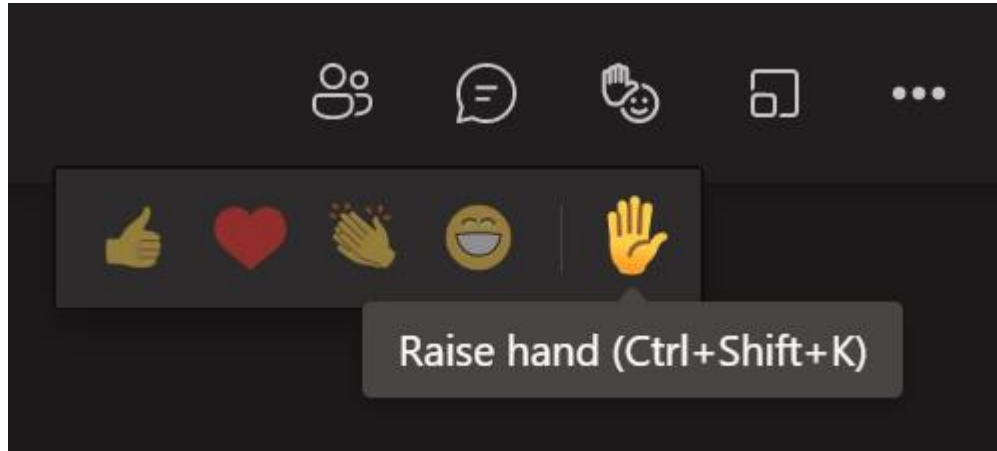


P425 Digital Meeting Etiquette

- Welcome to the P425 Workgroup meeting 1 – we'll start shortly
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk – use the Raise hand feature in the Menu bar in Microsoft Teams if you want to speak, or use the Meeting chat



- Lots of us are working remotely – be mindful of background noise and connection speeds

ELEEXON

**P425 'Amendment to the definition of
Shared SVA Meter Arrangement'**

Meeting 1

10 November 2021

Meeting Agenda

Objectives for this meeting:

- Agree Terms of Reference;
- Agree the solution to be taken forward for legal review and industry consultation; and
- Gather Workgroup initial views.

Agenda Item	Lead
1. Welcome and meeting objectives	Lawrence Jones (Chair)
2. Background	Lee Stone (Proposer)
3. Terms of Reference	Jenny Sarsfield (Lead Analyst)
4. Proposed solution	Lorna Lewin (Design Authority)
5. Workgroup discussion	Workgroup
6. Next steps	Jenny Sarsfield
7. Meeting close	Lawrence Jones



BACKGROUND

Shared SVA Metering Arrangement

- There are established rules within the BSC that facilitate the ability for Metered Volumes to be split over primary and “pseudo” secondary Metering System Identifiers (MSIDs).
- In practice these arrangements are used to facilitate companies who wish to split the costs and payments between companies who have a shared interest in a site within the I&C market e.g. shared investment in a generation asset.
- Whilst the BSC facilitates these arrangements it also currently prevents the same supplier from being able to supply both primary and secondary MSIDs.
- It is our understanding that the 2 or more supplier rule was part of the original implementation of Shared SVA Metering Arrangements, however we do not perceive that a single Supplier supplying such a arrangement carries additional settlement risks.

