

Modification Proposal – BSCP40/03	MP No: 218 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal : Facilitating Microgeneration within the BSC	
Submission Date: 23rd October 2007	
Description of Proposed Modification <p>The modification is to create a process to allow more microgeneration to be accounted for within the settlement process by treating it in a similar way to NHH unmetered supplies.</p> <p>Each supplier will have a single Pseudo Meter (MPAN) in each GSP group. The supplier will keep a schedule of all sites where they have microgeneration including the type and kW rating of the generation. This will be sent to a new agent (Microgeneration Export Operator) who will use an agreed calculation to create a single export EAC based on a supplier's aggregated microgeneration within each GSP group and assign it to the relevant pseudo meter (MPAN). This will then be passed into settlements as per normal, and will be netted off the supplier's take by the relevant NHHDA.</p>	
Description of Issue or Defect that Modification Proposal Seeks to Address <p>Currently, microgeneration is proving too costly to enter into the settlement arrangements. The costs to the supplier have been deemed to be greater than the energy benefit because of the relatively small amount of energy concerned. Ofgem in its reasoning for rejection of modification P213 suggests that only a generator exporting in excess of 400kW a year could be viable under current arrangements. This means export of less than 400kW a year are potentially loss making to Suppliers, and Suppliers would need to see export well above that to commercially enter the market.</p> <p>Under this proposal there would be no requirement for the customer to have settlement standard export metering or an export MPAN. The supplier would only need to record the relevant information which is updated as required and sent to the new agent (Microgeneration Export Operator) who then calculates the EAC for the relevant pseudo meter (MPAN), and passes that to the supplier's appointed NHHDC/DA.</p>	
Impact on Code <p>The code would need to recognise the new agent (Microgeneration Export Operator), agree to formula for calculating the EAC. They would probably require an additional BSCP.</p>	
Impact on Core Industry Documents or System Operator-Transmission Owner Code	

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<p>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties No impact on the BSC systems, although it may be deemed that the software used to calculate the EAC be created by Elexon to sit along side the current EAC/AA calculator.</p>	
<p>Impact on other Configurable Items</p>	
<p>Justification for Proposed Modification with Reference to Applicable BSC Objectives</p> <p>The proposal meets objective C (The promotion of 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) in that it promotes competition in the microgeneration market. The reason that unmetered supplies exists the current market was the cost of metering small amounts of demand (e.g. each street light) was uneconomic, and microgeneration is in the same situation except it is on the export side of the coin.</p> <p>The proposal meets Objective D (The promotion of efficiency in the implementation and administration of the balancing and settlement arrangements) in that it removes the complexities of the market for the smallest generation sites, and makes the administration of these sites more efficient. It also protects the market as currently most microgeneration is outside the settlement arrangements and thus ends up in the Group Correction Factor.</p> <p>The proposal also meets Ofgem’s obligation to promote sustainability.</p>	
<p>Urgency Recommended: No</p>	
<p>Justification for Urgency Recommendation</p>	

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Attachments: No (delete as appropriate) (mandatory by originator)

If Yes, Title and No. of Pages of Each Attachment: