

P395 'Excluding generators from BM Unit Gross Demand and the calculation of EMR Supplier Charges'

Workgroup Meeting 1

19 February 2020



Health & Safety

In case of an emergency

An alarm will sound to alert you. The alarm is tested for fifteen seconds every Wednesday at 9.20am

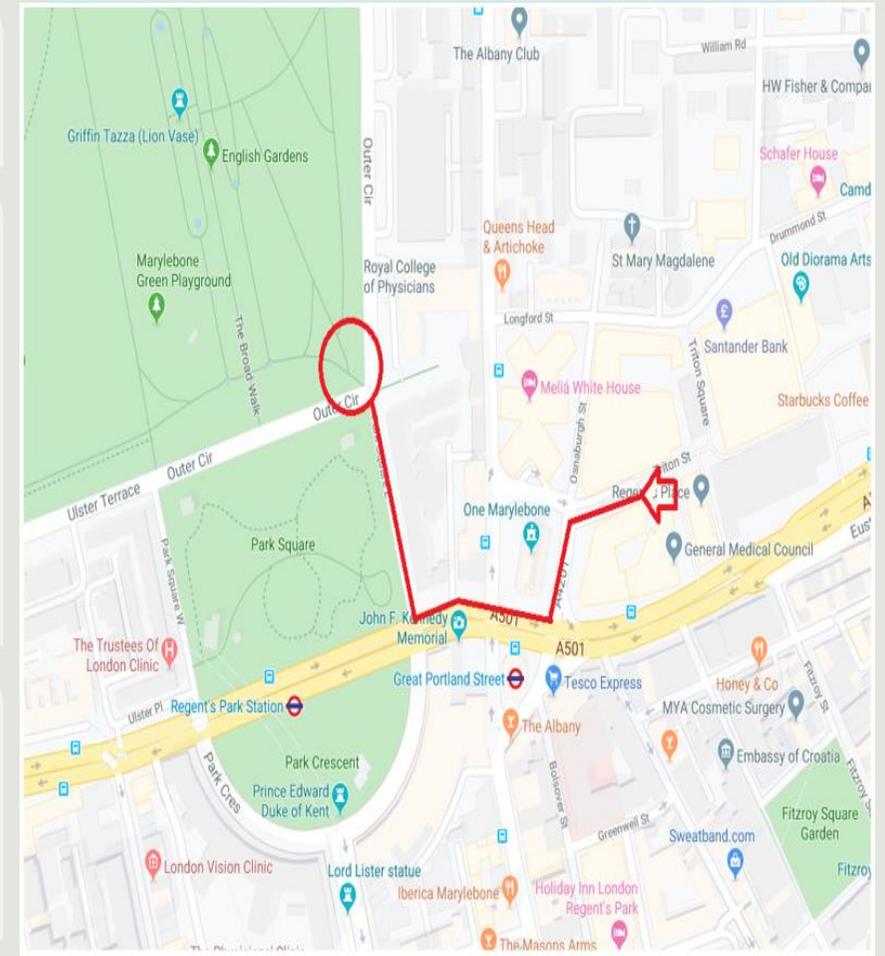
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- If you discover a fire, operate one of the fire alarms next to the four emergency exits.
- Please do not tackle a fire yourself.
- If you hear the alarm, please leave the building immediately.
- Evacuate by the nearest signposted fire exit and walk to the assembly point.
- Please remain with a member of ELEXON staff and await further instructions from a Fire Warden.
- For visitors unable to use stairs, a Fire Warden will guide you to a refuge point and let the fire brigade know where you are.

When evacuating please remember

- Do not use the lifts.
- Do not re-enter the building until the all clear has been given by the Fire Warden or ground floor security.

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Meeting Agenda

- Consideration of P395 and the background including previous Modifications that P395 looks to build on;
- Consider the P395 Terms of Reference; and
- Agree initial solution and areas for further development at future meetings.

Agenda item	Lead
1. Welcome and meeting objectives	Lawrence Jones (Chair)
2. Terms of reference and timetable	Ivar Macsween (Lead Analyst)
3. Overview of P395	Jack Presley Abbott (Proposer)
4. Background to P395 <ul style="list-style-type: none">• P395 defect• Interim EMRS solution	Nick Rubin (Design Authority)
5. P395 proposed solution <ul style="list-style-type: none">• Relationship with P344, P375 and P383	Nick Rubin, Workgroup
6. Areas for consideration	Workgroup
7. Next steps	Ivar Macsween
8. Meeting close	Lawrence Jones



P395 Terms of Reference

P395 Workgroup Terms of Reference *(1 of 2)*

- a) Which Imports should be chargeable?
- b) How should Imports to Licensed Generation be calculated?
- c) Should the HHDC report both Boundary Point and Asset Metering Systems' Metered Data to SVAA?
- d) What are the costs and benefits of the method for apportioning the electricity Imported to a storage facility between chargeable and non-chargeable Imports?
- e) How best to transition from the interim to the enduring solution?

P395 Workgroup Terms of Reference *(2 of 2)*

- f) What changes are needed to BSC documents, systems and processes to support P395 and what are the related costs and lead times?

- g) Are there any Alternative Modifications?

- h) Should P395 be progressed as a Self-Governance Modification?

- i) Does this Modification Proposal better facilitate the Applicable BSC Objectives than the current baseline?



Any comments or questions?



Overview of P395

P395: Background

- The BSC requires BSCCo to provide the EMR SSP with “EMR Settlement Data” required to calculate CfD and CM charges.
- SAA-I042 BM Unit Gross Demand Report identifies the gross Import for each Suppliers’ BM Units in each Settlement Period.
- BEIS and Ofgem made clear that the Supplier Obligation is not payable in relation to electricity Suppliers have provided to generators (including storage) operated by generation licensees.
 - I.e. a supply that is not a ‘Supply’!
- On 8 November 2018 the BSC Panel agreed an interim solution to mitigate the impact of this issue, which was implemented by EMRS in February 2019.
 - The interim solution intentionally focused on straightforward sites.
- P395 aims to build on the solutions to P344, P375 and P383.

