Creation of Complex Site Classes

This Modification looks to progress a recommendation of the Issue 88 Workgroup to introduce Complex Site classes. These classes would categorise the types of Complex Site with each having clearly defined criteria within the BSC whilst also facilitating a new "type" of Complex Site (referred to as a Class 6 Complex Site) to allow approval of "non-standard" complex sites. It will also clarify when the netting of Imports from Exports for multiple Metering Systems registered in Supplier Volume Allocation (SVA) is permitted.

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
- Generators
- Half Hourly Meter Operators (HHMOAs)
- Half Hourly Data Collectors (HHDCs)
- Licensed Distribution System Operators (LDSOs)

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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
- *You can find the definitions of the terms and acronyms used in this document in the BSC Glossary*

This document is an Initial Written Assessment (IWA), which Elexon will present to the Panel on 14 July 2022. The Panel will consider the recommendations and agree how to progress this 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?

In recent years a number of queries have been raised to Elexon and in wider industry forums related to the scope of the Complex Site arrangements under the BSC. More specifically, when the BSC and its Code Subsidiary Documents (CSDs) permit the netting of Imports from Exports through a Complex Site arrangement and the scenarios in which this netting is permissible. During conversations under Issue 88 'Clarification of BSC Arrangements relating to Complex Sites'[1] it was identified that certain arrangements have been allowed under the BSC although not clearly defined to facilitate consistency across the market. As so called "Local Energy Schemes" become more popular, it is essential that the rules for when netting should be permitted are clearly defined going forwards.

What is the proposed solution?

This Modification seeks to create six categories of Complex Site, each with clearly defined criteria. Classes 1 - 5 are intended to formalise the criteria for those "types" of Complex Site which are currently recognised as such and are already in use within the industry. In particular, a Class 5 Complex Site would set out the criteria in which netting across Boundary Points is permitted (for example, in order to facilitate the establishment of a Local Energy Scheme).

A Class 6 Complex Site would be a 'non-standard' arrangement that has aspects of a complex site but does not clearly fit in any of the other five classes. This would be akin to the current process of assigning Central Volume Allocation (CVA) Metering System Identifiers (MSIDs) to a "standard" or "non-standard" BM Unit.

Impacts and costs

Costs will be determined as part of the Assessment Procedure.

Implementation

This Modification is proposed to be implemented through a document change only, so implementation should be at the next possible BSC release post Ofgem's final decision. We currently expect this to be 29 June 2023, as part of the June 2023 Standard BSC Release.

Recommendation

This Modification is recommended to be progressed to the Assessment Phase.

[1] https://www.elexon.co.uk/smg-issue/issue-88/

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2 Why Change?

What is the issue?

BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS' and the Retail Energy Code (REC) Schedule 14 'Metering Operations' include provisions for the metering of Complex Sites. Under the BSC and REC, a Complex Site is defined as a site at which the Meter Technical Details (MTDs) are too complex to be captured in the D0268 'Half Hourly Metering Technical Details' data flow accurately.

In recent years a number of queries have been raised to Elexon and in wider industry forums related to the scope of the Complex Site arrangements under the BSC. More specifically, when the BSC and its Code Subsidiary Documents (CSDs) permit the netting of Imports from Exports through a Complex Site arrangement and the scenarios in which this netting is permissible. During conversations under Issue 88 'Clarification of BSC Arrangements relating to Complex Sites' it was identified that certain arrangements have been allowed under the BSC although not clearly defined to facilitate consistency across the market. During the Issue 88 meetings, the definitions were discussed and this Modification is looking to facilitate the formal change and definition of the new classes.

The Proposer believes that Complex Sites have great potential to help develop new arrangements to help drive a smart network and achieve a zero carbon energy system; however, there needs to be further clarity to give confidence. As so called "Local Energy Schemes" become more popular (which rely on the allowance of netting Imports from Exports across the Total System), it is essential that the rules for when netting should be permitted are clearly defined going forwards.

