

BSC Modification Proposal Form

At what stage is this document in the process?

P434

Mod Title: 'Mandate to Half Hourly Settle the Non-Half Hourly Unmetered Supplies Metering Systems'

01

Modification

02

Workgroup Report

03

Draft Modification Report

04

Final Modification Report

Purpose of Modification:

This Modification will require a period of mandatory Change of Measurement Class (CoMC) activity for all Non-Half Hourly (NHH) Unmetered Supplies (UMS) Metering Systems running from October 2023 to October 2024. It will also require all new UMS connections to be settled Half Hourly (HH) from October 2023. This will de-risk the Market Wide Half Hourly Settlement (MHHS) Transition Timetable. It will deliver Recommendation 8 by the Code Change and Development Group (CCDG) as set out in its [Consultation on the Transition Approach For Market Wide Half Hourly Settlement \(MHHS\)](#).

Is this Modification likely to impact any of the European Electricity Balancing Guideline (EBGL) Article 18 Terms and Conditions held within the BSC?

Yes No



The Proposer recommends that this Modification should:

- not be a Self-Governance Modification Proposal
- be assessed by a Workgroup and submitted into the Assessment Procedure

This Modification will be presented by the Proposer to the BSC Panel on 10th February 2022. The Panel will consider the Proposer's recommendation and determine how best to progress the Modification.



High Impact:

- Suppliers
- Licenced Distribution System Operators (LDSOs)
- Unmetered Supplies Operator (UMSOs)
- Meter Administrators (MA)



Medium Impact:

- Half Hourly Data Collectors (HHDCs)
- Non Half Hourly Data Collectors (NHHDCs)



Low Impact:

- Half Hourly Data Aggregators (HHDAs)
- Non Half Hourly Data Aggregators (NHHDAs)

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Timetable


The Proposer recommends the following timetable:

Workgroup Meeting 1	W/C 7 March 2022
Workgroup Meeting 2	W/C 28 March 2022
Assessment Procedure Consultation (15WDs)	19 April 2022 – 11 May 2022
Workgroup Meeting 3	W/C 23 May 2022
Present Assessment Report to Panel	9 June 2022
Report Phase Consultation (10WDs)	15 June 2022 – 29 June 2022
Present Draft Modification Report to Panel	14 July 2022
Issue Final Modification Report to Authority	20 July 2022

 Any questions?

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1 Why Change?

What is the issue?

Market-wide Half-Hourly Settlement (MHHS) requires that all Meter System Identifiers (MSIDs) are settled on a Half Hourly (HH) basis. The Code Change and Development Group (CCDG) has recommended moving Non Half Hourly (NHH) UMS Metering System Identifiers (MSIDs) to settle HH between October 2023 and October 2024 to mitigate the risk of not meeting the Transition Timetable set out by Ofgem in its Full Business Case.

If the transition for NHH UMS MSIDs is not brought forward, combined with the workload from other MHHS migration activities, it will significantly increase the risk that there will be insufficient time for Customers, Suppliers and UMSOs to address any issues that may arise with the transition to the MHHS Target Operating Model.

What are Unmetered Supplies?

An Unmetered Supply means a supply of electricity to a particular inventory of equipment in respect of which a LDSO has issued an Unmetered Supply Certificate. For example, this equipment could be any electrical equipment that draws a current and is connected to the Distribution Network without a meter, e.g. street lights, traffic signs, zebra crossings, etc.

An Unmetered Supply Certificate may be issued where:

- The electrical load is of a predictable nature, and
- The electrical load is less than 500 watts; or
- It is not practical for a supply of electricity to be given through a conventional meter at the premises.

How will Unmetered Supplies be settled under the MHHS Target Operating Model (TOM)?

The UMSO role will remain like the existing role for HH UMS supplies in receiving inventories from customers, validating and passing to the Unmetered Supplies Data Service (UMSDS). The requalification of the MA Role to the UMSDS is due to complete by September 2024. The current UMSO activity to determine NHH Estimated Annual Consumptions (EACs) and the associated processes will cease once the last NHH MSID has migrated to HH Settlement.

The Settlement Period level data will be calculated by the UMSDS. This service will be responsible for:

1. Receiving inventory data associated with unmetered supplies from UMSOs;
2. validating the inventory data and responding to the UMSO, as appropriate;
3. accessing other dynamic information relating to the operation of Unmetered Supplies;
4. accessing standing data relating to Unmetered Supplies;
5. calculating Settlement Period level data for Unmetered Supplies; and
6. providing access to the calculated Settlement Period level data to the Market-wide Data Service (MDS) and other market participants.

