO. Registrants will need to accept and be accountable for a site with an approved Metering Dispensation. LDSOs and the NETSO will have earlier visibility on the proposed type of connection at the applicable site. Costs are expected to be low and subject to further assessment as part of this consultation. P437's solution requires changes to one BSC Section, two BSCPs and five metering CoPs. No BSC System changes are required, the central implementation costs are therefore expected to be low. Ongoing Elexon costs are expected to be low and associated with resolving and managing recommended actions from the relevant BSC Panel Committee.

Registrant

In relation to a Metering System, a Registrant is the BSC Party who is accountable for the overall accuracy of the Metering System, who is recorded as that responsible person in CMRS/SMRS.

[1] https://www.elexon.co.uk/the-bsc/bsc-section-l-metering/
[2] https://www.elexon.co.uk/guidance-note/statement-non-confidential-site-specific-metering-dispensations/
[3] https://www.elexon.co.uk/guidance-note/statement-generic-metering-dispensations/
[4] https://www.elexon.co.uk/csd/bscp32-metering-dispensations/
[5] https://www.elexon.co.uk/csd/bscp502-half-hourly-data-collection-for-sva-metering-systems-registered-in-smrs/

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Costs Estimates			
Organisation	Implementation (£k)	On-going (£k)	Impacts
Elexon	3	5	Minor implementation costs associated with the implementation of BSC Section L, BSCP32, BSCP502 and CoPs 1, 2, 3, 5 and 10. Additional on-going costs for Elexon drafting Metering Dispensation applications instead of the Registrant of the Metering System.
NGESO	0	0	There are no changes to NGESO's responsibilities under this proposal and therefore, there will be no change in process/system/resource required. The timing of Metering Dispensations may be earlier than currently but we are not expecting any change in the number of dispensation applications.
Industry	0	0	All consultation responses indicated that industry will not incur any cost.
Total	Low	Low	

Implementation

The Workgroup and the Panel recommend P437 is implemented **10 Working Days (WDs)** after the Self-Governance (SG) Objection Window concludes.

Recommendation

The Panel agrees **unanimously** that P437 would better facilitate the achievement of Applicable BSC Objective (d) 'efficiency in the BSC arrangements'. The majority of members argued that P437 could also facilitate the achievement of Applicable BSC Objective (c) 'competition', whilst the minority remained neutral. The Panel therefore believe that P437 should **be approved**. The Panel do not believe P437 will impact the EBGL provisions in the BSC. The Panel also believe P437 is as a Self-Governance Modification (not to be submitted to Ofgem for decision).

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2 Why Change?

What is the issue?

Section L 'Metering' permits the Registrant of a Metering System to apply for a Metering Dispensation if, for financial or practical reasons, the applicable Metering Equipment will not or does not comply with some or all of the requirements of a CoP. These Metering

Dispensation applications are assessed by the Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) shortly before the relevant electrical circuit is energised.

It is recommended that Applicants submit their Metering Dispensation application at least 14 weeks[6] before the requested approval date. Furthermore, the ISG requested at its meeting on 2 November 2021[7] that these applications are submitted at an earlier stage in the site development process, preferably at the design stage, to allow the ISG and SVG enough time to propose amendments or reject the Metering Dispensation application with less impact on the applicant.

However, the requirement in Section L 'Metering', which requires the Registrant of the Metering System to submit the Metering Dispensation application does not incentivise an earlier submission of an application, preferably at the design stage, as Registrants of a Metering System are typically appointed later than the advised 14 weeks ahead of energisation. This means that the application will be submitted later than the advised 14 weeks, reducing the opportunity for the ISG and SVG to assess the application before approving or rejecting. Furthermore, this could consequently delay the site's energisation.

There is a risk that the Settlement data from the Metering System may be inaccurate due to the ISG and SVG not being able to recommend remedial actions to the Metering System, before approving the application. Assessing the Metering Dispensation application at an earlier stage in the site development process allows the applicant to address potential Settlement issues, providing an opportunity for changes to be made with less impact on the stakeholders, including the Registrant of the site.

Background

A Metering Dispensation[8] is a process utilised by the Registrant of a Metering System when the associated Metering Equipment (for financial or practical reason) will not or does not comply with the applicable CoP.

