P442 Digital Meeting Etiquette

- Welcome to the P442 Workgroup meeting 3 we'll start shortly
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk use the Raise hand feature in the Menu bar in Microsoft Teams if you want to speak, or use the Meeting chat



- Talk pause talk
- Lots of us are working remotely be mindful of background noise and connection speeds
- We would love to gather your thoughts using Slido as we move through today's session. Everyone should be able to vote and answer questions live.
- Participants can join at slido.com with #XXXXXX

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P442 'Reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt and licensed supply'

Meeting 3

15 September 2023

Meeting Agenda

Objectives for this meeting:

- Present impact assessment and finalise solution and based on impact assessment;
- Gather Workgroup initial views against the Terms of Reference.

Agenda Item	Lead
1. Welcome and meeting objectives	Lawrence Jones (Chair)
2. Review of current views against the Terms of Reference	Jenny Sarsfield (Lead Analyst)
3. Exempt Supply Notification Agent (ESNA) Requirements	Lorna Lewin and John Lucas (Market Design)
4. Assurance	Beth Procter (Subject Matter Expert)
5. Adjustment of Energy Imbalance Positions	John Lucas and Jenny Sarsfield
6. Legal text and Code Subsidiary Documents	Lorna Lewin and Robert Holmes (Legal)
7. Applicable Objectives and Consumer Benefits	Jenny Sarsfield
8. Workgroup Voting against the Terms of Reference	Lawrence Jones
9. Next steps	Jenny Sarsfield
10. Meeting close	Lawrence Jones

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Recap of Previous Workgroup Meetings

- The new exempt supply agent role was previously referred to as the Exempt Supply Calculation Agent (ESCA), but is now being
 referred to as the Exempt Supply Notification Agent (ESNA)
- WG felt that HHDC should not be mandated to share data with the ESNA, as it could be shared by Suppliers and reliance on HHDCs could slow development and adds a dependency with the MHHS Programme
- WG agreed that the solution should be applicable to HH settled meters
- It was agreed that any issues to interoperability would be more efficiently dealt with under a separate Modification Proposal
- WG identified that CVA systems are not included in the solution, but, after considering the processes and benefits, decided CVA systems should not be included in the P442 solution
- A WG member questioned whether the ESNA could apply the LLFs instead of SVAA, the two options were compared, and, after considering the processes involved, the WG decided that the ESNA should apply the losses
- The WG discussed if the ESNA should be a Supplier Agent or a BSC Party, and agreed with the reasoning presented by Elexon for Supplier Agent
- The WG expressed concerns about the proposed Energy Imbalance Adjustment. Elexon explained that multiple Supplier
 arrangements could not be supported without Imbalance Volumes being adjusted, and presented worked examples to demonstrate
 the impact on cash flow and Imbalance. The Proposer felt that multiple Supplier arrangements should be enabled, but the majority
 of the WG did not agree

Ref	Action	Latest Update	Owner	Due
1.1	Create diagrams to visualise the solution option(s)	Closed - Diagrams with solution options have were presented in WG2	Elexon	WG2
1.2	Conduct Impact Assessments for the P442 proposed solution	Proposed closed - Impact Assessment undertaken once solution options decided in WG2, to be presented in WG3	Elexon	WG3
1.3	Create worked examples for the Imbalance adjustment proposal	Closed - Worked examples for the Imbalance adjustment were presented in WG2	Elexon	WG2
2.1	Share any thoughts on the new agent name.	Closed – No responses received from WG, new agent name to be shared in WG3	WG	WG3



