

# Metering Dispensation D/535 – CP1527 Implementation Date Metering Dispensation

## Supplier Volume Allocation Group (SVG)

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**Summary**

**Issue 97 – “Meter shortage risk driven by global materials availability and supply chain challenges” was raised on 20 August 2021. It aims to understand the risk to BSC processes such as New Connections and Meter exchanges caused by the current Meter shortage and recommend any potential mitigation options that may be required. This Metering Dispensation looks to grant a derogation from the new requirements to be implemented via CP1527 from June 2022, in effect creating a transition period, to allow Meter manufacturers time to manufacture and MOAs time to install new Meters, whilst using up current and delayed stock that will be non-compliant to the newest Issue and Version of the Codes of Practice (CoPs) post the CP1527 Implementation Date.**

**We invite the SVG to approve Metering Dispensation D/535 against Codes of Practice 3, 5 and 10 on a temporary basis for 18 months from the implementation date of CP1527 (June 2022), as a generic Metering Dispensation.**

## 1. BSC requirements

- 1.1 Section L<sup>1</sup> of the Balancing and Settlement Code (BSC) requires all Metering Equipment to either:
  - comply with the requirements set out in the relevant Code of Practice (CoP) at the time the Metering System is first registered for Settlement under the BSC (L3.2.2); or
  - be the subject of, and comply with, a Metering Dispensation (L3.4).
- 1.2 Section L allows the Registrant of a Metering System to apply for a Metering Dispensation if, for financial or practical reasons, Metering Equipment will not or does not comply with some or all the requirements of a CoP.
- 1.3 Section L also allows the Panel, or any BSC Party, to raise a generic Metering Dispensation. In this case the Panel needs to consult with all BSC Parties.
- 1.4 The process for applying for a Metering Dispensation is set out in [BSCP32](#)<sup>2</sup>.

<sup>1</sup> 'Metering'

<sup>2</sup> 'Metering Dispensations'

## **2. Background to Metering Dispensation D/535**

- 2.1 [CP1527](#) was approved by the Imbalance Settlement Group (ISG) and SVG at their meetings on 7 July 2020 for an implementation date of 30 June 2022 and proposes the following:
- Increase the minimum data storage capacity for Settlement Outstations to 90 days per Outstation channel, at 30 minutes integration periods, for CoPs 1, 2, 3, 5 and 10; and
  - Mandate specific, selectable, integration periods for CoPs 3, 5, and 10 (i.e. 30, 20, 15, 10 and 5 minutes) and add a test for this requirement (and for CoPs 1 and 2) into BSCP601.
- 2.2 Due to a global shortage of materials and the on-going impacts of COVID-19 on global supply chains, there is a shortage of semi-conductors, among other crucial components, which impacts the ability of Meter manufacturers to produce Meters with integral Outstations.
- 2.3 This is impacting the availability of various types of electricity Meters including those required for Settlement under the BSC. This shortage of Settlement Meters could impact on a number of Balancing and Settlement Code (BSC) processes. This issue is also impacting the availability of Current Transformer (CT) operated metering, which has the highest potential for material impact (due to usually being installed at higher consumption/higher voltage sites).
- 2.4 Given the current Meter shortage issues and the ongoing struggles with obtaining crucial components for the manufacture of new Meters, a number of Meter manufacturers have expressed concerns that they will not be able to produce Meters compliant to the new requirements within the CoPs (CoPs 1, 2, 3, 5 and 10) due to be implemented via CP1527 in June 2022.
- 2.5 Issue 97 – “Meter shortage risk driven by global materials availability and supply chain challenges” was raised on 20 August 2021. It aims to understand the risk to BSC processes such as New Connections and Meter exchanges caused by the Meter shortage and recommend any potential mitigation options that may be required.
- 2.6 Under Issue 97 Elexon has conducted a Request For Information (RFI) to understand the immediate, short-term, medium term and potential long term impacts of the Meter shortage. The responses are included as an appendix to this paper but forecast an increasing impact on processes under the BSC for the next three to 12 months; particularly among Meter manufacturers and Meter Operators.