The Metering Dispensation process and description of roles and responsibilities are outlined in BSCP32 – Metering Dispensations. It also details the information required for submission with an application and notifications sent to Parties, and records to be maintained in respect of all Metering Dispensations.

When creating an application, the Applicant (a BSC Party) should allow sufficient time for the application to be considered by the relevant BSC Panel Committee(s) at their meetings and the approval process to be completed prior to the installation/commissioning of the associated Metering System.

Metering Equipment

Metering Equipment could be Meters, measurement transformer (voltage, current or combination units), metering protection equipment including alarms, circuitry, associated Communications Equipment and Outstations and wiring.

[6] https://www.elexon.co.uk/reference/exceptions/metering-dispensations/
[7] https://www.elexon.co.uk/meeting/isg249/
[8] https://www.elexon.co.uk/reference/exceptions/metering-dispensations/

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Metering Dispensation Process

BSCP32 defines two types of Metering Dispensations, Generic and site specific Dispensations. A Generic Dispensation is utilised when a Dispensation is required on specific items of the Metering Equipment. A site specific Dispensation is utilised when the Actual Metering Point (AMP) is not at the Defined Metering Point (DMP) and the Applicant needs/wishes to apply electrical loss adjustments to the Metering System.

Before a Metering Dispensation Application is submitted, the Applicant is expected to notify and seek endorsement from all affected parties. As outlined in BSCP32, it is advised that where appropriate, a 'letter of endorsement' from the affected parties should accompany the application.

BSCCo (Elexon), on receipt of the application, will complete the following activities:

- Validate and record the application;
- Where applicable, request more information from the Applicant;
- Consult with industry for 10WDs if the Registrant of the Metering System is unknown;
- Consult with the Metering Dispensation Review Group (MDRG) for 10WDs, and for site specific Dispensations where compensation factors are applied, the Electrical Loss Validation Agent (ELVA), on receipt of the application; and
- Submit the application and supporting procedural documents to the relevant BSC Panel to be considered.

The relevant BSC Committee will review the application, and decide if a temporary or lifetime dispensation is granted. The 'relevant BSC Committee' being the SVG for Metering Systems registered in Supplier Meter Registration Service (SMRS) and ISG for Metering Systems registered in Central Meter Registration Service (CMRS). Where a temporary dispensation is granted, an 'end date' is agreed. Furthermore, the relevant BSC Committee may attach conditions to the Dispensation, if approved.

Some examples of the conditions attached to previous approved Metering Dispensation are:

- The Registrant of the Metering Systems, where they share a single point of connection to the Total System, are happy with the arrangement for the allocation of losses for each Metering System; and
- Where there has been issues with the compensation calculation, the compensation figures are subject to ELVA's approval.

Site-Specific Dispensation

This is a Metering Dispensation that only relates to the Metering Equipment or metering arrangements at a particular site and is solely for that site, and cannot be used by a Registrant at another site.

Relevant BSC Committee

The relevant BSC Committee being the Committee which have been delegated the activity of considering and determining applications such as metering dispensations which have been defined in the BSC Baseline Statement as being the responsibility of the Committee.

MOA's involvement in the Dispensation process

MOAs generally support and work closely with Registrants to confirm metering arrangements and the compensation values that need to be programmed into the meters.

LDSO's and NETSO's involvement in the Dispensation process

The LDSO and NETSO are considered to be part of the affected parties in the Metering Dispensation process. The Applicant would notify and seek their endorsement on any proposed Metering Dispensation Application. For site specific applications, where the

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Applicant proposes to apply electrical loss adjustments for power transformer and/or cable or line losses to a Metering System, the LDSO and NETSO will be required to provide some information to enable the calculation of the electrical loss adjustments.

Operational issues with the current Dispensation process

Recently, the ISG and SVG have noted the number of late applications for site specific Metering Dispensations, stating that they have no option but to approve them even though they have considered proposing amendments to the arrangements. Their rationale being that suggesting a different solution or actions to complete before energisation, if identified, may increase cost (to become cost prohibitive) for the Applicant who may be required to make amendments.

Elexon noted these comments and took action to engage Registrants and remind them of the Metering dispensation process and time requirements. As a result, a circular EL03451 'Metering Dispensation – Reminder of Registrants responsibilities'[9] was issued to the Industry on Friday 12 November 2021.

