

P430 'Allow Suppliers to use metering behind the site Boundary Point'

To extend the solution to Approved Modification [P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point'](#) to allow Suppliers to register Asset Meters and allocate Asset Metering System Identifier (AMSID) Pairs to Secondary Balancing Mechanism Units (SBMUs).

The Proposer believes this change would address an unintended distortion in the market and enable the wider provision of Balancing Services to the system by enabling Suppliers to use metering "behind" the defined Boundary Point for Settlement purposes.



Elxon recommends P430 is progressed to the Assessment Procedure for an assessment by a Workgroup



Elxon does consider it likely that P430 **will** impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Suppliers that wish to use Asset Metering to provide Balancing Services
- SVA Half Hourly Meter Operator Agents (SVA HH MOAs)
- Half Hourly Data Collectors (HHDCs)
- Supplier Volume Allocation Agent (SVAA)
- Asset Metering Half Hourly Data Collector (AMHHDC)
- Asset Metering Half Hourly Meter Operator Agent (AMMOA)
- Elxon



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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

This document is an Initial Written Assessment (IWA), which Elexon will present to the Panel on 9 December 2021. The Panel will consider the recommendations and agree how to progress P430.

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 P430 Proposal Form.

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1 Summary

What is the issue?

[P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point'](#), approved by Ofgem on 24 February 2021 for implementation on 30 June 2022, will allow Asset Metering Virtual Lead Parties (AMVLPs) to use metering behind the site Boundary Point for Settlement purposes. It is the Proposer's view that the P375 solution is incomplete and should be extended to also apply to Suppliers to avoid a distortion in the market that gives one industry Party role an advantage over another, when both can provide Balancing Services from behind the Meter.

What is the proposed solution?

Suppliers should be allowed to perform all of the activities that an AMVLP will be allowed to perform on the implementation of P375. In summary, these are:

- Register Asset Metering Systems with the SVAA;
- Receive AMSID Pairs from the SVAA;
- Allocate AMSID Pairs to Secondary BM Units; and
- Provide Balancing Services through Secondary BM Units.

Impacts and costs

If approved, P430 would impact **Suppliers** that wish to use Asset Metering to provide Balancing Services, as they would be required to amend their systems to use AMSIDs and to take part in the exchange of data relating to Asset Metering Systems. P430 would also impact **Half Hourly Data Collectors (HHDCs) and HH SVA Meter Operator Agents (MOAs)** as their systems and processes would likely require amendment, where Suppliers appoint them as Agents in relation to Asset metering. **P430** would also require changes to the **Supplier Volume Allocation Agent (SVAA) BSC Central system** to allow Suppliers to use the processes introduced for AMVLPs under P375. Costs will be assessed as part of the Assessment Procedure, but are expected to be low to medium for impacted participants.

Implementation

The Proposer is seeking to implement this Modification at the earliest possible date, which will be determined by the Workgroup once the P430 solution is finalised and we have received our Service Provider's impact assessment. However, due to the number and scale of changes in Elexon's delivery pipeline, including Market-Wide Half Hourly Settlement, it is expected that it will not be sooner than 2024.

Recommendation

The Proposer and Elexon recommends that this Modification be progressed to the Assessment Procedure for assessment by an industry Workgroup.

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2 Why Change?

What is the issue?

P375 was approved by Ofgem on 24 February 2021 with an implementation date of 30 June 2022. The change will allow AMVLPs to provide Balancing Services using metering behind the Boundary Point from. However, AMVLPs are not the only market participants providing Balancing Services, as Suppliers can also do this.

The P375 solution will not allow BSC Parties other than AMVLPs to register Asset Metering Systems in order to obtain AMSID Pairs, and to allocate those AMSID Pairs to Secondary Balancing Mechanism Units (SBMUs). It is the Proposer's view that the P375 solution should have been extended to also apply to Suppliers, to avoid a perceived distortion in the market that gives one industry Party role an advantage over another, when both can provide Balancing Services from behind the Meter.

The Proposer agrees with the issues identified by P375 and with the Asset Metering System Identifier (AMSID) based solution developed for P375, but also believes that Suppliers should be allowed to use the P375 processes.

P375 did briefly address the point of Suppliers providing Balancing Services in the Final Modification Report, and included a statement that Suppliers that wished to provide Balancing Services using metering behind the Boundary Point could do so by registering as an AMVLP.

