

**Phase**

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

## P437 'Allowing non-BSC Parties to request Metering Dispensations'

P437 will allow BSCCo (Elexon) to submit Metering Dispensation applications on behalf of non-BSC Parties for new connections, in advance of a Registrant being appointed.

This arrangement will increase the probability of a compliant Metering System being installed at the relevant site.

As a result, it reduces the risk to BSC Settlement and de-risks the Metering Dispensation process.



The P437 Workgroup recommends **approval** of P437.



The P437 Workgroup **does not** believe P437 impacts the European Balancing Guideline (EBGL) Article 18 terms and conditions related to balancing held within the BSC.

This Modification is expected to impact:

- Suppliers
- Non-BSC Parties (e.g. site developers)
- Registrants
- Licensed Distribution System Operators (LDSOs)
- The National Electricity Transmission System Operator (NETSO)

330/07

P437  
Assessment Report

8 September 2022

Version 1.0

Page 1 of 25

© Elexon Limited 2022

## Contents

<b>1</b>	<b>Summary</b>	<b>3</b>
<b>2</b>	<b>Why Change?</b>	<b>5</b>
<b>3</b>	<b>Solution</b>	<b>8</b>
<b>4</b>	<b>Impacts &amp; Costs</b>	<b>10</b>
<b>5</b>	<b>Implementation</b>	<b>17</b>
<b>6</b>	<b>Workgroup's Discussions</b>	<b>18</b>
<b>7</b>	<b>Workgroup's Conclusions</b>	<b>20</b>
<b>8</b>	<b>Recommendations</b>	<b>22</b>
	<b>Appendix 1: Workgroup Details</b>	<b>23</b>



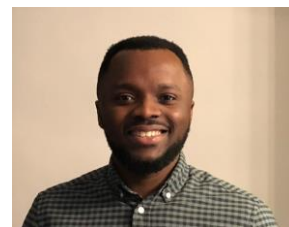
### Contact

**Stanley Dikeocha**

020 7380 4063

[BSC.change@elexon.co.uk](mailto:BSC.change@elexon.co.uk)

[Stanley.dikeocha@elexon.co.uk](mailto:Stanley.dikeocha@elexon.co.uk)



## About This Document



Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read section 1
- Have 15 mins? Read sections 1 and 7
- Have 30 mins? Read all except section 6
- Have longer? Read all sections and the annexes and attachments

This document is the P437 Workgroup's Assessment Report to the BSC Panel. Elexon will present this report to the Panel at its meeting on 8 September 2022. The Panel will consider the Workgroup's recommendations, and will agree an initial view on whether this change should be made. It will then consult on this view before making its final decision

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach. It also summarises the Workgroup's key views on the areas set by the Panel in its Terms of Reference, and contains details of the Workgroup's membership and full Terms of Reference.
- Attachment A contains the draft redlined changes to the BSC and its subsidiary documents for P437.
- Attachment B contains the full responses received to the Workgroup's Assessment Procedure Consultation.

330/07

P437  
Assessment Report

8 September 2022

Version 1.0

Page 2 of 25

© Elexon Limited 2022

## Why Change?

[Balancing and Settlement Code \(BSC\) Section L 'Metering'](#)<sup>1</sup> requires the Registrant of the Metering System to submit a Metering Dispensation application where the applicable Metering Equipment to which a Code of Practice (CoP) applies, will not or does not comply with some or all of the requirements contained in the CoP.

Given that the Registrant is usually appointed close to the energisation of a site, an earlier (preferably in the design stage of the site) submission of the Metering Dispensation application is not always possible.

This creates friction in the approval process for the relevant BSC Panel Committee, as they often are unable to suggest alternative arrangements without impacting commercial go-live of the relevant site.

## Solution

Section L, which governs the Metering Dispensation procedure, will be amended to allow parties other than the Registrant of the applicable Metering System to request a Metering Dispensation on new connections for BSCCo (Elexon) to submit on their behalf. Incoming Registrants will be notified by Elexon of any Metering Dispositions. Registrants will also be able to check for any Metering Dispositions on the [Statement of Site Specific Metering Dispositions](#)<sup>2</sup> and [Statement of Generic Metering Dispositions](#)<sup>3</sup> respectively, in line with the current process.

A new Interface and Timetable Information will be included in [BSC Procedure \(BSCP\) 32 'Metering Dispensation'](#)<sup>4</sup> to describe the proposed process for non-BSC Parties to request Metering Dispensation applications.

CoPs 1, 2, 3, 5 and 10 and [BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#)<sup>5</sup> will be amended to reflect the changes to who is permitted to submit a Metering Dispensation application.