Desired outcomes

P437, if approved, should put in place a provision for non-BSC Parties to apply for a Metering Dispensation, when required. Additionally, BSCCo (Elexon) will be permitted to submit a Metering Dispensation application on behalf of a non-BSC Party.

Ultimately, this will incentivise Metering Dispensations to be requested earlier in the site development process, when required.

[9] https://elexonexternal.newsweaver.com/924j6pkkru/1qp1k3v0u88

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3 Solution

Proposed solution

P437 will amend Section L 'Metering' to permit BSCCo (Elexon) to submit a Metering Dispensation application on request from a party, other than the Registrant of the applicable Metering System for new connections.

Incoming Registrants will be notified by Elexon of any Metering Dispensations. Registrants will also be able to check for any Metering Dispensations on the existing Statement of Site Specific Dispensations[10] and Statement of Generic Dispensations[11] log respectively.

BSCP32 'Metering Dispensation' will be updated to contain a new Interface and Timetable Information to support the Site Specific and Generic Metering Dispensation application from non-BSC Parties.

BSCP502 and CoPs 1, 2, 3, 5 and 10 will be amended to reflect the changes to who is permitted to submit a Metering Dispensation application.

Benefits

P437, if implemented, will incentivise Metering Dispensation applications to be submitted earlier than is currently the case. When applications are submitted earlier in the site development process, it should provide enough time for the relevant BSC Panel Committee (e.g. ISG, SVG) to assess the application. Consequently, when suggestions to the proposed design or location of the Metering System is made, they can be implemented in good time, reducing the risk of having an incorrectly designed or configured Metering Systems.

Ultimately, this can result in improved Settlement accuracy of the relevant Metering Systems, reduce friction in the Metering Dispensations process and reduce the commercial impact on participants.

Alternative solution

The Workgroup did not suggest or raise any alternative solutions. However, the Workgroup did amend the original proposed solution, to allow BSCCo (Elexon) to submit Metering Dispensation applications on behalf of non-Registrants (for new connections) instead of MOAs. More details on the reasons for this can be found in section 6.

Legal text

The P437 draft redlined changes to the BSC and CSDs is available in Attachment A. Further discussions had by the Workgroup on the proposed redlined text can be found in section 6.

[10] https://www.elexon.co.uk/guidance-note/statement-non-confidential-site-specific-metering-dispensations/
[11] https://www.elexon.co.uk/guidance-note/statement-generic-metering-dispensations/

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4 Impacts & Costs

We have defined cost impacts as:

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

Central costs of P437

P437 is a document-only change. We therefore anticipate the central implementation costs to be less than £3k for the proposed solution. We estimate that the effort required to progress Metering Dispensations may increase by 1 day per application (~33% increase), for each application submitted by a non-BSC Party. If we presume 50 – 75% applications are submitted by non-parties, of a total of around 15 applications per year, the annual cost increase for Elexon will approximately £5k.

Estimated implementation costs of P437

Implementation cost estimates			
Organisation	Item	Implementation (£k)	Comment
Elexon	Systems	0	No impact identified. P437 is a document only change.
	Documents	<3	Costs associated with implementing changes to Section L, BSCP32, BSCP502 and CoPs 1, 2, 3, 5 and 10
NGESO	Systems & processes	0	No impact identified.
Industry	Systems & processes	0	Consultation responses indicated that there will be no implementation cost for industry.
	Total	<3	-

Estimated on-going costs of P437

On-going cost estimates		
Organisation	Ongoing (£k)	Comment
Elexon	5	Extra 1 day per application associated with drafting metering dispensation applications, and resolving and managing the recommend actions form the relevant BSC Panel Committee.
NGESO	0	No impact identified.

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On-going cost estimates		
Organisation	Ongoing (£k)	Comment
Industry	0	Consultation responses indicated that there will be no implementation cost for industry.
Total	<1	

P437 impacts

Impact on BSC Parties and Party Agents		
Party/Party Agent	Impact	Estimated cost
LDSO	They will have earlier visibility on the proposed type of connection at the site, and will be able to suggest amendments.	L
Suppliers	Taking ownership of sites with an approved Metering Dispensation application.	L
Registrant	They will be made aware of existing Metering Dispensations. In deciding whether to be the Registrant for a particular Metering System, they will need to consider any Metering Dispensations that are in place.	L

Impact on the NETSO	
Impact	Estimated cost
NETSO will have earlier visibility of the proposed Metering System design, and will be able to raise concerns that may result in amendments to the design of the site.	L