Issue 88 – Clarification of BSC Arrangements relating to Complex Sites

Issue 88 was raised in March 2020. It investigated three main issues:

- Combining multiple boundary points into a single SVA Metering System (i.e. totalisation) may not be consistent with the BSC;
- The concept of 'site' is not clearly defined; and
- General process inefficiencies.

Issue 88 concluded in April 2021 and the Issue Report was presented to the BSC Panel at its meeting on 10 June 2021. The Issue Group had four key recommendations

1. Raise a Modification to categorise all existing complex site arrangements and provide clear guidance on whether a particular arrangement met the relevant criteria, to facilitate the netting of Imports from Exports across a Licensed Distribution System in prescribed circumstances;
2. A Change Proposal should be raised to implement agreed complex site process improvements (e.g. standardised Complex Site Supplementary Information Form (CSSIF) and make its submission mandatory etc.) to relevant CSDs;
3. 'Site' should not be explicitly defined as the repercussions across the BSC, CSDs and other Codes would outweigh any perceived benefits. The Issue Group felt the introduction of categories of Complex Site Classes would provide sufficient clarity of what constitutes a site in the context of a complex site; and

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4. Amendments should be made to the BSC to make explicit that totalisation is allowed. This could be progressed under the Complex Site Classes Modification or separately.

This Modification is intended to progress recommendations one and three. Recommendation two was progressed under a separate Change Proposal (CP1559 'Complex Sites Process Improvements') and was implemented on 30 June 2022, as part of the standard June 2022 BSC Release.

In regards to recommendation four, the Retail Energy Code Metering Expert Group have recently consulted on the Guidance on Metering Points document (formally Schedule 8 of the Master Registration Agreement (MRA)) which was the primary clash with the BSC's allowance of totalisation. Elexon have suggested added wording and examples to remove this clash and provide clarity that totalisation is allowed.

Desired outcomes

This introduction of Complex Site Classes will allow for clear rules and guidance on what is permissible and achievable using the Complex Site arrangements and allow for the assignment of different processes and assurance models for a particular category of Complex Site should this be appropriate.

The proposed Classes 1-4 of Complex Sites are intended to define the criteria for the types of Complex Site that have been used for many years historically and have not been identified as requiring further clarity or causing significant ambiguity. Therefore it is not proposed to add any additional criteria or assurance to these classes of Complex Site over and above the requirements which exist today. Nevertheless assigning a class of Complex Site to these arrangements will align with the approach for Class 5 and Class 6 Complex Sites (described below) and make explicitly clear which arrangement belongs to which class.

A "Class 5" Complex Site (described in detail under the "Solution" section) will give clarity for potential Local Energy Schemes and allow for the establishment of these schemes on a larger scale without a risk of non-compliance to the BSC.

A "Class 6" Complex Site would be for a 'non-standard' arrangement that has aspects of a complex site but does not clearly fit in any of the other five classes.

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3 Solution

Proposed solution

The proposal seeks to create six categories of Complex Site, each with clearly defined criteria. Classes 1 - 5 are intended to formalise the criteria for those "types" of Complex Site which are currently recognised as such and have been in use within the industry for some time. In particular, a Class 5 Complex Site would set out the criteria in which netting across a Boundary Point is permitted (for example, in order to facilitate the establishment of a Local Energy Scheme).

A Class 6 Complex Site would be a 'non-standard' arrangement that has aspects of a complex site but does not clearly fit in any of the other five classes. This would be akin to the current process of assigning CVA MSIDs to a "standard" or "non-standard" BM Unit.

More detail is given on the proposed classes below.

Classes 1 and 2 – License Exempt Distribution Network (BSCP502 4.9.3[2])

A Class 1 Complex Site would cater for situations where one or more customers within a Licence Exempt Distribution Network (LEN) are supplied with electricity by a third party licensed Supplier and therefore these customers have their own MSID requiring the facilitation of netting of the embedded Metering Systems from the Boundary Point Metering System. This netting takes place below the Boundary Point and not across the Total System. A Class 1 Complex Site would require no Generation to be installed behind the Boundary Point on the LEN.