■ **Issue:**

- Currently the BM Unit Gross Demand Report attributes to Suppliers all electricity they have provided to generators (including storage facilities) operated by generation licensees.

■ **Proposed Solution:**

- Amend BSC systems and processes so that the SAA-I042 ‘BM Unit Gross Demand Report’ only includes electricity ‘supplied’ to premises by licensed Suppliers, and therefore excludes electricity imported by Generators operated by a licensee for generation activities (i.e. those activities authorised by their generation licence to carry on).

■ **Objective (f):**

- The EMR SSP is not able to levy CfD and CM charges on Suppliers in a manner consistent with EMR Legislation.
- Resolving this issue will allow the EMR SSP to operate these arrangements consistently with EMR Legislation.

■ **Objective (b):**

- Removing artificial and unintended barriers to the use of Storage may also allow additional Storage to be integrated into the electricity system.



Background to P395 defect

P395: Interim Solution (Status Quo)

- In February 2019 EMRS has implemented an interim solution to deal with straightforward sites that can be charged correctly using data from the Boundary Point Metering System, without needing data from on-site 'sub-metering'.
- EMRS is currently able to avoid charging Suppliers for Imports to Generation or Storage operated by generation licence holders that:
 1. Has its own connection to the Transmission System or Distribution System (i.e. does not share a connection with demand); and
 2. Has Imports and Exports registered in the same system i.e. both in the Supplier Meter Registration System (SMRS) or both in the Central Meter Registration System (CMRS).
- This solution only applies to stand-alone storage and therefore behind-the-meter storage assets are unable to use this interim solution.
- Additionally, whilst in principle the interim solution applies to CVA metered storage assets, this has so far not been successful for CVA-metered stand-alone storage at this time.

P395: Interim Solution (Status Quo)

- EMRS excludes volumes from Suppliers payment using the following process:
 1. Generation Licence holder completes a Director's Certificate signed by the licence holder's director that the meter is solely recording imports for carrying out activities authorised by its licence;
 2. Supplier submits a PDF of the completed Director's Certificate to EMRS Service Desk on behalf of the licence holder;
 3. Half Hourly Metered Data for relevant sites will be provided to EMRS by Supplier's Party Agent using existing DTC data flows; and
 4. Upon successful validation, EMRS will update the Suppliers EMR Aggregation Rules and confirm back to the Supplier this has been applied.

P395: Summary of P395 defect

- Original problem – *see Proposal Form, Table 1*
 - CFD and CM Supplier Charges inconsistent with regulations. Supplier was charged for Imports to a Generator operated by a generation licence holder for generation-related activities, i.e. not a 'supply'
- EMRS interim solution
 - enabled simple SVA sites to be declared and Imports excluded
 - Complex, collocated sites and CVA sites not covered
- Interim + 'difference metering'? – *see Proposal Form, Table 2*
 - Still inconsistent with regulations.
- In summary, the SAA's BM Unit Gross Demand Report to the EMR SSP currently includes Imports that ought to be excluded from CFD and CM charges.

What should be charged for?

No.	Scenario	Pre-interim solution (Table 1)	Interim + Difference Metering (Table 2)	Correct outcome (Table 4)
1.	Electricity imported from Total System, and used by a Licensee-operated Generator.	Supplier charged on Imports to Licensee-operated Generation.	Supplier not charged.	Not chargeable (as the electricity was supplied to a licensee-operated generator for activities authorised by their Generation Licence).
2.	Electricity imported from Total System, and used for some non-generation licensed purpose (e.g. end use by a customer, or exempt generation).	Supplier charged on Imports to customer.	Supplier charged on Imports to customer.	Chargeable – the electricity was supplied to the premises by a Supplier, and is therefore subject to EMR levies.
3.	Electricity imported from Total System, stored for a period of time in a generation Licensee-operated Storage Facility, and then Exported back to the Total System.	Supplier charged on Imports to the Storage (in relation to the Settlement Period in which the Import occurred).	Supplier not charged.	Not chargeable (as the electricity was supplied to a licensee-operated Generator for activities authorised by their Generation Licence).
4.	Electricity imported from Total System, stored for a period of time in a Licensee-operated Storage Facility, and then used on-site for some non-generation licensed purpose (e.g. end use by a customer, or exempt generation).	Supplier charged on Imports to the Storage (in relation to the Settlement Period in which the Import occurred).	Supplier charged at the point in time the electricity is used by the Customer (not the point in time it is supplied to the premises and stored).	Chargeable – the Licensee-operated generator has not just stored the electricity, but has also provided it to an on-site Customer. This is an exempt supply activity (not a Licensed Generation activity), and therefore the original supply to the premises (which was stored) is supply (for the purposes of the Act). EMR levies should be charged on this supply.
5.	Any electricity generated on-site (from something other than electricity, i.e. not storage), regardless of whether it's used on-site, or stored and subsequently Exported.	Supplier not charged.	Supplier charged for electricity generated on-site and used by the Customer – this is because the difference metering gives the impression that the on-site generation has been Exported to the Distribution System and subsequently Imported from the Distribution System. Supplier not charged where the registrant of the Customer's Import Metering System is not a licensed Supplier.	Not chargeable (as it was not supplied to the premises).

What should be charged for?

Term of Reference a) - Which Imports should be chargeable?

- This is our assessment of which Imports should be chargeable. Do the Workgroup agree?