CURRENT VIEWS AGAINST TOR

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ToR	Details	Status	WG Views
a)	What are the specific requirements of the ESNA role, including system requirements?	x	ESNA must be able to receive and process data from Supplier/HHDC, apply losses, and send to SAA. To be discussed further in WG3.
b)	What outputs are required from ESNAs, including formats and submission process?	✓	ESNA output will be BM Unit Eligible Exempt Supply Volumes in a Supplier BM Unit via SAA-I0aa BM Unit Eligible Exempt Supply Volume Notification.
C)	Is any monitoring required for data submitted to the BSC systems by an ESNA?	×	Qualification and assurance for ESNA, rather than monitoring by a Qualified Party e.g. HHDC. To be discussed further in WG3.
d)	What assurance requirements should there be for the ESNA role?	x	Qualification and assurance for ESNA role as part of the BSC audit. To be discussed further in WG3.
e)	What arrangements are appropriate for adjusting the Energy Imbalance positions of Licensed Suppliers?	×	Proposer felt Energy Imbalance adjustment was important to allow multiple Supplier arrangements to avoid a monopoly, but other WG members disagreed. To be discussed further in WG3.
f)	What data will be made publicly available?	~	BSCCo to publish on the BSC website on a monthly basis and maintain a public record of anonamised Exempt Metered Volumes. The data for the report will be the total Import and Export Exempt Metered Volume (in MW), Settlement Day and Settlement Period.
g)	Should the arrangements be retrospectively applied?	✓	Solution should not be applied retrospectively, due to added complexities/costs and uncertainty for industry.

ToR	Details	Status	WG Views
h)	How will P442 impact the BSC Settlement Risks?	×	P442 will impact the following Settlement Risks: 008 SVA Risk: Metered Data is not processed or transferred 029 CVA Risk: SAA Calculations and processing
i)	What changes are needed to BSC documents, systems and processes to support P442 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?	×	BSC Sections J, S, T, X-1, X-2, and Z, SAD. BSCPs 01, 70, 502, 507, 508, and 537. <£10k for document changes. Impacts to SAA, estimated costs and lead time to be shared today. Legal text, and redlining for SAD, BSCP 01, 70, 502, and 537 during AP. Other CSDs and system development during Implementation Phase.
j)	Are there any Alternative Modifications?	×	To be decided by the WG.
k)	Should P442 be progressed as a Self- Governance Modification?	×	P442 should not be progressed under Self-Governance as it does not meet the Self-Governance Criteria as enabling efficient peer-to-peer exchange would materially impact competition.
l)	Does P442 better facilitate the Applicable BSC Objectives than the current baseline?	×	The Proposer believes the P442 will better facilitate Applicable BSC Objectives b (the efficient operation of the National Electricity Transmission System), c (promoting effective competition) and d (Promoting efficiency in the implementation of the balancing and settlement arrangements). To be discussed further in WG3.
m)	Does P442 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?	×	P442 is expected to impact the EBGL Article 18 terms and conditions as specified in the mapping given in Section F Annex F-2. Specifically, it will impact the Settlement calculations.



ESNA REQUIREMENTS

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P442 Proposed Solution



ESNA Requirements - Qualification

- A Supplier, Supplier Agent or a third party acting on behalf of the Supplier can register to become an ESNA
- The ESNA role will subject to the SVA qualification process performed by the BSC Qualification Service Provider (QSP), to ensure compliance with settlement requirements
- The SVA qualification process for the ESNA role will be detailed within BSCP537 'Qualification Process for SVA Parties, SVA Party Agents and CVA MOAs'

ESNA Requirements - Initial set up of exempt arrangements

- After the ESNA is appointed by a Supplier, the ESNA must obtain Line Loss Factor (LLF) data
- The ESNA will obtain the LLF data file (D0265) from the Elexon Portal in preparation to apply the LLFs when the metered data is received
- The ESNA will obtain the Seasonal Zonal Transmission Losses (TLFA) data file and the Estimated Variable Transmission Losses (TLMO) from the Elexon Portal in preparation to apply the TLMs & TLMOs when the metered data is received

- The ESNA must apply Line Loss Factors and Transmission Losses to Half Hourly Metered Data
- This ensures distribution and transmission losses are accounted for correctly eg a generator with 8% losses supplying 1 kWh to a customer with 12% losses must generate c 1.04 kWh
- Upon receipt of the Metering System(s) Half Hourly Metered Data, the ESNA will apply:
 - The Line Loss Factors (LLFs);
 - The Transmission Loss Factors (TLF); and
 - Potentially the Variable Transmission Losses (TLMO), but this is not straightforward.
- Options for TLMO include:
 - **Option 1** use actual TLMO values. But problematic because they're not available until Settlement produces them.
 - Option 2 use estimated TLMOs (published in advance per Season).
 Still problematic, because some GSP Groups in North of UK 'flip' from offtaking to delivering in certain Settlement Periods If you wait to find out the offtaking/delivering status you might as well use real TLMOs (option 1) Could use the offtaking TLMO (and ignore the possibility of flipping)
 - **Option 3** don't apply TLMOs at all
 - Option 4 SAA applies TLMOs in Settlement

