BSC Modification Proposal Form	At what stage is this document in the process?
# P459 Modification Title: Allowing different SVA, MOAs and DCs to be appointed to Import and Export MSIDs for DCC Adopted Smart Meters	01 Modification 02 Workgroup Report 03 Draft Modification Report 04 Final Modification Report

Purpose of Modification: This Modification would allow Suppliers to appoint different Supplier Volume Allocation (SVA), Meter Operator Agents (MOAs) and Data Collectors (DCs) for the Import and Export Metering System Identifiers (MSIDs) where Data Communications Company (DCC) adopted smart meters are installed. Being able to appoint different Supplier Agents across Import/Export MSIDs will remove a barrier preventing the use of Export MSIDs for small-scale micro-generation, which currently disbenefits Suppliers, sales and operators of micro-generation, and electricity consumers.

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 10 August 2023. The Panel will consider the Proposer's recommendation and determine how best to progress the Modification.
	High Impact: Suppliers, MHHS (design and Code Drafting)
	Medium Impact: SVA, MOAs and Data Collectors
	Low Impact: None
	This is likely to be progressed as a part of a Cross Code Change Package, as a consequential Retail Energy Code (REC), Smart Energy Code (SEC) and

	Distribution Connection and Use of System Agreement (DCUSA) changes will be required.

Contents

Timetable

The Proposer recommends the following timetable:

Present Initial Written Assessment to Panel	10 August 2023
Initial Consideration by Workgroup (6 Months)	W/C 18 September 2023
Assessment Procedure Consultation (15 WDs)	12 February 2024 – 01 March 2024
Workgroup Report presented to Panel (likely late paper)	11 April 2024
Report Phase Consultation(10 WDs)	15 April 2024 – 29 April 2024
Draft Modification Report presented to Panel	9 May 2024
Final Modification Report submitted to Authority	13 May 2024
The Implementation date will be agreed on with the other impacted Codes (REC, SEC, DCUSA) and subject to MHHS Change Request	During the Assessment phase

Any questions?

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1 Why Change?

What is the issue?

At present, the BSC and REC[1] require that Export Suppliers must appoint the same Supplier Agents (Data Collector (DC) and Meter Operator Agent (MOA)) as the Import Supplier. This constraint was implemented to mitigate against risks associated with Advanced Meters, which do not materialise where DCC adopted Smart Meters are present.

Where the same SVA Metering Equipment at a Third Party Generating Plant measures both Import and Export for Settlement, BSC Section J4.1.5 and BSC Section J4.1.6 require the Supplier for the Export MSID to appoint the same Supplier Agents as those appointed by the Supplier for the Import MSID.

In addition, SEC[2] requires that to register an Export MPAN Smart Meter Parties must hold the DCC User Role of 'Export Supplier'. Only Parties acting in the 'Export Supplier' role can send the Service Reference Variant 'Set Device Configuration (Export MPAN). Currently, only SEC Parties with an Electricity Supply Licence are eligible for the 'Export Supplier' User Role.

Today, customers can freely switch their energy Supplier and customers commonly do this without switching their Export Meter – as evidenced in our own customer research and telephone interviews – and affects both business and domestic supply customers. For example, Price Switching Websites only offer to switch for Import Meters.

Where customers switch to another Import Supplier, the Export Supplier may become non-compliant with industry regulations if they are unable to appoint the same Supplier Agent as the incumbent Import Supplier. Theoretically, the only way an Export Supplier could become compliant would be to contract with every Supplier Agent in the market. Some of these MOAs are subsidiaries of Suppliers, under no obligation to contract with their competitors. This means incumbent Import Suppliers with large market shares can effectively gatekeep and prevent innovative products and propositions from being launched in the export market. This same constraint applies to DCs. These anti-competitive practices have been highlighted previously and will continue to be highlighted to those with an interest, such as Ofgem and the Competition and Markets Authority.

A misalignment of Supplier Agents can also occur when Automated Meter Reading (AMR) metering is upgraded to Smart Metering for customers with Power Purchase Agreements (PPAs). This is becoming more prevalent in the smaller end of the PPA business market – or when Import Suppliers enter the Supplier of Last Resort (SoLR) process, but where export supplies remain with a separate legal entity (e.g. a subsidiary of a parent company). Please note, AMR metering is outside the scope and not relevant to this modification request.

The existing BSC, REC, SEC (and possible DCUSA) conditions are causing a large and unnecessary administrative burden for Export Suppliers due to the requirement to engage with a large number of Supplier Agents in the market to try and reach both a commercially and technically viable solution with each Supplier Agent. This has created a barrier to the registration of Export MSIDs for the Settlement of microgeneration, and the use of metered Export in the Feed-in Tariff (FiT) Scheme. This is due to Import

[1] https://www.retailenergycode.co.uk/extra/wp-content/uploads/2021/08/REC-Schedule-14-Metering-Operations.pdf
[2] https://smartenergycodecompany.co.uk/

Supplier Agents either being unwilling or technically unable to accept an appointment or requiring prohibitively expensive contract terms to provide a service.

