

## 'Allowing non-BSC Parties to request Metering Dispensations'

This Modification will allow non-BSC Parties to request Metering Dispensations on new connections and for Meter Operator Agents to submit the Application.



Elexon recommends this Modification is progressed to the Assessment Procedure for an assessment by a Workgroup



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

This Modification is expected to impact:

- Suppliers
- Registrants
- Generators
- Licensed Distribution System Operators (LDSOs)
- National Electricity System Operator (NETSO)

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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
- You can find the definitions of the terms and acronyms used in this document in the [BSC Glossary](#).

This document will form an Initial Written Assessment (IWA), should the Panel agree to raise the attached Modification Proposal at its meeting on 10 March 2022. The Panel will consider whether to raise the Modification in accordance with BSC Section F 2.1.1(d) (i) and determine how best to progress the Modification.

There are two 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, including the Workgroup's proposed membership and Terms of Reference.
- Attachment A contains the Proposal Form.

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# 1 Summary

## What is the issue?

[BSC Section L 'Metering'](#)<sup>1</sup> outlines the requirements for Metering Dispensation applications. These applications are utilised where any Metering Equipment to which a Code of Practice (CoP) applies will not or does not comply with some or all of the requirements detailed in the CoP.

Section L 'Metering' requires the Registrant of the Metering System to submit the Metering Dispensation application. This may prevent an application from being submitted at the design stage, as Registrants of a Metering System are typically appointed later than the recommended **14 weeks** prior to energisation of the related Metering System. This means that the application may be submitted later than the recommended 14 weeks, reducing the opportunity for the Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) to fully assess the application. This can result in the site's energisation being delayed or reducing the opportunity to address issues that could affect Settlement.

Assessing the Metering Dispensation application at an earlier stage in the application process allows the applicant to address potential Settlement issues, providing an opportunity for changes to be made with less impact on the Registration of the site.

## What is the proposed solution?

Section L 'Metering' of the Balancing and Settlement Code (BSC) will be amended to allow non-BSC Parties to make applications for Metering Dispensations. A Meter Operator Agent (MOA) will assess the proposed design and location of the Metering System and assess compliance against the BSC and the relevant CoP. The relevant MOA can make an application for a Metering Dispensation on behalf of the site operator.

The Proposer would also like the Workgroup to consider whether this Modification should apply to [Generic](#) Metering Dispensations too.

This will also require a change to [BSCP32 Metering Dispensations](#)<sup>2</sup>.

## Impacts and costs

This Modification will impact **Registrants** who will need to accept approved Metering dispensations on sites that they choose to be Registrants for (as is the case currently on a change of Registrant). Non-BSC Party **Applicants** will have to find a **MOA** to support the Metering Dispensation on their behalf. **MOAs** will be required to raise Metering Dispensation applications for non-BSC Parties. **LDSOs** and **NETSO** will have earlier visibility on the proposed type of connection at the site, providing an opportunity for them to suggest improvements. Non-BSC Parties who wish to request Metering Dispensations will be impacted.

This is a document only change to BSC Section L 'Metering', no BSC System changes are expected. The central implementation costs are therefore expected to be low. On-going



### Site Specific Metering Dispensation

This is a Metering Dispensation that only relates to the Metering Equipment or metering arrangements at a particular site and is solely for that site, and cannot be used by a Registrant at another site.



### Generic Metering Dispensation

The BSC Panel may, on its own initiative or upon the application of a Party, establish Metering Dispensations from the requirements of any relevant Code of Practice which attach generally to any item of Metering Equipment. Such dispensations are referred to as "Generic Dispensations".

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<sup>1</sup> <https://www.elexon.co.uk/the-bsc/bsc-section-l-metering/>

<sup>2</sup> <https://www.elexon.co.uk/csd/bscp32-metering-dispensations/>

costs, if any, will be determined during the Assessment Procedure, but are also expected to be low.

## Implementation

The Proposer requests an implementation of **five Working Days (WDs) after the final Authority decision is made**, subject to Workgroup assessment. This approach is to ensure the solution from this Modification is implemented at the earliest opportunity.