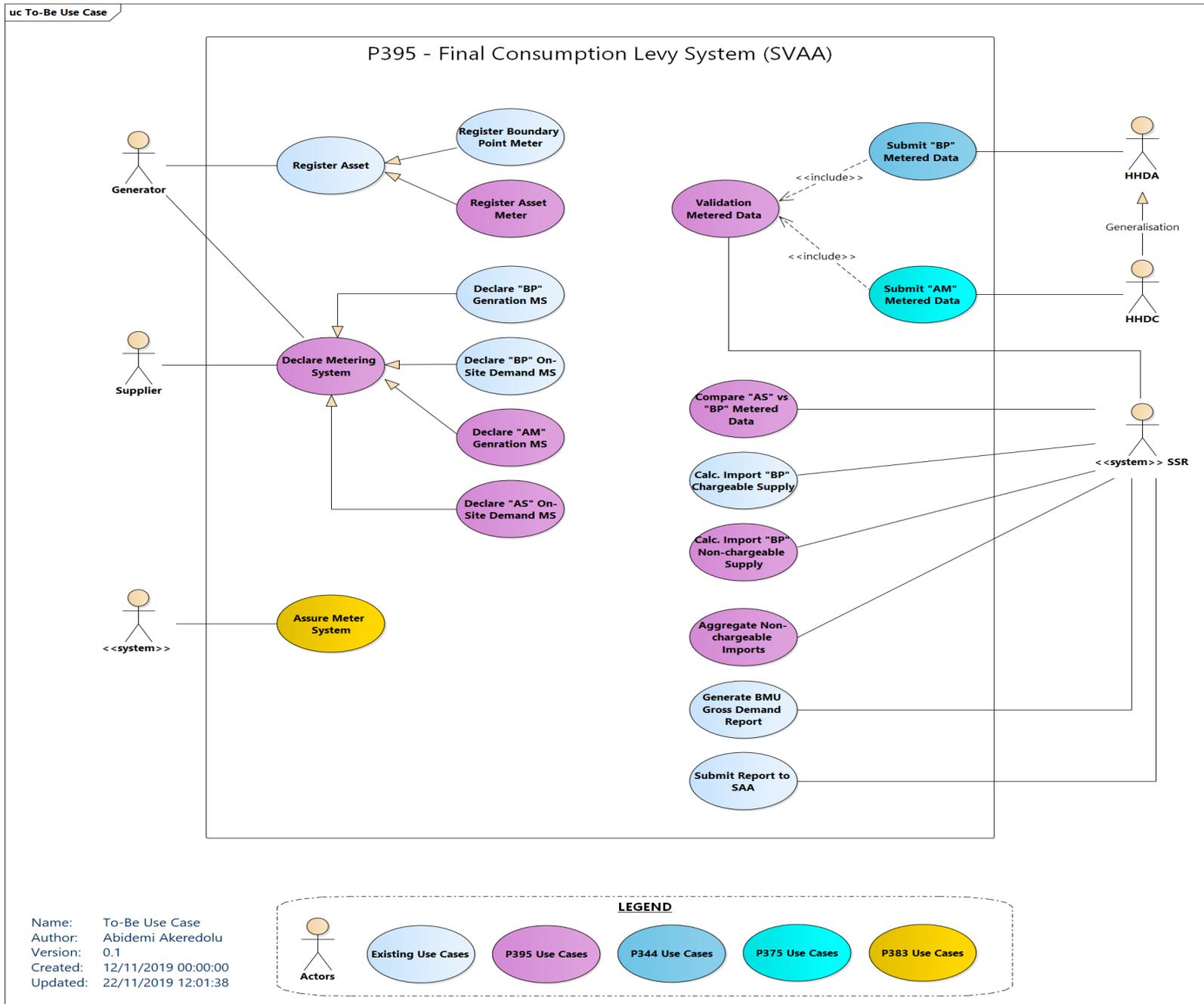


Proposed P395 Solution

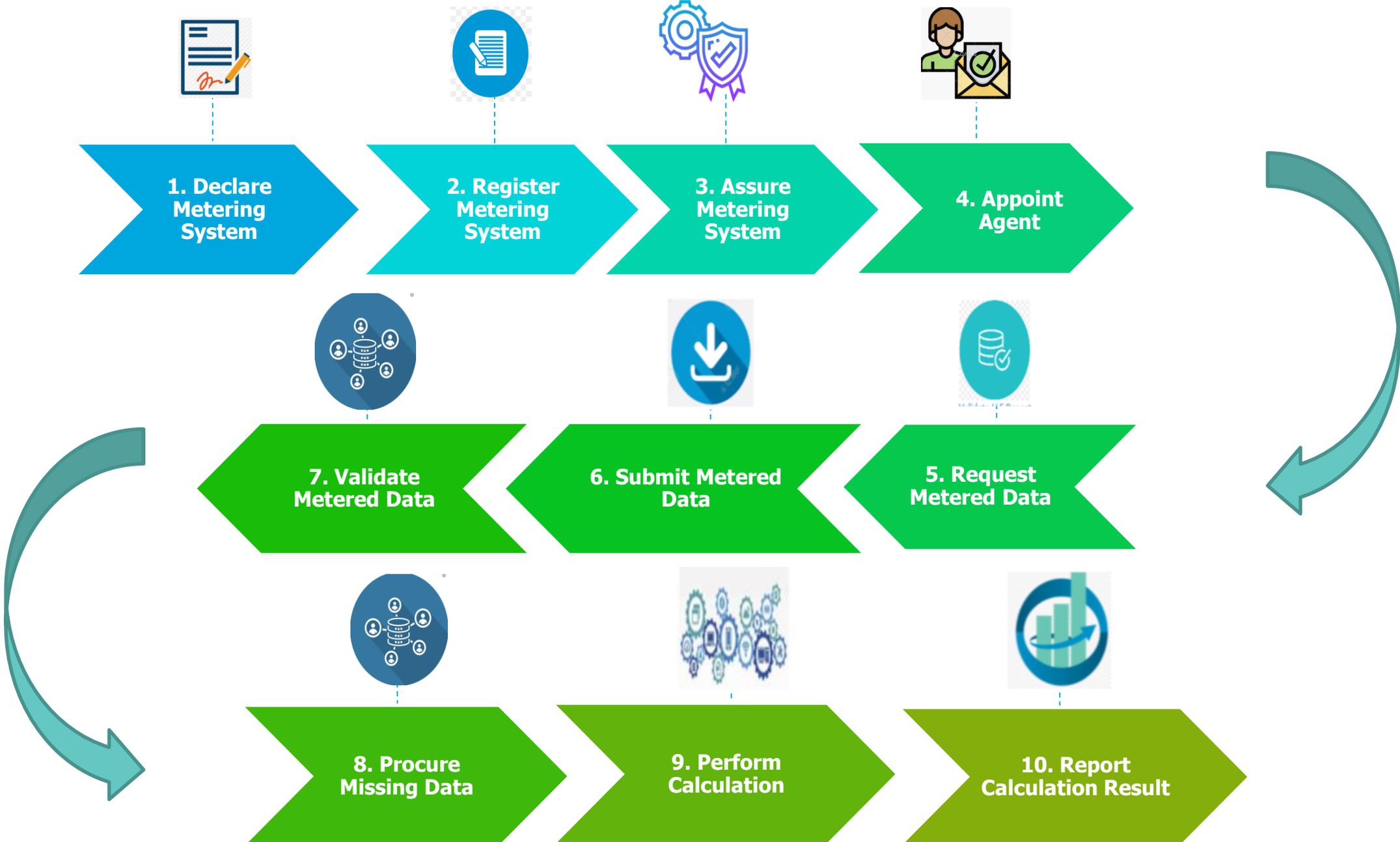
P395: Proposed Solution

- Aim: to amend BSC systems and processes so that the SAA-I042 'BM Unit Gross Demand Report' only includes electricity 'supplied' to the premises by the Supplier, and therefore excludes electricity imported by Generators operated by a licensee for generation activities (i.e. those activities authorised by their licence to carry on)
- High level requirements:
 - Baseline the interim solution
 - Implement a solution for complex, co-located sites
 - Ensure application for both CVA and SVA metered sites
 - Thus providing EMRS an accurate calculation of final demand

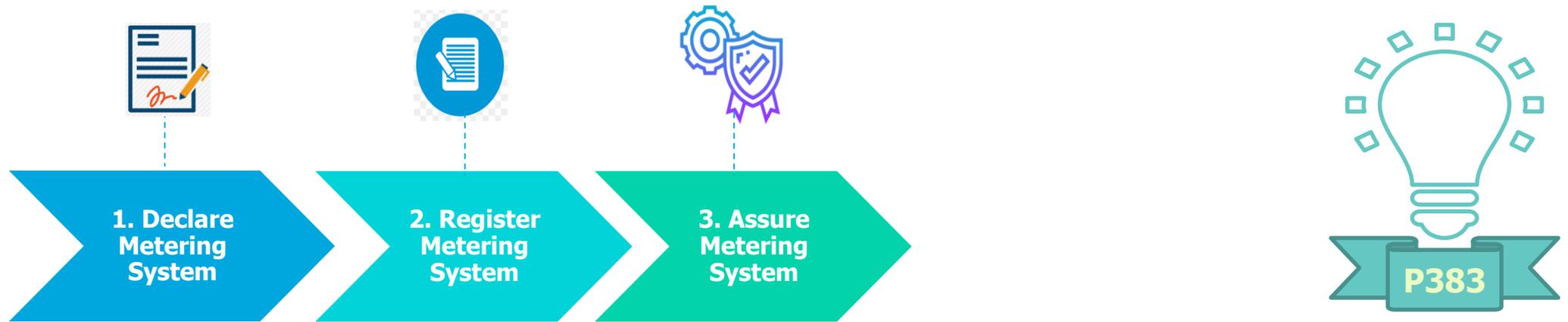
P395 Use Case



P395: Proposed Solution



P395: Proposed Solution



Process for Declaring Metering Systems associated with Licensed Generation or Storage

- P395 needs a process to allow Suppliers and/or generation licensees to declare which (Boundary Point and Asset) Metering Systems are metering licensee-operated generation and where necessary any other on-site demand. This process would be potentially similar to:
 - The process already introduced by EMRS for the interim solution (except that it would apply to Asset Metering Systems as well as Boundary Point Metering Systems, and would be operated by a BSC Agent rather than EMRS).
 - The process developed for P383 except that it would apply to Asset Metering Systems as well as Boundary Point Metering Systems, and all Licensed Generation (not just Licensed Storage).

P395: Background to P383

- P383 would enable the aggregation of specific Metering Systems' metered data for network charging purposes, introducing processes explaining how Suppliers, Half Hourly Data Aggregators (HHDAs) and the Supplier Volume Allocation Agent (SVAA) participate in the aggregation and reporting of storage facilities' Metering Systems' metered data and enable the BSC Panel and BSCCo to perform assurance activities in relation to the aggregation of this data.
- P395 aims to incorporate elements of the solution to P383:
 - Utilising the self-declaration process introduced by P383 except that it would apply to Asset Metering Systems as well as Boundary Point Metering Systems, and all Licensed Generation (not just Licensed Storage).