ESNA Requirements – Options for handling TLMO

- Consider an exempt supplier selling 1 kWh to a customer (and taking losses into account)
- For sake of a simple example, assume LLF and TLF are the same
- Offtaking TLMO=+0.01, delivering TLMO=-0.01

Option	Customer and supplier both offtaking (normal situation)	Customer offtaking, supplier delivering	Customer delivering, supplier offtaking
Option 1 – actual TLMO	 Exempt supplier must Export 1 kWh (to supply 1 kWh) Whole volume supplied (including losses) is non- chargeable No Supplier imbalance 	 Exempt supplier must Export 1.02 kWh (to supply 1 kWh) EMR levy 'rebate' correct as ESNA notifies 1.01 kWh which matches Settlement No Supplier imbalance 	 Exempt supplier must Export 0.98 kWh (to supply 1 kWh) EMR levy 'rebate' correct as ESNA notifies 0.99 kWh which matches Settlement No Supplier imbalance
Option 2 – offtaking ETLMO	 Exempt supplier must Export 1 kWh (to supply 1 kWh) Whole volume supplied (including losses) is non- chargeable Small Supplier imbalance (due to errors in ETLMO) 	 Exempt supplier must Export 1 kWh (to supply 1 kWh) EMR levy 'rebate' correct as ESNA notifies 1.01 kWh which matches Settlement Supplier pays Imbalance on 2% difference in TLMOs 	 Exempt supplier must Export 1 kWh (to supply 1 kWh) EMR levy 'rebate' too high, as ESNA notifies 1.01 kWh, vs 0.99 kWh in Settlement Supplier receives Imbalance on 2% difference in TLMOs

ESNA Requirements – Options for handling TLMO

Option	Customer and supplier both offtaking (normal situation)	Customer offtaking, supplier delivering	Customer delivering, supplier offtaking
Option 3 – don't apply TLMO	 Exempt supplier must Export 1 kWh (to supply 1 kWh) Variable transmission losses are charged on EMR levies No Supplier imbalance 	 Exempt supplier must Export 1 kWh (to supply 1 kWh) EMR levy 'rebate' too small as ESNA notifies 1 kWh vs 1.01 kWh in Settlement Supplier pays Imbalance on 2% difference in TLMOs 	 Exempt supplier must Export 1 kWh (to supply 1 kWh) EMR levy 'rebate' too large as ESNA notifies 1 kWh vs 0.99 kWh in Settlement Supplier receives Imbalance on 2% difference in TLMOs
Option 4 – SAA applies TLMO	 Exempt supplier must Export 1 kWh (to supply 1 kWh) Whole volume supplied (including losses) is non- chargeable No Supplier imbalance 	 Exempt supplier must Export 1 kWh (to supply 1 kWh) EMR levy 'rebate' correct Supplier pays Imbalance on 2% difference in TLMOs 	 Exempt supplier must Export 1 kWh (to supply 1 kWh) EMR levy 'rebate' correct Supplier receives Imbalance on 2% difference in TLMOs

• Suggest discarding option 3 (not even right in simple case of both GSP Groups offtaking)

• Progress either option 2 or option 4?

- The ESNA will identify exempt supply volumes and send them (aggregated to BM Unit level) to the SAA
- The ESNA will use the loss-adjusted Metering System Half Hourly Metered Data and details of the exempt supply arrangements to determine loss-adjusted volumes of energy ("Eligible Exempt Supply Volumes") that meet the following criteria:
 - The energy was supplied to a customer by an exempt supplier, in a given Settlement Period, in accordance with the exempt supply arrangements notified to the ESNA;
 - The energy was Exported onto a Distribution System by the exempt supplier; and
 - The energy was Imported from a Distribution System by the customer.
- The ESNA will ensure that:
 - It only identifies Eligible Exempt Supply Volumes that relate to exempt supply arrangements notified by the relevant Supplier(s);
 - Each Eligible Exempt Supply Volume relates to both an Import Metering System and an Export Metering System for which the ESNA has received Metering System Half Hourly Metered Data for that Settlement Period; and
 - The total volume of Eligible Exempt Supply Volumes identified in relation to a given Metering System and Settlement Period does not exceed the value of the loss-adjusted Metering System Half Hourly Metered Data for that Metering System and Settlement Period
- The ESNA will aggregate the Eligible Exempt Supply Volumes to BM Unit level, in order to calculate the BM Unit Eligible Exempt Supply Volume for each:
 - Supplier BM Unit 'i1' containing customers who were supplied with an Eligible Exempt Supply Volume;
 - Supplier BM Unit 'i2' containing generators who supplied an Eligible Exempt Supply Volume; and
 - Settlement Period 'j'.
- The ESNA will send values of BM Unit Eligible Exempt Supply Volume to the SAA using data flow SAA-I0aa in time for each Settlement Run



