

P418 '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.



The BSC Panel initially recommends **approval** of P418



The BSC Panel does not believe P418 impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- None

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

310/05

P418
Draft Modification Report

12 January 2020

Version 1.0

Page 1 of 14

© ELEXON Limited 2021



Contents

| | | |
|----------|--|-----------|
| 1 | Summary | 3 |
| 2 | Why Change? | 4 |
| 3 | Solution | 6 |
| 4 | Impacts & Costs | 7 |
| 5 | Implementation | 10 |
| 6 | Panel's Initial Discussions | 11 |
| 7 | Report Phase Consultation Responses | 12 |
| 8 | Recommendations | 13 |
| | Appendix 1: Glossary & References | 14 |

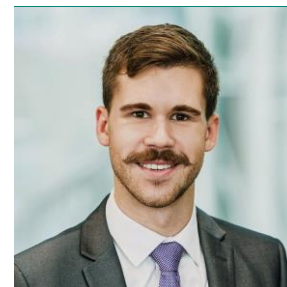
Contact

Matthew Woolliscroft

020 7380 4165

BSC.change@elexon.co.uk

Matthew.woolliscroft@elexon.co.uk



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, 7 and 8
- Have 30 mins? Read all sections
- Have longer? Read all sections and the annexes and attachments

This is the P418 Draft Modification Report, which Elexon will present to the Panel at its meeting on 14 January 2021. 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 determination on whether the change should be made.

There are three parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach.
- Attachment A contains the draft redlined changes to the BSC for P418.
- Attachment B contains the P418 Proposal Form

310/05

P418
Draft Modification Report

12 January 2020

Version 1.0

Page 2 of 14

© ELEXON Limited 2021

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, the Panel recommends an Implementation Date of:

- 1 April 2021 as a standalone BSC Release.

Recommendation

The Panel initially unanimously believes that this Modification will better facilitate **Applicable BSC Objective (d)** and so should be **approved** as a **Self-Governance Modification Proposal**.

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 (HHDA) 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).

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.

310/05

P418
Draft Modification Report

12 January 2020

Version 1.0

Page 5 of 14

© ELEXON Limited 2021

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 A. We have also attached the approved redlined changes for P383 in Attachment B for context.

Applicable BSC Objectives

The Panel unanimously 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.

EBGL objectives

The Panel initially unanimously believe that P418 does not impact on the EBGL Article 18 Terms and Conditions held within the BSC.



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

310/05

P418
Draft Modification Report

12 January 2020

Version 1.0

Page 6 of 14

© ELEXON Limited 2021

4 Impacts & 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 |
| Elxon | 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 |
| Elxon | 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. |

310/05

P418
Draft Modification Report

12 January 2020

Version 1.0

Page 7 of 14

© ELEXON Limited 2021

| 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 or extend 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. |

| 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. Ofgem confirmed P418 was not in scope of any SCRs of 8 December 2020. |

Impact on Consumers

This Modification will not impact energy consumers.

Impact on the Environment

This Modification is neutral with the net zero target.



Recommended Implementation Date

The Panel unanimously 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.

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, the Panel does not believe it will materially impact on the Self-Governance Criteria and so **should** be treated as a Self-Governance Modification.

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.

310/05

P418
Draft Modification Report

12 January 2020

Version 1.0

Page 10 of 14

© ELEXON Limited 2021

6 Panel's Initial Discussions

The Panel considered the P418 Initial Written Assessment at its meeting on 10 December 2020 (309/05).

The Panel raised P418 in accordance with F2.1.1(d)(i). The Panel also noted that the clarity of the draft changes to the BSC could be improved when issued for consultation. We have colour coded the redlined changes in the attached legal text and also attached the approved P383 legal text to this consultation to allow changes to be more easily reviewed.

The Panel initially unanimously:

- AGREED that this Modification:
 - **does** better facilitate Applicable BSC Objective (d);
- AGREED that this Modification progresses directly to the Report Phase;
- AGREED that this Modification **does not** impact the EBGL Article 18 terms and conditions held within the BSC;
- AGREED an initial recommendation that this Modification should be **approved**;
- AGREED an initial Implementation Date of:
 - 1 April 2021 as a standalone BSC Release;
- AGREED the draft legal text; and
- AGREED an initial view that this Modification should be treated as a Self-Governance Modification.

7 Report Phase Consultation Responses

The P418 Report Phase Consultation was issued on 15 December 2020 with responses invited by 7 January 2021. We received no responses to the Report Phase Consultation.

310/05

P418
Draft Modification Report

12 January 2020

Version 1.0

Page 12 of 14

© ELEXON Limited 2021

8 Recommendations

We invite the Panel to:

- **AGREE** that P418:
 - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** that P418 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- **DETERMINE** (in the absence of any Authority direction) that P418 is a Self-Governance Modification Proposal;
- **APPROVE** P418;
- **APPROVE** an Implementation Date of:
 - 1 April 2021 as a Stand Alone BSC Release;
- **APPROVE** the draft legal text; and
- **APPROVE** the P418 Modification Report.

310/05

P418
Draft Modification Report

12 January 2020

Version 1.0

Page 13 of 14

© ELEXON Limited 2021

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 (<i>European Energy Code</i>) |
| NETSO | National Electricity Transmission System Operator (<i>National Grid ESO</i>) |
| CUSC | Connection and Use of System Code (<i>industry code</i>) |
| TERRE | Trans European Replacement Reserves Exchange |
| HH | Half Hourly |
| SVAA | Supplier Volume Allocation Agent (<i>BSC Agent</i>) |
| 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/ |
| 11 | Panel meeting 309 | https://www.elexon.co.uk/meeting/bsc-panel-309/ |

310/05

P418

Draft Modification Report

12 January 2020

Version 1.0

Page 14 of 14

© ELEXON Limited 2021