

BSC Modification Proposal Form

At what stage is this document in the process?

P453

Mod Title: Amending the Metering Dispensation process, updating AMP/DMP in the CoPs and clarifying the relevant CoP

01

Modification

02

Workgroup Report

03

Draft Modification Report

04

Final Modification Report

Purpose of Modification:

This Modification seeks to progress two recommendations of the [Issue 93 'Review of the BSC metering Codes of Practice'](#) Workgroup. The Issue 93 Workgroup identified that it was unclear in the Codes of Practice (CoPs) what the relevant CoP is for circuits that are embedded behind the Boundary Point Metering System or embedded behind the Defined Metering Point (DMP) specified in Appendix A of the CoPs.

The second issue identified relates to Metering Dispensation being requested for sites where the Actual Meter Point (AMP) does not coincide with the DMP but there is no impact to the Settlement Accuracy. Where the Settlement Accuracy of a site is not impacted as a result of the AMP not coinciding with the DMP, then requesting a Metering Dispensation does not create any value to the applicant and relevant site. Sites sharing a single point of connection are becoming common as industry seeks to achieve Net Zero (e.g., a renewable generator and a battery energy storage system sharing a site but being metered and settled separately for commercial reasons). Elexon has received a significant number of Metering Dispensation applications for this scenario.

Through this Modification, the relevant parties will be able to identify the correct CoP(s) for embedded circuits. Additionally, they won't be required to apply for Metering Dispensation to cater for when the AMP is away from the DMP and the overall accuracy isn't impacted. This Modification seeks to modernise the CoPs to align them to the way sites are being developed and provide clarity to stakeholders what the metering requirements are whilst maintaining the standards of Settlement Accuracy in the CoPs.




Does this Modification 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:

- be a Self-Governance Modification Proposal
- be sent directly into the Report Phase

	This Modification will be presented by the Proposer to the BSC Panel on Thursday 13 April 2023. The Panel will consider the Proposer's recommendation and determine how best to progress the Modification.
	High Impact: No Impact
	Medium Impact: No Impact
	Low Impact: <ul style="list-style-type: none"> Licensed Distribution System Operator (LDSO) National Electricity Transmission System Operator (NETSO) Central Volume Allocation (CVA) and Supplier Volume Allocation (SVA) Meter Operator Agent (MOA) Balancing and Settlement Code Company (BSCCo) (Elexon)

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Timetable		Proposer: <i>Anne Themistocleous</i>
The Proposer recommends the following timetable:		
Report Phase Consultation	17 April 2023 - 28 April 2023	<i>Anne.Themistocleous@ukpowernetworks.co.uk</i>
Draft Modification Report presented to Panel	11 May 2023	
Final Modification Report published	12 May 2023	<i>07812 262243</i>
Self-Governance Objection Window	12 May 2023 - 05 June 2023	
Implement P453	02 November 2023	

1 Why Change?

What is the issue?

Issue 93 concluded in June 2022 and the Issue Report was presented to the BSC Panel at its meeting on [8 September 2022](#)¹. The Issue Group had highlighted two key issues:

1. The AMP and DMP not coinciding is a primary reason why Metering Dispensations are sought, and the approval process involves significant time and resources from both the Applicant, the relevant BSC Parties and Elexon. Where the errors associated with the difference in metering point location do not cause the Metering System to exceed the overall accuracy limits, then that Metering System poses no significantly greater risk to Settlement than a Metering System located at the DMP. In such cases, the benefits of applying the Metering Dispensation process ([BSCP32](#)²) are arguably outweighed by the administrative efforts of processing the application.

When the metering point location errors result in the Metering System exceeding the overall accuracy limits, compensation is applied to the meter for power transformers or line losses (including cable and busbar losses) to bring it within overall accuracy limits. However, utilizing the Metering Dispensation process to achieve this is still challenging, despite it being a common practice for multi-use sites. The administrative efforts for processing the application is unnecessary and can be avoided, and the use of a generic Metering Dispensation would pose a risk to Settlement where loss compensations are not validated.