## Impacts & Costs

P437 is expected to impact Registrants, Suppliers, Licensed Distribution System Operators (LDSOs), Central Volume Allocation (CVA) and Supplier Volume Allocation (SVA) Meter Operators (MOAs) and the National Electricity Transmission System Operator (NETSO). Registrants will need to accept and be accountable for a site with an approved Metering Dispensation. LDSOs and NETSO will have an earlier visibility on the proposed type of connection at the applicable site. Costs are expected to be low and subject to further assessment as part of this consultation. P437's solution requires changes to one BSC Section, two BSCPs and five metering CoPs. No BSC System changes are required, the central implementation costs are therefore expected to be low. Ongoing Elexon costs are



### Registrant

In relation to a Metering System, a Registrant is the BSC Party who is accountable for the overall accuracy of the Metering System, who is recorded as that responsible person in CMRS/SMRS.

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

<sup>2</sup> <https://www.elexon.co.uk/guidance-note/statement-non-confidential-site-specific-metering-dispositions/>

<sup>3</sup> <https://www.elexon.co.uk/guidance-note/statement-generic-metering-dispositions/>

<sup>4</sup> <https://www.elexon.co.uk/csd/bscp32-metering-dispositions/>

<sup>5</sup> <https://www.elexon.co.uk/csd/bscp502-half-hourly-data-collection-for-sva-metering-systems-registered-in-smrs/>

expected to be low and associated with drafting Metering Dispensation applications, resolving and managing recommended actions from the relevant BSC Panel Committee.

Costs Estimates			
Organisation	Implementation (£k)	On-going (£k)	Impacts
Elexon	3	2	Minor implementation costs associated with the drafting and implementing of document changes. On-going costs associated with managing Metering Dispensation above what we already do.
NGESO	0	0	There are no changes to NGESO's responsibilities under this proposal.
Industry	0	0	All consultation responses indicated that industry will not incur any cost.
<b>Total</b>	Low	Low	

## Benefits

By incentivising the earlier submission of Metering Dispensation applications, should result in more time being allocated to the assessment of the application, and when suggestions to the design are made, they are more likely to be implemented in a timely manner, with less impact on commercial go-live of the relevant site.

Another benefit is that the probability of installing a non-compliant Metering System will be lowered, reducing the risk to BSC Settlement.

## Implementation

The Workgroup recommend P437 is implemented **10 Working Days (WDs)** after the Self-Governance Objection Window concludes. This means that P437 is proposed to be **implemented via a special BSC Release on Thursday 17 November 2022** (based on current timetable).

## Recommendation

The Workgroup agrees **unanimously** that P437 would better facilitate the achievement of Applicable BSC Objective (d) 'efficiency in the BSC arrangements'. The majority of members argued that P437 could also facilitate the achievement of Applicable BSC Objective (c) 'competition', whilst the minority remained neutral. The Workgroup therefore recommend that P437 should **be approved**.

The Workgroup do not believe P437 will impact the EBGL provisions in the BSC. They believe P437 should be approved by the Panel as a **Self-Governance Modification** (not be submitted to Ofgem for decision).

---

330/07

P437  
Assessment Report

---

8 September 2022

---

Version 1.0

---

Page 4 of 25

---

© Elexon Limited 2022

### What is the issue?

Section L 'Metering' permits 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>6</sup> before the requested approval date. Furthermore, the ISG requested at its meeting on [2 November 2021](#)<sup>7</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 does not incentivise an earlier submission of an application, preferably at the design stage, as Registrants of a Metering System are typically appointed later than the advised 14 weeks ahead of energisation. This means that the application will be submitted later than the advised 14 weeks, reducing the opportunity for the ISG and SVG to propose amendments to the Applicant, after the Application has been assessed, before approving or rejecting. Furthermore, this could consequently delay the site's energisation.

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 recommend remedial actions to the Metering System, before approving the application. 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>8</sup> is a process utilised by the Registrant of a Metering System when the associated Metering Equipment (for financial or practical reasons) will not or does not comply with the applicable CoP.

The Metering Dispensation process and description of roles and responsibilities are outlined in 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 and the approval process to be completed prior to the installation/commissioning of the associated Metering System.