The UMSDS will be an adapted version of the existing Settlement Market Role of Meter Administrator.

Desired outcomes

The Modification should put in place the mandate for Suppliers, LDSOs, UMSOs and Meter Administrators to co-operate in the Change of Measurement Class process (CoMC) in order the move NHH settled UMS MSIDs to Half-Hourly Settlement in a timely manner to facilitate MHHS.

2 Solution

Proposed Solution

The obligations for UMS are set out in Section S8 of the Balancing and Settlement Code. It is proposed that the mandate to settle NHH UMS MSIDs on a HH basis is defined in this section of the BSC, together with, obligations on parties to co-operate in the CoMC process. It is proposed the migration should be completed by October 2024. The obligations should also set out the deadline by which all NHH UMS MSIDs are settled on a HH basis.

The solution should also set a deadline by which any new UMS MSIDs have to be registered directly into the HH Settlement Process. It is proposed this is from October 2023. This deadline should also prevent any HH UMS MSIDs reverting to NHH Settlement. The proposed timescales for this Modification are based on the existing Ofgem MHHS Timeline.

Changes to the Balancing and Settlement Code Procedure (BSCP) BSCP520 'Unmetered Supplies Registered in SMRS' may also be required to refine the UMS CoMC process.

Data Cleanse and Planning

Data cleansing and migration activity can start at any time now that Ofgem has published the Full Business Case for the MHHS TOM. The UMISO will need to work with the Suppliers to cleanse erroneous or non-existent UMS MSIDs. The UMISO will need to logically disconnect where UMS no longer physically exists in consultation with the Supplier.

Once the data cleanse is complete the Supplier will need to develop a migration plan in conjunction with the UMISO, MA and HHDC to migrate portfolio of NHH UMS MSIDs to HH.

Key dates:

June 2022 new Data Transfer Network (DTN) data flows between UMISO & MA for Summary and Control files implemented ([CP1546](#))

From Oct 2022 (or earlier) to Oct 2023 – commercial arrangements agreed between Suppliers and organisations acting as Meter Administrators

From Oct 2023 (or earlier) to Oct 2024 – complete NHH to HH CoMC for all UMS MSID as mandated by this Modification

From Oct 2023 all new UMS connections shall be HH from date of connection as mandated by this Modification

These activities will then be followed by the migration to the TOM Service, the Unmetered Supplies Data Service, from Oct 2024 to Sept 2025 (or earlier).

Benefits

This change is part of the move to MHHS. The [Ofgem full business case](#) set out the benefits of implementing MHHS. Ofgem estimates MHHS will save consumers about £300m per year, with anticipated £4bn-£5bn consumer savings in total over the period to 2040. This change forms part of that implementation, for the avoidance of doubt the TOM Service will be unable to support the existing NHH settlement arrangements

Specifically, the HH Settlement calculation for UMS is more accurate as it models the behaviour of each piece of inventory data provided by the customer. For example, if a street light is switched off for a period during the night this behaviour will be modelled using the Charge Code which indicates the Circuit Watts for the street light and the Switch Regime which shows the pattern of behaviour. Likewise, if the street light dimmed to another light-out put the energy calculation will reflect the behaviour. In general terms the calculation will better reflect the energy consumed within a Settlement Period.

In the NHH calculation and EACs are calculated across the customer's inventory which is then applied to a static profile. These profiles are based on Profile Class 1 (the domestic profile) or Profile Class 8 (the flattest non-domestic profile) which do not reflect the consumption pattern of actual UMS. The NHH calculation does not take account of the fact that days are longer in summer or shorter in winter. Whereas the HH calculation uses actual sunrise and sunset times or derives them from the Astronomical Almanac.

This Modification will therefore result in more accurate and equitable Settlement, whilst reducing the MHHS delivery risks for relevant MHHS Participants.

3 Relevant Objectives

Impact of the Modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence	Neutral
(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System	Neutral
(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	Positive
(d) Promoting efficiency in the implementation of the balancing and settlement arrangements	Positive
(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]	Neutral
(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	Neutral
(g) Compliance with the Transmission Losses Principle	Neutral

(c) The Modification enables a smooth transition to the MHHS TOM for Unmetered Supplies. The Modification will promote effective competition in the generation and supply of electricity because the data will be more accurate and granular which will enable more accurate purchasing and promote innovation and competition.

