

BSC Modification Proposal Form		At what stage is this document in the process?
<h1>P419</h1> <p><b>Mod Title:</b> Enhanced Reporting of demand data to NETSO to facilitate BSUoS Reform</p>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid green; background-color: #28a745; color: white; padding: 5px; display: flex; justify-content: space-between; align-items: center;"><span style="font-weight: bold; font-size: 1.2em;">01</span> Modification</div> <div style="border: 1px solid #17a2b8; padding: 5px; display: flex; justify-content: space-between; align-items: center;"><span style="font-weight: bold; font-size: 1.2em;">02</span> Workgroup Report</div> <div style="border: 1px solid #6f42c1; padding: 5px; display: flex; justify-content: space-between; align-items: center;"><span style="font-weight: bold; font-size: 1.2em;">03</span> Draft Modification Report</div> <div style="border: 1px solid #fd7e14; padding: 5px; display: flex; justify-content: space-between; align-items: center;"><span style="font-weight: bold; font-size: 1.2em;">04</span> Final Modification Report</div> </div>
<p><b>Purpose of Modification:</b> This Modification is intended to enable the aggregation of specific Metering Systems' metered data for network charging purposes to support the operation of the Targeted Charging Review (TCR) and Balancing Services Use of System (BSUoS) Reform proposals driven by Connection and Use of System (CUSC) Modification CMP308 'Removal of BSUoS charges from Generation'. This Modification would primarily enable the aggregation of the metered data of Non-Final Demand Sites, such as eligible service facilities and electricity generation facilities. It would also make clear how Suppliers, Half Hourly Data Aggregators (HHDAs) and the Supplier Volume Allocation Agent (SVAA) participate in the aggregation and reporting of this data, as well as ensuring appropriate assurance measures are applied.</p>		
<p><b>Is this Modification likely to/Does this Modification impact any of the European Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions held within the BSC?</b></p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		
	<p>The Proposer recommends that this Modification should be assessed by a Workgroup and submitted into the Assessment Procedure.</p> <p>This Modification will be presented by the Proposer to the BSC Panel on 13 May 2021. The Panel will consider the Proposer's recommendation and determine how best to progress the Modification.</p>	
	<p>High Impact:</p> <p>None</p>	
	<p>Medium Impact:</p> <p>Elexon, National Grid ESO</p>	
	<p>Low Impact:</p> <p>Generators, Suppliers, Half Hourly Data Aggregators</p>	

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## Timetable

### The Proposer recommends the following timetable:

Initial consideration by Workgroup	19 July 2021
Assessment Procedure Consultation	20 September 2021 - 08 October 2021
Workgroup Report presented to Panel	11 November 2021
Report Phase Consultation	15 November 2021 - 29 November 2021
Draft Modification Report presented to Panel	09 December 2021
Final Modification Report submitted to Authority	15 December 2021

 **Any questions?**

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# 1 Why Change?

## What is the issue?

Balancing Services Use of System (BSUoS) Reform has been initiated to further develop and implement the [recommendations of the Second BSUoS Task Force](#) and the subsequent [Ofgem response letter](#). The Second BSUoS Taskforce concluded Final Demand should pay all BSUoS Charges subject to sufficient notice to industry.

To take this recommendation forwards, Connection and Use of System (CUSC) Modification [CMP308 'Removal of BSUoS Charges from Generation'](#) is being utilised which seeks to amend the BSUoS Charging Base to include Final Demand only.

National Grid ESO currently rely on Elexon to collect and report aggregated metered data for Supply Volume Allocation (SVA) registered Metering System Identifiers (MSIDs), which is reported in the P0210 'TUoS Report' data flow. In addition to the existing Supplier Metered Data provided in the P0210, [P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'](#), implemented on 1 April 2021, introduced requirements for certain additional metered volumes to be reported separately and a 'corrected' Supplier BMU data position to be provided. However, these volumes still include metered data for certain eligible service facilities and eligible generation facilities that CMP308 would seek to exclude. This Modification therefore seeks to introduce a solution that will allow National Grid ESO to identify and exclude these eligible facility volumes.