#### 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.

<sup>6</sup> <https://www.elxon.co.uk/reference/exceptions/metering-dispensations/>

<sup>7</sup> <https://www.elxon.co.uk/meeting/isg249/>

<sup>8</sup> <https://www.elxon.co.uk/reference/exceptions/metering-dispensations/>

## Metering Dispensation Process

BSCP32 defines two types of Metering Dispensations, Generic and site specific Dispensations. A Generic Metering Dispensation is utilised when a Metering Dispensation is required on specific items of the Metering Equipment. A site specific Metering Dispensation is utilised where the issue is only related to a specific site, for example, 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;
- Consult with the Metering Dispensation Review Group (MDRG) for 10WDs, and for site specific Metering Dispensations where compensation factors are applied, 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. The 'relevant BSC Committee' being the SVG and/or ISG dependant on the ownership of the relevant CoP as defined in the [BSC Baseline Statement](#). Where a temporary dispensation is granted, an 'end date' is agreed. Furthermore, the relevant BSC Committee may attach conditions to the Metering Dispensation, 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 Metering Dispensation process

MOAs generally support and work closely with Registrants to confirm metering arrangements and the compensation values that are needed to be programmed into the meters or applied to the aggregation rule.



### 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.



### 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.

330/07

P437

Assessment Report

8 September 2022

Version 1.0

Page 6 of 25

© Elexon Limited 2022

## **LDSO's and NETSO's involvement in the Metering 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 Metering 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 have considered proposing amendments to the arrangements. 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.

Elxon 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>9</sup> was issued to the Industry on Friday 12 November 2021.

## **Desired outcomes**

P437, if approved, should put in place a provision for non-BSC Parties to request a Metering Dispensation, when required. Additionally, BSCCo (Elxon) will be permitted to submit a Metering Dispensation application on behalf of a non-BSC Party.

Ultimately, this will incentivise Metering Dispensations to be requested earlier in the site development process, when required.

---

330/07

P437  
Assessment Report

---

8 September 2022

---

Version 1.0

---

Page 7 of 25

---

© Elxon Limited 2022

---

<sup>9</sup> <https://elxonexternal.newsweaver.com/924j6pkkr/1qp1k3v0u88>

## Proposed solution

P437 will amend Section L 'Metering' to permit BSCCo (Elexon) to submit a Metering Dispensation application on request from a party, other than the Registrant of the applicable Metering System for new connections.

Incoming Registrants will be notified by Elexon of any Metering Dispensations. Registrants will also be able to check for any Metering Dispensations on the existing Statement of Site Specific Metering Dispensations<sup>10</sup> and Statement of Generic Metering Dispensations<sup>11</sup> log respectively.

BSCP32 'Metering Dispensation' will be updated to contain a new Interface and Timetable Information to support the Site Specific and Generic Metering Dispensation application from non-BSC Parties.

BSCP502 and CoPs 1, 2, 3, 5 and 10 will be amended to reflect the changes to who is permitted to submit a Metering Dispensation application.

## Benefits

P437, if implemented, will incentivise Metering Dispensation applications to be submitted earlier than is currently the case. When applications are submitted earlier in the site development process, it should provide enough time for the relevant BSC Panel Committee (e.g. ISG, SVG) to assess the application and propose amendments. Consequently, when suggestions to the proposed design or location of the Metering System is made, they can be implemented in good time, reducing the risk of having an incorrectly designed or configured Metering Systems.

Ultimately, this can result in improved Settlement accuracy of the relevant Metering Systems, reduce friction in the Metering Dispensations process and reduce the commercial impact on participants.

## Alternative solution

The Workgroup did not suggest or raise any alternative solutions. However, the Workgroup did amend the original proposed solution, to allow BSCCo (Elexon) to submit Metering Dispensation applications on behalf of non-Registrants (for new connections) instead of MOAs, as was originally proposed in the Proposal Form. More details on the reasons for this can be found in section 6.

**Do you agree with the Workgroup that there are no potential Alternative Modifications within the scope of P437 which would better facilitate the Applicable BSC Objectives?**

Yes	No	Neutral/No Comment	Other
2	0	0	0

330/07

PXXX

Assessment Report

Day

Month

Year

Version 1.0

Page 8 of 25

© Elexon Limited 2022

<sup>10</sup> <https://www.elexon.co.uk/guidance-note/statement-non-confidential-site-specific-metering-dispensations/>

<sup>11</sup> <https://www.elexon.co.uk/guidance-note/statement-generic-metering-dispensations/>



Both respondents to the Assessment Procedure Consultation (APC) agreed that there are no potential Alternative Modifications within the scope of P437 which would better facilitate the Applicable BSC Objectives.

## Legal text

The P437 draft redlined text is available in Attachment A. Further discussions had by the Workgroup on the proposed redlined text can be found in section 6.

Both respondents to the AC agreed the draft legal text and the amendments to the Code Subsidiary Documents in Attachment A delivers the intention of P437.