Impact on BSCCo		
Area of Elexon	Impact	Estimated cost
Metering	The Metering team will have a longer duration to progress Metering Dispensation applications. They may have more work to resolve and manage any recommended actions from the relevant BSC Panel Committee.	L

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Impact on BSC Settlement Risks
P437 will have a low positive impact on SVA Risk 003: Metering Equipment Installations are incorrect[12] as Risk 003 covers risks associated with SVA Metering Systems, and a low positive impact on CVA Risk 020: Metering Equipment Installation and Commissioning[13] by mitigating the risk of having a non-compliant Metering System (SVA and CVA) at the relevant site.

Impact on BSC Systems and process	
BSC System/Process	Impact
None	No impact identified.

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Impact
None	No impact identified.

Impact on Code	
Code Section	Impact
Section L 'Metering'	Section 3.4 'Metering Dispensation' has been amended to permit a non-BSC Party to request a Metering Dispensation and for BSCCo (Elexon) to submit the Metering Dispensation application on behalf of the non-BSC Party.

Impact on EBGL Article 18 terms and conditions
The Workgroup does not believe that P437 will impact on the EBGL Article 18 terms and conditions.

Assessment Procedure Consultation Responses

Do you agree with the Workgroup's assessment that P437 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

Yes	No	Neutral/No Comment	Other
2	0	0	0

Both respondents agreed with the Workgroup's assessment that P437 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC.

[12] https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/003-sva-risk-metering-equipment-installations-are-incorrect/
[13] https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/020-cva-risk-cva-metering-equipment-installation-and-commissioning/

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Impact on Code Subsidiary Documents	
CSD	Impact
BSCP32 'Metering Dispensation'	A new Interface and Timetable Information to support the non-BSC Party Metering Dispensation process has been included.
BSCP502 'Half Hourly Data Collection for SVA Metering System Registered in SMRS'	BSCP502 has been amended to exclude the reference to 'Registrants' in regards to the application of a Metering Dispensation to allow BSCCo to submit applications.
Codes of Practice (CoPs) 1, 2, 3, 5 and 10	CoPs 1, 2, 3, 5 and 10 have been amended to exclude the reference to 'Registrants' in regards to the application of a Metering Dispensation to allow BSCCo to submit applications.

Impact on other Configurable Items	
Configurable Item	Impact
None	No impact 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	
Data Transfer Services Agreement	
Distribution Code	
Grid Code	
Retail Energy Code	
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	

Impact on a Significant Code Review (SCR) or other significant industry change projects
An SCR exemption request was sent to Ofgem on 3 March 2022, to which Ofgem confirmed that P437 is SCR exempt on 10 March 2022 at the March BSC Panel meeting.

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Assessment Procedure Consultation Responses

Will your organisation incur any costs in implementing P437?			
Yes	**No**	**Neutral/No Comment**	**Other**
0	2	0	0

Both respondents indicated that no cost will be incurred by their organisation. One respondent added that the timing of the Metering Dispensations may be earlier than currently but we are also not expecting any change in the number of dispensation applications.

Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?			
Yes	**No**	**Neutral/No Comment**	**Other**
2	0	0	0

Both respondents agreed with the Workgroup's assessment of the impact on the Settlement Risks, with no added rationale.

Will P437 impact your organisation?			
Yes	**No**	**Neutral/No Comment**	**Other**
2	0	0	0

Both respondents noted that P437 will have a positive impact on their organisation, although a low impact. The Meter Equipment Manager (MEM) respondent stated that P437 will positively impact the Metering Dispensation process and the customer.

The respondent representing NGESO noted that P437 will enable them to receive Metering Dispensation applications earlier than currently. However, they do not believe that P437 will impact on their current processes.

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.