ASSURANCE

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- As the ESNA will be a BSC party, any market participant wishing to operate as a BSC Party in the role of ESNA will be required to follow the Qualification process to be able to fulfil this role
- This process will mirror that of the current SVA Qualification process
- The Qualification Service Provider (QSP) will check:
 - The Eligible Exempt Supply Volumes the ESNA submits to the SAA relates to the exempt supply arrangements notified by the relevant Supplier(s);
 - The total volume of Eligible Exempt Supply Volumes submitted to the SAA in relation to a given Metering System and Settlement Period does not exceed the value of the loss-adjusted Metering System Half Hourly Metered Data for that Metering System and Settlement Period; and
 - The ESNA has applied the correct Distribution and Transmission losses data to the HH Metered Data for the relevant Metering Systems

BSC Audit (PAT)

- The ESNA role will be a Party role that can be considered for inclusion in the BSC Audit, performed by the BSC Auditor as part of the annual Process Assessment Audit
- The scope of the BSC Audit Process Assessment is determined for each year by Elexon and the Performance Assurance Board (PAB)
- A number of factors for inclusion in the BSC Audit will be considered when deciding if this role is included in a particular year. These are (but not limited to):
 - Impact to Settlement;
 - When the role was last included in the Audit;
 - Performance of an individual Party for the related process;
 - The number of Parties applicable for an ESNA Audit work paper in a given year; and
 - Other Party roles and work papers that may take priority over this one.
- The first BSC Audit for this role will be determined once an implementation date for P442 has been set
- The BSC Audit for the ESNA role will check that the total volume of Eligible Exempt Supply Volumes identified in relation to a given Metering System and Settlement Period does not exceed the value of the loss-adjusted Metering System Half Hourly Metered Data for that Metering System and Settlement Period



ADJUSTMENT OF ENERGY IMBALANCE POSITIONS

P442 Calculation Options

- Are we calculating exempt supply volumes only for purposes of reporting to EMRS? Or should we also adjust Suppliers' Imbalance Volumes?
- This question relates to whether P442 is intended to support arrangements with a single licensed Supplier, or multiple licensed Suppliers

Example with a single licensed Supplier

Consider an agreement between:

- 1. A generator (acting as an exempt supplier);
- 2. A customer (taking an exempt supply from the generator);
- 3. A Licensed Supplier, facilitating the arrangement by:
 - Registering Metering Systems for both supplier and generator
 - Buying any Export 'spill' that the generator can't supply to the customer
 - Providing any Import 'top-up' that the customer can't buy from the exempt supplier; and
- 4. An ESCA, submitting exempt supply volumes to Settlement

Because a single licensed Supplier is facilitating both sides of the exempt supply, the customer can't change their top-up Supplier unless the generator changes their supply arrangements also.



Example with a single licensed Supplier: summary of cash flows

The role of the ESCA is to determine exempt supply volumes (in line with instructions from parties involved):

	Exempt supply	Licensed (top-up) supply
Customer	60 kWh	40 kWh

This calculation must feed through into:

- Customer billing (60 kWh purchased from exempt supplier, 40 kWh top-up supply); and
- Levy payments (60 kWh not subject to RO, CFD and CM levies)

In this single-Supplier scenario, Imbalance does not need to be adjusted (because both sides of the exempt supply are on the same Supplier Energy Account, and cancel out)

(For now we're ignoring the complexity of distribution and transmission losses, but we'll get to those later.)