**Do you agree with the Workgroup that the draft legal text in Attachment B delivers the intention of P437?**

Yes	No	Neutral/No Comment	Other
2	0	0	0

**Do you agree with the Workgroup that the amendments to the Code Subsidiary Documents in Attachment A delivers the intention of P437?**

Yes	No	Neutral/No Comment	Other
2	0	0	0

## 4 Impacts & Costs

We have defined cost impacts as:

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

### Central costs of P437

P437 is a document-only change. We therefore anticipate the central implementation costs to be less than £3k for the proposed solution. In regards to ongoing costs, Elexon currently spends around three (3) days per month (assuming one application a month) and receives around 15 applications in a year. We estimate that the effort required to progress Metering Dispensations may increase by 1 day per application (~33% increase). We also estimate that the number of applications may increase by 50% to 100%. This means on-going Elexon costs may increase between £9k and £30k per year. This increase accounts for drafting the Metering Dispensation applications, resolving and managing recommended actions from the relevant BSC Panel Committee.

### Estimated implementation costs of P437

Implementation cost estimates			
Organisation	Item	Implementation (£k)	Comment
Elexon	Systems	0	No impact identified. P437 is a document only change.
	Documents	<3	Costs associated with drafting and implementing changes to Section L, BSCP32, BSCP502 and CoPs 1, 2, 3, 5 and 10 and the relevant Guidance Notes and webpages
NETSO	Systems & process	0	No impact identified.
Industry	Systems & processes	0	Consultation responses indicated that there will be no implementation cost for industry.
<b>Total</b>		<3	-

330/07

P437  
Assessment Report

8 September 2022

Version 1.0

Page 10 of 25

© Elexon Limited 2022

## Estimated on-going costs of P437

On-going cost estimates		
Organisation	Implementation (£k)	Comment
Elxon	<2	Costs associated with drafting Metering Dispensation applications, resolving and managing the recommended actions from the relevant BSC Panel Committee.
NETSO	0	No impact identified.
Industry	0	Consultation responses indicated that there will be no implementation cost for industry.
<b>Total</b>	<2	

## P437 impacts

Impact on BSC Parties and Party Agents		
Party/Party Agent	Impact	Estimated cost
LDSO	They will have earlier visibility on the proposed type of connection at the site, and will be able to suggest amendments.	L
Suppliers	Taking ownership of sites with an approved Metering Dispensation application.	L
Registrant	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	
Impact	Estimated cost
NETSO will have earlier visibility of the proposed Metering System design, and will be able to raise concerns that may result in amendments to the design of the site.	L

Impact on BSCCo		
Area of Elxon	Impact	Estimated cost
Metering	The Metering team will have a longer duration to progress Metering Dispensation applications. They may have more work to draft applications, resolve and manage any recommended actions from the relevant BSC Panel Committee.	L

330/07

P437  
Assessment Report

8 September 2022

Version 1.0

Page 11 of 25

© Elxon Limited 2022

#### Impact on BSC Settlement Risks

P437 will have a low positive impact on [SVA Risk 003: Metering Equipment Installations are incorrect](#)<sup>12</sup> as Risk 003 covers risks associated with SVA Metering Systems, and a low positive impact on [CVA Risk 020: Metering Equipment Installation and Commissioning](#)<sup>13</sup> by mitigating the risk of having a non-compliant Metering System (SVA and CVA) at the relevant site.

#### Impact on BSC Systems and process

BSC System/Process	Impact
None	No impact identified.

#### Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	Impact
None	No impact identified.

#### Impact on Code

Code Section	Impact
Section L 'Metering'	Section 3.4 'Metering Dispensation' has been amended to permit a non-BSC Party to request a Metering Dispensation and for BSCCo (Elexon) to submit the Metering Dispensation application on behalf of the non-BSC Party.

#### Impact on EBGL Article 18 terms and conditions

The Workgroup does not believe that P437 will impact on the EBGL Article 18 terms and conditions.

#### Impact on Code Subsidiary Documents

CSD	Impact
BSCP32 'Metering Dispensation'	A new Interface and Timetable Information to support the non-BSC Party Metering Dispensation process has been included.
BSCP502 'Half Hourly Data Collection for SVA Metering System Registered in SMRS'	BSCP502 has been amended to exclude the reference to 'Registrants' in regards to the application of a Metering Dispensation to allow BSCCo to submit applications.

330/07

P437  
Assessment Report

8 September 2022

Version 1.0

Page 12 of 25

© Elexon Limited 2022

<sup>12</sup> <https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/003-sva-risk-metering-equipment-installations-are-incorrect/>

<sup>13</sup> <https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/020-cva-risk-cva-metering-equipment-installation-and-commissioning/>

Impact on Code Subsidiary Documents	
CSD	Impact
Codes of Practice (CoPs) 1, 2, 3, 5 and 10	CoPs 1, 2, 3, 5 and 10 has been amended to exclude the reference to 'Registrants' in regards to the application of a Metering Dispensation to allow BSCCo to submit applications.

Impact on other Configurable Items	
Configurable Item	Impact
None	No impact identified.