Using existing Settlement Data, the BSC remains the primary source of aggregated metered data for a variety of non-Settlement activities, such as network charging. Whilst the BSC does allow the identification of and reporting of metered data for declared SVA Storage Facilities, it does not currently specify processes or rules for collecting and aggregating metered data from Metering Systems that measure the Imports (and Exports) for specific electricity generation facilities and eligible service facilities – this is because the aggregation of such site-specific metered data is not necessary for Settlement. Nor does the BSC enable the BSC Panel to establish assurance measures in respect of non-Settlement activities, such as the aggregation of metered data for network charging purposes, unless the activity is provided for in the BSC.

The ESO is currently responsible for managing a declaration process for storage CVA sites for the purposes of BSUoS charging. Extending any solution to cover CVA sites as well may lead to a more robust industry wide process.

## Desired outcomes

This Modification seeks to ensure that BSC Systems are responsible for managing the declaration of eligible facilities and that National Grid ESO receives data that excludes Imports to declared eligible facilities.

## Proposed Solution

This Modification seeks to support the BSUoS Reform CUSC Modification CMP308 proposal by ensuring National Grid ESO receives required SVA HH Final Demand metered data for BSUoS billing purposes excluding non-Final Demand. At a high level, this Modification seeks to:

1. Extend processes introduced by P383 ([Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281 – implemented on 1 April 2021](#)) to enable Parties to declare eligible facilities and for the SVAA to collect, aggregate and reported the metered data for these specific 'declared' electricity generation facilities and eligible service facilities; and

2. Specifically recognise this new non-Settlement activity in the Balancing and Settlement Code (BSC), thereby enabling the BSC Panel to establish measures that provide assurance to BSC Parties that the requirements for this new activity are followed, e.g. by extending the measures introduced under P383.

We propose to modify the BSC and its Code Subsidiary Documents (CSDs) so they describe processes that enable HH Imports for specific SVA registered eligible generation facilities and eligible service facilities to be collected, aggregated and reported to the Transmission Company. This includes all HH Metered licensed and unlicensed storage, generation and potential pathfinder projects, as defined in CMP308.

In summary, our proposal will be to extend the P383 solution as follows:

- the operator of an eligible generation facility or eligible service facility must provide a director-signed declaration to the SVAA, via its Supplier(s);
- the SVAA will validate the declaration and, if successful, the SVAA will instruct the HHDA(s) for the declared MSID(s) to report HH Import metered data to it;
- the SVAA will aggregate the Import metered data to Supplier BMU level and report the Imports to the Transmission Company for use in the calculation of network charges; and
- the BSC Panel will establish measures that provide assurance that the processes are followed correctly and accurately.

Approved BSC Modification P383, was implemented on 1 April 2021 Therefore, this process will make use of existing interfaces that would enable SVAA to instruct HHDA's to report HH metered data for specific Metering Systems to it.

Additionally, the solution should, if appropriate, incorporate the CVA declaration processes introduced to the ESO through CMP281 to introduce industry efficiencies in management of Final and Non-Final Demand data.

## Approach to aggregation

The following is a summary of the different elements of our proposed approach to aggregating and reporting metered data.

**Self-declaration** – in order to exclude an electricity generation facility or eligible service facility from the calculation of network charges, the operator must send its Supplier(s) a director-signed declaration, which sets out important information about the electricity generation facility or eligible service facility. The declaration will confirm that the electricity generation facility or eligible service facility being declared complies with the criteria set out in the CUSC (e.g. the generation facility is only used for generation purposes) and states the facility's associated Metering System ID(s). If the electricity generation facility or eligible service facility's MSIDs are registered with more than one Supplier, it must ensure separate declarations are prepared and sent to each Supplier, but that each declaration identifies any related SVA MSIDs.

The Supplier must send the declaration to SVAA. The Supplier may perform its own-validation of the declaration (as ultimately the Supplier is the BSC Party and CUSC Party responsible) but is not obliged to do so.