(d) The HH Settlement of UMS is more accurate, efficient and robust than the NHH processes which currently require Material Error Monitoring processes to be undertaken on a regular basis. This Modification will therefore better facilitate Applicable BSC Objective (d) as it will introduce more efficient and effective processing of UMS data for Settlement.

4 Potential Impacts

Impacts on Core Industry Documents

Impacted Core Industry Documents			
<input type="checkbox"/> Ancillary Services Document	<input type="checkbox"/> Connection and Use of System Code	<input type="checkbox"/> Data Transfer Services Agreement	<input type="checkbox"/> Use of Interconnector Agreement
<input type="checkbox"/> Retail Energy Code	<input type="checkbox"/> Transmission License	<input type="checkbox"/> System Operator Transmission Owner Code	<input type="checkbox"/> Supplemental Agreements
<input type="checkbox"/> Distribution Code	<input type="checkbox"/> Grid Code	<input type="checkbox"/> Other (please specify)	

It is not anticipated there are any impacts on Core Industry Documents.

The CCDG initially considered whether there may need to be a consequential change under the Connection and Use of System Code (CUSC) to prevent NHH UMS MSIDs being double charged during the year in which they are migrated. It concluded that due to the implementation timing the potential double charging issues are avoided so a CUSC Modification is not needed.

Impacts on BSC Systems

Impacted Systems				
<input type="checkbox"/> CRA	<input type="checkbox"/> CDCA	<input type="checkbox"/> PARMS	<input type="checkbox"/> SAA	<input type="checkbox"/> BMRS
<input type="checkbox"/> EAC/AA	<input type="checkbox"/> FAA	<input type="checkbox"/> TAAMT	<input type="checkbox"/> NHHDA	<input type="checkbox"/> SVAA
<input type="checkbox"/> ECVAA	<input type="checkbox"/> ECVAA Web Service	<input type="checkbox"/> Elexon Portal	<input type="checkbox"/> Other (Please specify)	

No impact expected – all existing systems expected to be able to accommodate this small change in activity.

Impacts on BSC Parties

Impacted Parties			
<input checked="" type="checkbox"/> Supplier	<input type="checkbox"/> Interconnector User	<input type="checkbox"/> Non Physical Trader	<input type="checkbox"/> Generator
<input checked="" type="checkbox"/> Licensed Distribution System Operator	<input type="checkbox"/> National Electricity Transmission System Operator	<input type="checkbox"/> Virtual Lead Party	<input type="checkbox"/> Other (Please specify)

The Supplier will need to interact with the LDSO to undertake data cleansing activity and agree migration planning. The LDSO/ UMSO role may require system changes to manage the migration.

Impacts on consumers and the environment

Impact of the Modification on consumer benefit areas:	
Consumer benefit area	Identified impact
Improved safety and reliability	Neutral
Lower bills than would otherwise be the case	Neutral
<p>Reduced environmental damage</p> <p>HH Settlement of UMS allows new technologies such as central management systems to be used to reduce lighting load which will help the move to net zero and de-carbonisation</p>	Positive
<p>Improved quality of service</p> <p>The additional interaction with the Meter Administrator role is likely to improve the quality of service and benefit end consumers.</p>	Positive
Benefits for society as a whole	Neutral

Legal Text Changes

The exact wording is subject to legal advice and the views of the Workgroup. The expected changes will include:

- [BSCP520 'Unmetered Supplies Registered in SMRS'](#) – there may be changes to the CoMC Process.
- [Section S 'Supplier Volume Allocation'](#)– Section S8 will need to set out the mandate and implementation timetable and the point at which new UMS connections will be HH.
- [Section X, Annex X-1 'General Glossary'](#) – there are 15 references to Unmetered Supplies that will need to be reviewed once NHH UMS connection is no longer available.

