

Assessment Procedure Consultation Responses

P395 'Aligning BSC Reporting with EMR Regulations – an enduring solution'

This Assessment Procedure Consultation was issued on 1 March 2022, with responses invited by 22 March 2022.



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
Siemens MAS	0/1	Supplier Agent HHDC
IMServ Europe Ltd	0/1	Supplier Agent HHDC/DA
Associated British Ports	0/1	End-user/Private Network Owner, owner of renewable generation and prospective generation licence holder and storage owner
Centrica	3/0	Generator, Supplier, Virtual Lead Party
Salient Systems Ltd	0/2	NHHDC, HHDC/DA, MOA Software Solutions Provider
E.ON/Npower	1/0	Supplier

P395
Assessment Consultation
Responses

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Question 1: Do you agree with the Workgroup's initial unanimous view that P395 does better facilitate the Applicable BSC Objectives than the current baseline?

Summary

Yes	No	Neutral/No Comment	Other
6	0	0	0

Responses

Respondent	Response	Rationale
Siemens	Yes	Yes, applicable BSC Objective (f) is better facilitated by the implementation of P395.
IMServ Europe Ltd	Yes	None provided
Associated British Ports	Yes	We strongly agree with the proposer that by removing a barrier to the financial viability of operating Storage, this Modification will promote effective competition in the generation of electricity. Promoting effective competition in the generation and supply of electricity is a BSC Objective.
Centrica	Yes	Centrica believes that the main benefit of this modification is that it facilitates objective (f), as currently EMRS is not able to levy CfD and CM charges on Suppliers the volume of electricity supplied to sites with Licensed Generation or Storage cannot be properly identified. We also believe it is better facilitates objective (b) as by removing artificial and unintended barriers to the use of Storage, this Modification will enable new business models which may also allow additional Storage to be integrated into the electricity system, It will also better facilitate Objective (c) as by removing a barrier to the financial viability of operating Storage (Especially behind-the-meter storage), this Modification may promote effective competition in the generation of electricity.
Salient Systems Ltd	Yes	The ability to accurately report and charge settlement volumes at the boundary point meter, considering volumes at meters behind the boundary (asset meters) is essential for the overall industry requirement linked to P344 and P375.
E.ON/Npower	Yes	No additional comments

Question 2: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P395?

Summary

Yes	No	Neutral/No Comment	Other
6	0	0	0

Responses

Respondent	Response	Rationale
Siemens	Yes - see comments	In BSC Section S – 2.13.1 – I think this should state BSCP603 and not BSCP502.
IMServ Europe Ltd	Yes	None provided
Associated British Ports	Yes	None provided
Centrica	Yes	None provided
Salient Systems Ltd	Yes	The inclusion of Supplier and AMSID pairs in the legal text covers the intention of P395.
E.ON/Npower	Yes	No additional comments

Question 3: Do you agree with the Workgroup's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
6	0	0	0

Responses

Respondent	Response	Rationale
Siemens	Yes	I believe a year's lead time is the minimum requirement for implementation given the significant and complex changes affecting the industry in the next 3 years or so.
IMServ Europe Ltd	Yes	None provided
Associated British Ports	Yes	It would be disappointing if the date of November 2023 were not achieved.
Centrica	Yes	None provided
Salient Systems Ltd	Yes	An implementation date after and close to the implementation of P375 is necessary to handle asset meters effectively within the industry
E.ON/Npower	Yes (dependent on Ofgem decision timing)	Whilst we agree with the proposed implementation date it is clear that the cost vs benefits case for implementing P395 erodes the closer we move towards the implementation of new central systems being development under MHHS, as such we believe that the implementation of this modification should be deferred until after the migration to the MHHS TOM in the event that the October 22 Ofgem implementation decision date proposed cannot be achieved (e.g., delays to Ofgem's implementation decision).

Question 4: Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P395 which would better facilitate the Applicable BSC Objectives?

Summary

Yes	No	Neutral/No Comment	Other
6	0	0	0

Responses

Respondent	Response	Rationale
Siemens	Yes	No further rationale
IMServ Europe Ltd	Yes	None provided
Associated British Ports	Yes	None provided
Centrica	Yes	None provided
Salient Systems Ltd	Yes	None provided
E.ON/Npower	Yes	We perceive that there is another way of addressing the defect outlined in the modification proposal. This is for EMRS/LCCC to facilitate changes on their end as opposed to the data provisions under section V of the BSC, however we note that this would be both outside of the scope of the BSC change process and would potentially be a less efficient solution when compared to the modification proposed, therefore we agree with the workgroups views that there is not any other viable alternative modification proposals.

Question 5: Do you agree with the Workgroup that there an insufficient business case for separating out co-located activities at CVA level?