A standard declaration template will be defined in a BSC CSD similar to the one used for P383..

**Validation** – SVAA must check that any declaration is completed properly and that it is valid, i.e. that it satisfies the criteria that will be set out in the CUSC in accordance with CMP308. If the declaration is incomplete or invalid, SVAA will inform the relevant Supplier and provide an explanation for its reason to reject the declaration.

**Instruction to HHDA to report metered data** – Only if SVAA accepts that a declaration is complete and valid, SVAA will use ECOES to identify the HHDA(s) appointed to the declared MSID(s) and instruct it/them to report HH Import and/or Export metered data for the declared MSID(s). The SVAA and HHDA must use existing appointment DTC data flows, i.e. the D0354 sent by SVAA to appoint, D0355 sent by HHDA to accept appointment and D0356 sent by HHDA to reject appointment.

**Report metered data to SVAA** – once appointed the HHDA will report HH Import and/or Export metered data to SVAA according to the prevailing SVAA Settlement Calendar for data aggregation.

**Aggregate metered data** – in accordance with prevailing SVAA Settlement Calendar, the SVAA will aggregate the HH Import data reported to it by HHDA's by Settlement Day, Settlement Period, Supplier BMU and Measurement Class. In addition the SVAA will calculate distribution losses for these aggregated metered volumes. When aggregating metered data, the SVAA will check for MSIDs with missing Imports and Exports, investigate missing data and resolve these exceptions.

**Report aggregated Metered Data** – the SVAA will report aggregate Metered Data and associated losses to the Transmission Company using the P0210 TUOS Report and in accordance with the current timetable for reporting the P0210, i.e. in accordance with the SVAA Settlement Calendar.

## Approach to assurance

As any process for collecting, aggregating and reporting Metered Data from eligible generation facilities or eligible service facilities to the Transmission Company for network charging would be a non-Settlement process, we propose to utilise and extend the processes introduced by P383.

## Benefits

This Modification enables the implementation of CMP308 and unlocks the benefits this Modification is expected to provide alongside the benefits of BSUoS Reform. Further, by using the P383 process we are making best use of existing processes and systems and can therefore implement the solution more efficiently.

CMP308 will mitigate the existing distortions that exist between transmission connected generators and distribution connected generators and GB generators and EU generators through levelling the playing field by removing BSUoS from generators.

There should be no adverse effects for GB end consumers, subject to implementation taking account of existing contractual commitments. Aligning the GB market arrangements with our European trading partners and other interconnected countries better facilitates an efficient functioning internal market in electricity. To that end, GB consumers will benefit from more competitive arrangements delivered through a wider fully functioning competitive market in generation.

BSUoS Reform is expected to unlock cost savings for consumers by creating more certainty over BSUoS pricing through a fixed BSUoS price. This is expected to facilitate suppliers' pricing decisions and remove consumer risk premia caused by the current high volatility and uncertainty of BSUoS.

## 2 Relevant Objectives

Impact of the Modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence	<b>Positive</b>
(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System	Neutral
(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	<b>Positive</b>
(d) Promoting efficiency in the implementation of the balancing and settlement arrangements	Neutral
(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]	Neutral
(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	Neutral
(g) Compliance with the Transmission Losses Principle	Neutral

The proposal better facilitates BSC Applicable Objective (a) as it would put in place processes to collect, aggregate and report metered volumes to NGESO which are necessary to support NGESO in the calculation of network charges in accordance with its licence.

The proposal better facilitates BSC Applicable Objective (c) as it promotes effective competition in the generation and storage of electricity. Currently interconnectors are exempt from BSUoS charges whilst UK generation is not. This proposal will ensure UK generation is on a level with interconnectors.