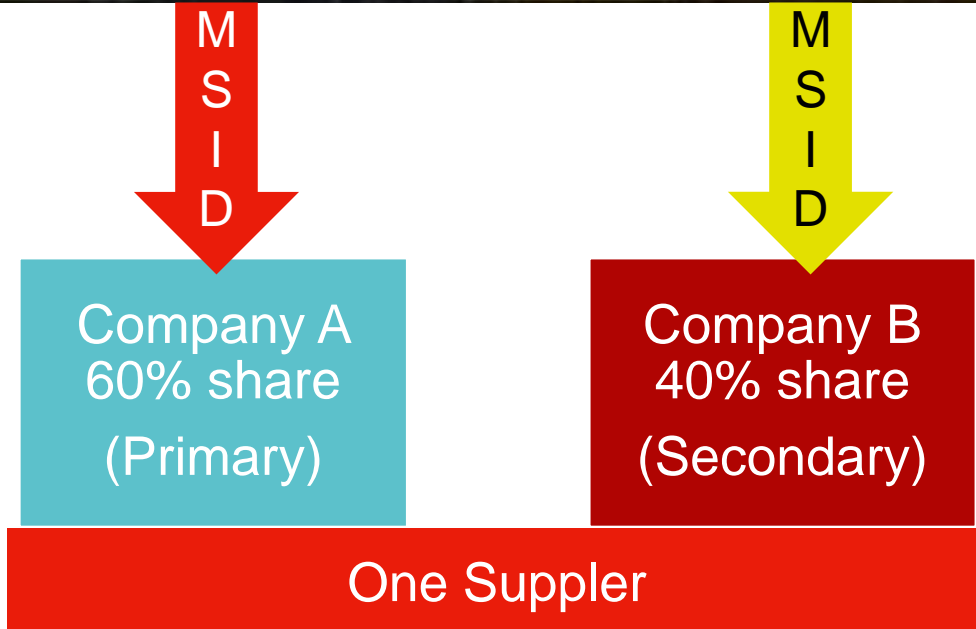


Company A 60%
share
(Primary)
Supplier A



Company B 40%
share
(Secondary)
Supplier B

P425 and Shared SVA Metering Arrangements



- We believe that the existing rule adds complexity such as:
 - **Initial set up** – Both customers must find separate Suppliers, who then need to co-ordinate with each other and its agents to complete set up (including meter installation).
 - **Future registrations** – There is limited information available to Suppliers in registration of the MSID, leading to a possibility that suppliers unknowingly registering secondary MSIDs whilst also supplying the primary MSID.
 - **Barrier to competition** – The Primary Supplier can not supply the entire site under a single Supplier ID, so the secondary customer does not have access to whole supply market.
- As such, we believe that removing the requirement for 2 or more Suppliers to facilitate a Shared SVA Metering Arrangement will better facilitate **Applicable BSC Objectives (c) and (d)**, by reducing complexity and competition barriers, and increasing efficiency.



TERMS OF REFERENCE

P425 Terms of Reference

- a) How will P425 impact the processes outlined in BSCP550?
- b) Are there any additional network impacts and impacts on other codes i.e. Distribution Connection Use of System Agreement (DCUSA), as result of P425?
- c) What responsibilities should be placed on Suppliers in terms of notifying Elexon of arrangements?
- d) What would the benefit of P425 be?
- e) How can pseudo MPANs be better identified in the market?
- f) How will P425 impact the BSC Settlement Risks?
- g) What changes are needed to BSC documents, systems and processes to support P425 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?
- h) Are there any Alternative Modifications?
- i) Should P425 be progressed as a Self-Governance Modification?
- j) Does P425 better facilitate the Applicable BSC Objectives than the current baseline?
- k) Does P425 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

Self-Governance Criteria and Applicable BSC Objectives

Self-Governance Criteria:

- 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:
 - Correcting minor typographical errors;
 - Correcting formatting and consistency errors, such as paragraph numbering; or
 - Updating out of date references to other documents or paragraphs;
- Is unlikely to have a material effect on:
 - Existing or future electricity consumers; and
 - Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
 - The operation of the national electricity transmission system; and
 - Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
 - The Code's governance procedures or modification procedures; and
- Is unlikely to discriminate between different classes of Parties.