## Recommendation

We recommend the Panel raise this Modification Proposal as it will better facilitate Applicable BSC Objective (d) by promoting efficiency in the Metering Dispensation process (in accordance with F2.1.1(d)(i)). Should the Panel agree to raise the Modification, we recommend that the Modification Proposal is **progressed to the Assessment Procedure** for consideration by a Workgroup.

## 2 Why Change?

### What is the issue?

Section L 'Metering' allows the Registrant of a Metering System to apply for a Metering Dispensation if, for financial or practical reasons, the applicable Metering Equipment will not or does not comply with some or all of the requirements of a CoP.

These Metering Dispensation applications are assessed by the Imbalance Settlement Group (ISG) and Supplier Volume Allocation Group (SVG) shortly before the relevant electrical circuit is energised. It is recommended that Applicants submit their Metering Dispensation application at least [14 weeks](#)<sup>3</sup> before the requested approval date. Furthermore, the ISG requested at its meeting on [2 November 2021](#)<sup>4</sup> that these applications are submitted at an earlier stage in the site development process, preferably at the design stage, to allow the ISG and SVG enough time to propose amendments or reject the Metering Dispensation application with less impact on the applicant.

However, the requirement in Section L 'Metering', which requires the Registrant of the Metering System to submit the Metering Dispensation application, can prevent an application from being submitted at the design stage as Registrants of a Metering System are typically appointed later than the recommended 14 weeks ahead of energisation. This means that the application will be submitted later than the recommended 14 weeks, reducing the opportunity for the ISG and SVG to fully assess the application before approving, and the site's energisation can sometimes consequently be delayed. There is a risk that the Settlement data from the Metering System may be inaccurate due to the ISG and SVG not being able to assess the Metering System and recommending remedial actions, before approving the application. This may also create avoidable costs to the Registrant.

Assessing the Metering Dispensation application at an earlier stage in the site development process allows the applicant to address potential Settlement issues, providing an opportunity for changes to be made with less impact on the stakeholders, including the Registrant of the site.

### Background

A [Metering Dispensation](#)<sup>5</sup> is a process utilised by the Registrant of a Metering System when the associated Metering Equipment (for financial or practical reason) will not or does not comply with the applicable CoP.

The Metering Dispensation process and description of roles and responsibilities are outlined in Balancing and Settlement Code Procedure (BSCP) 32 - BSCP32 – Metering Dispensations. It also details the information required for submission with an application and notifications sent to Parties, and records to be maintained in respect of all Metering Dispensations.

When creating an application, the Applicant (a BSC Party) should allow sufficient time for the application to be considered by the relevant BSC Panel Committee(s) at their meetings



#### Metering Equipment

Metering Equipment could be Meters, measurement transformer (voltage, current or combination units), metering protection equipment including alarms, circuitry, associated Communications Equipment and Outstations and wiring.



#### Applicant

BSC defines the Applicant as a person wishing to carry out one or more of the functions for which Qualification is required pursuant to Section J and who, in accordance with that Section, applies for Qualification and, where the context so admits, shall include a person applying for re-Qualification in accordance with that Section.



#### Registrant

In relation to a Metering System, the person for the time being registered in the Central Meter Registration Service (CMRS) or the Supplier Meter Registration Service (SMRS) in respect of that Metering System pursuant to Section K.

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<sup>3</sup> <https://www.elexon.co.uk/reference/exceptions/metering-dispensations/>

<sup>4</sup> <https://www.elexon.co.uk/meeting/isg249/>

<sup>5</sup> <https://www.elexon.co.uk/reference/exceptions/metering-dispensations/>

and the approval process to be completed prior to the installation/commissioning of the associated Metering System.

## Metering Dispensation Process

BSCP32 defines the two types of Metering Dispensations as Generic and site specific Dispensations. A Generic Dispensation is utilised when a Dispensation is required on specific items of the Metering Equipment. A site specific Dispensation is utilised when the Actual Metering Point (AMP) is not at the Defined Metering Point (DMP) and the Applicant needs/wishes to apply electrical loss adjustments to the Metering System.

Before a Metering Dispensation Application is submitted, the Applicant is expected to notify and seek endorsement from all affected parties. As outlined in BSCP32, it is advised that where appropriate, a 'letter of endorsement' from the affected parties should accompany the application.

