

New CP Assessment

New CP Assessment for:

- CP1442 'Clarifying the application process for Metering Dispensations'

ELEXON



Committee

Imbalance Settlement
Group

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About This Document

This document provides information on one new Change Proposal (CP) and outlines our proposed progression timetable for this change, including when it will be issued for CP consultation in the next suitable Change Proposal Circular (CPC) batch.

We are presenting this paper to capture any comments or questions from Imbalance Settlement Group (ISG) Members on this CP before we issue it for consultation.

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1 CP1442 'Clarifying the application process for Metering Dispensations'

Background

Balancing and Settlement Code (BSC) [Section L 'Metering'](#) requires Metering Equipment to comply with the requirements set out in the relevant metering Code of Practice (CoP) at the time the Metering Equipment is first registered for Settlement. For financial or practical reasons, Metering Equipment does not always comply with all of the relevant CoP requirements. Where this occurs, the Registrant can apply for a Metering Dispensation from the CoP requirements, the process for which is set out in [BSC Procedure \(BSCP\) 32 'Metering Dispensations'](#). ELEXON presents applications for Metering Dispensations to, for approval by, the ISG and/or the Supplier Volume Allocation Group (SVG) under delegated authority from the BSC Panel¹.

What is the issue?

Metering Dispensation applicants do not always provide essential information in the initial application form (BSCP32/4.1). This results in the relevant Panel Committees not being able to reach a determination without seeking further evidence. This leads to inefficiencies and delays in the end-to-end process.

We have identified the following issues in the current process:

- applicants do not always provide justification as to why the Metering Dispensation should be on a 'lifetime' (enduring) or temporary basis;
- applicants do not always provide justification for the materiality figures provided in the application form;
- the current process to establish whether some or all of an application is confidential is not efficient, as it does not require the applicant to provide justification for confidentiality upfront. This can lead to lengthy discussions between ELEXON and the applicant; and
- applicants do not always provide adequate technical and/or financial information for the Metering Dispensation Review Group (MDRG) to make a recommendation on whether the relevant Panel Committee(s) should approve an application.

Proposed solution

ELEXON raised [CP1442](#) to propose the following changes to the Metering Dispensation process, which will be reflected in BSCP32:

- We will provide additional guidance on how to populate the Metering Dispensation application form for submission. This guidance will help to inform the applicant of the level of detail we require to progress the application and for the relevant Panel Committee(s) to make an informed decision.
- As part of the initial application, we will require justification for the term of the Metering Dispensation (i.e. whether it is lifetime or temporary). The MDRG and the

¹ The BSC Panel has delegated responsibility for the CoP documents to the ISG and the SVG. The ISG is responsible for CoPs 1, 2, 3 and 4 and the SVG is responsible for CoPs 3, 4, 5, 6, 7, 8, 9 and 10. Metering Dispensation applications against CoPs 3 and 4 therefore need to be approved by both Panel Committees.



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What is the MDRG?

The MDRG is a review group formed of industry Metering experts that supports the ISG and the SVG in the technical review of Metering Dispensation applications, providing independent advice and recommendations.

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relevant Panel Committee(s) shall look into the length of the Metering Dispensation in conjunction with estimated materiality on Settlement and potential business revenue loss for the applicant, had a CoP compliant Metering System been installed.

- Applicants will support their applications by providing a Risk Rating and detailed justification of any risk to Settlement arising from the Metering Dispensation. Justification on how the risk rating is derived shall be provided by the applicant. The risk rating should relate to solely the applicant's view and is intended to stimulate thought into any impact from the Metering Dispensation. The risk rating shall be derived as:
 - overall risk rating = impact * probability
- If the applicant requires an application to be either partly or wholly confidential, it will be required to submit a clear justification² for confidentiality to ELEXON as part of the Metering Dispensation application. Unless agreed otherwise, ELEXON will deem the following information as public information:
 - the site name;
 - the Metering Dispensation number;
 - the expiry date for the dispensation; and
 - the MDRG's recommendation on approval or rejection.
- Changes will also be made to the layout of the BSCP32/4.1 form to improve clarity following these changes.

The full detail on how the changes described above will be implemented will be provided as part of the CP Consultation.

Rationale for change

We believe CP1442 will ensure that Metering Dispensation applicants provide information, with improved levels of justification, to allow the relevant Panel Committees and the MDRG to better understand the situation and make informed decisions on Metering Dispensation applications. This will reduce the time required for ELEXON to process the applications and improve efficiency.

The CP will also promote transparency in the Metering Dispensation process, as it requires applicants to provide improved levels of justification, including for anything that they request to be confidential. By strengthening the requirements for justifying an application and releasing more information regarding each Metering Dispensation into the public domain, applicants may be more incentivised to avoid applying for a dispensation and therefore install CoP compliant Metering Equipment. Also, potential applicants will have more information available to them about past applications and the level of detail required to support an application, which should help them when deciding whether to raise a dispensation.

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² Such justifications shall include, but not limited to, concerns over substantial reputational impact, corporate damage due to issues outside of the control of the business, information security or commercial sensitivity.

Likely impacts and costs

Central impacts and costs

CP1442 will cost ELEXON £240 (equating to one man day of effort) to implement the document changes. There will be no system changes required to implement this CP.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none">BSCP32	<i>None</i>

BSC Party and Party Agent impacts

There are no impacts anticipated on BSC Parties and Party Agents in implementing this CP. However, future Metering Dispensation applicants will be required to provide more information when submitting a new application.

Proposed progression

The table below outlines the proposed progression plan for CP1442:

Progression Timetable	
Event	Date
New CP Assessment presented to ISG for information	26 May 15
New CP Assessment presented to SVG for information	02 Jun 15
CP Consultation	08 Jun 15 – 03 Jul 15
CP Assessment Report presented to ISG for decision	21 Jul 15
CP Assessment Report presented to SVG for decision	04 Aug 15
Proposed Implementation Date	05 Nov 15 (Nov 15 Release)

2 Recommendations

We invite you to:

- **NOTE** that one new CP has been raised;
- **NOTE** our proposed progression timetable for this CP;
- **PROVIDE** any comments before we issue this CP for consultation; and
- **NOTE** that we will also present CP1442 to the SVG for initial comment on 2 June 2015.

Appendix 1: Glossary & References

Acronyms

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

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code (<i>Industry Code</i>)
BSCP	Balancing and Settlement Code Procedure (<i>Code Subsidiary Document</i>)
CoP	Code of Practice (<i>Code Subsidiary Document</i>)
CP	Change Proposal
CPC	Change Proposal Circular
ISG	Imbalance Settlement Group (<i>Panel Committee</i>)
MDRG	Metering Dispensation Review Group (<i>advisory group</i>)
SVG	Supplier Volume Allocation Group (<i>Panel Committee</i>)

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
2	BSC Sections page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/
2	BSCPs page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/related-documents/bscps/?show=all
2	CP1442 page on the ELEXON website	https://www.elexon.co.uk/change-proposal/cp1442/