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



PROPOSED SOLUTION

P425 Proposed Solution

Shared SVA Meter Arrangements are described in Section K of the SBC, and the processes behind them are set out in BSCP550

- Allow Suppliers to divide the recorded volume at the boundary meter
- Normally data splits are agreed ahead of time based on a percentage basis, a fixed allocation of volume, or using non-Settlement Meters
- The calculation of the split is done by the HHDC, who then provides data to settlement via the normal data flows
- Each additional Supplier is required to register a 'pseudo-secondary' MSID against the property, to which their volumes are assigned

The proposed solution is to amend the definition of a Shared SVA Metering Arrangement, to allow multiple Suppliers to continue facilitating Shared SVA Metering Arrangements, while also allowing a single Supplier to make use of such an arrangement

This would require updates to:

- [BSC Section K 'Classification and Registration of Metering Systems and BM Units' Section 2.5](#)
- [BSC Section X 'Annex X-1 'General Glossary'](#)
- [BSCP550 'Shared SVA Meter Arrangement of Half Hourly Import and Export Active Energy'](#)

	Shared SVA Meter Arrangement Definition
Current	A single Supplier Volume Allocation (SVA) Metering System, comprising Half Hourly Metering Equipment, that is the responsibility of two or more Suppliers.
Proposed	A single Supplier Volume Allocation (SVA) Metering System, comprising Half Hourly Metering Equipment, that is the responsibility of one or more Suppliers.

Exempt Supply

A similar solution was considered for [Issue 96](#) 'Assessing the reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt and licensed supply'

Issue 96 is still ongoing and seeks to develop an enduring solution to allow correct reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt supply and licensed supply

During the first Issue 96 Workgroup it was discussed that allowing a single Supplier to facilitate a Shared SVA Meter Arrangement would remove an anomaly of the BSC, but would not fully address the exempt supply issue

Some aspects of the ToR relate to this solution being utilised for exempt supply, but this is only one potential use for Shared SVA Metering Arrangements



WORKGROUP DISCUSSION

How will P425 impact the processes outlined in BSCP550?

- Consider the end to end process
- Would specific instructions for single Supplier arrangements be required?
- BSCP550 contains interface and timetable information for the following instances:
 - New Connection or Transfers from CMRS to SMRS
 - Change of Supplier for an Existing Shared SVA Metering System
 - Change of HHDC for an Existing Shared SVA Metering System
 - Change of Meter Operator Agent for an Existing Shared SVA Metering System
 - Energise a Shared SVA Metering System
 - De-energise a Shared SVA Metering System
 - Physical Disconnection of a Shared SVA Metering System Following De-energization
 - HHDC Collects and Sends Consumption Data
 - Determination of Measurement Class for Import Site
- Elexon view is that additional or amended processes will be required relating to single Supplier arrangements

Are there any additional network impacts and impacts on other codes as result of P425?

- Potential impacts for facilitating licence exemptions
- Consider impacts to Distribution Connection Use of System Agreement (DCUSA)

What responsibilities should be placed on Suppliers in terms of notifying Elexon of arrangements?

- As part of the current interim exempt supply process, there is an obligation on the Supplier to notify Elexon whenever any contractual arrangements change
- Elexon view is that if a Shared SVA Meter Arrangement is being used for exempt supply, it should meet the exempt supply requirements, but otherwise there is no need to notify Elexon

What would the benefit of P425 be?

- Where would Shared SVA Meter Arrangement with a single Supplier be beneficial?
- Would any WG members be likely to utilise a Shared SVA Meter Arrangement with a single Supplier? Why or why not?
- For example, for sub-letting within a site

How can pseudo MPANs be better identified in the market?

- Consider an Electricity Central Online Enquiry Service (ECOES) or Supplier Meter Registration Service (SMRS) solution
- Should a solution be included within this Modification or explored further separately?

How will P425 impact the BSC Settlement Risks?