2. It is unclear in the Codes of Practice (CoPs) what the relevant CoP is for circuits that are embedded behind the Boundary Point Metering System or embedded behind the DMP specified in Appendix A of the CoPs. Different Parties, Party Agents or Equipment Owners are interpreting the requirements differently which can lead to Metering Dispensations being required.

Background

The metering CoPs detail the technical requirements for Metering Systems. This includes defining the overall accuracy limits for energy measurements used for Settlement purposes. A Metering System must remain within these error limits at, or referred to, the point of connection to the Total System for Boundary Point Metering Systems or the point of connection between two Systems for Systems Connection Points. This is called the DMP. The DMPs for various kinds of Metering System scenarios are defined in Appendix A of CoPs 1³, 2⁴, 3⁵, 5⁶ and 10⁷. The physical location of measurement for a Metering System,

¹ <https://www.elexon.co.uk/meeting/bsc-panel-330/>

² [‘Metering Dispensations’](#)

³ [Code of Practice 1 ‘Code of Practice for the metering of circuits with a rated capacity exceeding 100MVA for Settlement purposes’](#)

⁴ [Code of Practice 2 ‘Code of Practice for the metering of circuits with a rated capacity not exceeding 100MVA for Settlement purposes’](#)

⁵ [Code of Practice 3 ‘Code of Practice for the metering of circuits with a rated capacity not exceeding 10MVA for Settlement purposes’](#)

⁶ [Code of Practice 5 ‘Code of Practice for the metering of energy transfers with a maximum demand of up to \(and including\) 1MW for Settlement purposes’](#)

⁷ [Code of Practice 10 ‘Code of Practice for the metering of energy via low voltage circuits for Settlement purposes’](#)

the AMP, may not always be located at the DMP, due to practical or financial reasons. Where the AMP and DMP do not coincide (with the exception of the scenarios described Appendix A paragraphs 1 and 5(ii)), section 4.3.3 of CoPs 1, 2, 3 and 5 currently states that a Metering Dispensation is required.

Elexon has received a significant increase in Metering Dispensation applications due to the non-coincidence of AMP and DMP, with around 26% being for multi-use sites since 2021. 14 new battery energy storage systems BMUs have also been registered since then, reflecting the push towards Net Zero. While Metering Dispensations differ on a case-by-case basis and may involve additional complications, the AMP and DMP not coinciding is a primary reason why Metering Dispensations are sought.

Processing Metering Dispensations from application to approval, as outlined in BSCP32, is time consuming and requires significant time and resource from the applicant (a BSC Party, or Elexon acting on the behalf of an applicant⁸), Elexon's metering team, the Metering Dispensation Review Group (MDRG), and the relevant BSC Panel Committee(s). Dependent on the quality of the information provided within the Metering Dispensation application form, processing the application to approval can take anywhere between one and six months. In some cases, compensation must be applied to the Metering System, validating these compensation figures requires further work by, and costs associated with, the Electrical Loss Validation Agent (ELVA).

However, there are cases where the electrical losses associated with the location of the Metering Equipment do not cause a Metering System to be outside of the overall accuracy limits specified in the relevant CoP. In these instances, the benefits of applying the Metering Dispensation process are arguably outweighed by the administrative efforts of processing the application. If the difference in location between AMP and DMP doesn't cause the Metering System to exceed accuracy limits and compensation isn't needed (excluding transformer errors), then the risk to Settlement is no greater than a Metering System located at DMP with the same or worse errors.

Developers can have standard designs for multipurpose sites (e.g. extending an existing generation site to include a battery energy storage system, building a new site that will have a combination of generation and battery energy storage) that each require a site specific Metering Dispensation. Compensation for power transformers or line losses may be required for the Metering System to meet accuracy limits. The ELVA validation process mitigates the risk of incorrect compensations being applied, ensuring accuracy for Settlement.

Where, almost identical, sites are each being taken to Panel sub-committees for approval, it is an inefficient process that can delay the site development if, for example, the relevant Licensed Distribution System Operator (LDSO) won't commit to proceeding unless the Metering Dispensation is approved by the relevant Panel sub-committee.

Partially as a result of the growing amount of Metering Equipment located away from the DMP, a question has also arisen around what the "relevant CoP" should be for Metering Equipment located on a lower rated circuit located behind the DMP. Market participants are uncertain whether a BSC Party should meter the embedded circuit to the CoP and standards required 'as if' it were located at the DMP, or use the rating of the embedded circuit to determine the relevant CoP and standards.

⁸ [P437 'Allowing non-BSC Parties to request Metering Dispensations'](#)

Desired outcomes

The desired outcomes of this Modification are:

- To clarify in the CoPs what the relevant CoP is for embedded circuits to reduce queries seeking clarification and Metering Dispensations being required where the installer has used Metering Equipment that meets the requirements of the wrong CoP.
- Allow more flexibility for the position of the AMP in the CoPs where within overall accuracy limits without the need to apply compensations for power transformers or line losses (including cable losses and busbar losses). This will remove the need for Metering Dispensation applications for location that the dispensation process is adding no value or mitigating any risk to Settlement.
- Make the Metering Dispensation process more efficient for applications for location at multi-use sites where compensation for power transformers or line losses (including cable losses and busbar losses) have to be applied to be within overall accuracy limits. For standard applications, defined with a limited scope, that meet the criteria allow BSCCo to approve Metering Dispensations. This criteria being where the only deviation from the CoP is location and it is for multipurpose sites metered separately to allow them to be traded and settled separately.

2 Solution

Proposed Solution

This Modification will look to amend [Section L 'Metering' paragraph 3.4](#) to allow BSCCo to approve Metering Dispensations in limited circumstances and define what the criteria is. In addition, the associated BSCP32 processes will be updated to split the process into a Panel sub-committee approval path and a BSCCo approval path. The limited circumstances for BSCCo approval are:

- The application is for location only and the Metering Equipment is compliant with the relevant CoP in all other respects;
- Compensation for power transformers or line losses (including cable losses and busbar losses) to bring the Metering System within overall accuracy limits has been applied; and
- It only applies where two, or more, Metering Systems are, or are to be, registered separately, in either the Central Meter Registration Service (CMRS) or the Supplier Meter Registration Service (SMRS), for Settlement purposes and are sharing a connection to the Total System.

Settlement integrity will be maintained as the solution proposes that affected parties must still be consulted by the applicant and Elexon will notify and request comments from the relevant appropriate parties:

- the MDRG to technically review the application;
- the ELVA will validate the compensation calculations;
- the National Electricity Transmission System Operator (NETSO) or relevant LDSO (as applicable dependant on the point of connection to the Total System) to technically review the application.

This modification seeks to explicitly state that a Metering Dispensation won't be necessary when the AMP and DMP don't match, but the overall accuracy of CoPs 1, 2, 3, 5 and 10 can still be met without

compensating for losses in cables, lines, and busbars. The amendment targets paragraph 4.3.3, excluding the exception in Appendix A 5(ii) for power transformers in between.

This solution will render part of Appendix A (paragraph 1) obsolete, as these scenarios will be covered by the solution delivered under this Modification.

This Modification will also clarify in CoPs 1, 2, 3, 5 and 10 (foreword and scope) that the relevant CoP for an embedded circuit will be based on the rating of the circuit that is to be metered and not the CoP that would be relevant if the Metering Equipment were located at the DMP.

Benefits

This Modification will address the issues identified under Issue 93 and progresses solutions that have been debated and proposed by relevant experts under the Issue Working Groups. It will remove ambiguity around the current relevant CoP requirements, allow more flexibility for the AMP in the CoPs where overall accuracy can be maintained without compensation, and aid in a more efficient Metering Dispensation process for multipurpose sites facilitating the advancement of Net Zero initiatives.

This Modification will reduce the administrative effort of processing Metering Dispensations that do not adversely impact Settlement, given that the location of the Metering Equipment does not cause the Metering System to be outside overall accuracy as defined in the relevant CoP. The changes will give a clear indication of when a Metering Dispensation is not required in the relevant CoPs.

This Modification will also provide a more efficient process for Metering Dispensation applications for standard multipurpose sites requiring to apply compensation. The solution will provide a more robust process than using a generic Metering Dispensation and will continue to mitigate the risk to Settlement of incorrect compensation being applied. The solution will give more certainty to site developers and Metering Equipment installers and aid in the transition to Net Zero.