BSCCo (Elexon), on receipt of the application, will complete the following activities:

- Validate and record the application;
- Where applicable, request more information from the Applicant;
- Consult with industry for 10WDs if the Registrant of the Metering System is unknown; or
- Consult with the Metering Dispensation Review Group (MDRG) for 10WDs, and for site specific Dispensations, the Electrical Loss Validation Agent (ELVA), on receipt of the application; and
- Submit the application and supporting procedural documents to the relevant BSC Panel to be considered

The relevant BSC Committee will review the application, and decide if a temporary or lifetime dispensation is granted. Where a temporary dispensation is granted, an 'end date' is agreed. Furthermore, the relevant BSC Panel may attach conditions to the approval, if approved.

Some examples of the conditions attached to previous approved Metering Dispensation are:

- The Registrant of the Metering Systems, where they share a single point of connection to the Total System, are happy with the arrangement for the allocation of losses for each Metering System; and
- Where there has been issues with the compensation calculation, the compensation figures are subject to ELVA's approval.

## MOA's involvement in the Dispensation process

MOAs generally support and work closely with Registrants to confirm metering arrangements and the compensation values that are need to be programmed into the meters.



### Actual Metering Point

The physical location at which electricity is metered.



### Defined Metering Point

The physical location at which the overall accuracy requirements as stated in the relevant Code of Practice (CoP) are to be met. They are identified in the CoPs and relate to Boundary Points and System Connection Points.



### Relevant BSC Committee

The relevant BSC Committee being the Committee which have been delegated the activity of considering and determining applications such as metering dispensations which have been defined in the BSC Baseline Statement as being the responsibility of the Committee.

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## **LDSO's and NETSO's involvement in the Dispensation process**

The LDSO and NETSO are considered to be part of the affected parties in the Metering Dispensation process. The Applicant would notify and seek their endorsement on any proposed Metering Dispensation Application. For site specific applications, where the Applicant proposes to apply electrical loss adjustments for power transformer and/or cable or line losses to a Metering System, the LDSO and NETSO will be required to provide some information to enable the calculation of the electrical loss adjustments.

## **Operational issues with the current Dispensation process**

Recently, the ISG and SVG have noted the number of late applications for site specific Metering Dispensation, stating that they have no option but to approve them even though they haven't been fully assessed. Their rationale being that suggesting a different solution or actions to complete before energisation, if identified, may increase cost [to become cost prohibitive] for the Applicant who may be required to make amendments.

Exelon noted these comments and took action to engage Registrants and remind them of the Metering dispensation process and time requirements. As a result, a circular [EL03451](#) '[Metering Dispensation – Reminder of Registrants responsibilities](#)'<sup>6</sup> was issued to the Industry on Friday 12 November 2021.

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<sup>6</sup> <https://exelonexternal.newsweaver.com/924j6pkru/1qp1k3v0u88>

### Proposed solution

This Modification will amend Section L 'Metering' to allow non-BSC Parties to apply for Metering Dispensations. The site specific Metering Dispensation Applications will be assessed and supported by the relevant MOA to ensure that the proposed design and location of the Metering System is suitable and compliant with the BSC and the applicable Code of Practice (CoP).

A Supplier Volume Allocation (SVA) MOA shall be used for Metering Systems intended to be registered in the Supplier Meter Registration Service (SMRS) and a Central Volume Allocation (CVA) MOA shall be used for Metering Systems intended to be registered in the Central Meter Registration Service (CMRS).

The Proposer would also like the Workgroup to consider whether to include generic Metering Dispensation as part of the proposed solution.

### Benefits

The proposed solution will allow applications for Metering Dispensations to be submitted at an earlier stage and give the opportunity for re-design of the location or configuration of the Metering System to be practically possible before site works (e.g. laying foundations, construction of building etc.) have progressed to an extent that does not allow it. Consequently, this will allow for amendments proposed by the ISG and SVG to be properly considered and increase the likelihood that they can be actioned, resulting in improved Settlement accuracy for the relevant Metering Systems.