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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 The Workgroup did not identify any impacts on this consumer benefit.	Neutral
3) Reduced environmental damage The Workgroup did not identify any impacts on this consumer benefit.	Neutral
4) Improved quality of service P437 will enable Metering Dispensation applications to be submitted earlier in the site development process, providing enough time for the required assessment to be completed ahead of the proposed energisation. As a result, the instances where the energisation of the site is delayed may be reduced. Also, P437 will provide certainty to the customer that their site configuration is permissible at an earlier opportunity, or where the site configuration is not considered acceptable, it gives the customer greater time to resolve, before greater financial costs are incurred.	**Positive**
5) Benefits for society as a whole The Workgroup did not identify any impacts on this consumer benefit.	Neutral

A Workgroup member pointed out that P437 could potentially prevent Metering Dispensations from being needed, as the intent of P437 is to incentivise parties to speak to BSCCo (Elexon) as early as possible in the site development process, if they have concerns about the proposed Metering System design. This in turn will foster collaboration between the applicant and Elexon to ensure the design of the Metering System at the relevant site, is compliant. Ultimately, this could result in the reduction of Metering Dispensation applications.

Do you agree with the Workgroup's assessment of the impact on the consumer benefit areas?			
Yes	**No**	**Neutral/No Comment**	**Other**
2	0	0	0

Both respondents agreed with the Workgroup's assessment of the impact on the consumer benefit areas, with no added rationale.

The need for Metering Dispensations

The Workgroup were also keen to hear from participants any ideas for how the need for Metering Dispensations could be reduced, as in the Workgroup's view, Metering Dispensations should be a last resort where other avenues to install a compliant Metering System have been exhausted, which may on occasion be due to prohibitive cost.

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Are there any other ways to stop Metering Dispensations from being submitted?

One respondent commented, suggesting that a financial charge for applying could be introduced. Secondly, the number/scope of deviations that are considered acceptable and can be covered by a generic dispensation (e.g. a distance or loss factor if AMP and DMP are different), can be increased. The other respondent did not comment.

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5 Implementation

Recommended Implementation Date

The Panel recommended an Implementation Date **10 Working Days (WDs)** after the Self-Governance (SG) Objection Window concludes.

This allows P437 to be implemented at the earliest opportunity. The 10 WD lead time will allow sufficient time for the standard November 2022 Release activities to conclude.

The one Report Phase Consultation respondent agreed with the recommended Implementation Date.

Initial Recommended Implementation Date

The Workgroup initially recommended P437 is implemented on 3 November 2022, as part of the standard November 2022 scheduled BSC Release.

Elexon consulted on the initial recommended Implementation Date to which, both respondents agreed.

Assessment Procedure Consultation Responses

Do you agree with the Workgroup's recommended Implementation Date?			
Yes	**No**	**Neutral/No Comment**	**Other**
2	0	0	0

Update to the Implementation approach

At the third P437 Workgroup meeting[14], Elexon presented industry's response to the proposed Implementation Date of 3 November 2022.

Further, Elexon pointed out a risk with this approach, noting that P437 will need to undergo a Self-Governance Objection window, should the Panel agree that P437 is a SG Modification. According to the P437 progression timetable, the SG Objection window will run from 13 October to 2 November 2022 (15WDs), which is one day before the November 2022 BSC Release date.

Therefore, the Workgroup recommended an Implementation Date for P437 of:

- **10WDs** after the Self-Governance Objection window closes.

The Workgroup noted that it is important for the solution from P437 to be implemented as early as possible so as to enable industry realise the benefit of a more streamlined Metering Dispensation process.

[14] https://www.elexon.co.uk/meeting/p437-workgroup-3/

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Proposed solution for P437

The Workgroup initially discussed the proposed solution options for P437, which were:

- Option 1: Update Section L 3.4 to allow non-Registrants to request a Site Specific Metering Dispensation and to include the permitted role(s) of who can submit an Application e.g. the relevant MOA (SVA or CVA);
- Option 2: Update Section L 3.4 to allow a non-Registrant to request a Site Specific Metering Dispensation and include a reference to BSCP32, which will contain a list of permitted roles that can submit an Application;
- Option 3: Update Section L 3.4 to allow a non-Registrant and a non-BSC Party to request a Site Specific Metering Dispensation and Generic Metering Dispensation respectively. Further, list the permitted roles who can submit an Application in Section L; and
- Option 4: Update Section L 3.4 to allow a non-Registrant and a non-BSC Party to request a Site Specific Metering Dispensation and a Generic Metering Dispensation respectively. Further, list the permitted roles who can submit an Application in BSCP32

Non-Registrant and Non-BSC Party

The Registrant is responsible for a Metering System and for a Site Specific Metering Dispensation, so a non-Registrant is an applicant who is intending to submit a Generic Metering Dispensation but, is not or is not going to be the Registrant of the relevant Metering System. A non-BSC Party is an applicant that is not a BSC Party.