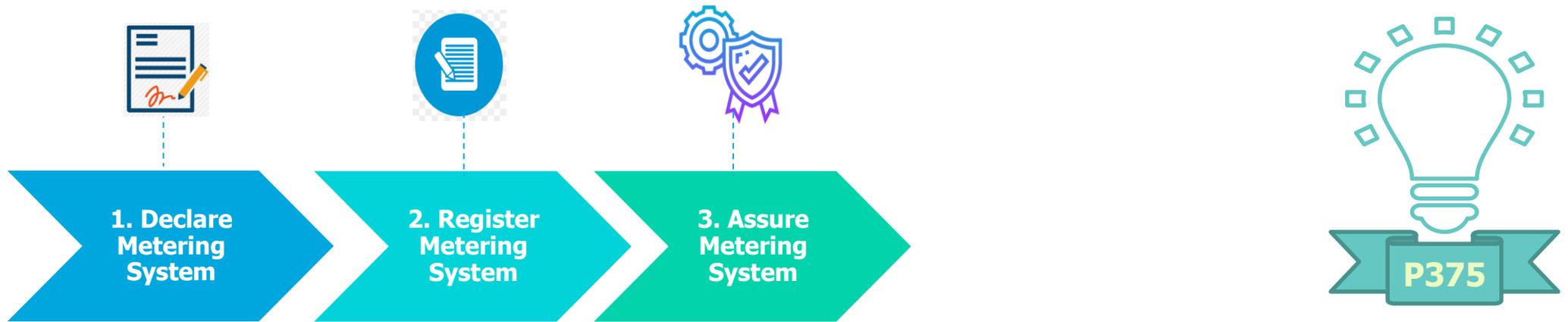
P395: Proposed Solution



Registration of Asset Metering Systems

- For simple sites – as per the interim solution; also allow declaration of simple CVA sites.
- For complex sites – as part of declaration, ELEXON requires information about both boundary and asset meters located behind the Boundary Point.
 - Data from asset metering would be used for calculating chargeable volumes, but would not be relevant to Imbalance Settlement (unlike the 'difference metering' arrangements which are already possible under the BSC).

P395: Proposed Solution



- For complex SVA sites where the Boundary Point metering is registered in SMRS, the required registration and data collection processes would be very similar to those already being developed for P375 ([Settlement of Secondary BM Units using metering behind the site Boundary Point](#)).
 - The main difference is that the Asset Metering Systems in question would be registered by Licensed Generators (or Suppliers acting on their behalf), rather than Virtual Lead Parties.
- CVA?
 - A similar approach to that proposed by P375 will be defined by this modification and followed by the CDCA for sites where the Boundary Point metering is registered in CMRS.

P395: Background to P375

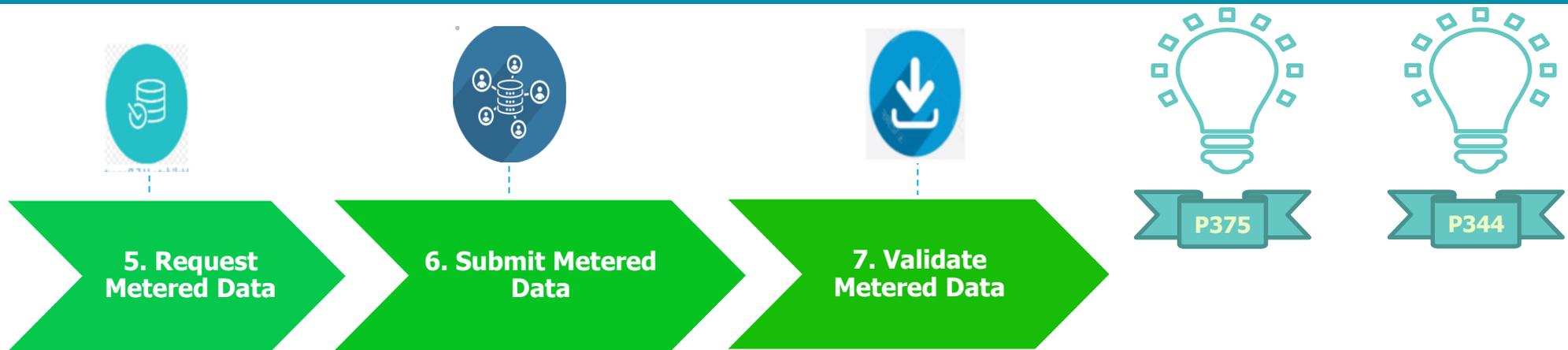
- The objective of the P375 solution is to define the standards of metering for the behind the Boundary Point meters.
- A (centrally) administered meter registration system will exist for the Asset Meters with the requisite changes to the accompanying Code Subsidiary Documents and Configurable Items.
- P395 aims to incorporate elements of the solution to P375:
 - BSC processes for collecting and processing data from sub metering developed during the Assessment Procedure for P375 that enable SVAA to receive metered data for Asset Meters from HHDCs; and
 - The main difference is that the Asset Metering Systems in question would be registered by Licensed Generators (or Suppliers acting on their behalf), rather than Virtual Lead Parties.

P395: Proposed Solution



- Both the interim solution and P383 include assurance mechanisms to detect and rectify any abuse of the process (such as declarations of Metering Systems measuring end-use demand as well as Licensed Generation).
 - The new solution will also need to include such mechanisms.

P395: Proposed Solution



- In order to calculate how much of the Imports to a site are chargeable, SVAA will need to receive metered data from relevant Boundary Point and Asset Metering Systems.
- For sites where the Boundary Point metering is registered in SMRS, the required processes are either in place, or already being developed:
 - In February 2019, Modification P344 introduced processes for SVAA to request metered data for relevant Boundary Point Metering Systems from HHDA's. These processes can be used for this Modification also.
 - The solution being developed by the P375 Workgroup include a process for SVAA to receive metered data for Asset Meters from Half Hourly Data Collectors (HHDCs)
- The Workgroup will need to develop equivalent arrangements for sites where the Boundary Point and Asset metering is registered in CMRS.