The Proposer noted a number of issues with this stance:

- The AMVLP registration process is expected to take between 3 to 5 months to complete and requires resource from both the applicant and Elexon. This effort is not trivial and completing the AMVLP registration would confer little advantage to an existing Supplier outside of participation in the P375 solution;
- Suppliers are already providing Balancing services through Primary BM Units and may have already undertaken the registration and testing processes with National Grid Electricity System Operator (NGESO). Transitioning to become an AMVLP at this time would become an unnecessary burden; and
- The Supplier Party role is a legitimate provider of Balancing Services and should be treated equally alongside other roles providing Balancing Services. This is an essential part of maintaining healthy competition in the Balancing Service Provider (BSP) sector.

For avoidance of doubt, the Proposer is not seeking to criticise the P375 Modification; on the contrary, they are supportive of its aim to better implement Settlement of Balancing Services behind the Meter. The intention is merely to extend the scope of P375 to include Suppliers.

Background - P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point'

What is the issue?

P375 was raised to address the increasing number of complex customer sites with numerous assets behind the Boundary Point that can be controlled independently of each other. There was concern that the proportioning of costs in Settlement was not as refined as it could be, and that this could be a barrier to entry as, prior to the approval of P375, the BSC only allowed metering at the defined Boundary Point to be used for Settlement purposes.

The issue was recognised as part of [P344 'Project TERRE'](#). The P344 Workgroup recognised that P344 would not allow for complex site configurations when assigning Balancing responsibility. They recognised the need to allow for this, but felt that P344 was not the right medium to effect such change. This led to [Issue 70 'Settlement of Secondary BM Units using metering at the asset'](#) being raised, which in turn led to P375.

P344 separates out the cash flows relating to Balancing and Imbalance related activities, but does not do the same for Metering. It requires data from the Supplier's Settlement Metering (at the Boundary Point) to be used to verify delivery of Bid-Offer-Acceptances (BOAs) issued to the SBMU – which is a Balancing-related activity.

Completely separating the two roles would require a mechanism by which the Asset Metering Virtual Lead Party (AMVLP) could install its own Settlement Metering, located at an appropriate place to measure the volume of Balancing energy provided, which may be close to the asset delivering the service.

Such Metering is sometimes referred to as 'Behind the Boundary Point' Metering because it is used to measure the electricity consumed or produced by an individual Asset at a site, rather than the total consumption or production for that site (which is measured at the Boundary Point). Such metering is not connected to a Boundary Point (either the Distribution System or the Transmission System), so is 'behind' the Boundary Point Metering for that site. The P375 solution refers to this as Asset Metering.

Example of the issue

A waste water treatment site may have significant pumping load that must run to schedule as well as a Combined Heat and Power (CHP) generator managed by an AMVLP. The site may be able to modulate the CHP output in response to an instruction in the Balancing Mechanism (BM), but an unrelated step change in the pumping load could negate, or double, the CHP output at the Boundary Point.

The BSC requires that the AMVLP would need to know the pumping change was going to happen, and reflect that in the Final Physical Notification (FPN). This can be difficult as often the AMVLP only has access to the schedule for the asset providing Balancing Services. Also, the Settlement Boundary Meter is the responsibility of the Supplier, and therefore an independent AMVLP would not have access to the metering data at the boundary. Currently the FPN for Settlement and Dispatch is based on flows at the Boundary Point. If the AMVLP creates an inaccurate FPN, they could be liable for non-delivery volumes on balancing services volumes that were actually delivered, or conversely, avoid charges they are due to pay for failures which were masked by independent loads.



What are Final Physical Notifications?

Participants are required by the Grid Code to submit Physical Notifications for their generating and large consumption BM Units to the NETSO ahead of Gate Closure. These notifications are used by the NETSO to help establish the actions necessary to balance the system. At Gate Closure, the most recent Physical Notification becomes the Final Physical Notification (FPN).

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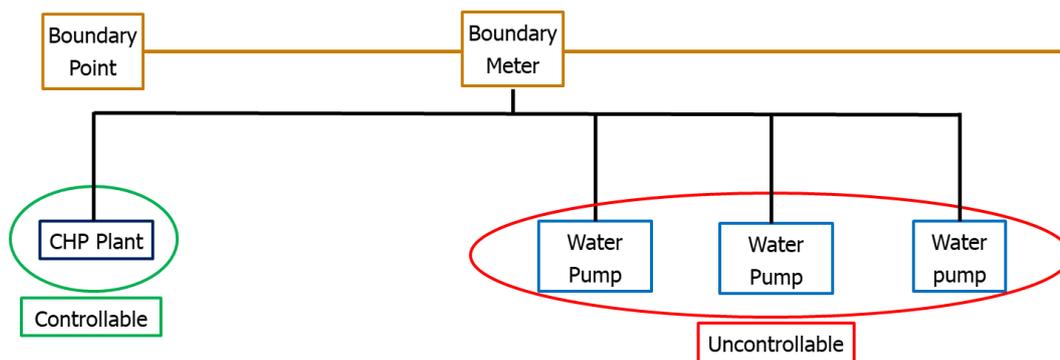
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The diagram below illustrates how uncontrollable demand will affect flows at the Boundary Point.



Allowing AMVLPs to use metering closer to the asset delivering the Balancing Service would mean more customers with complex sites will be able to participate in the Balancing Mechanism. It will enable AMVLPs to circumscribe Settlement to only the controllable asset, effectively cutting out the uncontrollable demand. The PN will relate to the CHP rather than the CHP plus the three pumps, thus removing the inaccuracy to Settlement from uncontrollable demand.

Not allowing Settlement from Metering behind the Boundary Point is potentially a barrier to market entry as providers will be unwilling to incur costs they have little or no control over.

Solution

P375 will amend the BSC, BSC Configurable Items and BSC systems to allow Asset Meters installed between the Boundary and the Asset to provide balancing services to be used for Settlement. To facilitate this, a new Code of Practice was drafted and approved ([Code of Practice 11](#)), to define the standards to which Asset Meters should adhere. Additionally, the new role of AMVLP, which is a BSC Party, and Asset Metering Half Hourly Meter Operator (AMMOA and Asset Metering Half Hourly Data Collector (AMHHDC)), which are AMVLP Agents, were created.

The new role of AMVLP was created as existing VLPs are not exposed to the additional processes required to collect and process the relevant metering data related to Asset metering. As such, the P375 Industry Expert Group¹ agreed that any party that wished to participate in the P375 solution should go through additional Qualification steps to ensure the appropriate systems and processes were in place. The AMVLP Agent roles were created as 'lite' versions of their counterparts, where less rigorous Qualification is required but for a more limited role (i.e. only able to provide services in relation to Asset metering). Where an AMVLP is not associated with an SVA HH MOA² or an HHDC, this allows an AMVLP to register as the necessary AMVLP Agents at a lower cost for the purposes required.

This was done to create an 'AMVLP Hub' to replicate as closely as possible those processes associated with the 'Supplier Hub'. These processes can be summarised as below:

- Market participant (including VLPs or Suppliers) that wish to use Asset Metering will be required to complete a new Asset Metering (AMVLP) Qualification process –

¹ IEG – formed post-P375 approval and operated through Q1 – Q2 2021 to develop the processes underpinning the P375 solution

² Please note that the governance of SVA MOAs has been transferred to the Retail Energy Code (REC) as Metering Equipment Managers (MEMs). Despite this, P430 (and Asset metering more generally) will impact these market participants as they must adhere to processes detailed in BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS' and BSCP603 'Meter Operations and Data Collection for Asset Metering Systems'.

but note that it is not necessary to be a VLP before a participant can start AMVLP Qualification;