A Class 2 Complex Site would be almost identical to a Class 1 with the only difference being that generation is embedded within the Private Network.

The below lays out the process the Issue 88 workgroup proposed Class 1 and Class 2 sites should follow:

- Where Class 1/2 is selected then the Supplier/Meter Operator Agent (MOA) must also populate whether the MSID that the CSSIF relates to is located at the Boundary Point or related to an MSID embedded within the network.
- Boundary Point MSIDs should be identified as such on the CSSIF and be registered against the Meter Timeswitch Class (MTC) 998. The CSSIF for Boundary Point MSIDs should include all related MSIDs that are embedded within the LEN
- Embedded MSIDs should identify the related Boundary Point MSID on the CSSIF and be registered against MTC 997.
- All MSIDs related to the LEN should have the same MOA and DC appointed.
- Where the Boundary MSID is registered against Metering Code of Practice (CoP) 3 or 5 then the embedded MSIDs should use generic Metering Dispensation D0380[3]

[2] The BSCP sections in brackets next to the relevant Classes of Complex Site denote the section of BSCP502 where the equivalent current examples currently reside. Potentially, as a result of this Modification, a new Section would be created "Complex Site Classes" to replace the current "examples".

[3] https://www.elexon.co.uk/guidance-note/d380-metering-dispensation/

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for location (Actual Metering Point not being located at the Defined Metering Point).

- Where the Boundary MSIDs are registered against CoP 1, 2 or 10 then a site specific Metering Dispensation will be required for each embedded MSID.
- A Class 1/2 Complex Site will be self-assessed against the relevant criteria and identified as such by the Registrant of the MSID and will not be subject to Committee approval (notwithstanding the approval that may be required for any Metering Dispensation associated with a Class 1 or 2 Complex Site).

Classes 3 and 4 - Feed through sites and network flows impacting Settlement Meters (BSCP502 4.9.4 – 4.9.7[2])

A Class 3 Complex Site is proposed to cater for instances where the electrical configuration of a site requires the determination of Exports from Imports in order to calculate the gross measurement quantity of energy for a single MSID or dual MSIDs where generation exists (feed through sites and network flows impacting Settlement Meters).

This could be where a customer's network takes supply from the local Distribution System and feeds out from the customer's network - either at the same or a different voltage - to another part of the local Distribution System. Alternatively it could be where electrical flows (either on the Distribution System or the customer's own network) are recorded by the Settlement Meters unintentionally. These will usually appear as additional "Imports and Exports" on different feeders.

This is not the differencing of Imports from true Exports to achieve a net position for an MSID but rather the differencing of unintentional flows of energy impacting the Settlement Meters due to the electrical configuration of the network at the site. A Class 3 Complex Site will provide the gross Import or gross Export for a particular MSID.

A Class 3 Complex Site would be limited to:

- A single premise with the same Supplier (aside from instances of a Shared SVA Meter arrangement); and
- Where the distance between each metered point between the "customer's" incoming feeders and the isolated distribution network is within a set geographical limit.

A Class 4 Complex Site would be the same as a Class 3, except with embedded generation. As with Classes 1 and 2, the Registrant would be expected to self-assess as to whether an MSID/MSIDs meet the principles of a Class 3 Complex Site.

Class 5 – Netting of Imports from Export across multiple Boundary Points over the Total System (BSCP 502 4.9.8[2])

A Class 5 Complex site caters for instances where the netting of Import from Exports across multiple Boundary Points (i.e. connections to the Total System) is required to facilitate an agreement to allow Generators (or "schemes" working with the Generator such as Energy Local) to Supply local end customers (usually under a Supply License Exemption).

