'Amendments to the P383 legal text for Additional BM Units'

This Modification aims to ensure the legal text for Approved BSC Modification P383 properly reflects the approved solution, Business Requirements, and is aligned with the BSC baseline introduced by P344, P354 and P388. In particular, it will clarify that the solution being delivered by P383 is applicable to both Supplier Base Balancing Mechanism (BM) Units and Additional BM Units.



Elexon recommends this Modification is progressed directly to the Report Phase with an initial recommendation to approve



Elexon does not consider that this Modification impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- None

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Phase

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

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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, 4, 5 and 6
- Have 30 mins? Read all sections
- Have longer? Read all sections and the annexes and attachments

This document is a recommendation to the BSC Panel to raise the Modification Proposal in attachment A in accordance with BSC Section F2.1.1(d)(i).

Elexon will present this paper to the Panel on 10 December 2020. If the Panel agree to raise the Modification Proposal, this document will form the Initial Written Assessment (IWA), and the Proposal Form will be updated and published on the BSC Website. The Panel will consider the recommendations and agree how to progress the Modification.

There are three parts to this document:

- This is the main document. It provides details of the Modification Proposal, an assessment of the potential impacts and a recommendation of how the Modification should progress.
- Attachment A contains the Proposal Form.
- Attachment B contains the draft changes to the BSC to deliver this Modification.

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1 Summary

What is the issue?

Since P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281' was approved, Elexon has identified that the approved legal text missed instructions for how to treat Metering Systems registered in Additional BM Units. This should be rectified to clarify treatment of Metering Systems registered in Additional BM Units.

Additionally, since P383 was submitted to the Authority for approval, the BSC baseline has been updated by other Modifications. The P383 solution should be aligned to the updated baseline to make best use of new processes.

What is the proposed solution?

This Modification will clarify how the metered data of storage facilities registered in both Base and Additional Supplier BM Units should be reported and aggregated. In addition it seeks to align the P383 legal text with the updated BSC baseline to ensure best use of existing provisions.

Impacts and costs

This Modification seeks to ensure the full P383 solution is delivered and aligns with the existing BSC baseline. As such, we do not expect it to impact any market participants above those impacts identified under P383.

The central cost to deliver this Modification will be less than £1k to make changes to BSC documentation.

Implementation

To align with the P383 Implementation Date, we recommend an Implementation Date of:

- 1 April 2021 as a standalone BSC Release.

Recommendation

We recommend that the Panel raise this Modification and progress it directly to the Report Phase with an initial recommendation to **approve** as a **Self-Governance Modification Proposal**.

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2 Why Change?

What is the issue?

BSC Modification P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281' was approved by Ofgem as the GB Authority on 28 February 2020 for implementation on 1 April 2021. Since P383 was approved, Elexon has identified that the approved legal text missed instructions for how to treat Metering Systems registered in Additional BM Units. The original P383 solution and Business Requirements envisaged a solution that applied to both Base and Additional BMUs. Therefore, this omission will need to be corrected for the P383 solution to work as intended.

Additionally the BSC baseline upon which P383 will be implemented has been amended by Modifications P344 'Project TERRE implementation into GB market arrangements', P354 'Use of ABSVD for non-BM Balancing Services at the metered (MPAN) level' and P388 'Aligning the P344 and P354 Solutions' since P383 was submitted for approval. Therefore, the P383 legal text should be updated to align with the solutions delivered by these Modifications and make full use of the provisions they introduced.

P383 Background

BSC Modification P383 supports associated Connection and Use of System Code (CUSC) Modifications CMP280 'Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users' and CMP281 'Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities'.

These CUSC Modifications were raised in response to Ofgem's challenge to industry that storage facilities should be exempt from certain Transmission Network Use of System (TNUoS) and Balancing Services Use of System (BSUoS) charges to remove a competitive disadvantage of storage facilities. CMP280 will remove certain types of electricity storage from the calculation of TNUoS Demand Residual Tariff. CMP281 will remove certain types of electricity storage from the calculation of BSUoS demand charges. Eligible storage facilities must:

- Perform Electricity Storage (as defined by the CUSC);
- Be operated by a Generation License holder; and
- Have its Imports and Exports measured by Half Hourly (HH) Metering Systems, which are registered by a Supplier and only measure activities necessary for Electricity Storage.