## **3. Metering Dispensation D/535**

- 3.1 This Generic Metering Dispensation proposes to allow the installation of Meters to the pre CP1527 Issue and Version of the CoPs (CoPs 1, 2, 3, 5 and 10) for a period of 18 months.
- 3.2 The current Issues and Versions of each CoP are as follows: CoP1 Issue 2 (version 13), CoP2 Issue 4 (version 15), CoP3 Issue 5 (version 15), CoP5 Issue 6 (version 16), and CoP10 Issue 2 (version 12).
- 3.3 For the avoidance of doubt this Metering Dispensation only applies to the relevant Sections of the CoPs impacted by CP1527.
- 3.4 The relevant Sections of the CoPs are as follows
- CoPs 3, 5 and 10 - Section 5.5 Outstation (provision of specific selectable integration periods)
  - CoPs 1 and 2 – Section 5.5.1 (i) Data Storage (Storage capacity for all Demand Values)
  - CoPs 3, 5 and 10 – Section 5.5.1 (ii) Data Storage (Storage capacity for all Demand Values)
- 3.5 This Metering Dispensation does not exempt Metering Systems from compliance with any future updates to the relevant CoPs outside of the scope of CP1527.
- 3.6 Whilst this Metering Dispensation will have the effect of delaying the benefits of CP1527 it does not prevent Meters being installed that do comply with CP1527 from June 2022 when they become available. Without the approval of this Metering Dispensation the implementation of CP1527 would render large stocks of Meters (and delayed orders of Meters) non-compliant whilst Meter manufacturers will have not had sufficient time to produce CP1527 compliant Meters due to the current global conditions.

#### 4. MDRG comments

- 4.1 We circulated the Metering Dispensation application and its attachment to the Metering Dispensation Review Group (MDRG) for comments (Attachments A - B).
- 4.2 At the time of writing no MDRG members have responded. However the deadline for MDRG response is Wednesday 5 January.
- 4.3 Elxon will present any MDRG responses received after the submission of the paper at the SVG Meeting on the 11 January.

#### 5. NETSO comments

- 5.1 We circulated the Metering Dispensation application and its attachment to the National Electricity Transmission System Operator (NETSO) for comments (Attachments A - B).
- 5.2 The NETSO had one question on the application. They asked what the intention was for Meters installed under the derogation once that derogation period had ended.
- 5.3 Elxon confirmed that the Meters installed under the derogation will be allowed to remain in situ for their lifetime. That is to say there is no proposed condition that would mandate “non-compliant” Meters to be replaced after the end of the derogation.

#### 6. Imbalance Settlement Group

- 6.1 According to the [BSC Baseline Statement](#) the ISG is solely responsible for CoPs 1 and 2; and jointly responsible, with the SVG, for CoP3. Therefore, we will be taking a similar decision paper to the ISG for non-compliance with CoPs 1, 2 and 3.

#### 7. Generic Metering Dispensation consultation responses

- 7.1 Before considering a generic Metering Dispensation (L3.4.4) the Panel needs to consult with all Parties (L3.4.5), and with such other persons if any as the Panel shall consider appropriate. The MDRG is considered an Appropriate party under BSCP32.
- 7.2 In December 2021, on behalf of the Panel, we consulted with all BSC Parties via a generic [Metering Dispensation consultation for D/535](#).
- 7.3 We asked the following two consultation questions:
- Q1. Do you agree that the proposed Metering Dispensation D/535 should be granted on a temporary basis for a period of 18 months
  - Q2. Please provide your reasoning for the answer given in question 1 of this consultation.
- 7.4 The deadline for responses is Wednesday 5 January.
- 7.5 Elxon will present any responses received after the submission of the paper at the SVG Meeting on the 11 January.

#### 8. Elxon's view

- 8.1 Elxon supports this Generic Metering Dispensation application as it will mitigate against the risks to BSC processes caused by Meter shortages as identified by the Issue 97 Workgroup.

#### 9. Recommendations

- 9.1 We invite the SVG to:
- a) **APPROVE** Metering Dispensation D/535 against Codes of Practice 3, 5 and 10 on a temporary basis for 18 months from the implementation date of CP1527 (June 2022), as a generic Metering Dispensation; and
  - b) **NOTE** we will present a similar paper to the Imbalance Settlement Group, with a similar recommendation, in respect of CoPs 1, 2 and 3.

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## **Attachments**

Attachment A – Metering Dispensation application D/534

Attachment B – Issue 97 RFI Responses

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### **For more information, please contact:**

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