Summary

Yes	No	Neutral/No Comment	Other
5	0	1	0

Responses

Respondent	Response	Rationale
Siemens	Neutral/No Comment	I don't have sufficient information to provide a view.
IMServ Europe Ltd	Yes	None provided
Associated British Ports	Yes	None provided
Centrica	Yes	Yes. We believe that the use-case for co-located CVA assets will be very limited.
Salient Systems Ltd	Yes	None provided
E.ON/Npower	Yes	<p>We agree there is an insufficient business case for separating out of co-located activities at CVA level where a site is configured under a single BMU ID. However, it is our interpretation that P395 will enable qualifying licenced generators volumes to be split through separate metering via re-configuration of BMU IDs associated to the site.</p> <p>Given the CVA market is significantly smaller by MSID count we are supportive of this approach as this will also enable a similar solution to qualifying CVA market participants without creating additional cost and complexity burdens that inevitably BSC parties would be required to fund.</p>

Question 6: The Workgroup’s proposal is that the Supplier should register the Asset Metering system under P395, do you agree?

Summary

Yes	No	Neutral/No Comment	Other
6	0	0	0

Respondent	Response	Rationale
Siemens	Yes	Yes, the Supplier should be aware of the asset and would be dis-incentivised not to register the asset where there are financial benefits in doing so.
IMServ Europe Ltd	Yes	None provided
Associated British Ports	Yes	Yes, we agree. Suppliers already have much of the know-how and infrastructure in place to do this. In order to encourage as much storage to come forward as possible it is important to minimise the impact on the storage providers and leverage off processes and infrastructure that are already in place viz. suppliers’ ability to register and communicate within the industry.
Centrica	Yes	Yes – this is the logical party to do this. It is unclear what other party would be a viable alternative.
Salient Systems Ltd	Yes	Yes. However, as this change follows P375 there will be instances when the AMVLP has already registered/appointed an AMSID. Requirements state the supplier is then not required to continue registration of party agents but this introduces additional validation requirements in party agent systems, that should be highlighted. The presumption is made that the AMVLP appointment stands and the attempted supplier appointment would be rejected (e.g. with a D0261 in HHDC systems)?
E.ON/Npower	Yes	On the basis that the proposed solution has several synergies with the non-final demand exemptions processes being introduced under P419, along with the EMRS funding being a supplier liability in turn featuring in consumer bills. As such suppliers will also need to make the associated billing adjustments in qualifying consumer bills for the benefits to be realised for qualifying consumers so it is sensible that suppliers should be the registering party for qualifying assets.

Respondent	Response	Rationale
		Therefore, we are both in support and agree with the workgroups recommendation that suppliers should register asset metering systems.

Question 7: Do you agree with the Workgroup’s assessment of the impact on the BSC Settlement Risks?

Summary

Yes	No	Neutral/No Comment	Other
6	0	0	0

Respondent	Response	Rationale
Siemens	Yes	BM Unit energy recorded for Settlement purposes is unaffected by this change.
IMServ Europe Ltd	Yes	None provided
Associated British Ports	Yes	None provided
Centrica	Yes	None provided
Salient Systems Ltd	Yes	None provided
E.ON/Npower	Yes	We agree that this modification will not impact on any BSC settlement risks as this is not a settlement related change.

Question 8: Do you agree with the Workgroup’s assessment that P395 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

Summary

Yes	No	Neutral/No Comment	Other
6	0	0	0

Respondent	Response	Rationale
Siemens	Yes	As far as I have had time to ascertain I do not believe there is an impact on the EBGL Article 18 T&Cs
IMServ Europe Ltd	Yes	None provided
Associated British Ports	Yes	None provided
Centrica	Yes	None provided
Salient Systems Ltd	Yes	None provided
E.ON/Npower	Yes	No further comments

Question 9: Will P395 impact your organisation?

Respondent	Response	Rationale
IMServ Europe Ltd	Low	None provided
Associated British Ports	High	We view P395 as an enabling modification which will present storage providers with the opportunity to engage with the market through their supplier. The impact of P395 not being implemented would be high on companies such as ABP as it relates to the viability of behind-the-meter storage assets.
Centrica	Yes	<p>Yes, this will help the business cases for battery business cases across the spectrum. It will confirm the regulatory arrangements for standalone batteries that are currently using the interim approach.</p> <p>It will enable CVA batteries that are currently unable to benefit from this exemption to be appropriately charged.</p> <p>Finally, it will enable smaller on-site batteries to correctly avoid paying these levies. At present the business cases for these can be challenging, so this should really assist domestic customers deploying battery storage.</p>
Salient Systems Ltd	Yes- Low	The main functional areas affect the HHDC system provided to our clients under P375. Low impact for P395 with regards to supplier appointed AMSIDs under BSCP603, mainly configuration data changes. However, potential impacts are suggested for BSCP502 but there is no evidence of this in the supporting documents.
E.ON/Npower	No comment	No comments

Question 10: How much will it cost your organisation to implement P395?

Respondent	Response	Rationale
IMServ Europe Ltd	Low	None provided.
Associated British Ports	None	None provided.
Centrica	Low to None	None provided
Salient Systems Ltd	Low	General software development and testing costs
E.ON/Npower	No comment	No comments

Question 11: What will the ongoing cost of P395 be to your organisation?