P395: Background to P344

- P344 was raised to align the Balancing and Settlement Code (BSC) with the European Balancing Project TERRE (Trans European Replacement Reserves Exchange) requirements.
- P395 aims to incorporate elements of the solution to P344:
 - Processes introduced by P344 for SVAA to request metered data for relevant Boundary Point Metering Systems from HHDAs;

P395: Proposed Solution



8. Procure Missing Data

- What about missing data?
- HHDCs and the CDCA follow rules set out in the BSCPs for estimating or defaulting missing metered data
 - We propose that the agent responsible for collecting data from Asset Meter uses the HHDC and CDCA rules if there is missing data

P395: Proposed Solution



9. Perform Calculation

- Simple sites – only require the collection of boundary point data
- Complex sites – require :
 - boundary and asset metered data, AND
 - A method for determining what BTM flows are chargeable and non-chargeable

- In order determine chargeable and non-chargeable Imports at a complex site, we propose that SVAA and CDCA will need a two-stage process as follows:
 - **Step 1** – compare metered data from the Boundary Point Metering System with Asset Metering System metered data for Licensee-operated Generation and Storage, in order to establish the source and destination of electricity flows within that Settlement Period; and
 - **Step 2** – categorise the Imports from the Total System as chargeable or non-chargeable.
 - **Step 3** – determine what Imports (if any) to a Storage Facility are chargeable.

P395: Proposed Solution



9. Perform Calculation

■ Complex sites Establishing Power Flows within each Settlement Period

– For example, the metered data might be as follows in Figure 2:

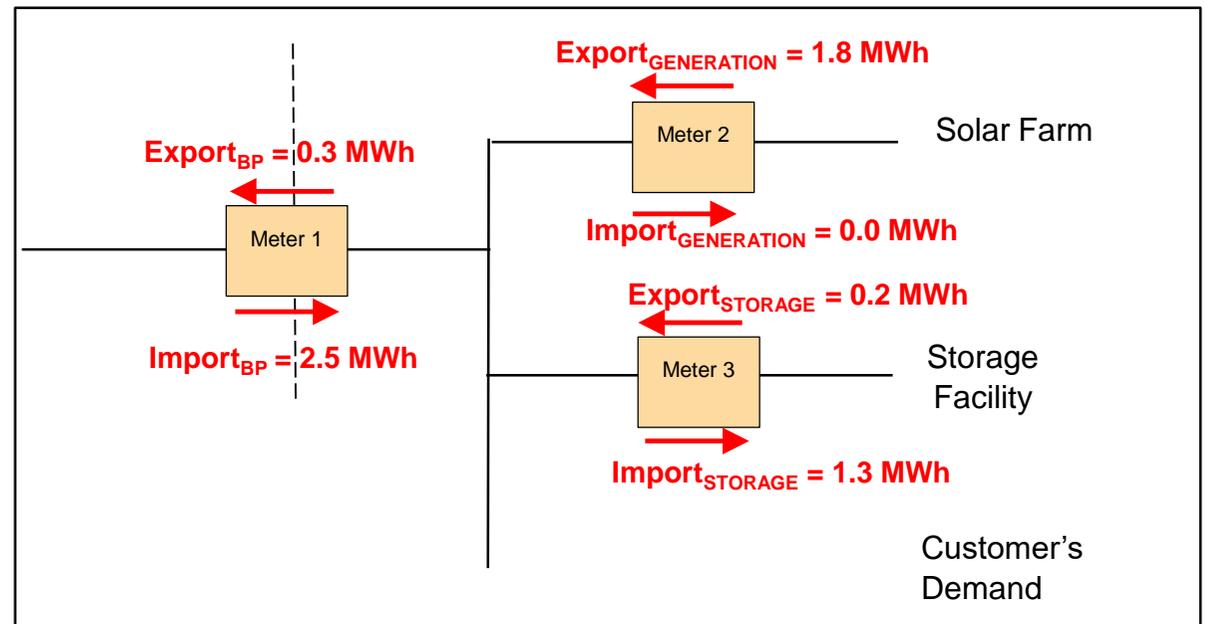


Figure 2 – Example of Power Flows within a Settlement Period

P395: Proposed Solution

- In order to facilitate correct charging of power flows at this site, SVAA or CDCA will need to apportion power flows between the different users on site. Specifically, it will need to:
 - Apportion the gross Import at the Boundary Point between Licensee-operated Generation, Licensee-operated Storage and the Customer (in order to establish how much of it should be treated as chargeable supply); and
 - Apportion any Export from Licensee-operated Storage between the Licensee-operated Generation and the Customer (because the charging treatment of stored energy depends on where it is ultimately used, as per Table 4 above).

INPUTS - METERED DATA		
	Gross Import	Gross Export
Boundary Point	2.5	0.3
Licensed Generation	0	1.8
Licensed Storage	1.3	0.2

P395: Proposed Solution

- Our proposal - for discussion and agreement by the Workgroup – is that SVAA or CDCA should apportion power flows as follows. A spreadsheet model (attached to this Proposal) illustrates the steps:

INPUTS - METERED DATA		
	Gross Import	Gross Export
Boundary Point Licensed	2.5	0.3
Generation	0	1.8
Licensed Storage	1.3	0.2

STEP 1A - NET IMPORTS AND EXPORTS (calculated by differencing for the customer)		
	Import	Export
Boundary Point	2.2	0
Licensed Generation	0	1.8
Licensed Storage	1.1	0
Customer Demand	2.9	0

P395: Proposed Solution

- **Step 1A** - establish the net Import or Exports at the Boundary Point, and for each type of user on site (i.e. Licensee-operated Generation, Licensee-operated Storage and Customer). For the Licensee-operated Generation and Licensee-operated Storage this is just a matter of netting metered Import from metered Export.

STEP 1A - NET IMPORTS AND EXPORTS (calculated by differencing for the customer)		
	Import	Export
Boundary Point	2.2	0
Licensed Generation	0	1.8
Licensed Storage	1.1	0
Customer Demand	2.9	0

- For the Customer the net usage of electricity would established through differencing. In this example:

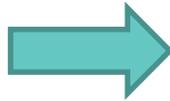
$$\text{Customer Import} = (2.5 - 0.3) - (0.0 - 1.8) - (1.3 - 0.2) = 2.9 \text{ MWh}$$

- We propose that the calculation should take the same approach to on-site electrical losses as that proposed by the P375 Workgroup i.e. using voltage-based Line Loss Factors.