Impact on Core Industry Documents and other documents	
Document	Impact
Ancillary Services Agreements	None anticipated at this stage.
Connection and Use of System Code	
Data Transfer Services Agreement	
Distribution Code	
Grid Code	
Retail Energy Code	
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	

Impact on a Significant Code Review (SCR) or other significant industry change projects
An SCR exemption request was sent to Ofgem on 3 March 2022, to which Ofgem confirmed that P437 is SCR exempt on 10 March 2022 at the March BSC Panel meeting.

## Assessment Procedure Consultation Responses

Will your organisation incur any costs in implementing P437?			
Yes	No	Neutral/No Comment	Other
0	2	0	0

330/07

P437  
Assessment Report

8 September 2022

Version 1.0

Page 13 of 25

© Elexon Limited 2022

Both respondents indicated that no cost will be incurred by their organisation. One respondent added that the timing of the Metering Dispensations may be earlier than currently but we are also not expecting any change in the number of dispensation applications.

Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?			
Yes	No	Neutral/No Comment	Other
2	0	0	0

Both respondents agreed with the Workgroup's assessment of the impact on the Settlement Risks, with no added rationale.

Do you agree with the Workgroup's assessment that P437 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?			
Yes	No	Neutral/No Comment	Other
2	0	0	0

Both respondents agreed with the Workgroup's assessment that P437 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC.

Will P437 impact your organisation?			
Yes	No	Neutral/No Comment	Other
2	0	0	0

Both respondents noted that P437 will have a positive impact on their organisation, although a low impact. A SVA MOA respondent stated that P437 will positively impact the Metering Dispensation process and the customer.

The NETSO respondent noted that P437 will enable them to receive Metering Dispensation applications earlier than is currently possible. However, they do not believe that P437 will impact on their current processes.



### 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.

330/07

P437  
Assessment Report

8 September 2022

Version 1.0

Page 14 of 25

© Elexon Limited 2022

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability The Workgroup did not identify any impacts on this consumer benefit.	Neutral
2) Lower bills than would otherwise be the case The Workgroup did not identify any impacts on this consumer benefit.	Neutral
3) Reduced environmental damage The Workgroup did not identify any impacts on this consumer benefit.	Neutral
4) Improved quality of service P437 will enable Metering Dispensation applications to be submitted earlier in the site development process, providing enough time for the required assessment to be completed ahead of the proposed energisation. As a result, the instances where the energisation of the site is delayed may be reduced. Also, P437 will provide certainty to the customer that their site configuration is permissible at an earlier opportunity, or where the site configuration is not considered acceptable, it gives the customer greater time to resolve, before greater financial costs are incurred.	<b>Positive</b>
5) Benefits for society as a whole The Workgroup did not identify any impacts on this consumer benefit.	Neutral

A Workgroup member pointed out that P437 could potentially prevent Metering Dispensations from being needed, as the intent of P437 is to incentivise parties to speak to BSCCo (Elexon) as early as possible in the site development process, if they have concerns about the proposed Metering System design. This in turn will foster collaboration between the applicant and Elexon to ensure the design of the Metering System at the relevant site, is compliant. Ultimately, this could result in the reduction of Metering Dispensation applications.

Do you agree with the Workgroup's assessment of the impact on the consumer benefit areas?			
Yes	No	Neutral/No Comment	Other
2	0	0	0

Both respondents agreed with the Workgroup's assessment of the impact on the consumer benefit areas, with no added rationale.

## The need for Metering Dispensations

The Workgroup were also keen to hear from participants any ideas for how the need for Metering Dispensations could be reduced, as in the Workgroup's view, Metering Dispensations should be a last resort where other avenues to install a compliant Metering System have been exhausted, which may on occasion be due to prohibitive cost.

330/07

P437  
Assessment Report

8 September 2022

Version 1.0

Page 15 of 25

© Elexon Limited 2022

## Are there any other ways to stop Metering Dispensations from being submitted?

One respondent suggested that a financial charge for applying could be introduced. They noted that the value of the financial charge needs to be determined, as a charge aimed at recovering administration costs is unlikely to be of a significant value to influence behaviours, and a significant change will influence the economics of providing 'standard' metering, but could be seen as punitive. Secondly, the number/scope of deviations that are considered acceptable and can be covered by a generic dispensation (e.g. a distance or loss factor if AMP and DMP are different), can be increased.

All Workgroup members disagreed with the introduction of a financial charge, with some members stating that the financial charge is unnecessary and could be interpreted as being unfair to non-BSC parties if they are charged and BSC parties aren't. All Workgroup members welcomed the second idea, with one member suggesting that it should be standardised in the CoPs. Elexon noted the views on both ideas and confirmed that it will include the second idea in one of the recommended [Issue 93](#)<sup>14</sup> solutions, which seeks to consolidate the CoPs.