Most of the Workgroup Members, preferred option 4, stating that it was the most complete solution option. Option 1 does not include the "Generic Metering" Dispensation and when an update to the permitted role(s) is required, it can only be effected via a Modification process, introducing friction to the maintenance of the Metering Dispensation process.

Option 2 removes the need for a Modification process to effect an update to the permitted role(s), when required. However, this option does not include the "Generic" Metering Dispensation in the solution.

Option 3 includes the "Generic" Metering Dispensation in the solution but requires a Modification process to effect an update to the permitted role(s) of who can submit a Metering Dispensation Application.

Option 4 removes the need for the Modification process to effect an update to the permitted role(s), and includes "Generic" Metering Dispensation in the solution. This option was preferred by most Workgroup members.

However, some Workgroup members were also keen to consider another option (option 5), which will include the solution from option 4 and in addition, enable the BSCCo (Elexon) to submit Metering Dispensation Applications as opposed to CVA and SVA MOAs.

BSC Party

A BSC Party is any company that has acceded to the Balancing and Settlement Code (i.e. that has signed the BSC Framework Agreement).

A BSC Party is bound by the terms of the BSC, and subject to certain consequences if they fail to abide by these terms.

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The Workgroup unanimously agreed to progress the new option (option 5) as the solution for P437.

Impact on Registrants

The Workgroup discussed how the P437 solution would likely impact Registrants, specifically on how Registrants of the site where the Metering Dispensation was approved, may not have been involved in the Metering Dispensation application. A member pointed out that Registrants should be afforded access to every useful piece of information about the approved Metering Dispensation. Elexon suggested that a notification step could be added to BSCP32 to ensure that the Registrant of applicable new electricity connections site is made aware, by the applicant, of the Metering Dispensation.

The Workgroup agreed to the suggestion as they believed this would ensure that the original Registrant of the new connection site is aware of the Dispensation. The Workgroup also noted that potential Registrants should use the Statement of Site Specific Dispensations for Site Specific Applications and Statement of Generic Dispensations for Generic Dispensation Applications, publically available on the BSC website, to understand if the Metering System they are agreeing to be the Registrant for, is subject to a Metering Dispensation.

Assessment Procedure Consultation Responses

As a Registrant, how will P437 impact you?			
Yes	**No**	**Neutral/No Comment**	**Other**
0	0	2	0

Both respondents, who did not respond in the capacity of a Registrant, confirmed no impact to them.

Extending the scope of P437 to cover Generic Metering Dispensations

Elexon proposed to the Workgroup that the P437 solution should also permit non-BSC Parties to request Generic Metering Dispensations, when required.

The Workgroup discussed this, highlighting that Generic Metering Dispensations occur more frequently than Site Specific Metering Dispensations therefore, allowing non-BSC Parties to request Generic Metering Dispensations provides an added benefit to industry.

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7 Workgroup's Conclusions

The Workgroup unanimously believe that P437 should be **approved and implemented**.

P437 Proposer

P437 was proposed by the BSC Panel and they in turn nominated Iain Nicoll of BSCCo to be their representative. However, as per BSC Section F paragraph 2.4.5(c), the Panel's representative, where an employee of BSCCo as for P437, is not able to vote against the Applicable BSC objectives therefore, unlike with other proposed BSC Modifications, the Proposer's views are not represented.

Applicable BSC Objectives

The Workgroup unanimously believes that P437 would better facilitate Applicable BSC objective (d) and so should be approved. The majority of the Workgroup Members also believed that P437 would better facilitate Applicable BSC Objective (c). The minority believed P437 would be neutral against Objective (c). The Workgroup unanimously believes that P437 will be neutral against all other objectives, (a), (b), (e), (f) and (g).

Objective (d)

By allowing non-BSC Parties to request Metering Dispensations, it will enable an earlier submission and assessment of the application by the relevant BSC Panel Committee(s). This will increase the likelihood that Settlement issues, when identified, are addressed in a timely manner. Additionally, it will remove the need for and burden of 'time critical' Metering Dispensation applications from being submitted.

Objective (c)

P437 will create an environment where anyone who requires a Metering Dispensation, early in their site development process, can easily find an applicant to progress this.