P383 will introduce processes into the BSC explaining how Storage Facility Operators, Suppliers, Half Hourly Data Aggregators (HHDAs) and the Supplier Volume Allocation Agent (SVAA) participate in the aggregation and reporting of storage facilities' HH Metering Systems' metered data to the National Electricity Transmission System Operator (NETSO).

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Desired outcomes

This Modification will ensure that the intended solution being delivered by P383 is properly reflected in the BSC legal text and describes how Storage Facilities' Metering Systems should be treated, whether registered in a Supplier's Base BM Unit or Additional BM Unit.

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3 Solution

Proposed solution

This Modification will amend Section S 'Supplier Volume Allocation' and Section S Annex S-2 'Supplier Volume Allocation Rules' to clarify how the metered data of storage facilities registered in both Base and Additional Supplier BM Units should be reported by HHDAs and aggregated by the SVAA. This will align the wording of the BSC with the solution agreed by the P383 Workgroup. All system development for this is being delivered as part of P383. This Modification will not require any additional system development.

Additionally, it seeks to align the P383 legal text with the legal text implemented for Approved BSC Modifications P344, P354 and P388, which introduced provisions requiring HHDAs to send Allocated Metering System Metered Consumption to SVAA. That is, Allocated Metering System Metered Consumption identifies the BM Unit that a Metering System is registered to, whether it is a Base or Additional BM Unit. By aligning P383 with the provisions introduced by P344, P354 and P388, the missing provisions in the Approved P383 legal text can be resolved.

Benefits

This Modification will ensure that the intended P383 solution is given full effect in the BSC. It also ensure a consistent and efficient use of existing BSC provisions, rather than creating something new or duplicating provisions.

Legal text

This Modification will require changes to BSC Section S 'Supplier Volume Allocation' and Annex S-2 'Supplier Volume Allocation Rules' to deliver the proposed solution. Draft changes to the BSC can be found in Attachment B.

Applicable BSC Objectives

We believe that this Modification will better facilitate Applicable BSC Objective (d). By making best use of reporting process introduced to the BSC baseline since the approval of P383, this Modification better facilities Applicable BSC Objective (d). This Modification will also ensure efficiency in BSC provisions using the processes introduced by P344, P354 and P388 to deliver the P383 solution.

Implementation approach

We recommend an Implementation Date for this Modification of:

- 1 April 2021 as a standalone Release.

This is when P383 is approved for implementation and so this Modification will need to be delivered at the same time to ensure the full P383 solution can be given effect in a timely and efficient manner.

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 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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4 Proposed Progression

Next steps

We invite the Panel to raise this Modification under Section F2.1.1(d)(i).

If the Panel agrees to raise this Modification, we recommend it is progressed straight to the Report Phase and issued for a 13 Working Day (WD) consultation. The Draft Modification Report will be presented on to Panel on 14 January 2021.

The solution is self-evident and seeks to ensure the full P383 solution is delivered as the Workgroup intended in an efficient manner that makes best use of provisions that have been introduced to the BSC through other Modifications. Therefore the benefits of submitting the Modification for assessment by a Workgroup are unclear.

Self-Governance

This Modification will not materially amend any BSC processes or procedures. It will rectify a clear error in the P383 legal text to clarify that storage facilities registered in Additional Supplier BM Units should be treated the same as those registered in Base BM Units. As such, we do not believe it will materially impact on the Self-Governance Criteria and so **should** be treated as a Self-Governance Modification.

Timetable

Proposed Progression Timetable	
Event	Date
Present Initial Written Assessment to Panel	10 December 2020
Report Phase Consultation (13WD)	15 December 2020 – 5 January 2021
Present Draft Modification Report to Panel	14 January 2021
Final Modification Report published	18 January 2021
Self-Governance Appeal Window closes	3 February 2021

What are 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

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

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5 Likely Impacts and costs

Estimated implementation costs

The central implementation cost of this Modification will be less than £1k to make the necessary changes to the BSC Sections. Approved Modification P383 has estimated central implementation costs of £465k. This will not be altered by this Modification.

No market participants are expected to incur implementation costs as a result of this Modification. It seeks to correct the BSC legal text to align with the solution agreed and consulted on by the P383 Workgroup. We do not expect the costs and impacts identified under P383 to change as a result of this Modification.