P395: Proposed Solution

- The end result of step 1A is a net power flow for each class of user. These will (in total) always match the net power flow at the Boundary Point. In this specific example the net power flows would be as follows:

INPUTS - METERED DATA		
	Gross Import	Gross Export
Boundary Point	2.5	0.3
Licensed Generation	0	1.8
Licensed Storage	1.3	0.2



STEP 1A - NET IMPORTS AND EXPORTS (calculated by differencing for the customer)		
	Import	Export
Boundary Point	2.2	0
Licensed Generation	0	1.8
Licensed Storage	1.1	0
Customer Demand	2.9	0

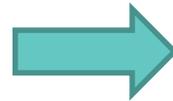
P395: Proposed Solution

- **Step 1B** – allocate the gross Imports (or Exports) at the Boundary Point between different classes of on-site user, in proportion to their net Imports (or Export). Note that the reason for allocating the **gross** power flows at the Boundary Point (rather than the **net** power flows) is that EMR levies are based on gross Imports. In this case:
 - The 2.5 MWh of gross Imports at the Boundary Point would be split 27.5% to the Licensee-operated Storage Facility and 72.5% to the Customer (in proportion to their net Imports); and
 - The 0.3 MWh of gross Exports at the Boundary Point would be allocated 100% to the Licensee-operated Generation (as the only net Exporter in that Settlement Period)

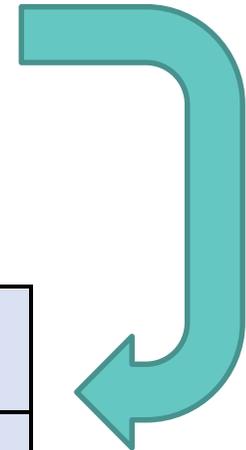
P395: Proposed Solution

- The end result of step 1B is a determination of the Boundary Point power flows for which each class of user is responsible:

INPUTS - METERED DATA		
	Gross Import	Gross Export
Boundary Point	2.5	0.3
Licensed Generation	0	1.8
Licensed Storage	1.3	0.2



STEP 1A - NET IMPORTS AND EXPORTS (calculated by differencing for the customer)		
	Import	Export
Boundary Point	2.2	0
Licensed Generation	0	1.8
Licensed Storage	1.1	0
Customer Demand	2.9	0



STEP 1B - APPORTION BOUNDARY POINT FLOWS BETWEEN USERS		
	Import	Export
Licensed Generation	0	0.3
Licensed Storage	0.6875	0
Customer Demand	1.8125	0

P395: Proposed Solution

- **Step 1C** – identify power flows within the site. By comparing the net Import or Export from each class of user (Step 1A) with their flow at the Boundary Point (step 1B), SVAA can determine the energy each class of user has taken from other on-site users:

INPUTS - METERED DATA		
	Gross Import	Gross Export
Boundary Point	2.5	0.3
Licensed Generation	0	1.8
Licensed Storage	1.3	0.2

STEP 1A - NET IMPORTS AND EXPORTS (calculated by differencing for the customer)		
	Import	Export
Boundary Point	2.2	0
Licensed Generation	0	1.8
Licensed Storage	1.1	0
Customer Demand	2.9	0

STEP 1B - APPORTION BOUNDARY POINT FLOWS BETWEEN USERS		
	Import	Export
Licensed Generation	0	0.3
Licensed Storage	0.6875	0
Customer Demand	1.8125	0

STEP 1C - REMAINING NET POWER FLOWS WITHIN SITE		
	Import	Export
Licensed Generation	0	1.5
Licensed Storage	0.4125	0
Customer Demand	1.0875	0

P395: Proposed Solution

■ Step 2 – Categorise Imports as Chargeable or Non-Chargeable

- The next step is to categorise the gross Imports at the Boundary Point as chargeable or non-chargeable, depending on where they were determined (in Step 1B above) to have been used. In the example above, the Boundary Point Imports would be categorised as follows:

STEP 1B - APPORTION BOUNDARY POINT FLOWS BETWEEN USERS		
	Import	Export
Licensed Generation	0	0.3
Licensed Storage	0.6875	0
Customer Demand	1.8125	0

Table 8 – Categorisation of Boundary Point Imports		
	Gross Import at Boundary Point	Charging Treatment (see Table 4)
Licensee-operated Generation	0	Not chargeable
Licensee-operated Storage	0.6875	Potentially chargeable (depending on whether it is subsequently used for purposes of generation or supply)
Customer Demand	1.8125	Chargeable

P395: Proposed Solution

- **Step 3** -In general, categorising Imports as Chargeable or Non-Chargeable (in accordance with Table 4) is straightforward for:
 - Imports used by (non-Storage) Licensee-operated Generation (non-chargeable);
 - Imports used by the Customer (which are chargeable)
- It is less straightforward for Imports to Licensee-operated Storage, as whether or not they are chargeable depends on where the Imports originated and what subsequently happens to them:
 - Imports that are subsequently lost within the Licensee-operated Storage Facility have been used for purposes of carrying out its licence based activity, and are not therefore not chargeable;
 - Imports that are subsequently Exported back to the Total System have been used for purposes of carrying out its licence based activity, and are therefore not chargeable; but
 - Imports that are subsequently sold (or otherwise transferred) to an on-site Customer have been used by the Generator acting as an exempt supply business (rather than for carrying out its generation licence based activity), and are therefore chargeable.

What should be charged for?