- AMVLPs will be allowed to register Assets and related Asset Metering Systems with the SVAA, using a three-stage registration process set out in BSCP602;
- The SVAA will generate an AMSID for each Asset Metering System, resulting in an AMSID Pair being generated for each Asset. AMSIDs will have the same 13-digit format used for Metering System Identifiers (MSIDs, also known as MPANs), but will use a unique 2-digit short code not used for MSIDs. An AMSID will always use the short code "77" for the first 2 digits of the 13 (irrespective of the GSP Group), so there is no chance of an AMSID being confused with an MPAN;
- AMVLPs will be required to appoint AMVLP Agents to AMSID Pairs – a MOA **or** an AMMOA³, where permitted by Code of Practice 11, a HHDC and, if the AMVLP desires, an AMHHDC;
- New "AMVLP Hub" processes will be introduced between AMVLPs, MOAs (or AMMOAs) and HHDCs based closely on existing Supplier Hub processes;
- Where an AMHHDC is used, they will send the Metered Data readings to the HHDC;
- The new AMVLP role will be added to Market Domain Data to allow AMVLPs to become DTN Users;
- AMMOAs and AMHHDCs will not use the Data Transfer Network (DTN) to send or receive P375 data flows;
- HHDCs will send Half Hourly Metered Volumes for AMSIDs to SVAA using a new DTN data flow (D0390 'Asset Metering System Half Hourly Metered Data');
- AMVLPs will be able to allocate AMSIDs to their Secondary BM Units for one of two purposes: Asset Metering & Asset Differencing, as set out in BSCP602;
- AMVLPs will be required to send AMSID Pair Delivered Volumes for AMSID Pairs used for Asset Metering and MSID Pair Delivered Volumes for AMSID Pairs used for Asset Differencing; and
- There will be new versions of the P0282 'MSID Pair Delivered Volume Notification', P0283 'Rejection of MSID Pair Delivered Volume' and P0285 'MSID Pair delivered Volume Exception Report' data flows to accommodate all VLP and AMVLP data submissions. The P0284 'Confirmation of MSID Pair Delivered Volume' data flow remains unchanged.

The possibility of explicitly allowing Suppliers to use the P375 solution was considered by the P375 Workgroup, but the complexities involved generated a risk to the overall timelines of the Modification. As Suppliers would also be eligible to participate in the P375 solution by qualifying as an AMVLP, the Workgroup progressed the Modification without explicitly allowing Suppliers to participate in the solution in their existing role.

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³ An AMVLP will always be required to appoint an HHDC, and may also appoint an AMHHDC if required. This would be the case for specific metering that an HHDC would not normally cover, and so the AMVLP could qualify as an AMHHDC and collect the data themselves in that instance.

Desired outcomes

The Proposer hopes to remove an unintended distortion in the market and enable the wider provision of Balancing Services to the NETSO by enabling Suppliers to provide Balancing Services using Asset Metering, but without having to go through the AMVLP qualification process.

Proposed solution

Suppliers should be allowed to perform all of the activities that an AMVLP will be allowed to perform on the implementation of P375. In summary, these are:

- Register Asset Metering Systems with the SVAA;
- Receive AMSID Pairs from the SVAA;
- Allocate AMSID Pairs to Secondary BM Units (not Additional BM Units); and
- Provide Balancing Services through Secondary BM Units

Suppliers would also be required to appoint a MOA or an AMMOA and a AMHHDC or HHDC to each AMSID Pair.

Benefits

This change would remove an unintended distortion in the market and enable the wider provision of Balancing Services to the system by enabling Suppliers to provide Balancing Services using Asset Metering without having to go through the AMVLP qualification process. Suppliers frequently have access to behind the Meter assets due to the nature of their relationship with their sales clients, and this would therefore be an important additional resource for NGENSO and, from a competition point of view, will level the playing field.

Applicable BSC Objectives

The Proposer believes P430, if approved, would better facilitate Applicable BSC Objectives (b), (c), and (d).

Applicable BSC Objective (b)

The Proposer believes this Modification will better facilitate Applicable BSC Objective (b) as it will make possible benefits to system management at the local level and thus enable better judgements on residual balancing by NGENSO. This Modification, in conjunction with the introduction of AMVLPs under P375, could also create the potential for greater participation in the BM, thus supporting system operation by providing the NGENSO with a greater range of options for economic and efficient system balancing. By creating greater efficiency at local level and through the interaction with system operation, this Modification would be consistent with Ofgem's initiatives to achieve more efficient whole system outcomes.

Applicable BSC Objective (c)

The Proposer believes this Modification would better facilitate Applicable BSC Objective (c) as it could remove barriers to competition in the energy markets. The current de facto single ownership of the Meter volumes prevents competition being facilitated behind the Meter and limits the development of innovation that could ultimately benefit consumers.



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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Removing this barrier would better facilitate competition between Suppliers and other providers operating in the market, including in the provision of new services facilitated by this Modification.

Applicable BSC Objective (d)

The Proposer believes this Modification promotes greater efficiency under Applicable BSC Objective (d) because any Supplier who is offering a flexibility service to NGESO from a 'behind the Meter' asset, where the overall site supply through the grid connection point is from a different Supplier, has a complex reconciliation exercise to perform with that Supplier as a consequence of not being able to benefit from the provisions of P375. This change will enable the secondary Meter data to be settled separately, thus removing the need for such reconciliation service. The Modification would also ensure alignment of AMVLP and Supplier provisions.