Example with multiple licensed Suppliers

Consider a scenario with:

- 1. A renewable generator (wanting to make an exempt supply to local households);
- 2. An ESCA
- 3. Multiple Suppliers who have agreed to work with the ESCA and provide top-up supply (but are independent of each others)
- 4. Customer of those Suppliers, who wish to buy some of their energy from the generator (as an exempt supply)

In this scenario the customer can change their top-up Supplier, without impacting the generator's offtaking arrangements, provided the new Supplier is one of those working with the ESCA



Example with multiple licensed Suppliers: summary of cash flows

The ESCA will determine exempt supply volumes (in line with instructions from parties involved):

	Exempt supply	Licensed (top-up) supply
Customer 1	3 kWh	0 kWh
Customer 2	3 kWh	1 kWh
Customer 2	0 kWh	3 kWh

If we don't adjust the imbalance positions, the Suppliers involved will incur Imbalance Charges as a result of facilitating the exempt supply (and have to pass those costs on to customers):

- Generator's supplier will be long 6 kWh
- Customer 1's supplier will be short 3 kWh
- Customer 2's supplier will be short 3 kWh

To avoid this we would need to reflect the ESCA allocations in Imbalance Settlement (transferring 3 kWh to each of the customers' suppliers, from the generator's supplier)



Solution Options	Pros	Cons
No Imbalance Adjustments	 Requires (slightly) less change in Settlement system 	 Does not support schemes involving multiple independent licensed Suppliers (would incur significant Imbalance Charges) Limits the development of exempt supply arrangements and limit supply competition for customers using them
Imbalance Adjustments	Allows schemes to involve multiple independent licensed Suppliers	 Requires (slightly) more functionality in Settlement system

- The central system development is estimated to cost £200 400k, with the inclusion of Imbalance Adjustments requiring an additional £40 – 50k.
- Inclusion of Imbalance Adjustment in the solution would involve the following implementation activities:
 - Amend SAA system to include updated calculation of QAES_{ai} value;
 - Verify new calculation is used to report QAEI_{aj} values on all sub flow reports i.e., S0141, S0142, S0143, S0144, S0131;
 - Extensive testing of all sub flows to verify new calculated value is reflected on all sub flow reports



LEGAL TEXT AND SUBSIDIARY DOCUMENTS

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Legal Text and CSDs

- Elexon have completed drafting for the following documents:
 - Section J 'Party Agents and Qualification Under the Code';
 - Section S 'Supplier Volume Allocation';
 - Section T 'Settlement and Trading Charges';
 - Section Z 'Performance Assurance';
 - Annex X-1 'General Glossary';
 - Annex X-2 'Technical Glossary';
 - BSCP01 'Overview of Trading Arrangements';
 - BSCP70 'CVA Qualification Testing for Parties and Party Agents';
 - BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS';
 - BSCP537 'Qualification Process for SVA Parties, SVA Party Agents and CVA Meter Operators';
 - BSCPXXX 'BM Unit Eligible Exempt Supply Volumes for Exempt Supply Notification Agents';
 - Self Assessment Document



APPLICABLE OBJECTIVES AND CONSUMER BENEFITS

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Does P442 better facilitate the Applicable BSC Objectives than the current baseline?

- The Proposer believes the P442 will better facilitate the following Applicable BSC Objectives:
- Applicable BSC Objective (b) The efficient operation of the National Electricity Transmission System
 - Enable efficient peer-to-peer exchange in the local energy markets, reducing the losses on the National Electricity Transmission System
 - Stimulate a micro finance environment for independent distributed electricity generators and consumers with their own generation assets to develop more renewable assets at the distribution level
 - Data recorded from distributed generation assets will provide significant insight into different locality for the National Electricity
 Transmission System
- Applicable BSC Objective (c) Promoting effective competition
 - Provision of an environment where distributed electricity generators can secure higher fixed rates for their micro- to small-scale renewable assets will promote effective competition in the sale and purchase of electricity
 - Promote effective competition in the installation of different distributed generators of electricity by various consumers in order to offset their consumption volume with their self-generation volume.
- Applicable BSC Objective (d) Promoting efficiency in the implementation of the balancing and settlement arrangements
 - The most efficient balancing and settlement happens at the local level, and P442 will provide the highest benefit to the peer-to-peer exchange between generators and consumers at the same locality
 - The solution will also improve the administrative efficiency of the BSC arrangements by removing the need for the interim solution for exempt supply operated by the SVG, which is time-consuming for applicants, for SVG, and also for the BSC Panel