No.	Scenario	Pre-interim solution (Table 1)	Interim + Difference Metering (Table 2)	Correct outcome (Table 4)
1.	Electricity imported from Total System, and used by a Licensee-operated Generator.	Supplier charged on Imports to Licensee-operated Generation.	Supplier not charged.	Not chargeable (as the electricity was supplied to a licensee-operated generator for activities authorised by their Generation Licence).
2.	Electricity imported from Total System, and used for some non-generation licensed purpose (e.g. end use by a customer, or exempt generation).	Supplier charged on Imports to customer.	Supplier charged on Imports to customer.	Chargeable – the electricity was supplied to the premises by a Supplier, and is therefore subject to EMR levies.
3.	Electricity imported from Total System, stored for a period of time in a generation Licensee-operated Storage Facility, and then Exported back to the Total System.	Supplier charged on Imports to the Storage (in relation to the Settlement Period in which the Import occurred).	Supplier not charged.	Not chargeable (as the electricity was supplied to a licensee-operated Generator for activities authorised by their Generation Licence).
4.	Electricity imported from Total System, stored for a period of time in a Licensee-operated Storage Facility, and then used on-site for some non-generation licensed purpose (e.g. end use by a customer, or exempt generation).	Supplier charged on Imports to the Storage (in relation to the Settlement Period in which the Import occurred).	Supplier charged at the point in time the electricity is used by the Customer (not the point in time it is supplied to the premises and stored).	Chargeable – the Licensee-operated generator has not just stored the electricity, but has also provided it to an on-site Customer. This is an exempt supply activity (not a Licensed Generation activity), and therefore the original supply to the premises (which was stored) is supply (for the purposes of the Act). EMR levies should be charged on this supply.
5.	Any electricity generated on-site (from something other than electricity, i.e. not storage), regardless of whether it's used on-site, or stored and subsequently Exported.	Supplier not charged.	Supplier charged for electricity generated on-site and used by the Customer – this is because the difference metering gives the impression that the on-site generation has been Exported to the Distribution System and subsequently Imported from the Distribution System. Supplier not charged where the registrant of the Customer's Import Metering System is not a licensed Supplier.	Not chargeable (as it was not supplied to the premises).

P395: Proposed Solution

- However, individual kWh of electricity entering the Storage Facility are obviously not labelled;
- Therefore (in the example above) it is not possible to say when or where the 0.6875 MWh imported by the Storage Facility in this particular Settlement Period was ultimately used.
 - We therefore propose that the 0.6875 MWh should be split into chargeable and non-chargeable components by looking at what happens (on average) over an appropriate Reference Period (e.g. the previous month).
 - SVAA will look at data over the Reference Period to calculate the fraction of net Imports to the Storage Facility that were subsequently supplied to an on-site Customer, and should therefore be treated as chargeable.

P395: Proposed Solution

- For example, if this analysis showed that (over the Reference Period) 35% of net Imports were subsequently supplied to an on-site Customer, SVAA would treat 35% of the electricity Imported into the Storage Facility from the Distribution System as chargeable.
- The Workgroup should consider how best to define the Reference Period (in relation to a given Settlement Period), and how often the fraction of Imports (over that Reference Period) that are chargeable should be calculated.
- Upon this change there may be the opportunity to make further amendments to modifications that address issues with charging methodologies for battery storage, such as CMP280, CMP281, DCP341 and DCP350. Currently these modifications addresses issues for stand-alone batteries. Upon the implementation of this change it may be possible to extend these DCUSA and CUSC modifications to behind-the-meter storage assets.

P395: Proposed Solution



10. Report Calculation Result

- Processes for adjusting BM Unit Gross Demand reported to EMR SSP
- Once SVAA and CDCA have calculated the amount of Imports to Licensee-operated generation at each Boundary Point, appropriate adjustments can be made to the data reported to the EMR SSP:
 - SVAA and CDCA will aggregate the non-chargeable Imports to BM Unit level, and report the total (per Supplier BM Unit or ordinary Primary BM Unit and Settlement Period) to SAA; and
 - SAA will net these non-chargeable volumes off the BM Unit Gross Demand values reported to the EMR SSP.

P395: Proposed Solution

6. Winding Down of Interim Solution

- The new BSC process introduced by this Modification Proposal will be similar to – but broader in scope than – the interim solution currently administered (on behalf of the BSC Panel and LCCC) by EMRS.
- It would not be efficient to run both processes in parallel, so the new solution should replace the interim solution.



Further areas for consideration

P395: further questions

- There are several areas of the P395 Solution that require Workgroup input into their development, e.g.
 - Method for determining volumes at complex site
 - define the Reference Period (in relation to a given Settlement Period), and how often the fraction of Imports (over that Reference Period) that are chargeable should be calculated.
 - Half hourly DA vs DC
 - CVA Asset Meter data collection

P395 Workgroup Terms of Reference

- a) Whether the safeguards proposed by P395 in addition to those developed during P330 and P365 are appropriate?
- b) Whether there will be a direct impact on BSC Parties resulting from implementation of the P395 solution?
- c) What mechanisms should be put in place to ensure BSC Parties benefit from the activities of ELEXON's subsidiaries?
- d) How to ensure that ELEXON is not cross-subsidising the subsidiaries?
- e) Will the proposed solution have an effect on consumers?
- f) What changes are needed to BSC documents, systems and processes to support P395 and what are the related costs and lead times?
- g) Are there any Alternative Modifications?
- h) Should P395 be progressed as a Self-Governance Modification?
- i) Does P395 better facilitate the Applicable BSC Objectives than the current baseline?



Next steps

P395 Next Steps

- Further analysis as appropriate; and
- Business Requirements will be further developed based on outcomes from today.

Event	Date
Present IWA to Panel	14 November 2019
Workgroup meeting 1	19 February 20
Workgroup meeting 2	W/C 23 March 20
Assessment Procedure Consultation	6 April – 24 April 2020
Workgroup meeting 3	W/C 27 April 2020
Present Assessment Report to Panel	7 May 2020
Report Phase Consultation	11 May – 29 May 2020
Present Draft Modification Report to Panel	11 June 2020
Issue Final Modification Report to Authority	15 June 2020