Implementation approach

The Proposer is seeking to implement this Modification at the earliest possible juncture, and this will be determined once the solution is finalised via the Workgroup assessment. However, due to the number and scale of changes in Elexon's delivery pipeline, including Market-Wide Half Hourly Settlement, it is expected that it will not be sooner than 2024.

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 P430. 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.

Asset Metering Supplier

Market participants, including VLPs, who wish to participate in the P375 solution must undergo additional qualification to become an AMVLP. The Workgroup should consider whether Suppliers be required to undergo a similar qualification process, and either Re-Qualify or Qualify as a new role e.g. Asset Metering Suppliers (AMSPs). Note that the Proposer does not believe this is necessary, given Suppliers would already have demonstrated their ability to send and receive data files and take part in complex processes.

AMVLP Hub Market Messages

P375 will introduce the concept of the AMVLP Hub, which will involve:

- AMVLP;
- MOA (or AMMOA, where permitted);
- HHDC; and, optionally
- AMHHDC.

P375 will introduce new Scenario Variants of Supplier Hub Market Messages for use by the AMVLP Hub and a new Alias of the J0003 'MPAN Core' Data Item called "AMSID Core".

If P430 is approved, the AMVLP Hub would need to involve:

- AMVLP or Supplier;
- MOA (or AMMOA, where permitted);
- HHDC; and, optionally
- AMHHDCs.

If Suppliers are included in this process, the existing definition of 'AMVLP Hub' would be inaccurate. Additionally, Suppliers would need to amend their systems to send and receive Market Messages which contain AMSIDs rather than MSIDs (MPANs), where "AMSID" is the Asset Metering equivalent of MPAN and will always use the short code "77" for the first 2 digits of the 13 (irrespective of the GSP Group), so there is no chance of an AMSID being confused with an MSID / MPAN.

The Workgroup should consider the reporting and data requirements in relation to the AMVLP Hub, including Market Messages.

AMVLP Qualification Burden

A key driver of P430 is the administrative burden associated with the AMVLP Qualification process. The workgroup should determine a quantitative estimate of this burden and the number of Suppliers likely to take advantage of the P430 solution.

Areas to consider

The table below summarises the areas we believe a Modification Workgroup should consider as part of its assessment of P430:

Areas to Consider
Should Suppliers be required to undergo a Qualification process and Qualify as Asset Metering Suppliers, in line with AMVLP Qualification?
What are the reporting and data requirements of the AMVLP Hub, including Market Messages, to support P430?
What are the expected costs of qualifying as an AMVLP?
How many Suppliers are expected to make use of the P430 solution?
How will P430 impact the BSC Settlement Risks?
What changes are needed to BSC documents, systems and processes to support P430 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 P430 be progressed as a Self-Governance Modification?
Does P430 better facilitate the Applicable BSC Objectives than the current baseline?
Does P430 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

Next steps

Elexon recommends that this Modification should be progressed to the Assessment Phase for consideration by an industry Workgroup, as the solution is not minor or self-evident and requires further development and assessment.

Furthermore, Elexon recommends that P430 should not be progressed as Self-Governance as it will materially impact competition by allowing Suppliers to offer additional Balancing services that are currently only available to AMVLPs. This increase in the number of available Balancing services will also impact the operation of the Transmission System, potentially increasing its efficiency. We believe it will therefore materially impact Self-Governance Criteria (b)(ii) and (iii).

As P375 impacted the EBGL Article 18 Terms and Conditions held within the BSC (specifically provisions held with K8 and K10) it is reasonable to assume this Modification would do the same. As such, it is likely that it will need to go through the EBGL change process.

Workgroup membership

Workgroup members should have expertise in:

- Balancing and Settlement processes;
- Processes introduced by P375;
- Qualification processes;
- EBGL Article 18 Terms and Conditions related to Balancing.