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The Issue 88 Workgroup did not design a completed solution to facilitate Class 5 Complex Sites but rather recommended a variety of principles that should be considered by the Modification Working Group. Based on those discussions, we believe the conditions where a Class 5 Complex Site should explicitly permit netting of Import from Exports across multiple Boundary Points are:

- The Import under the arrangement is subject to a Supply License Exemption; and
- All Boundary Points in question are located under the same Primary substation.
- All MSIDS are marked as energised.

Supply License Exemption

The Issue 88 Workgroup noted the risk that Licensed Supply is (and should be) subject to Ofgem levies and EMR Levies. Exempt Supply is exempt from these levies and so limiting Class 5 Complex Sites to License Exempt Supply should mitigate against the avoidance of levies. We agree with this approach and propose that Class 5 Complex Sites are limited to instances where the Import under the netting arrangement is subject to a Supply License Exemption.

Assurance

To support assurance of Class 5 Complex Sites, we propose that:

- Suppliers (via the MOA or Data Collector (DC)) notify Elexon of:
    - The creation of a Class 5 Complex Site;
    - Any subsequent changes made to Primary Metering Equipment; and
    - Any significant change is made to the commercial arrangement under which the scheme operates (e.g. Change of Supplier). Note that the Complex Site criteria is not concerned with the terms of the agreement between the "scheme owner" and participants –i.e. different participants may be under different tariff structures (domestic vs non-domestic).
- Elexon maintains a central register of Class 5 Complex Sites

Class 6 – Non – Standard Complex Site

A Class 6 Complex Site would cater for instances where a Supplier wished to register a Complex Site that did not meet all of the criteria required for one of the other classes. To achieve this, an application process for non-standard Complex Sites would need to be devised, and the vires to grant approval would be delegated to the relevant Panel Committee. This would be akin to the current process of assigning CVA MSIDs to a "standard" or "non-standard" BM Unit.

Benefits

This Modification will address the issues identified under Issue 88 and progresses a solution that has been debated at length by relevant experts under the Issue Working

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Groups. It will remove ambiguity around the current Complex Site arrangements and aid in more efficient facilitating of the advancement of community energy schemes.

This Modification, specifically the introduction of Class 5 Complex Sites, will better enable BSC Parties to innovate new solutions which then supports consumers through enabling better use with local energy schemes, provisioning for licence exempt supply arrangements to work with existing traditional licensed supply agreements in partnership. There are also environmental benefits as this will better enable consumer choice to take up low carbon, flexible energy solutions provisioned for through local energy schemes supporting initiatives such as the joint Ofgem BEIS Smart Systems Flexibility Plan and future flexibility service provisions.

This Modification benefits the market by introducing a defined process so that local energy schemes can be implemented in a controlled manner removing barriers to innovation and competition. The wider market will be able to better understand the types of applications made and the solutions proposed, which will better facilitate future BSC arrangements, particularly where common types of Classification applications are being made. From these learnings future changes can be made to standardise common site arrangements and embed these learnings into the BSC provisions.

Some of the benefits of Local Energy Schemes are:

- Encourages shift from peak load and reduces risk of imbalance;
- Helps reduce network constraints via local balancing to uses the network more efficiently, reducing costs;
- Increases income for new renewable generation via a market led solution, incentivising greater generating capacity to be built;
- Reduce costs of energy;
- New model allows collective bargaining (i.e. only one Supplier per energy club means administration of the club guarantees several hundred customers for the Supplier but also the potential to lose several hundred customers due to poor service) and increases competition; and
- Innovative means of Demand Side Response (DSR) without the need for Balancing Mechanism (BM) or flexibility contracts.

Applicable BSC Objectives

The Proposer believes the proposed solution will better facilitate BSC Applicable Objectives (c) and (d) because it will introduce a formal process that enables suppliers to innovate solutions with local energy schemes, and so will open the choice of suppliers that local energy schemes and generators choose to partner with. The proposed solution provides a route to alternative offerings from Suppliers and collective bargaining from customers, presenting new options, greater competition and resulting improved service for customers. It provides Suppliers with confidence to use complex site arrangements to be able to offer different business models thus, promoting such competition in the sale and purchase of electricity.