Aside from the impact on energy Suppliers, the current arrangements are also affecting commercial innovation with solar installers that are looking to offer schemes similar to the FiT whereby they obtain the commercial rights for the MSID associated with a Smart Meter in return for offering lower rates of finance. This type of arrangement is extremely difficult (if not impossible) under the current agreements because large numbers of customers may be barred from accessing deals depending on who their chosen Import Supplier is.

Desired outcomes

For DCC adopted smart meters, Export Suppliers to be able to appoint Supplier Agents of their choice to the Export MSIDs that may be different to the agents appointed by the associated Import MSID. This will result in the benefits outlined on the Solution section of this Modification Proposal Form.

2 Solution

Proposed Solution

Our proposed solution to this issue is that BSC Section J 4.1.5, J 4.1.6, Schedule 14 of the REC, and SEC Section H 'DCC Services' 1.6[3] and SEC Appendix AD 'DCC User Interface Specification (DUIS)' section 3.1[4] are altered so that Suppliers can appoint a Supplier Agent of their choice to an Export MSID, irrespective of the Supplier Agent appointed to the Import MSID for DCC adopted smart meters. The DCC can only accept the Export Suppliers User ID number if the Party holds an Electricity Supply Licence. The solution should also consider what the necessary relationship should be between the Import and Export appointed agents, and any appropriate procedures that need to be established because of the change.

It has been highlighted that changes to the DCUSA may be required as well -this will be assessed during the Assessment Procedure.

The solution will ensure that where a Supplier appoints an SVA, MOA or DC to an Export MSID other than the one appointed to the Import MSID, the requisite data transfer can take place between the Import Supplier Agent and Export Supplier Agent, via a defined process or data flow. It will also clarify the roles and responsibilities of the respective Supplier Agents should certain situations, such as investigations of meter fault or tampering, to ensure the solution's positive impact on BSC Objective (d).

We have outlined two possible solutions to this problem, however we welcome alternative proposals to shape the enduring solution.

Option 1 – New Export Supplier Dataflows

A data transfer process to be designed and codified to facilitate necessary flows of information between Suppliers and their Agents (e.g. meter exchange or meter removal).

Option 2 – Utilising Existing Industry Arrangements

A Supplier could use extracts from the Electricity Enquiry Service (EES) and DCC to identify any attributes or changes to the Metering Equipment associated with the Import MSID. This process could mitigate the risk that the standing data items between the Import and Export MSID becoming out of sync.

The following checks could constitute an example of such checks to be made to identify sites that have a metering issue or where a meter has been exchanged.

- DCC alerts
    - A user could check daily for DCC alerts. For example, if an N6 (Schedule Removal because of Device Decommission) alert is received this would identify a potential meter exchange.
- Export Supplier actions

[3] https://smartenergycodecompany.co.uk/document-download-centre/download-info/sec-section-h-dcc-services/

[4] https://smartenergycodecompany.co.uk/document-download-centre/download-info/sec-appendix-ad-dcc-user-interface-specification-v3-1/

- Will be required to take actions when an unhappy path scenario has occurred. For example, missing schedule reads, or no response actions would identify a potential issue with the metering comms or that a meter exchange has taken place.

When an issue has been identified either by an alert or action, an Export Supplier could investigate by sending a DCC read inventory request. This could be used to determine if any changes have been made to the smart metering inventory as this would be updated as soon as the meter is commissioned whereas EES industry data can take days or weeks to be updated.

If a meter exchange occurred, the Export Supplier could obtain remote reads from the Meter and set up a new schedule to receive regular reads for export payment purposes. When the Import MSID has been updated with the Meter Technical Details the Export Supplier could send this information to their appointed MOA via an agreed process. This could allow the MOA to update the Meter Technical Details (MTDs) against the Export MPAN within the industry.

Should designing and implementing a solution in line with Option 1 prove a significantly time-consuming process, a solution in line with Option 2 could prove to be a useful interim solution, for those suppliers and agents who are able to ensure a robust process.

Additional DCC Considerations

Due to the DCC interactions between Import Suppliers, Export Suppliers and Other Users, we recommend reviewing several scenarios to ensure that consistent levels of data protection is afforded to Export Supplier data. This would require special consideration consent to access Export Supply data (e.g. a tenant could be the Import Supply customer, however the Export Supply could be contracted to another legal entity, such as a Housing Association or a Feed-in Tariff rent-a-roof scheme). Current arrangements should be reviewed to prevent inadvertent access to Import Supply or Export Supply data by organisations that lack the correct or relevant consent to access the data.