Implementation costs			
Organisation	Item	Implementation	Comment
Elexon	Documents	<£1k	
Industry	Systems & processes	None	
	Total	<£1k	

Estimated ongoing costs

All process and system changes required to deliver the full solution agreed by the P383 Workgroup will be delivered and operated under P383. This Modification seeks to correct and align the BSC legal text to this solution, and so there will be no ongoing costs resulting from this Modification.

On-going costs		
Organisation	Ongoing	Comment
Elexon	None	
Industry	None	
Total	£0	

Impacts

Impact on BSC Parties and Party Agents	
Party/Party Agent	Potential Impact
None	This Modification seeks to provide clarity and align the P383 solution with the updated BSC Baseline. We do not anticipate any market participant impacts above those identified by P383. We will seek confirmation of this via the Report Phase Consultation.

Impact on the NETSO
This Modification seeks to provide clarity and align the P383 solution with the updated BSC Baseline. We do not anticipate impacts above those identified by P383.

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Impact on BSCCo	
Area of Elexon	Potential Impact
None	N/A

Impact on BSC Settlement Risks
We have not identified any impact this Modification will have on the BSC Settlement Risks.

Impact on BSC Systems and processes	
BSC System/Process	Potential Impact
None	N/A

Impact on Code	
Code Section	Potential Impact
Section S 'Supplier Volume Allocation'	The BSC will be updated to clarify that Metering Systems registered in Supplier's additional BM Units can use the P383 solution and to align the process with the updated BSC baseline.
Annex S-2 'Supplier Volume Allocation Rules'	

Impact on EBGL Article 18 terms and conditions
This Modification does not impact on the EBGL Article 18 Terms and Conditions held within the BSC.

Impact on Code Subsidiary Documents	
CSD	Potential Impact
None	N/A

Impact on Core Industry Documents and other documents	
Document	Potential Impact
None	This Modification will not impact on any other Core Industry Documents. P383 was raised to facilitate the development of two Connection and Use of System Code (CUSC) Modifications. This Modifications seeks to ensure the full P383 solution is delivered and aligns with the current BSC baseline; it will not require any further CUSC changes.

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Impact on a Significant Code Review (SCR) or other significant industry change projects
This Modification will not impact on any ongoing SCRs. An exemption request was sent to Ofgem on 3 December 2020. There were similarities between P383 and Ofgem's Targeted Charging Review SCR, but P383 (and CMP280 and CMP281) was raised in response to a specific challenge set by Ofgem, and was not within scope of the Targeted Charging Review SCR.

Impact on Consumers
This Modification will not impact energy consumers.

Impact on the Environment
This Modification is consistent with the net zero target.

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6 Recommendations

We invite the Panel to:

- **RAISE** the Modification Proposal in Attachment A;
- **AGREE** that this Modification:
    - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** that this Modification progresses directly to the Report Phase;
- **AGREE** that this Modification **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- **AGREE** an initial recommendation that this Modification should be **approved**;
- **AGREE** an initial Implementation Date of:
    - 1 April 2021 as a standalone BSC Release;
- **AGREE** the draft legal text;
- **AGREE** an initial view that this Modification should be treated as a Self-Governance Modification; and
- **NOTE** that ELEXON will issue the Draft Modification Report (including the draft BSC legal text) for a 13 Working Day consultation and will present the results to the Panel at its meeting on 14 January 2020.

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Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronym	
Acronym	Definition
BM	Balancing Mechanism
EBGL	Electricity Balancing Guideline *(European Energy Code)*
IWA	Initial Written Assessment
NETSO	National Electricity Transmission System Operator *(National Grid ESO)*
CUSC	Connection and Use of System Code *(industry code)*
TERRE	Trans European Replacement Reserves Exchange
HH	Half Hourly
SVAA	Supplier Volume Allocation Agent *(BSC Agent)*
WD	Working Day
SCR	Significant Code Review

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
4	P383 page of BSC Website	https://www.elexon.co.uk/mod-proposal/p383/
4	P344 page of BSC Website	https://www.elexon.co.uk/mod-proposal/p344/
4	P354 page of BSC Website	https://www.elexon.co.uk/mod-proposal/p354/
4	P388 page of BSC Website	https://www.elexon.co.uk/mod-proposal/p388/
4	CMP280 on CUSC Website	https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp280-creation
4	CMP281 on CUSC Website	https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp281-removal
6	BSC Sections on BSC Website	https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/
8	BSC Sections on BSC Website	https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/

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