---

330/07

P437  
Assessment Report

---

8 September 2022

---

Version 1.0

---

Page 16 of 25

---

© Elexon Limited 2022

---

<sup>14</sup> <https://www.elexon.co.uk/smg-issue/issue-93/>



## 5 Implementation

### Recommended Implementation Date

The Workgroup recommend P437 is implemented **10 Working Days (WDs) after the Self-Governance Objection Window concludes**. This will enable the benefits of P437 to be realised at the earliest opportunity whilst avoiding any impacts on the Standard November 2022 Release.

### Update to the Implementation approach

P437 originally proposed the P437 Implementation Date should be 3 November 2022, as part of the Standard November 2022 BSC Release. This approach was consulted on in the AC.

At the [third P437 Workgroup meeting](#)<sup>15</sup>, Elexon presented industry's response to the AC to the proposed Implementation Date of 3 November 2022.

Further, Elexon pointed out an issue with this approach, where the Panel agree with the P437 Workgroup that P437 should be treated as a Self-Governance Modification Report. Under this progression route, P437 will need to undergo a 15 Working Day Self-Governance (SG) Objection window running from 13 October to 2 November 2022, which is one day before the November 2022 BSC Release date. The impact to the Standard November 2022 Release from P437 being appealed during this window is high, given the number of documents required to be updated for P437.

Consequently, Elexon recommended and the Workgroup agreed that the P437 Implementation Date should be:

- **10WDs** after the Self-Governance Objection window closes.

This will enable the solution and benefits from P437 to be realised by industry as early as practicable, whilst allowing for the post-November 2022 Release activities to conclude.

### Assessment Procedure Consultation Response

Do you agree with the Workgroup's recommended Implementation Date?			
Yes	No	Neutral/No Comment	Other
2	0	0	0

Elexon consulted on the initial recommended Implementation date to which, both respondents agreed.

<sup>15</sup> <https://www.elexon.co.uk/meeting/p437-workgroup-3/>

### Proposed solution for P437

The Workgroup initially discussed the proposed solution options for P437, which were:

- Option 1: Update Section L 3.4 to allow non-Registrants to request a Site Specific Metering Dispensation and to include the permitted role(s) of who can submit an Application e.g. the relevant MOA (SVA or CVA);
- Option 2: Update Section L 3.4 to allow a non-Registrant to request a Site Specific Metering Dispensation and include a reference to BSCP32, which will contain a list of permitted roles that can submit an Application;
- Option 3: Update Section L 3.4 to allow a non-Registrant and a non-BSC Party to request a Site Specific Metering Dispensation and Generic Metering Dispensation respectively. Further, list the permitted roles who can submit an Application in Section L; and
- Option 4: Update Section L 3.4 to allow a non-Registrant and a non-BSC Party to request a Site Specific Metering Dispensation and a Generic Metering Dispensation respectively. Further, list the permitted roles who can submit an Application in BSCP32

### Non-Registrant and Non-BSC Party

The Registrant is responsible for a Metering System and for a Site Specific Metering Dispensation, so a non-Registrant is an applicant who is intending to submit a Generic Metering Dispensation but, is not or is not going to be the Registrant of the relevant Metering System. A non-BSC Party is an applicant that is not a BSC Party.

Most of the Workgroup Members, preferred option 4, stating that it was the most complete solution option. Option 1 does not include the "Generic" Metering Dispensation and when an update to the permitted role(s) is required, it can only be effected via a Modification process, introducing friction to the maintenance of the Metering Dispensation process.

Option 2 removes the need for a Modification process to effect an update to the permitted role(s), when required. However, this option does not include the "Generic" Metering Dispensation in the solution.

Option 3 includes the "Generic" Metering Dispensation in the solution but requires a Modification process to effect an update to the permitted role(s) of who can submit a Metering Dispensation Application.

Option 4 removes the need for the Modification process to effect an update to the permitted role(s), and includes "Generic" Metering Dispensation in the solution. This option was preferred by most Workgroup members.

However, some Workgroup members were also keen to consider another option (option 5), which will include the solution from option 4 and in addition, enable the BSCCo (Elxon) to submit Metering Dispensation Application as opposed to CVA and SVA MOAs.



#### 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 Metering Dispensations".



#### BSC Party

A BSC Party is any company that has acceded to the Balancing and Settlement Code (i.e. that has signed the BSC Framework Agreement).

A BSC Party is bound by the terms of the BSC, and subject to certain consequences if they fail to abide by these terms.

