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By email to: PanelSecretary@elexon.co.uk

Date: 29 March 2023

Dear Sara,

**Decision on the request to treat BSC Modification P452 'Replacement of the Energy Bill Relief Scheme for non-domestic customers with the Energy Bill Discount Scheme' as an Urgent Modification Proposal**

BSC Modification Proposal P452 was raised by National Grid ESO on 28 March 2023. The proposal seeks to enable Elexon to implement and act as a scheme administrator for the Government's Energy Bill Discount Scheme for non-domestic electricity consumers. National Grid ESO requested that P452 be treated as an Urgent BSC Modification Proposal.

On 28 March 2023, the BSC Panel requested that Ofgem treat [P452 'Replacement of the Energy Bill Relief Scheme for non-domestic customers with the Energy Bill Discount Scheme'](#) as an Urgent Modification Proposal. The BSC Panel considered that P452 should be treated as an Urgent Modification because it believes that P452 is linked to an imminent or current issue that if not urgently addressed may cause significant commercial impact on parties, consumers or other stakeholders.<sup>1</sup>

This request followed an Urgent BSC Panel Meeting on 28 March 2023 when the BSC Panel unanimously agreed to this recommendation.

We have decided that BSC Modification P452 should be progressed on an urgent basis for the reasons set out in this letter.

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<sup>1</sup> Ofgem's published [guidance on Code Modification Urgency Criteria \(August 2022\)](#) appears on our website.

## **Background**

On 9 January 2023, the Government announced the 'Energy Bill Discount Scheme' to start from 1 March 2023 to 30 April 2024. The Energy Bill Discount Scheme (EBDS) will provide a discount on wholesale gas and electricity prices for all non-domestic customers, with higher discounted rates available for eligible Energy Trade and Intensive Industries (ETIIs) and Heat Networks. The Government will pay the difference directly to suppliers.

## **The proposal**

BSC Modification Proposal P452 (the 'Modification') was raised by National Grid ESO (the 'Proposer') on 28 March 2023 to enable Elexon (BSCCo) to act as scheme administrator for the Government's EBDS scheme for non-domestic electricity customers.

## **Request for urgency**

At the Urgent Panel Meeting on 28 March 2023, the BSC Panel unanimously agreed to request that Ofgem treat P452 as an Urgent Modification Proposal because it will have a significant commercial impact upon Parties and consumers and is related to an imminent or current issue.<sup>2</sup>

## **Our decision on the urgency of P452**

In reaching our decision on the urgency of P452 we have considered the details within the P452 proposal form, the justification for urgency, the views of the Panel, and we have assessed the request against the urgency criteria set out in Ofgem's published guidance.

We are satisfied that the proposal meets our criteria used to determine the urgency in progressing P452. In particular, the criterion in our guidance that is relevant to our decision on urgency is criterion (a), namely, an imminent issue or a current issue that if not urgently addressed may cause a significant commercial impact on parties, consumers or other stakeholder(s).

P452 seeks to facilitate the timely and effective implementation of the EBDS. The EBDS applies to energy consumed by non-domestic customers from 1 March 2023 and will be applied to bills covering usage from that date, until the 30 April 2024. If P452 is not addressed under Section F2.9 of the BSC (Urgent Code Modifications) on an urgent basis, it will negatively impact the timely and effective introduction of the EBDS, and this will have a significant commercial impact on the affordability of energy bills for non-domestic consumers.

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<sup>2</sup> The imminent issue may be date related.

The government want the EBDS to cover non-domestic bills from 1 March 2023. Elexon has a unique position within the electricity industry that means it is well placed to provide the necessary consumption data to Department for Energy Security and Net Zero (DESNZ) for the assurance of the scheme and to facilitate payments to Suppliers. Elexon has existing systems that will be useful in setting up the payment processes at speed which is necessary for the first payments to be made on time, as well as established relationships with all licenced Suppliers under the BSC.

We therefore agree to the Panel's request to give urgent consideration to P452 in accordance with the urgent timetable proposed by the Panel.

For the avoidance of doubt, in granting this request for urgency, we have made no assessment of the merits of the Modification and nothing in this letter in any way fetters our discretion in respect of this Modification proposal.

Yours sincerely,

**James P Thomson**  
**Head of EBRS and EBDS**

Duly authorised on behalf of the Authority