Timetable

It is proposed to submit this Modification for an 8 month Assessment Procedure:

Proposed Progression Timetable for P430	
Event	Date
Present Initial Written Assessment to Panel	9 December 21
Workgroup Meeting	January 2022
Workgroup Meeting	February 2022
Workgroup Meeting	April 2022
Workgroup Meeting	May 2022
Assessment Procedure Consultation	7 Jun 22 – 28 Jun 22
Workgroup Meeting	July 2022
Present Assessment Report to Panel	11 Aug 2022
Report Phase Consultation	16 Aug 2022 – 16 Sep 2022
Present Draft Modification Report to Panel	13 Oct 2022



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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Proposed Progression Timetable for P430

Event	Date
Issue Final Modification Report to Authority	19 October 2022

6 Likely Impacts and costs

This Modification seeks to extend processes created under P375, therefore costs and lead times are expected to be significantly lower than if these had to be built from the ground up.

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: Between £100k and £1 million
- Low: <£100k

Impact on BSC Parties and Party Agents		
Party/Party Agent	Potential Impact	Potential cost
Suppliers	P430 would impact any Supplier who seeks to provide Balancing services to NGENSO with using Asset Metering and would remove the need for them to Qualify as an AMVLP. System and process changes would also be required for Suppliers who wished to participate in the solution.	M
VLPs/AMVLPs	VLPs/AMVLPs will be impacted due to greater competition in tendering for NGENSO Balancing services.	L
HHDCs and AMHHDCs	Minor system changes expected, overall impact dependent on what approach the Workgroup takes on EMAR Market Messages	L
SVA HH MOAs and AMMOAs		

Impact on the NETSO	
Potential Impact	Potential cost
The NETSO would be positively impacted by P430 due to a larger choice of options in relation to Balancing services when balancing the system.	N/A

Impact on BSCCo		
Area of Elexon	Potential Impact	Potential cost
Assurance	Assurance activities for AMVLPs and their agents will have already been developed as part of the solution to P375; these would be extended to include Suppliers under P430.	L
Settlement & Invoicing	Increased volumes and complexity in relation to Asset Metering will require additional time to analyse.	L

Impact on BSCCo		
Area of Elexon	Potential Impact	Potential cost
Participant Management	Changes expected to Kinnect to allow Suppliers to register Asset Metering and allocate AMSID Pairs to Secondary BM Units.	M

Impact on BSC Settlement Risks

P430 is expected to marginally increase P375 impacts on Settlement Risks by extending the solution to Suppliers and facilitating a large volume of energy to be traded in this way. P375 will impact on Settlement Risks 001 to 026 inclusive as P375 will effect/replicate the processes covered by these risks, therefore there is a risk that if P375 data is not handled/submitted correctly, these risks could become issues. To mitigate this, Elexon has developed appropriate assurance measures in line with its standard processes.

Impact on BSC Systems and processes	
BSC System/Process	Potential Impact
SVAA	SVAA amendments required to: <ul style="list-style-type: none"> • Allow Suppliers to register Assets and receive AMSID Pairs; • Allow Suppliers to allocate MSID Pairs and AMSID Pairs to Secondary BM Units; and • Receive and process MSID Pair Delivered Volumes and AMSID Pair Delivered Volumes from Suppliers.

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Potential Impact
SVAA (CGI)	CGI will be responsible for the operation of SVAA systems and processes necessary to support this proposal

Impact on Code	
Code Section	Potential Impact
BSC Section J 'Party Agents and Qualification Under the Code'	Changes likely required to give effect to P430. It is possible that changes to other BSC Sections may be identified through the assessment of P430.
BSC Section K 'Classification and Registration of Metering Systems and BM Units'	
BSC Section S 'Supplier Volume Allocation'	

Impact on Code	
Code Section	Potential Impact
BSC Section S, Annex S-2 'Supplier Volume Allocation Rules'	

Impact on EBGL Article 18 terms and conditions

As P375 impacted the EBGL Article 18 Terms and Conditions held within the BSC (specifically provisions held with K8 and K10) it is reasonable to assume this Modification will do the same. As such, it is likely that it will need to go through the EBGL change process.

Impact on Code Subsidiary Documents	
CSD	Impact
BSCP01 'Overview of Trading Arrangements'	Please note that this is not an exhaustive list of impacts as Code Subsidiary Document (CSD) impacts to be determined through the Assessment Procedure. Required amendments will be completed for the majority of CSDs in the Assessment Procedure, as appropriate.
BSCP508 'Supplier Volume Allocation Agent'	
BSCP602 'SVA Metering System Register'	
BSCP603 'Meter Operations and Data Collection for Asset Metering Systems'	
SVA Data Catalogue Volume 1	

Impact on Core Industry Documents and other documents	
Document	Potential Impact
Retail Energy Code	While no impact on the Retail Energy Code (REC) has been identified, we expect that some changes may be required to the REC Energy Market Architecture Repository (EMAR) Market Messages that will be amended for P375.