### 3 Potential Impacts

#### Impacts on Core Industry Documents

Impacted Core Industry Documents			
<input type="checkbox"/> Ancillary Services Document	<input checked="" type="checkbox"/> Connection and Use of System Code	<input type="checkbox"/> Data Transfer Services Agreement	<input type="checkbox"/> Use of Interconnector Agreement
<input type="checkbox"/> Master Registration Agreement	<input type="checkbox"/> Distribution Connection and Use of System Agreement	<input type="checkbox"/> System Operator Transmission Owner Code	<input type="checkbox"/> Supplemental Agreements
<input type="checkbox"/> Distribution Code	<input type="checkbox"/> Grid Code	<input type="checkbox"/> Transmission License	<input type="checkbox"/> Other (please specify)

The CUSC is currently implementing the Second BSUoS taskforce recommendations which will exclude generation import from the definition of Final Demand. NGESO currently rely on SVAA for data on Final Demand from SVAA sites and thus any change to that definition in the CUSC will change the data requirements.

#### Impacts on BSC Systems

Impacted Systems				
<input type="checkbox"/> CRA	<input type="checkbox"/> CDCA	<input type="checkbox"/> PARMS	<input type="checkbox"/> SAA	<input type="checkbox"/> BMRS
<input type="checkbox"/> EAC/AA	<input type="checkbox"/> FAA	<input type="checkbox"/> TAAMT	<input type="checkbox"/> NHHDA	<input checked="" type="checkbox"/> SVAA
<input type="checkbox"/> ECVAA	<input type="checkbox"/> ECVAA Web Service	<input type="checkbox"/> ELEXON Portal	<input type="checkbox"/> Other (Please specify)	

The SVAA currently provides National Grid ESO with Final Demand data for the purposes of BSUoS charging. It currently has a process in place to exclude Final Demand Metering Data from licensed storage. This proposal would increase the scope of the sites to be excluded from Final Demand data sent to NGESO although the process should remain the same.

#### Impacts on BSC Parties

Impacted Parties			
<input checked="" type="checkbox"/> Supplier	<input type="checkbox"/> Interconnector User	<input type="checkbox"/> Non Physical Trader	<input checked="" type="checkbox"/> Generator
<input type="checkbox"/> Licensed Distribution System Operator	<input checked="" type="checkbox"/> National Electricity Transmission System Operator	<input type="checkbox"/> Virtual Lead Party	<input type="checkbox"/> Other (Please specify)

The process would require generators to sign a declaration that they were ineligible for BSUoS charges which Suppliers would pass to the SVAA to be excluded from Final Demand, which would in turn be sent to National Grid ESO.

## Legal Text Changes

Required legal text changes to be created by the Workgroup. Amendments likely to be required for:

- [BSC Section S - Supplier Volume Allocation](#)
- [BSC Section S, Annex S-2 – Supplier Volume Allocation Rules](#)
- [BSC Section X, Annex X-1 – General Glossary](#)
- [BSC Section X, Annex X-2 – Technical Glossary](#)
- [BSCP503 – Half Hourly Data Aggregation for SVA Metering Systems Registered in SMRS](#)
- [BSCP602 – SVA Metering System Register](#)

## 4 Governance

### Self-Governance (choose one)

<input checked="" type="checkbox"/> <b>Not Self-Governance</b> – A Modification that, if implemented:	
<input type="checkbox"/> materially impacts the Code’s governance or modification procedures	<input type="checkbox"/> materially impacts sustainable development, safety or security of supply, or management of market or network emergencies
<input checked="" type="checkbox"/> materially impacts competition	<input type="checkbox"/> materially impacts existing or future electricity consumers
<input checked="" type="checkbox"/> materially impacts the operation of national electricity Transmission System	<input checked="" type="checkbox"/> is likely to discriminate between different classes of Parties
<input type="checkbox"/> involves any amendments to the EBGL Article 18 Terms and Conditions related to Balancing; except to the extent required to correct an error or as a result of a factual change	
<input type="checkbox"/> <b>Self-Governance</b> – A Modification that, if implemented:	
Does not materially impact on any of the Self-Governance criteria provided above	

The proposal will exclude certain metering points from Final Demand and thus payment of BSUoS in line with changes to the CUSC. This will be required for NGESO to bill BSUoS correctly. As a result, changes are needed to the BSC and relevant CSDs to deliver the correct interpretation of Final Demand. This Modification will impact competition when put in the context of CMP308, and as summarised above. It will impact National Grid ESO as it is reliant on the solution to enable the implementation of CMP308. Moreover, this Modification discriminates between classes of Parties as only Suppliers can submit declarations, and only certain types of generator are eligible.