The Modification will also provide explicit clarity in the CoP relevant to the circuit where the actual metering is located. This will speed up the “critical friend” role Elexon currently undertakes in processing Metering Dispensations, as the CoPs will:

- Provide clarity to help ensure correct accuracy class Metering Equipment is installed;
- Reduce enquiries and avoid debate about the correct CoP and accuracy classes; and
- Simplify data entry on any Metering Dispensation application form.

Additionally, there is already precedent given in the CoPs for certain situations in which metering away from the DMP does not require a Metering Dispensation (Appendix A paragraph 1 and paragraph 5(ii)), so the solution from the Modification does not go above and beyond the principles that already exist in the CoPs.

3 Relevant Objectives

Impact of the Modification on the Relevant Objectives:	
Relevant Objective	Identified impact
<p>a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence</p> <p>Through this Modification, the NETSO (who is a stakeholder in the Metering Dispensation process), is likely to receive less Metering Dispensations to review thus, creating more capacity for them to efficiently discharge their obligations.</p>	Positive
<p>(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System</p> <p>The Proposer believes this Modification is neutral against this objective.</p>	Neutral
<p>(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</p> <p>The Proposer believes this Modification is neutral against this objective.</p>	Neutral
<p>(d) Promoting efficiency in the implementation of the balancing and settlement arrangements</p> <p>Through this Modification, BSC Parties will have a better understanding of the scenarios where a Metering Dispensation application is required thus, reducing the number of unnecessary applications being submitted. This ultimately streamlines the Metering Dispensation process, a key process in the balancing and settlement arrangements.</p>	Positive
<p>(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]</p> <p>The Proposer believes this Modification is neutral against this objective.</p>	Neutral
<p>(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</p> <p>The Proposer believes this Modification is neutral against this objective.</p>	Neutral
<p>(g) Compliance with the Transmission Losses Principle</p> <p>The Proposer believes this Modification is neutral against this objective.</p>	Neutral

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)	

The Proposer does not believe that this Modification impacts any of the Core Industry Documents.

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)	

The Proposer does not believe that this Modification impacts any of the BSC Systems.

Impacts on BSC Parties

Impacted Parties			
<input 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 checked="" type="checkbox"/> National Electricity Transmission System Operator	<input type="checkbox"/> Virtual Lead Party	<input type="checkbox"/> Other (Please specify)

LDSO and NETSO

The LDSO and NETSO may need to update their process to reflect the requirements outlined in the Section L and BSCP32. However, we expect this Modification to positively impact NETSO and LDSO who may have to review less Metering Dispensation applications.

Impacts on consumers and the environment

Impact of the Modification on consumer benefit areas:	
Consumer benefit area	Identified impact
<p>Improved safety and reliability</p> <p>The Proposer believes that this Modification is neutral against this consumer benefit area.</p>	Neutral
<p>Lower bills than would otherwise be the case</p> <p>The Proposer believes that this Modification is neutral against this consumer benefit area.</p>	Neutral
<p>Reduced environmental damage</p> <p>The Proposer believes that this Modification is neutral against this consumer benefit area.</p>	Neutral
<p>Improved quality of service</p> <p>In relation to this Modification, the value achieved is a successful Metering Dispensation application to ensure compliance at the relevant metering site. Streamlining the Metering Dispensation arrangements makes the process of realising that value more efficiently. This in turn promotes a better quality of service to the end consumer.</p>	Positive
<p>Benefits for society as a whole</p> <p>The Proposer believes that this Modification is neutral against this consumer benefit area.</p>	Neutral

Legal Text Changes

We expect this Modification to impact the below documents:

- [BSC Section L 'Metering'](https://bscdocs.elexon.co.uk/bsc/bsc-section-l-metering)⁹
- [BSCP32 'Metering Dispensation'](https://bscdocs.elexon.co.uk/bsc-procedures/bscp-32-metering-dispensations)¹⁰
- [Code of Practice 1 'Code of Practice for the Metering of Circuits with a Rated Capacity Exceeding 100MVA For Settlement Purposes'](https://bscdocs.elexon.co.uk/codes-of-practice/code-of-practice-1-the-metering-of-circuits-with-a-rated-capacity-exceeding-100mva-for-settlement-purposes)¹¹
- [Code of Practice 2 'Code of Practice for the Metering of Circuits with a Rated Capacity Not Exceeding 100MVA For Settlement Purposes'](https://bscdocs.elexon.co.uk/codes-of-practice/code-of-practice-2-the-metering-of-circuits-with-a-rated-capacity-not-exceeding-100mva-for-settlement-purposes)¹²

⁹ <https://bscdocs.elexon.co.uk/bsc/bsc-section-l-metering>

¹⁰ <https://bscdocs.elexon.co.uk/bsc-procedures/bscp-32-metering-dispensations>

¹¹ <https://bscdocs.elexon.co.uk/codes-of-practice/code-of-practice-1-the-metering-of-circuits-with-a-rated-capacity-exceeding-100-mva-for-settlement-purposes>

¹² <https://bscdocs.elexon.co.uk/codes-of-practice/code-of-practice-2-the-metering-of-circuits-with-a-rated-capacity-not-exceeding-100-mva-for-settlement-purposes>

- [Code of Practice 3 'Code of Practice for the Metering of Circuits with a Rated Capacity not Exceeding 10MVA for Settlement Purposes'](#)¹³
- [Code of Practice 5 'Code of Practice for the Metering of Energy Transfer with a Maximum Demand of Up to \(And Including\) 1MW for Settlement Purposes'](#)¹⁴
- [Code of Practice 10 'Code of Practice for the Metering of Energy via Low Voltage Circuits for Settlement Purposes'](#)¹⁵

¹³ <https://bscdocs.elexon.co.uk/codes-of-practice/code-of-practice-3-the-metering-of-circuits-with-a-rated-capacity-not-exceeding-10-mva-for-settlement-purposes>

¹⁴ <https://bscdocs.elexon.co.uk/codes-of-practice/code-of-practice-5-the-metering-of-energy-transfers-with-maximum-demand-of-up-to-and-including-1mw-for-settlement-purposes>

¹⁵ <https://bscdocs.elexon.co.uk/codes-of-practice/code-of-practice10-the-metering-of-energy-via-low-voltage-circuits-for-settlement-purposes>

5 Governance

Self-Governance

<input 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 type="checkbox"/> materially impacts competition	<input 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 checked="" type="checkbox"/> Self-Governance – A Modification that, if implemented:	
Does not materially impact on any of the Self-Governance criteria provided above	

The Modification is only seeking to add clarity to existing principles in the relevant documents; it does not go beyond the current governance. Additionally, some industry participants who were instrumental in shaping it have recognised the proposed solution. Finally, the solution is considered minor and of an inconsequential nature thus, not one that would benefit from a decision being made by Ofgem.

Progression route

<input type="checkbox"/> Submit to assessment by a Workgroup –:A Modification Proposal which:	
does not meet any criteria to progress via any other route.	
<input checked="" type="checkbox"/> Direct to Report Phase – A Modification Proposal whose solution is typically:	
<input checked="" type="checkbox"/> of a minor or inconsequential nature	<input checked="" 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.

a significant impact on the safety and security of the electricity and/or gas systems

The Proposed solution is an outcome of the Issue 93 Workgroup review, which is evidently considered a Workgroup assessment. The Proposer does not believe that submitting it for another Workgroup assessment will create any value and somewhat, not great use of BSC Parties' time and capacity. Therefore, the Proposer is requesting that this Modification is submitted straight to Report Phase

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

On Wednesday 5 April 2023, Elexon requested from Ofgem that P453 is SCR exempt.

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

The Proposer does not believe that this Modification impacts on the EBGL Article 18 Terms and Conditions held with the BSC. The documents that this Modification seeks to update does not form part of the EBGL Article 18 Terms and Conditions.

Implementation approach

The Proposer recommends this Modification be implemented on 2 November 2023 as part of the standard November BSC 2023 Release. This approach is to ensure the solution from the Modification is implemented at the earliest opportunity.