- List of SVA risks with relevant risks in bold
 - **001 SVA Risk: Metering Point Registered Incorrectly**
 - 002 SVA Risk: Metering System Attributes are incorrect
 - 003 SVA Risk: Metering Equipment Installations are incorrect
 - 004 SVA Risk: Metering Equipment changes are not notified
 - 005 SVA Risk: Metering Equipment Faults are not resolved
 - 006 SVA Risk: Incorrect Meter detail transfer on change of agent
 - 007 SVA Risk: Metered Data is not retrieved
 - 008 SVA Risk: Metered Data is not processed or transferred
 - 009 SVA Risk: Data Aggregator Processing incorrect
 - 010 SVA Risk: Transfer of Meter Read History incorrect
 - 011 SVA Risk: Unmetered Supplies volumes calculated incorrectly
 - **012 SVA Risk: Meter System Technical Details inaccurate**
 - 013 SVA Risk: Manual Adjustments to Metered Data incorrect
 - 014 SVA Risk: Agent not appointed correctly
 - 015 SVA Risk: Reference Data incorrect
 - 016 SVA Risk: Energisation Status incorrect
 - 017 SVA Risk: exception reports not managed correctly
 - 018 SVA Risk: Revenue Protection volumes are not settled
- Elexon view is that the BSC Settlement Risk for Shared SVA Meter Arrangements will be no different for Shared SVA Meter Arrangements for single suppliers when compared to the current multiple Supplier processes

What changes are needed to BSC documents, systems and processes to support P425?

- What are the related costs and lead times?
- When will any required changes to subsidiary documents be developed and consulted on?
- Proposer view of impacts and costs:
 - **Code and Subsidiary Documents – Low**
 - BSC Section K 'Classification and Registration of Metering Systems and BM Units'
 - BSC Section X 'Annex X-1 'General Glossary'
 - BSCP550 'Shared SVA Meter Arrangement of Half Hourly Import and Export Active Energy'
 - Document only change
 - **BSC Parties and Party Agents - Low**
 - Suppliers
 - Half Hourly Meter Operators
 - Half Hourly Data Collectors
 - Processes and systems are expected be the same as those utilised for multiple Supplier arrangements
 - Suppliers are not required to offer Shared SVA Meter Arrangements

Are there any Alternative Modifications?

Should P425 be progressed as a Self-Governance Modification?

- Proposer view:
 - P425 should **not** be treated as a Self-Governance Modification
 - The Modification will materially alter the commercial arrangements and better facilitate completion

Does P425 better facilitate the Applicable BSC Objectives than the current baseline?

- Proposer view:
 - P425 would **better facilitate Applicable BSC Objective (c)** - Promoting effective competition in the generation and supply of electricity
 - Would enable customers involved in Shared SVA Metering Arrangements to approach all relevant Suppliers for future supply contracts
 - Current requirement acts as a barrier to competition

 - P425 would **better facilitate Applicable BSC Objective (d)** - Promoting efficiency
 - Would allow a single Supplier to set up a Shared SVA Metering Arrangement for customers, reducing the need for communication between Suppliers
 - Current requirements mean that multiple Suppliers would have to work in a timely and co-ordinated manner to achieve the same outcome
 - P425 facilitates more efficient and simplified Shared SVA Metering Arrangements

Does P425 impact the EBGL provisions held within the BSC?

- If so, what is the impact on the EBGL Objectives?
- Proposer view:
 - This Modification will not impact the EBGL Article 18 terms and conditions
 - BSC Section K 2.5 is not specified in the mapping given in Section F Annex F-2
 - It is not anticipated to extend the terms or conditions



NEXT STEPS

Next Steps

- Issue WG meeting notes confirming key outcomes and agreed next steps
- Organise second Workgroup

Progression Timetable for P425

Event	Date
Workgroup meeting 2	W/C 13 November
Assessment Procedure Consultation (15WDs)	10 January 2022 – 28 January 2022
Workgroup meeting 3	W/C 7 February 2022
Present Assessment Report to Panel	10 March 2022
Report Phase Consultation	16 March 2022 – 1 April 2022
Present Draft Modification Report to Panel	4 April 2022
Issue Final Modification Report to Authority	20 April 2022

MEETING CLOSE

ELEXON

THANK YOU

Jenny Sarsfield

jenny.sarsfield@elexon.co.uk

bsc.change@elexon.co.uk

10 November 2021