This in turn, promotes effective competition in the generation and supply of electricity because the likelihood of installing more compliant Metering Systems will be high, leading to more accurate meter data and innovating solutions. Moreover, by allowing site owners to select a Supplier nearer to energisation, it reduces the need to lock in with a Supplier just to progress a Metering Dispensation, providing the site owner the opportunity to select a Supplier when needed.

Assessment Procedure Consultation Responses

Do you agree with the Workgroup's initial majority view that P437 does better facilitate the Applicable BSC Objectives than the current baseline?			
Yes	**No**	**Neutral/No Comment**	**Other**
2	0	0	0

What are the Applicable BSC Objectives?

(a) The efficient discharge by the NETSO 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 administrating 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

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Self-Governance

The Workgroup believe that P437 is a Self-Governance Modification Proposal as it does not materially impact the Self-Governance criteria (should be decided by the BSC Panel and not submitted to Ofgem for decision). This is contrary to Elexon's view that P437 materially amends the Code's governance procedures, by amending who can request and submit Metering Dispensations. The Workgroup did not believe this was a material amendment to the governance procedures as it was only introducing more routes to progress a Metering Dispensation, giving parties more time and therefore would not have any detrimental impacts on participants, including Registrants. It was also not viewed as material, as the Registrant will still, once appointed, be responsible for the Metering System and any applicable Metering Dispensations.

Assessment Procedure Consultation Responses

Do you agree with the Workgroup's initial view that P437 should be treated as a Self-Governance Modification?

Yes	No	Neutral/No Comment	Other
2	0	0	0

What is the Self-Governance Criteria?

A Modification that, if implemented:
(a) does not involve any amendments whether in whole or in part to the EBGL Article 18 terms and conditions; except to the extent required to correct an error in the EBGL Article 18 terms and conditions or as a result of a factual change, including but not limited to:
(i) correcting minor typographical errors;
(ii) correcting formatting and consistency errors, such as paragraph numbering; or
(iii) updating out of date references to other documents or paragraphs;
(b) is unlikely to have a material effect on:
(i) existing or future electricity consumers; and
(ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
(iii) the operation of the national electricity transmission system; and
(iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
(v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

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8 Panel's Initial Discussions

The P437 Assessment Report was presented to the Panel at its meeting on 8 September 2022 (330/07)[15].

P437 Proposed solution

A Panel Member wanted to clarify if the P437 solution and proposed process relates to only new Metering System installations (new connections), to which Elexon confirmed it does relate to only new Metering System installations.

Another Member wanted to clarify if Elexon are expecting the number of applications to increase as a result of the P437 solution, to which Elexon confirmed that the number of applications are expected to increase but not as a result of P437. The Member noted the response.

Also, the same Member asked if anyone could submit a Generic Metering Dispensation, to which Elexon confirmed that anyone can submit one if they wish to resolve a common issue that has an impact across industry. We would consult with all parties prior to seeking Committee approval, Elexon added.

Applicable BSC Objectives

The Panel unanimously agreed that P437 does better facilitate Applicable BSC Objectives (d) and agreed by majority that P437 does better facilitate Applicable Objective (c), for the rationale provided by the Workgroup, and thus made an initial recommendation that P437 **should be approved**. The Member who believed P437 was neutral against Objective (c), was of the view that P437 had no impact on competition as it was using an existing mechanism and is simply allowing Elexon to submit Metering Dispensations.

Self-Governance and EBGL Impacts

The Panel unanimously agreed that P437 should be treated as a Self-Governance Modification, and thus should not be submitted to Ofgem for decision, for the reason provided by the Workgroup.

Also, the Panel agreed with the Workgroup's view that P437 does not impact the EBGL Article 18 terms and condition, and is therefore not subject to the EBGL change process.

[15] https://www.elexon.co.uk/meeting/bsc-panel-330/

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9 Report Phase Consultation Responses

This section summarises the responses to the Panel's Report Phase Consultation on its initial recommendations. We issued the Report Phase Consultation on 14 September 2022 with responses invited by 5pm on Thursday 29 September 2022. You can find the full responses in Attachment C. The one response was from a Generator.