Respondent	Response	Rationale
IMServ Europe Ltd	Low	None provided.
Associated British Ports	None	None provided.
Centrica	None	Low, as we do not see any impact to existing data flows loaded to BMSV (SAA-I014).
Salient Systems Ltd	None	None provided.
E.ON/Npower	No comment	No comments

Question 12: If you are a Supplier, are the levels of cost justified by the levels of benefit you expect to get from P395?

Respondent	Rationale
Siemens	None provided
IMServ Europe Ltd	None provided
Associated British Ports	None provided.
Centrica	We are surprised by the cost of implementing this modification. We cannot understand how the costs can be so high for such a change. That being said, the EMRS analysis of £7.5m of erroneously charged FCLs in 2.5 years demonstrates why such a change is required. This, however, does not give carte blanche to the cost of implementation. We expect greater rationale from the service provider as to this level of costs and expect regular updates scrutinising this.
Salient Systems Ltd	None provided.
E.ON/Npower	<p>We believe that the high central system central system development is difficult to justify at this time given the significant investment that industry is currently undertaking to central systems to facilitate MHHS, as per our comments under Q3.</p> <p>We note the proposer has outlined that in the modification proposal that EMRS believe they have overcharged approx. £7.5Mn over a 29 month window which may be perceived as a quantifiable payback in the region of £3mn per year against the cost of this modification to develop central systems, however we do not believe that P395 will enable the full 7.5Mn to be removed from over charging because P395 will enable only Licensed Generators to utilise its proposed solutions if approved.</p> <p>It should be noted that a similar issue exists whereby licenced exempt supply volumes should not attract EMRS charges, but do, where a consumer is taking partial licenced exempt supply. it would be useful for a breakdown of the £7.5Mn EMRS overcharging over both licensed generators and exempt supply to be provided to demonstrate justification of costs associated to the P395 solution</p>

Question 13: Is a regular monthly report aggregating the total volumes of non-chargeable Imports for P395 sites of value to your organisation? How would it be used?

Summary

Yes	No	Neutral/No Comment	Other
1	2	3	0

Respondent	Response	Rationale
Siemens	N/A	None provided.
IMServ Europe Ltd	No	None provided.
Associated British Ports	Yes	As specified this would not be very useful to us. If a licensed generator has access to the report it would be better if it were by MSID and not aggregated by GSP.
Centrica	Neutral	We believe this would be a useful accountability tool, but we do not believe we would actively use this data.
Salient Systems Ltd	N/A	None provided.
E.ON/Npower	Yes	Yes, we would such reports for cost forecast and reconciliation activities generally, however the detail of the report TBC may offer further additional clarity on it's potential uses.

Question 14: Do you expect the cost associated with appointing Party Agents to de-incentivise Suppliers from registering Assets?

Summary

Yes	No	Neutral/No Comment	Other
0	1	4	1

Respondent	Response	Rationale
Siemens	Neutral/ No Comment	I don't have sufficient information to provide a view.
IMServ Europe Ltd	Neutral/ No Comment	No view
Associated British Ports	N/A	None provided.
Centrica	No	No, we do not believe so.
Salient Systems Ltd	Neutral/ No Comment	Unknown.
E.ON/Npower	Other	<p>There is potential for asset metering service costs to act as a barrier for suppliers from registering assets.</p> <p>We envisage these costs would ultimately form part of any consumer offer to facilitate the P395 solution so the incentive to proceed with registering assets will ultimately be a consideration for the qualifying consumers to consider against the benefits they receive through the removal of the associated EMRS charges, for which asset party agent costs will ultimately part of that decision making process.</p>

Question 15: How long (from the point of approval) would you need to implement P395?

Respondent	Response
IMServ Europe Ltd	None
Associated British Ports	N/App
Centrica	We will be ready for implementation date and would prefer as part of a normal systems release.
Salient Systems Ltd	2-3 weeks development and testing time plus 2 week lead for client UAT and implementation. No difference regarding BSC Systems Release.
E.ON/Npower	We believe a 6–12-month lead time is an appropriate lead time to implement P395.

Question 16: Do you have any further comments on P395?

Respondent	Response
IMServ Europe Ltd	<p>The first instance of 'BR18.2' in the Business Requirements is a typo and should be BR9.2</p> <p>Is there any relationship or dependency between this Mod and P430, I can't quite remember?</p>
Associated British Ports	<p>ABP currently owns and operates renewable generation behind the meter on several private networks. We are keen to play a part in the transition to a greener economy. We already have a total of 29 MW of solar and wind generation on our networks and we have plans to develop behind-the-meter battery storage as well as more on-site generation to around a total of 100MW in the next five years. P395 is an important modification which will help facilitate the access to market storage developers need through their supplier and ensure a competitive level-playing field so that only final demand will pay the FCLs.</p>
Centrica	No comments
Salient Systems Ltd	No comments
E.ON/Npower	No comments