1. Import Supplier and Export Supplier retrieving their own data.
2. Import Supplier retrieving data via a third party (using a DCC adapter) and vice versa.
3. Both Suppliers retrieve data via a third party (using a DCC adapter).
4. Other User accessing Export Supply data whilst only having consent from the Import Supply customer.

Benefits

Implementation of this change will:

1. Promote the benefit of Smart Metering by encouraging new and innovative tariffs on the market.
2. Encourage commercial innovation in the microgeneration space from companies other than energy suppliers (e.g. energy services and financial organisations)
3. Aligns the BSC, REC, SEC and DCUSA conditions to the Ofgem Feed-in Tariff Supplier Guidance terms[5].
4. Encourages Feed-in Tariff administrators to move customers from (estimated) Deemed export payments to metered export payments for Sub-30kW metering by removing a barrier to appoint the same Supplier Agents as the Import Supplier.
5. Improves the accuracy and settlement of Feed-in Tariff export levelisation payments.
6. Prevents Export Suppliers from inadvertently becoming non-compliant with industry codes.

[5] https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers

7. Delivers consistent data protection across DCC roles (i.e. Other User access to export reads).
8. Lowers the cost to suppliers, which in turn allows suppliers to offer customers higher prices for export energy as less costs need to be recovered from the customers tariff price.
9. A lower cost to deliver metered export services, leading to more attractive products and propositions and consequent faster deployment of low carbon micro-generation.

This proposal has already been assessed via a Sandbox application[6], where the BSC Panel agreed with Elexon's assessment against the Applicable BSC Objectives: that it would have positive impacts on BSC Objectives (c) (Promoting effective competition in the generation and supply of electricity) and (d) (Promoting efficiency in the implementation of the balancing and settlement arrangements).

Ofgem rejected Good Energy's sandbox application as they were 'not persuaded that it is necessary for Good Energy's proposed methodology to be trialled in advance of and to inform the deliberations of an industry modification working group', and believe these benefits would be better realised by Good Energy raising modifications to the BSC and REC.

[6] https://www.elexon.co.uk/documents/bsc-codes/sandbox-procedure/bsb003-good-energy-report-to-panel-1-sep-2022/

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

Objective (c): By removing a barrier to the registration of Export MSIDs for the Settlement of microgeneration, the use of metered Export in the FiT scheme will become a more viable solution for other Suppliers looking to register Export MSIDs for Smart Metering Equipment, thus stimulating competition.

Objective (d): Removing a barrier to the registration of Export MSIDs will result in more energy being accurately metered and settled as opposed to ‘deemed’, which will improve Settlement accuracy.

4 Potential Impacts

Impacts on Core Industry Documents

Impacted Core Industry Documents			
☐Ancillary Services Document	☐Connection and Use of System Code	☐Data Transfer Services Agreement	☐Use of Interconnector Agreement
☒Retail Energy Code	☐ Transmission License	☐System Operator Transmission Owner Code	☐Supplemental Agreements
☐Distribution Code	☐Grid Code	☒ Smart Energy Code	☐ Other (please specify)

Due to requirements set out in Schedule 14 of the REC, this will need to be a cross code modification to address the issue.

SEC Section H 'DCC Services' 1.6 and SEC Appendix AD 'DCC User Interface Specification (DUIS)' section 3.1 will need to be also impacted and part of the cross code modification, as well as the DCUSA.

Impacts on BSC Systems

Impacted Systems				
☐CRA	☐CDCA	☐PARMS	☐SAA	☐BMRS
☐EAC/AA	☐FAA	☐TAAMT	☐NHHDA	☐SVAA
☐ECVAA	☐ECVAA Web Service	☐Elexon Portal	☐Other (Please specify)	☒ None

No expected impacts on BSC systems.

Impacts on BSC Parties

Impacted Parties			
☒Supplier	☐Interconnector User	☐Non Physical Trader	☒Generator
☐Licensed Distribution System Operator	☐National Electricity Transmission System Operator	☐Virtual Lead Party	☐Other (Please specify)

Suppliers will be able to appoint Supplier Agents to an Export Meter which differ from those already appointed to an associated Import Meter. They may need to implement system or process changes in order to facilitate this depending on the solution arrived at as a result of this modification proposal.

Small-scale Generators will be positively impacted as this change will reduce the number of Feed in Tariff participants being paid on deemed export.