This will facilitate local balancing more widely by reducing complexities and burdens, which currently act as disincentives, through commonly derived process and procedures

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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accessible to all BSC Parties, when compared to the baseline whereby no formal processes to provision a tailored site-specific exempt supply arrangements exists in the BSC.

Implementation approach

This Modification is proposed to be implemented through a document change only, so implementation should be at the next possible BSC release post Ofgem's final decision. We currently expect this to be 29 June 2023, as part of the June 2023 Standard BSC Release.

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4 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.

Class 5 Complex Site – what is local?

The Issue 88 Workgroup felt that it was important for a Class 5 Complex Site to be limited to arrangements (or schemes) at a local level. The Issue 88 Workgroup considered a number of options in terms of geographic area and substation level. The Proposer considers the limiting factor be defined as "All Boundary Points to be located under the same Primary substation" to retain the benefits to the network of local energy schemes. As there is no industry identifier for primary substation within industry data flows and data items, it is proposed that the notification form will include primary substation identifier which the Registrant of the Class 5 Complex Site must populate.

Central Register of Class 5 Complex Sites

We are proposing that notification of a Class 5 Complex Site will be required and will be received by Elexon. From these notifications Elexon will maintain a Central Register of Class 5 Complex Sites. This Register is not proposed to be published publically but could be made available on request to BSC parties (omitting any sensitive information). These notifications will include details of the overall Scheme. Consideration should be given to whether MSID level data or information related to individual customers is needed. Personal data should not be collected by Elexon.

An updated notification will be required where the Primary Metering Equipment related to the Generator supporting the scheme is changed or a significant change is made to the commercial arrangement under which the scheme operates (Change of Supplier (COS) for instance).

The Modification Workgroup should consider some of those principles raised by the Issue 88 Workgroup regarding the merits and specification requirements of a central register:

- What are the benefits that having a central register could bring?
- Do these benefits outweigh the costs of creating and maintaining this central register?
- Should/could a central register be used to maintain a list of License Exempt Networks and the Metering Systems embedded within them (Class 1 and Class 2 Complex Sites)?

Notification of a Class 5 Complex Site to Elexon

The Issue Group determined that Suppliers should be required to notify Elexon of a Class 5 Complex Site, but that an approvals process would not be conducive to growth of the arrangements it facilitates. Members recommended the following principles be considered by any subsequent Modification Workgroup:

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- A process will need to be created to facilitate the notification of the creation of a Class 5 Complex Site;
- Notification may include details of all the MSIDs participating in the scheme;
- Notification may be required where individual "customers" opt in/out of the scheme to ensure the list of MSIDs remains up to date;
- Notification will be required where changes are made to the Primary Metering Equipment (not including Meter changes) or a significant change is made to the commercial arrangement under which the scheme operates (Change of Supplier (COS) for instance); and
- Whatever information is provided should be for one scheme, such that it all relates to a single grouping

Impact on Network Charges and BSC Charges

The Issue 88 Workgroup felt that the Modification should consider the impact Class 5 Complex Sites could have on other charges, and whether (and how) any adverse impacts should be mitigated against or prevented. Specifically, consideration should be given to:

- Network charges i.e. Distributed Use of System Charges (DUoS) and Transmission Network Use of System Charges (TNUoS). We understand that in some existing local energy schemes, LDSOs are calculating DUoS charges based on gross metered data from the HHDC (rather than the net metered data entering Settlement). The Workgroup may wish to consider whether such arrangements should be codified, although such changes would need to be progressed under the governance of the Distribution Connection and Use of System Agreement (DCUSA) and/or Connection and Use of System Code (CUSC), rather than the BSC;
- GSP Group Correction Factor (GGCF): Netting of Import and Export (in a Class 5 Complex Site) will affect GSP Group Correction if the GGCF values applied to Import and Export are different. This will become more of an issue with the introduction of different GGCF values for Import and Export as part of Market-Wide Half Hourly Settlement (MHHS). However, the overall impact is likely to be small, and outweighed by the benefits of facilitating local energy schemes. For this reason we do not propose any changes to GSP Group Correction calculations to address this.
- Distribution Line Loss Factors (LLFs). Netting of Import and Export (in a Class 5 Complex Site) will not affect the energy allocated to Distribution Losses, provided that the Import and Export that are netted have the same LLF values. If they have different LLF values the netting will have an effect, but the overall impact is likely to be small, and outweighed by the benefits of facilitating local energy schemes. For this reason we do not propose any changes to address this;
- Transmission Losses: Netting of Import and Export (in a Class 5 Complex Site) will not affect the energy allocated to Transmission Losses (provided that the Import and Export are within the same GSP Group, and hence subject to the same Transmission Loss Multipliers);
- Supplier levies are not affected, provided that netting is limited to exempt supply (see above); and

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- BSC charges are not affected, as Parties' Funding Shares are based on net BM Unit Metered Volumes (and therefore unaffected by netting within a Class 5 Complex Site).

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
Confirm that the six Classes identified by the Issue 88 Workgroup are correct.
Define the criteria a site must meet to qualify for each Complex Site Class.
Confirm the MSIDs to be registered for each Complex Site Class.
What is the definition of 'local' in regards to Class 5 Complex Sites?
What form should a central register of Class 5 Complex Sites take, if any?
How should the notification process of a Class 5 Complex Site operate?
What impact do Class 5 Complex Sites have on Network Charges and BSC Charges?
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 this Modification be progressed as a Self-Governance Modification?
Does this Modification better facilitate the Applicable BSC Objectives than the current baseline?
Does this Modification impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

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5 Proposed Progression

Next steps

Elexon considers that this Modification should not be progressed as Self-Governance due to its impact on competition, the additional incentive to develop sustainable generation, and the further democratisation of energy. It impacts Self-Governance criteria (b) (i) (ii) and (iv).

Moreover, as the solution is not self-evident, we recommend this Modification be progressed through the Assessment Procedure for consideration by a Workgroup.

Workgroup membership

Elexon is seeking Workgroup members with expertise in:

- Complex Site arrangements;
- Network and BSC Charges; and
- Metering.

Timetable

Proposed Progression Timetable for this Modification	
Event	Date
Present Initial Written Assessment to Panel	14 July 2022
Initial consideration by Workgroup	W/C 8 August 2022
Assessment Procedure Consultation	December 2022
Present Assessment Report to Panel	February 2023
Report Phase Consultation	February 2023
Present Draft Modification Report to Panel	9 March 2023
Issue Final Modification Report to Authority	14 March 2023

The timetable will be revisited in conjunction with other code bodies if it is identified that there are multiple industry codes that are impacted.

The timetable will also be subject to getting a quorate Workgroup which may be more difficult due to the summer holiday season.

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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6 Likely Impacts and costs

This is a document-only change and we do not expect any system impacts. Costs will be assessed during the Assessment Procedure. However, for those roles we believe will be impacted, we have indicated whether we believe the costs are likely to be high, medium or low based on the following categories:

- High: >£1 million
- Medium: £100-1000k
- Low: <£100k

Impact on BSC Parties and Party Agents		
Party/Party Agent	Potential Impact	Potential cost
Suppliers	As potential Registrants of a Class 5 Complex Site, Suppliers would need to understand the new associated processes proposed and make process (and potentially system) changes should they choose to register a Class 5 Complex Site. Suppliers that do not wish to register a Class 5 Complex Site will need to take note of the new classifications of the current examples of Complex Site and potentially make minor process changes to align with the new proposed processes.	H/M/L
Generators	Generators may be involved in Local Energy Schemes and so will need to understand the arrangements and criteria for the proposed Complex Site Classes; particularly Class 5 Complex Sites.	L
LDSOs	LDSOs will need to make note of the new classifications of Complex Sites and understand the new classifications as they relate to the registration of new SVA MSIDs particularly. LDSOs may also need to be involved in establishing ad hoc DUoS reporting processes dependent on the impact that the final agreed solution has on DUoS	L
HHMOAs	HHMOAs are responsible for populating and submitting the Complex Site Supplementary Information Form. They will need to ensure they understand the criteria for each Complex Site Class so that MSIDs are assigned to the correct class and the notification/assurance requirements are followed where appropriate.	L

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Impact on BSC Parties and Party Agents		
Party/Party Agent	Potential Impact	Potential cost
HHDCs	As recipients of the Complex Site Supplementary Form, the HHDC will need to understand the criteria for each Complex Site Class in order to accurately interpret the Complex Site Supplementary Information Form they receive.	L

Impact on the NETSO	
Potential Impact	Potential cost
No direct impacts on NETSO expected, but if approved, but will lessen burden of balancing actions if number of Class 5 sites increases.	L

Impact on BSCCo		
Area of Elexon	Potential Impact	Potential cost
Assurance	Metering team will need to advise on new arrangements, facilitate approval of Class 6 Complex Sites and main central register of Class 5 Complex Sites.	M

Impact on BSC Settlement Risks
The Settlement Risks will be considered as part of the Assessment Procedure.

Impact on BSC Systems and processes	
BSC System/Process	Potential Impact
N/A	No system impacts expected

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Potential Impact
N/A	No impacts expected

Impact on Code	
Code Section	Potential Impact
Section K 'Classification and Registration of Metering Systems and BM Units'	Updates required to give effect to the Modification
Section L 'Metering'	

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Impact on EBGL Article 18 terms and conditions
Elexon does not currently expect this Modification to impact on any of the BSC provisions constituting EBGL Article 18 Terms and Conditions related to Balancing, as listed in BSC Section F, Annex F-2.

Impact on Code Subsidiary Documents	
CSD	Potential Impact
BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'	Updates required to give effect to the Modification. Updates also expected to BSCP502 Appendix A 'Complex Site Supplementary Information Form' once implemented on 30 June 2022 (new document introduced under CP1559 'Complex Sites Process Improvements')

Impact on other Configurable Items	
Configurable Item	Potential Impact
None	None

Impact on Core Industry Documents and other documents	
Document	Potential Impact
Retail Energy Code	Impacts on BSCP502 Appendix A will need to be replicated in the REC Metering Operations Schedule. Possibility for other impacts that have not yet been identified.

Elexon have held initial meetings with the code bodies for REC, DCUSA and CUSC to consider the potential impact of this Modification on other Core Industry Documents. If impacts are identified on one or more code, a 'lead code' will be identified and progression of the change will be coordinated.

Impact on a Significant Code Review (SCR) or other significant industry change projects
Elexon does not believe that this Modification impacts any ongoing Ofgem SCRs.

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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Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability N/A	Neutral
2) Lower bills than would otherwise be the case The clarification of Class 5 Complex Sites would increase competition and therefore lower bills. By encouraging demand side response it would reduce network reinforcement and subsequent costs.	**Positive**
3) Reduced environmental damage This Modification would incentivise the development of additional renewable energy generation on a local level by taking advantage of the local energy schemes that Class 5 Complex Sites would facilitate.	**Positive**
4) Improved quality of service The Modification would incentivise competition and choice and, as a result, improved service.	**Positive**
5) Benefits for society as a whole This Modification would enable consumers to more directly interact with the energy system via Class 5 Complex Sites and associated local energy schemes, thereby allowing further democratisation of energy. It would provide a simple means for greater participation and means to reduce bills without investment from consumers - particularly relevant for the fuel poor. It would also enable more income to be retained within local economies.	**Positive**

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7 Recommendations

We invite the Panel to:

- **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.

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