### Applicable BSC Objectives

We believe the proposal will better facilitate the achievement of Applicable BSC Objective (d):

#### Objective (d)

By allowing non-BSC Parties to apply for Metering Dispensations, it will enable an earlier submission and assessment of the application by the relevant Panel Committee(s). This will increase the likelihood that Settlement issues, when identified, are addressed in a timely manner. Additionally, it will remove the need for and burden of 'time critical' Metering Dispensation applications from being submitted.

### Implementation approach

The Proposer recommends this Modification be implemented **five Working Days (WDs) after the Authority decision is made**, subject to Workgroup assessment. This approach is to ensure the solution from the Modification is implemented at the earliest opportunity.



#### 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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### What is 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

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

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## 4 Proposed Progression

### Next steps

This IWA will be presented to the BSC Panel at its meeting on 10 March 2022, where we will invite the Panel to raise this Modification under Section F 2.1.1(d) (i) – as we believe it better facilitates Applicable BSC Objective (d).

If the Panel agrees to raise this Modification, we recommend it should be assessed by a Workgroup and submitted for a **five month Assessment Procedure**. Although the concept of the Modification seems straight forward, there are additional areas of the solution that would benefit from a Workgroup consideration. An Assessment Procedure will also allow use to more thoroughly assess the risks, impacts and benefits.

### Workgroup membership

We recommend that the Workgroup comprise of participants who have expertise or experience in the following areas:

- Assurance & Compliance;
- Settlement Risks; and
- Metering.

We expect and will encourage participation from ISG and SVG Members as well as Registrants, LDSOs, ESO and MOAs.

### Self-Governance

The solution in this Modification, which seeks to amend BSC Section L 'Metering' 3.4 to allow non-BSC Parties to request Metering Dispensations, will materially impact the BSC governance which relates to criteria (b) (v). Therefore as an initial view, we recommend this Modification **should not** be treated as a Self-Governance Modification. This will be further assessed as part of the Workgroup procedure given the potential impact on the Code's governance.

### Timetable

Please note that due to the upcoming Easter and bank holiday, there is a risk that we may struggle with quoracy for the first Workgroup meeting.

Proposed Progression Timetable for this Modification	
Event	Date
Present Initial Written Assessment to Panel	10 March 2022
Workgroup Meeting 1	W/C 18 April 2022
Workgroup Meeting 2	W/C 16 May 2022
Assessment Procedure Consultation (15WDs)	13 June 2022 – 5 July 2022

Proposed Progression Timetable for this Modification	
Event	Date
Workgroup Meeting 3	W/C 11 July 2022
Present Assessment Report to Panel	11 August 2022
Report Phase Consultation (10WDs)	17 August 2022 – 31 August 2022
Present Draft Modification Report to Panel	8 September 2022
Issue Final Modification Report to Authority	15 September 2022

## 5 Areas to Consider

In this section we highlight areas which we believe the Panel should consider when making its decision on how to progress this Modification Proposal, and which a Workgroup should consider as part of its assessment of this Modification. We recommend that the areas below form the basis of a Workgroup's Terms of Reference, supplemented with any further areas specified by the Panel.

### Generic Metering Dispensations

The Proposer wishes to explore whether the scope of this Modification should be extended to allow non-BSC Parties to apply for Generic Metering Dispensations. For example, meter manufacturers often apply for this type of Metering Dispensation through a BSC Party. It would be more efficient if manufacturers, in this scenario, could submit an application directly.

### Impact on Registrants

The Registrants of the Metering site where a Metering Dispensation was approved, will be expected to accept and be accountable for the site. Therefore, the Proposer notes that it is important to consider how this Modification would impact the Registrants and what additional requirements may be needed to mitigate the impact on them.

### Areas to consider

The table below summarises the areas we believe a Modification Workgroup should consider as part of its assessment of this Modification:

Areas to Consider
Should the scope of this Modification be extended to allow non-BSC Parties to apply for Generic Metering Dispensations?
What mitigation should be implemented to manage the impact on Registrants and what should the role of the Registrants be?
How will this Modification impact the BSC Settlement Risks?
What changes are needed to BSC documents, systems and processes to support this Modification and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?
Are there any Alternative Modifications?
Should be progressed as a Self-Governance Modification?
Does better facilitate the Applicable BSC Objectives than the current baseline?
Does impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

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## 6 Likely Impacts and costs

### Estimated Implementation costs

The central implementation cost of this Modification will likely be less than £1k to make the necessary changes to the BSC Section and Code Subsidiary Document (CSD).