330/07

P437

Assessment Report

8 September 2022

Version 1.0

Page 18 of 25

© Elxon Limited 2022

The Workgroup unanimously agreed to progress the new option (option 5) as the solution for P437.

## Impact on Registrants

The Workgroup discussed how the P437 solution would likely impact Registrants, specifically on how Registrants of the site where the Metering Dispensation was approved, may not have been involved in the Metering Dispensation application. A member pointed out that Registrants should be afforded access to every useful piece of information about the approved Metering Dispensation. Elexon suggested that a notification step could be added to BSCP32 to ensure that the Registrant of applicable new electricity connections site is made aware, by the applicant, of the Metering Dispensation.

The Workgroup agreed to the suggestion as they believed this would ensure that the original Registrant of the new connections site is aware of the Metering Dispensation. The Workgroup also noted that potential Registrants should use the Statement of Site Specific Metering Dispensations for Site Specific Applications and Statement of Generic Metering Dispensations for Generic Applications, publically available on the BSC website, to understand if the Metering System they are agreeing to be the Registrant for, is subject to a Metering Dispensation.

As a Registrant, how will P437 impact you?			
Yes	No	Neutral/No Comment	Other
0	0	2	0

Both respondents, who did not respond in the capacity of a Registrant, confirmed no impact to them.

## Extending the scope of P437 to cover Generic Metering Dispensations

Elexon proposed to the Workgroup that the P437 solution should also permit non-BSC Parties to request Generic Metering Dispensations, when required.

The Workgroup discussed this, highlighting that Generic Metering Dispensations occur more frequently than Site Specific Metering Dispensations therefore, allowing non-BSC Parties to request Generic Metering Dispensations provides an added benefit to industry.

The Workgroup unanimously believe that P437 should be **approved and implemented** as it will better facilitate Applicable BSC Objectives (c) and (d).

### P437 Proposer

P437 was raised by the BSC Panel and they in turn nominated Iain Nicoll of BSCCo to be their representative. As per BSC Section F paragraph 2.4.5(c), the Panel's representative, where an employee of BSCCo as for P437, is not able to vote against the Applicable BSC objectives. Therefore, unlike with other proposed BSC Modifications, the Proposer's views are not represented here.

### Applicable BSC Objectives

The Workgroup unanimously believes that P437 would better facilitate Applicable BSC objective (d) and so should be approved. The majority of the Workgroup Members also believed that P437 would better facilitate Applicable BSC Objective (c). The minority believed P437 would be neutral against Objective (c).

The Workgroup unanimously believes that P437 will be neutral against all other objectives, (a), (b), (e), (f) and (g).

### Objective (d)

By allowing non-BSC Parties to request Metering Dispensations, it will enable an earlier submission and assessment of the application by the relevant BSC 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.

### Objective (c)

P437 will create an environment where anyone who requires a Metering Dispensation, early in their site development process, can easily ask Elexon to act as the applicant to progress this on their behalf.

This in turn, promotes effective competition in the generation and supply of electricity because the likelihood of installing more compliant Metering Systems will be high, leading to more accurate meter data and innovating solutions. Moreover, by allowing site owners to select a Supplier nearer to energisation, it reduces the need to lock in with a Supplier just to progress a Metering Dispensation, providing the site owner the opportunity to select a Supplier when needed.

The minority who remained neutral noted that the P437 solution doesn't create a new route for parties to apply for Metering Dispensation rather, it improves the existing route for interested parties. As such, parties would not be better off competitively.



### 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 administering 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

330/07

P437  
Assessment Report

8 September 2022

Version 1.0

Page 20 of 25

© Elexon Limited 2022

Do you agree with the Workgroup's initial majority view that P437 does better facilitate the Applicable BSC Objectives than the current baseline?			
Yes	No	Neutral/No Comment	Other
2	0	0	0

Both respondents agreed with the Workgroup's view that P437 better facilitates the Applicable BSC Objectives than the current baseline, with no rationale provided.



### 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

P437

Assessment Report  
(b) is unlikely to discriminate between Parties.  
8 September 2021  
Version 1.0

## Self-Governance

The Workgroup believe that P437 is a Self-Governance Modification Proposal as it does not materially impact the Self-Governance criteria (should be decided by the BSC Panel and not submitted to Ofgem for decision).

Whilst Elexon originally suggested that P437 isn't Self-Governance, the Workgroup did not believe that P437 will lead to any material amendment to the governance procedures, as it was only introducing more routes to progress a Metering Dispensation, giving parties more time and therefore would not have any detrimental impacts on participants, including Registrants. It was also not viewed as material, as the Registrant will still, once appointed, be responsible for the Metering System and any applicable Metering Dispensations.