5 Governance

Self-Governance

<input checked="" type="checkbox"/> Not Self-Governance – A Modification that, if implemented:	
<input type="checkbox"/> materially impacts the Code’s governance or modification procedures	<input type="checkbox"/> materially impacts sustainable development, safety or security of supply, or management of market or network emergencies
<input checked="" type="checkbox"/> materially impacts competition	<input checked="" type="checkbox"/> materially impacts existing or future electricity consumers
<input type="checkbox"/> materially impacts the operation of national electricity Transmission System	<input type="checkbox"/> is likely to discriminate between different classes of Parties
<input type="checkbox"/> involves any amendments to the EBGL Article 18 Terms and Conditions related to Balancing; except to the extent required to correct an error or as a result of a factual change	
<input type="checkbox"/> Self-Governance – A Modification that, if implemented:	
Does not materially impact on any of the Self-Governance criteria provided above	

This Modification should not be progressed under Self-Governance as it will materially impacts the Settlement of Unmetered Supplies, consequently impacting competition and consumers.

Progression route

<input checked="" type="checkbox"/> Submit to assessment by a Workgroup –:A Modification Proposal which:	
does not meet any criteria to progress via any other route.	
<input type="checkbox"/> Direct to Report Phase – A Modification Proposal whose solution is typically:	
<input type="checkbox"/> of a minor or inconsequential nature	<input type="checkbox"/> deemed self-evident
<input type="checkbox"/> Fast Track Self-Governance – A Modification Proposal which meets the Self-Governance Criteria and:	
is required to correct an error in the Code as a result of a factual change including but not limited to:	
<input type="checkbox"/> updating names or addresses listed in the Code	<input type="checkbox"/> correcting minor typographical errors
<input type="checkbox"/> correcting formatting and consistency errors, such as paragraph numbering	<input type="checkbox"/> updating out of date references to other documents or paragraphs
<input type="checkbox"/> Urgent – A Modification Proposal which is linked to an imminent issue or current issue that if not urgently addressed may cause:	
<input type="checkbox"/> a significant commercial impact on Parties, Consumers or stakeholder(s)	<input type="checkbox"/> a Party to be in breach of any relevant legal requirements.
<input type="checkbox"/> a significant impact on the safety and security of the electricity and/or gas systems	

Given the significant nature of this Modification proposal, it is appropriate for it to be assessed by a Workgroup. Whilst the solution and design has been thoroughly considered and thought through by the

CCDG, there are still a small number of matters that would benefit from a small and limited Workgroup assessment.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

The Ofgem Significant Code Review (SCR) considering [Settlement Reform](#), also known as Market Wide Half Hourly Settlement (MHHS) was launched in July 2017. Under the SCR, the CCDG was convened to develop the MHHS TOM recommended by the Design Working Group (DWG).

The CCDG has [recommended](#) that a number of enabling changes are progressed before the full MHHS Design is baselined in 2022 and directed using Ofgem's SCR powers.

They are to give effect to the CCDG's recommendations 1, 3 and 8.

- **Recommendation 1** will require changes to the BSC and REC to introduce new SMRS registration data items and supporting processes to be implemented between November 2022 and February 2023.

A BSC Change Proposal will be raised in Q1 2022 to progress Recommendation 1.

- **Recommendation 3** will require the introduction as soon as possible of an obligation on Suppliers to ensure that all MSIDS with NHH settled CT Advanced Meters are moved to settle HH via the Change of Measurement Class (CoMC) process by October 2023.

The CCDG initially considered whether there may need to be a consequential change under the REC and CUSC, however this is no longer the case because the Modification doesn't have a direct impact on the REC, but a complimentary REC Change has been raised ([R0015 'Remote communication obligations for Advanced Meters'](#)). Also due to the timing of the CoMC activity a CUSC Change is no longer required.

P432 was raised to progress Recommendation 3 on December 2021.

- **Recommendation 8** will require the introduction as soon as possible of an obligation on Suppliers to ensure that all Unmetered MSIDs are settled HH by October 2024. This will require changes to the BSC. The CCDG initially considered whether there may need to be a consequential change under the CUSC, however this is no longer the case due to the timing of the CoMC activity.

This Modification is in support of Recommendation 8.

The CCDG sought direction from Ofgem on how to progress their recommendations. [In response](#), Ofgem requested that these enabling changes are progressed through the existing code governance framework, with oversight by the MHHS Programme.

Does this Modification impact any of the EBGL Article 18 Terms and Conditions held within the BSC?

The proposed Modification is not expected to impact or extend any of the EBGL Article 18 Terms and Conditions held within the BSC.

Implementation approach

This Modification should require that all Unmetered MSIDs are settled HH by October 2024. In order for impacted participants to prepare for this, this Modification should be implemented as soon as possible. We propose implementation can be facilitated on a special release, +5WD after the final Authority decision is made.