Summary of P437 Report Phase Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Panel's initial unanimous recommendation that P437 should be approved?	1	0	0	0
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P437?	1	0	0	0
Do you agree with the Panel's recommended Implementation Date?	1	0	0	0
Do you agree with the Panel's initial view that P437 does not impact the EBGL Article 18 terms and conditions related to balancing held within the BSC?	1	0	0	0
Do you agree with the Panel's initial view that P437 should be treated as a Self-Governance Modification?	1	0	0	0
Do you have any further comments on P437?	0	1	0	0

There was one response to the P437 Report Phase Consultation which was in support of the solution, redlining and Implementation Date. They also agreed that the Modification should be a Self-Governance Modification and that it does not affect the EBGL Article 18 terms and conditions related to balancing held within the BSC.

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10 Recommendations

We invite the Panel to:

- **AGREE** that P437:
    - **DOES** better facilitate Applicable BSC Objective (c); and
    - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** that P437 does not impact the EBGL Article 18 terms and conditions held within the BSC;
- **DETERMINE** (in the absence of any Authority direction) that P437 is a Self-Governance Modification Proposal;
- **APPROVE** P437;
- **APPROVE** an Implementation Date of:
    - **10 Working Days (WDs)** after the Self-Governance Objection window closes;
- **APPROVE** the draft legal text;
- **APPROVE** the amendments to the Code Subsidiary Documents;
- **APPROVE** the P437 Modification Report.

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Appendix 1: Workgroup Details

Workgroup's Terms of Reference

Specific areas set by the BSC Panel in the P437 Terms of Reference	Conclusion
Should the scope of this Modification be extended to allow non-BSC Parties to request Generic Metering Dispensations?	Elexon and the Workgroup agreed that the solution from P437 should include Generic Metering Dispensation.
What mitigation should be implemented to manage the impact on Registrants and what should the role of the Registrants be?	Elexon and the Workgroup agreed that P437 will have a low impact on Registrants. However, a notification step should be added to the proposed process that will ensure that the Registrant is adequately informed of any approved Metering Dispensation, prior to them taking ownership of the applicable site.
How will P437 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 P437 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?	The Workgroup agreed P437 is a document only change, costing Elexon <3k to implement the change.
Are there any Alternative Modifications?	No alternative Modifications proposed or raised by the Workgroup.
Should P437 be progressed as a Self-Governance Modification?	The Workgroup consensus is that P437 should be progressed as a Self-Governance Modification.
Does P437 better facilitate the Applicable BSC Objectives than the current baseline?	The Workgroup unanimously agreed that P437 better facilitates Applicable BSC Objective (d). Majority of the Workgroup Members added that P437 would also better facilitate Applicable BSC Objective (c).
Does P437 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

P437 Assessment Timetable	
Event	Date
Present Initial Written Assessment to Panel	10 March 2022
Workgroup Meeting 1	24 May 2022
Workgroup Meeting 2	23 June 2022
Assessment Procedure Consultation	11 July 2022 – 29 July 2022

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P437 Assessment Timetable	
Event	Date
Workgroup Meeting 3	8 August 2022
Present Assessment Report to Panel	8 September 2022
Report Phase Consultation (10WDs)	14 September 2022 – 28 September 2022
Present Draft Modification Report to Panel	13 October 2022
Self-Governance Objection window	13 October 2022 – 2 November 2022

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Workgroup membership and attendance

P437 Workgroup Attendance				
Name	Organisation	24 May 2022	23 June 2022	8 Aug 2022
Elliott Harper	Elexon *(Chair)*	☎	✖	✖
Stanley Dikeocha	Elexon *(Lead Analyst)*	☎	☎	☎
Lisa Waters	Waters Wye Associates	☎	☎	☎
Simon Hagan	IMServ	☎	☎	✖
David Brown	Association of Meter Operators (AMO)	☎	☎	☎
Kevin Walker	Eon Energy	☎	☎	✖
Dawn Matthews	UK Power Networks	☎	✖	✖
Anne Themistocleous	UK Power Networks	✖	☎	☎
Grahame Neale	National Grid ESO	✖	☎	☎
Andrew Colley	SSE	☎	✖	☎
Amanda Dainty	Total Gas and Power	✖	✖	✖
Attendees				
Kelly Ings	Elexon *(Design Authority)*	☎	☎	☎
Iain Nicoll	Elexon *(SME)*	☎	☎	☎
Lawrence Jones	Elexon (*Supporting Chair*)	✖	☎	✖
Ivar Macsween	Elexon (*Supporting Chair*)	✖	✖	☎

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