MOAs may incur cost in developing the processes that are required to facilitate the Metering Dispensation Application process for non-BSC Parties.

Impact on BSC Parties and Party Agents		
Party/Party Agent	Potential Impact	Potential cost
LDSO	They will have earlier visibility on the proposed type of connection at the site, and will be able to suggest amendments.	L
Meter Operator Agents	Developing processes to complete Metering Dispensation applications.	L
Suppliers	Taking ownership of sites with an approved Metering Dispensation	L
Registrants	They will be made aware of existing Metering Dispensations. In deciding whether to be the Registrant for a particular Metering System they will need to consider any Metering Dispensations that are in place.	L

Impact on the NETSO	
Potential Impact	Potential cost
NETSO will have earlier visibility of Metering Dispensations and be able to raise concerns that may result in amendments to design of site.	L

Impact on BSCCo		
Area of Exelon	Potential Impact	Potential cost
Metering	This will have a positive impact on the Metering team who will have a longer duration to progress Metering Dispensations. They may have more work to resolve and manage any recommended actions from the ISG and SVG.	L

Impact on BSC Settlement Risks	
Earlier assessment of Metering Dispensation applications could result in amendments being able to be made that may mitigate risks to Settlement on accuracy of Metering Systems and data submitted to Settlement. The specific Settlement Risks will be addressed via the Assessment Procedure.	

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Impact on BSC Systems and processes	
BSC System/Process	Potential Impact
None	Not anticipated

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Potential Impact
None	Not anticipated

Impact on Code	
Code Section	Potential Impact
Section L 'Metering'	Section 3.4 'Metering Dispensation' will be updated to incorporate non-BSC Parties in the Metering Dispensation requirements.

Impact on EBGL Article 18 terms and conditions	
This Modification is unlikely to impact on the EBGL Article 18 Terms and Conditions held within the BSC. This will be assessed further as part of the Assessment Procedure.	

Impact on Code Subsidiary Documents	
CSD	Potential Impact
BSCP32 'Metering Dispensations'	The BSCP will be updated to include non-BSC Parties in the Metering Dispensation process.

Impact on other Configurable Items	
Configurable Item	Potential Impact
None	Not anticipated

Impact on Core Industry Documents and other documents	
Document	Potential Impact
None	This Modification will not impact on any other Core Industry Documents.

Impact on a Significant Code Review (SCR) or other significant industry change projects	
An SCR exemption request was sent to Ofgem on 3 March. At the time of writing, we are awaiting confirmation of this exemption request.	

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability	Neutral
2) Lower bills than would otherwise be the case	Neutral
3) Reduced environmental damage	Neutral
4) Improved quality of service Through this Modification, Metering Dispensations applications can be submitted very early on in the site development process, providing enough time for the required assessment to be completed ahead of the proposed energisation date. As a result, the instances where the energisation of the site is delayed may be reduced.	<b>Positive</b>
5) Benefits for society as a whole	Neutral



### What are the consumer benefit areas?

- 1) Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?
- 2) Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?
- 3) Will this proposal support:
  - i) new providers and technologies?
  - ii) a move to hydrogen or lower greenhouse gases?
  - iii) the journey toward statutory net-zero targets?
  - iv) decarbonisation?
- 4) Will this change improve the quality of service for some or all end consumers. Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient and effective.
- 5) Are there any other identified changes to society, such as jobs or the economy.

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## 7 Recommendations

We invite the Panel to:

- **RAISE** the Modification Proposal in Attachment A (in accordance with F2.1.1(d)(i));
- **AGREE** that this Modification progresses to the Assessment Procedure;
- **AGREE** the proposed Assessment Procedure timetable;
- **AGREE** the proposed membership for the Modification Workgroup; and
- **AGREE** the Workgroup's Terms of Reference.