Impacts on consumers and the environment

Impact of the Modification on consumer benefit areas:	
Consumer benefit area	Identified impact
Improved safety and reliability *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?* The greater the proportion of micro-generation (both domestic and business) premises having their export metered accurately, instead of being unsettled in the industry – either via Deemed FiT or unregistered microgeneration -the better information industry parties will have about the volumes of electricity being exported onto the Distribution network. This could inform network reinforcement and maintenance as the UK moves towards a more decentralised energy system in the future.	**Positive**
Lower bills than would otherwise be the case *Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?* *If possible, this section should include any quantifiable benefits.* This change will lead to reduced costs to suppliers operating export propositions, more efficient settlement of export volumes, and greater incentives for customers to install a smart meter in order to take advantage of improved offerings. The impact of this change on Suppliers' ability to bring these products forward will increase the incentive to invest in microgeneration technologies, which will also lower the bills of those who use the electricity generated on-site, rather than importing from the grid.	**Positive**
Reduced environmental damage *Will this proposal support:* • *new providers and technologies?* • *a move to hydrogen or lower greenhouse gases?* • *the journey toward statutory net-zero targets?* • *decarbonisation?* This change will: Make it feasible for new and innovative providers of export and/or flexibility services to come to market, where they could not currently do so due to the administrative barriers and commercial gatekeeping facilitated by the status quo. The more competition exists in the export market, the better the propositions will get for consumers, the greater the incentives to invest in low carbon technologies become, and the lower the UK's energy system-related emissions will be.	**Positive**

Improved quality of service *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.* Current arrangements have caused a stagnation in the development of products and services for owners of microgeneration, but also left the quality of existing schemes and services wanting. The incentives to install smart meters that this change will provide will reduce overall administrative burden and costs for customers.	**Positive**
Benefits for society as a whole *Are there any other identified changes to society, such as jobs or the economy.*	**Neutral**

Legal Text Changes

So far, we have identified the need for changes on:

BSC Section J 'Party Agents & Qualification Under the Code'.
REC Schedule 14.
SEC Appendix AD – DCC User Interface Specification v3.1.
SEC Section H – DCC Services.

5 Governance

Self-Governance

☒ **Not Self-Governance –** A Modification that, if implemented:	
☐ materially impacts the Code's governance or modification procedures	☐ materially impacts sustainable development, safety or security of supply, or management of market or network emergencies
☒ materially impacts competition	☒ materially impacts existing or future electricity consumers
☐ materially impacts the operation of national electricity Transmission System	☐ is likely to discriminate between different classes of Parties
☐ 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	
☐ **Self-Governance –** A Modification that, if implemented:	
Does not materially impact on any of the Self-Governance criteria provided above	

This Modification Proposal will materially impact competition as it will remove the constraint that requires Export Suppliers to appoint the same Supplier Agents as the Import Supplier, incentivising more Suppliers to offer services for Export MSIDs. This will also materially impact consumers as it will provide more choice for Export customers.

Progression route

☒ **Submit to assessment by a Workgroup** –:A Modification Proposal which:	
does not meet any criteria to progress via any other route.	
☐ **Direct to Report Phase** – A Modification Proposal whose solution is typically:	
☐ of a minor or inconsequential nature	☐ deemed self-evident
☐ **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:	
☐ updating names or addresses listed in the Code	☐ correcting minor typographical errors
☐ correcting formatting and consistency errors, such as paragraph numbering	☐ updating out of date references to other documents or paragraphs
☐ **Urgent –** A Modification Proposal which is linked to an imminent issue or current issue that if not urgently addressed may cause:	
☐ a significant commercial impact on Parties, Consumers or stakeholder(s)	☐ 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	

We believe this Modification should be submitted for assessment by a Workgroup as there are at least two solution options and careful consideration of cross code impacts, including MHHS.

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

We have identified an impact on the Electricity Settlement Reform Significant Code Review (MHHS SCR), but believe the proposal is compatible with the overall MHHS solution. We therefore invite Ofgem to mark this Modification Proposal as SCR Exempt, subject to further assessment and MHHS impact assessment.

Market Wide Half Hourly Settlement

Although the proposed Modification is compatible with the overall MHHS solution, there is an element of the MHHS design that would need to be amended to allow the solution to be implemented. This is the proposed auto-alignment of Supplier Agent (DC and MOA) appointments for Import/Export relationships through the Registration Service (based on validation checks carried out by the Registration Service). This part of the MHHS design is intended to facilitate the existing BSC and REC requirements for such agent appointments, rather than being a central tenet of MHHS.

Code Drafting is currently underway for Migration, hence will be also impacted by this change, but can be managed through re-baselining activities, if needed.

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

This Modification Proposal is not expected to impact BSC provisions that constitute EBGL Article 18 T&Cs, nor should it extend them. The REC, SEC and DCUSA do not discharge any EBGL obligations.

Implementation approach

We believe this Proposal should be implemented as soon as possible, subject to industry impact assessment and consideration. Given the arrangements are proposed to be optional, we propose this Modification is implemented 5WDs after Ofgem approval. As this will be a Cross Code Change Package, the implementation approach will need to be considered Cross Code, to ensure that the implementation aligns, including the results of a MHHS Change Request.