Impact on a Significant Code Review (SCR) or other significant industry change projects

This proposal is not within the scope of an active SCR. On 23 November 2021 we requested to Ofgem that this Proposal be treated as an SCR-Exempt Modification Proposal. At time of writing, this confirmation is yet to be received.

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
<p>1) Improved safety and reliability</p> <p>We do not expect this change to have a significant impact on safety and reliability</p>	Neutral
<p>2) Lower bills than would otherwise be the case</p> <p>This change would mean that more assets are contributing to balancing services, as it will become easier to include and account for the actions of assets behind the meter. This in turn means more competition for NGENSO procured services, naturally leading to lower procurement costs for the NGENSO, and thus lower Balancing Services Use of System (BSUoS) charges for consumers.</p>	Positive
<p>3) Reduced environmental damage</p> <p>At the margin, flexible power is currently delivered by fossil fuel plants, with the consequent climate/atmospheric impacts that fossil fuel plants have. Introducing more assets that can deliver flexibility, which this Modification will by virtue of bringing in more behind the meter assets, will reduce the need for these fossil fuel plants operating at the margin.</p> <p>Whilst it is by no means certain that behind the meter assets are not equally (or more) polluting, there will be the opportunity for a number of climate positive assets that are behind the meter to be included in balancing services, in particular behind the meter batteries, biomass plants and biogas to power plants.</p>	Positive
<p>4) Improved quality of service</p> <p>As stated above, greater efficiency in balancing services provision will lead to lower consumer costs, but also should help alleviate voltage pressures on the 11kV network</p>	Positive
<p>5) Benefits for society as a whole</p> <p>We do not expect this change to have a significant impact on society as a whole</p>	Neutral



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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7 Recommendations

We invite the Panel to:

- **AGREE** that P430 progresses to the Assessment Procedure;
- **AGREE** the proposed Assessment Procedure timetable;
- **AGREE** the proposed membership for the P430 Workgroup; and
- **AGREE** the Workgroup's Terms of Reference.

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronym	
Acronym	Definition
AMHHDC	Asset Metering Half Hourly Data Collector
AMMOA	Asset Metering Meter Operator Agent
AMSID	Asset Metering System Identifier
AMSP	Asset Metering Supplier
AMVLP	Asset Metering Virtual Lead Party
BOA	Bid-Offer-Acceptance
BSC	Balancing and Settlement Code
BSCCo	Balancing and Settlement Code Company
BSP	Balancing Service Provider
BSUoS	Balancing Services Use of System [charge]
CHP	Combined Heat and Power [generator]
CSD	Code Subsidiary Document
DTN	Data Transfer Network
EBGL	European Balancing Guideline
EMAR	Energy Market Architecture Repository
FPN	Final Physical Notification
GSP	Grid Supply Point
HHDC	Half Hourly Data Collector
IWA	Initial Written Assessment
MOA	Meter Operator Agent
MSID	Metering System Identifier
NETSO	National Electricity Transmission System Operator
NGESO	National Grid Electricity System Operator
REC	Retail Energy Code
SBMU	Secondary Balancing Mechanism Unit
SCR	Significant Code Review
SVA	Supplier Volume Allocation
SVAA	Supplier Volume Allocation Agent

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Data flows and data items

Data flows and data items referenced in this document are listed in the table below.

Data Flows and Data Items	
Number	Name
D0390	Asset Metering System Half Hourly Metered Data

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
3	P375 'Settlement of Secondary BM Units using metering behind the site Boundary Point'	https://www.elexon.co.uk/mod-proposal/p375/
5	P344 'Project TERRE'	https://www.elexon.co.uk/mod-proposal/p344/
5	Issue 70 'Settlement of Secondary BM Units using metering at the asset'	https://www.elexon.co.uk/smg-issue/issue-70/
6	Code of Practice 11	https://www.elexon.co.uk/mod-proposal/p375/
15	Risk Evaluation Register	https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/performance-assurance-risk-evaluation-register/