Consumer Impacts

Consumer benefit area	Identified impact	Proposer's Rationale
1) Improved safety and reliability	Positive	Being able to offset consumers' electricity needs with micro- to small-scale generators developed by the consumers themselves will improve safety of supply and security of electricity bills compared to the current retail market.
2) Lower bills than would otherwise be the case	Positive	The reduction of social and green levies on consumers' bills will result in true green electricity bills that are affordable for all. Additionally, the maximum benefit will be realised at the local energy system where local distributed generators are matched with local consumers, reducing network losses and optimising balancing and operating the grid.
3) Reduced environmental damage	Positive	This Modification is a crucial step towards the journey toward statutory net-zero targets. It will stimulate a micro finance environment for distributed electricity generators such as electric vehicles and CHP. It will also support the ambition of consumers who wish to install distributed generation assets for themselves where they are unable to install the generation assets behind their import meters. The more distributed energy resources there are, the lower the greenhouse gases from energy consumption will be.
		This Modification proposal will have significant impact on the decarbonisation of electricity by enabling micro- to small-scale generators to significantly contribute to green electricity bills of consumers, as well as the decarbonisation of heat by enabling electrified heating systems to provide energy to consumer.
4) Improved quality of service	Positive	With this proposal, more end consumers will be able to benefit from distributed generation assets for their own consumption needs. This will have a significant impact on the affordability of green electricity bills for all end consumers.
5) Benefits for society as a whole	Positive	Distributed energy resources have significant impact on creating local energy systems and peer-to-peer markets, which have been shown to have significant impacts on the local prosperity. For instance, based on Oldham Council's Green New Deal Strategy 2020-25 the current power purchase agreement for community energies and the un-contracted excess volume of micro generators, as well as the procurement of energy for various properties located in the Oldham Borough result in the flow of £500million a year outside of the Borough. While a local peer-to-peer market between local generators and consumers will redirect a significant portion of this flow inward. In another feasibility study for a county council in Wales, the local peer-to-peer market would create 1,500-2,000 jobs in five years.



VOTING AGAINST TOR

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ToR	Details	Status	WG Views
a)	What are the specific requirements of the ESNA role, including system requirements?	✓	ESNA must be able to receive and process data from Supplier/HHDC, apply losses, and send to SAA.
b)	What outputs are required from ESNAs, including formats and submission process?	✓	ESNA output will be BM Unit Eligible Exempt Supply Volumes in a Supplier BM Unit via SAA-I0aa BM Unit Eligible Exempt Supply Volume Notification.
c)	Is any monitoring required for data submitted to the BSC systems by an ESNA?	✓	Qualification and assurance for ESNA, rather than monitoring by a Qualified Party e.g. HHDC.
d)	What assurance requirements should there be for the ESNA role?	✓	Qualification and assurance for ESNA role as part of the BSC audit.
e)	What arrangements are appropriate for adjusting the Energy Imbalance positions of Licensed Suppliers?	~	Proposer felt Energy Imbalance adjustment was important to allow multiple Supplier arrangements to avoid a monopoly, but other WG members disagreed.
f)	What data will be made publicly available?	✓	BSCCo to publish on the BSC website on a monthly basis and maintain a public record of anonamised Exempt Metered Volumes. The data for the report will be the total Import and Export Exempt Metered Volume (in MW), Settlement Day and Settlement Period.
g)	Should the arrangements be retrospectively applied?	✓	Solution should not be applied retrospectively, due to added complexities/costs and uncertainty for industry.

ToR	Details	Status	WG Views
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i)	What changes are needed to BSC documents, systems and processes to support P442 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?	×	BSC Sections J, S, T, X-1, and X-2, SAD, and BSCPs 01, 70, 502, 507, 508, and 537. <£10k for document changes. Impacts to SAA, estimated costs and leadtime to be shared today. Legal text, and redlining for SAD, BSCP 01, 70, 502, and 537 during AP. Other CSDs and system development during Implementation Phase.
j)	Are there any Alternative Modifications?	×	To be decided by the WG.
k)	Should P442 be progressed as a Self- Governance Modification?	×	P442 should not be progressed under Self-Governance as it does not meet the Self-Governance Criteria as enabling efficient peer-to-peer exchange would materially impact competition.
I)	Does P442 better facilitate the Applicable BSC Objectives than the current baseline?	×	The Proposer believes the P442 will better facilitate Applicable BSC Objectives b (the efficient operation of the National Electricity Transmission System), c (promoting effective competition) and d (Promoting efficiency in the implementation of the balancing and settlement arrangements). To be discussed further in WG3.
m)	Does P442 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?	×	P442 is expected to impact the EBGL Article 18 terms and conditions as specified in the mapping given in Section F Annex F-2. Specifically, it will impact the Settlement calculations.