### Progression route

<input checked="" type="checkbox"/> <b>Submit to assessment by a Workgroup</b> –:A Modification Proposal which:	
does not meet any criteria to progress via any other route.	
<input type="checkbox"/> <b>Direct to Report Phase</b> – A Modification Proposal whose solution is typically:	
<input type="checkbox"/> of a minor or inconsequential nature	<input type="checkbox"/> deemed self-evident
<input type="checkbox"/> <b>Fast Track Self-Governance</b> – A Modification Proposal which meets the Self-Governance Criteria and:	
is required to correct an error in the Code as a result of a factual change including but not limited to:	
<input type="checkbox"/> updating names or addresses listed in the Code	<input type="checkbox"/> correcting minor typographical errors
<input type="checkbox"/> correcting formatting and consistency errors, such as paragraph numbering	<input type="checkbox"/> updating out of date references to other documents or paragraphs
<input type="checkbox"/> <b>Urgent</b> – A Modification Proposal which is linked to an imminent issue or current issue that if not urgently addressed may cause:	
<input type="checkbox"/> a significant commercial impact on Parties, Consumers or stakeholder(s)	<input type="checkbox"/> a Party to be in breach of any relevant legal requirements.

a significant impact on the safety and security of the electricity and/or gas systems

There is currently a change to the CUSC to exclude generation import and eligible services from Final Demand and thus the payment of BSUoS charges. This change is as a result of the second BSUoS Taskforce recommendations.

The solution is not self-evident or of an inconsequential nature, and therefore should be progressed to a Workgroup for assessment and agreement.

The implementation date for this change in the CUSC is 1 April 2023, although an implementation date for the BSC changes will need to be slightly earlier so that SVAA can process declarations from Suppliers prior to the charging change coming into force.

### Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This modification is required to enable the recommendations of the Second BSUoS Task Force to be taken forward. This is being delivered through BSUoS Reform and CUSC modifications CMP308

### Does this Modification impact any of the EBGL Article 18 Terms and Conditions held within the BSC?

This Modification is not expected to impact any of the existing BSC provisions that constitute EBGL Article 18 terms and conditions. It is also not expected to introduce any new provisions that would constitute ENGL Article 18 terms and conditions.

### Impacts on consumers and the environment

Impact of the Modification on consumer benefit areas:	
Consumer benefit area	Identified impact
<b>Improved safety and reliability</b> This Modification would have no impact on safety and reliability.	Neutral
<b>Lower bills than would otherwise be the case</b> BSUoS Reform is expected to unlock cost savings for consumers by creating more certainty over BSUoS pricing through a fixed BSUoS price. This is expected to facilitate suppliers' pricing decisions and remove consumer risk premia caused by the current high volatility and uncertainty of BSUoS. This modification, alongside CMP308 facilitates this change by allowing BSUoS charges to be applied only on Final Demand.	Positive
<b>Reduced environmental damage</b> This change will level the playing field for generation by removing the BSUoS liability and is expected to increase competition, efficiency and support more flexible low carbon forms of generation.	Positive

<p><b>Improved quality of service</b></p> <p>This Modification would have no impact on quality of service to consumers.</p>	<p>Neutral</p>
<p><b>Benefits for society as a whole</b></p> <p>This Modification would not have a clear impact, positive or negative, on society.</p>	<p>Neutral</p>

## Implementation approach

Implementation of the solution is required in line with the expected implementation date for CMP308 and other BSUoS Reform modifications: 1<sup>st</sup> April 2023. To enable any IT impact on the ESO to be managed successfully aligning testing or sharing file structures in advance may be required. Therefore we are aiming to have this Modification implemented on 23 February 2023, as part of the February 2023 BSC Release.