Do you agree with the Workgroup's initial view that P437 should be treated as a Self-Governance Modification?			
Yes	No	Neutral/No Comment	Other
2	0	0	0

Both respondents agreed with the Workgroup's view that P437 should be treated as a Self-Governance Modification. One of the respondents noted that P437's impact on the BSC itself is minor and non-contentious. Also, the P437 solution will benefit all parties involved in the Metering Dispensation process. Therefore, there is no need to seek Ofgem's approval.

## 8 Recommendations

The P437 Workgroup invites the Panel to:

- **AGREE** that P437:
  - **DOES** better facilitate Applicable BSC Objective (d); and
  - **DOES** better facilitate Applicable BSC Objective (c); and
- **AGREE** an initial recommendation that P437 should be **approved**;
- **AGREE** that P437 **DOES NOT** impact the EBGL Article 18 terms and conditions held within the BSC;
- **AGREE** an initial Implementation Date of:
  - 10 WDs after the Self-Governance Objection window closes;
- **AGREE** the draft legal text;
- **AGREE** the amendments to the Code Subsidiary Documents
- **AGREE** an initial view that P437 should be treated as a Self-Governance Modification;
- **AGREE** that P437 is submitted to the Report Phase; and
- **NOTE** that Elexon will issue the P437 draft Modification Report (including the draft BSC legal text) for a 10 Working Day consultation and will present the results to the Panel at its meeting on 13 October 2022.

## Appendix 1: Workgroup Details

### Workgroup's Terms of Reference

Specific areas set by the BSC Panel in the P437 Terms of Reference	Conclusion
Should the scope of this Modification be extended to allow non-BSC Parties to request Generic Metering Dispensations?	Elxon and the Workgroup agreed that the solution from P437 should include Generic Metering Dispensation.
What mitigation should be implemented to manage the impact on Registrants and what should the role of the Registrants be?	Elxon and the Workgroup agreed that P437 will have a low impact on Registrants. However, a notification step should be added to the proposed process that will ensure that the Registrant is adequately informed of any approved Metering Dispensation, prior to them taking ownership of the applicable site.
How will P437 impact the BSC Settlement Risks?	The Workgroup agreed with the identified BSC Settlement Risks.
What changes are needed to BSC documents, systems and processes to support P437 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?	The Workgroup agreed P437 is a document only change, costing Elxon <3k to implement the change.
Are there any Alternative Modifications?	No alternative Modifications proposed or raised by the Workgroup.
Should P437 be progressed as a Self-Governance Modification?	The Workgroup consensus is that P437 should be progressed as a Self-Governance Modification.
Does P437 better facilitate the Applicable BSC Objectives than the current baseline?	The Workgroup unanimously agreed that P437 better facilitates Applicable BSC Objective D. Majority of the Workgroup Members added that P437 would also better facilitate Applicable BSC Objective C.
Does P437 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?	The Workgroup believe that the redlining does not impact the EBGL Article 18 Terms and Conditions.

### Assessment Procedure timetable

P437 Assessment Timetable	
Event	Date
Present Initial Written Assessment to Panel	10 March 2022
Workgroup Meeting 1	24 May 2022
Workgroup Meeting 2	23 June 2022
Assessment Procedure Consultation	11 July 2022 – 29 July 2022

330/07

P437  
Assessment Report

8 September 2022

Version 1.0



Page 23 of 25

© Elxon Limited 2022

P437 Assessment Timetable	
Event	Date
Workgroup Meeting 3	8 August 2022
Present Assessment Report to Panel	8 September 2022
Report Phase Consultation (10WDs)	14 September 2022 – 28 September 2022
Present Draft Modification Report to Panel	13 October 2022
Self-Governance Objection window	13 October 2022 – 2 November 2022



## Workgroup membership and attendance

P437 Workgroup Attendance				
Name	Organisation	24 May 2022	23 June 2022	8 Aug 2022
Members				
Elliott Harper	Elxon ( <i>Chair</i> )		x	x
Stanley Dikeocha	Elxon ( <i>Lead Analyst</i> )			
Lisa Waters	Waters Wye Associates			
Simon Hagan	IMServ			x
David Brown	Association of Meter Operators (AMO)			
Kevin Walker	Eon Energy			x
Dawn Matthews	UK Power Networks		x	x
Anne Themistocleous	UK Power Networks	x		
Grahame Neale	National Grid ESO	x		
Andrew Colley	SSE		x	
Amanda Dainty	Total Gas and Power	x	x	x
Attendees				
Kelly Ings	Elxon ( <i>Design Authority</i> )			
Iain Nicoll	Elxon ( <i>SME</i> )			
Lawrence Jones	Elxon ( <i>Supporting Chair</i> )	x		x
Ivar Macsween	Elxon ( <i>Supporting Chair</i> )	x	x	