How will P442 impact the BSC Settlement Risks?

- P442 may impact the following Settlement Risks:
 - 008 SVA Risk 'Metered Data is not processed or transferred'
 - 029 CVA Risk 'SAA Calculations and processing'

What changes are needed to BSC documents, systems and processes to support P442?

- The following BSC Sections, Code Subsidiary Documents will be impacted and developed during the Assessment Phase for consultation:
 - Section J 'Party Agents and Qualification Under the Code' Amendments to define the new ESNA role, and associated requirements for Qualification;
 - Section S 'Supplier Volume Allocation' Amendments to define the Settlement requirements that ESNAs must meet;
 - Section T 'Settlement and Trading Charges' Amendments to define the adjustments to Suppliers' Energy Imbalance positions arising from exempt supply volumes;
 - Section Z 'Performance Assurance' Amendments to add the ESNA as a Performance Assurance Party;
 - Annex X-1 'General Glossary' Amendments to include appropriate definitions;
 - Annex X-2 'Technical Glossary' Amendments to include appropriate definitions;
 - BSCP01 'Overview of Trading Arrangements';
 - BSCP70 'CVA Qualification Testing for Parties and Party Agents';
 - BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS';
 - BSCP537 'Qualification Process for SVA Parties, SVA Party Agents and CVA Meter Operators';
 - BSCPXXX 'BM Unit Eligible Exempt Supply Volumes for Exempt Supply Notification Agents';
 - Self Assessment Document
- The following BSC Sections, Code Subsidiary Documents, and systems will be impacted and developed during the Implementation Phase:
 - BSCP507 'Supplier Volume Allocation Standing Data Changes'
 - SAA There will be an impact on the SAA system, which calculates chargeable supply volumes for reporting to EMRS, and Energy Imbalance charges for licensed Suppliers

BSC documents, systems and processes - what are the related costs and lead times?

- Estimated duration for central system changes is 6 8 months
- No MHHS impacts or dependency expected
- No cross code impacts expected

Organisation	Impacts	Implementation (£)	On-going (£)
Elexon	Documents	<10k	-
	Systems	200-400k	-
	Qualification and Audit	-	TBC
Industry	To be confirmed during Assessment Consultation	TBC	TBC

Proposed Implementation Date

- Proposed Implementation date of 7 November 2024 as part of the Standard November 2024 BSC Release
- This is based on submission to Ofgem in January 2024, with an Ofgem decision by March 2024
- This would allow 8 months to implement
- Propose an Implementation date of 27 February 2025 as part of the Standard February 2025 BES Release if a decision is received after March 2024 but before May 2024

Are there any Alternative Modifications?

- Alternative options for an enduring exempt supply solution were considered by Issue 96
- This was the preferred option to progress as it provided the most flexibility
- An alternate solution excluding the Imbalance Adjustment has been considered

Should P442 be progressed as a Self-Governance Modification?

- P442 should not be progressed under Self-Governance as it does not meet the <u>Self-Governance Criteria</u>
- Enabling efficient peer-to-peer exchange would materially impact competition
- P442 should therefore be submitted to Ofgem for decision
- Also, if P442 impacts the EBGL provisions held within the BSC (dependent on inclusion of Imbalance Adjustment) then it must go to Ofgem for decision

Does P442 impact the EBGL provisions held within the BSC?

- If P442 includes the Imbalance Adjustment then is expected to impact the EBGL Article 18 terms and conditions as specified in the mapping given in <u>Section F Annex F-2</u>
- Specifically, it will impact Section T, sub-section 4 Settlement Calculations
- It is not anticipated to impact the terms and conditions
- If the Imbalance Adjustment is not included in the P442 solution then it will not impact the EBGL Article 18 terms and conditions



NEXT STEPS

ΕLΕΧΟΝ

MEETING CLOSE

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THANK YOU

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15 September 2023