

Phase[Initial Written Assessment](#)[Definition Procedure](#)[Assessment Procedure](#)[Report Phase](#)[Implementation](#)

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

This Modification aims to reduce the requirement from two or more Suppliers, to one or more Suppliers, to be involved in a Shared Supplier Volume Allocation (SVA) Metering Arrangement. This would allow multiple Suppliers to continue facilitating Shared SVA Metering Arrangements, while also allowing a single Supplier to make use of such an arrangement.

This Report Phase Consultation for P425 closes:

5pm on Friday 29 July 2022

The Panel may not be able to consider late responses.



The BSC Panel initially recommends **approval** of P425



The BSC Panel **does not** believe P425 impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Suppliers;
- Half Hourly Meter Operators (HHMOAs);
- Half Hourly Data Collectors (HHDCs).

Contents

1	Summary	3
2	Why Change?	4
3	Solution	6
4	Impacts & Costs	7
5	Implementation	11
6	Workgroup's Discussions	12
7	Workgroup's Conclusions	15
8	Panel's Initial Discussions	17
9	Recommendations	18
	Appendix 1: Workgroup Details	19



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About This Document



Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read section 1
- Have 15 mins? Read sections 1, 7 and 8
- Have 30 mins? Read all except section 6
- Have longer? Read all sections and the annexes and attachments
- *You can find the definitions of the terms and acronyms used in this document in the [BSC Glossary](#)¹*

This is the P425 Draft Modification Report, which Elexon is issuing for industry consultation on the BSC Panel's behalf. It contains the Panel's provisional recommendations on P425. The Panel will consider all consultation responses at its meeting on 11 August 2022, when it will agree a final recommendation to the Authority on whether or not the change should be made.

There are five parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach. It also summarises the Workgroup's key views on the areas set by the Panel in its Terms of Reference, and contains details of the Workgroup's membership and full Terms of Reference.
- Attachment A contains the draft redlined changes to the BSC for P425.
- Attachment B contains the draft redlined changes to the Code Subsidiary Documents (CSDs) for P425.
- Attachment C contains the full responses received to the Workgroup's Assessment Procedure Consultation.
- Attachment D contains the specific questions on which the Panel seeks your views. Please use this form to provide your responses to these questions, and to record any further views/comments you wish the Panel to consider.

P425
Report Phase Consultation

18 July 2022

Version 1.0

Page 2 of 20

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¹ <https://www.elexon.co.uk/glossary/?show=all>

1 Summary

Why Change?

The existing rules for Shared SVA Meter Arrangements state that the arrangement must be between two or more Suppliers. This places a requirement for each end customer to procure different electricity Suppliers before a Shared SVA Metering Arrangement can be put in place. The current requirement acts as a barrier to competition because the Primary Supplier is prohibited from agreeing supply contracts with all customers involved in a Shared SVA Metering Arrangement.

Solution

This Modification proposes to remove the requirement for a Shared SVA Metering Arrangement to involve two or more Suppliers, with the definition amended so that one or more Suppliers may be involved. This would need to be updated within [BSC Section K 'Classification and Registration of Metering Systems and BM Units'](#)² 2.5 and [BSCP550 'Shared SVA Meter Arrangement of Half Hourly Import and Export Active Energy'](#)³. The definition would also have to be amended in [BSC Section X, Annex X-1 'General Glossary'](#)⁴.

Impacts & Costs

This Modification will impact upon BSC Section K, BSC Section X, Annex X-1, and BSCP550. No impacts on Core Industry Documents or BSC Systems have been identified. Minimal impact to industry is expected.

Costs Estimates			
Organisation	Implementation (£)	On-going (£k)	Impacts
Elexon	<3k	0	Documents
NGESO	0	0	
Industry	0	0	
Total	<3k	0	

Implementation

The Panel initially recommends P425 is implemented via a special release, **five Working Days after the final Authority decision** is made, as it should be implemented at the earliest possible opportunity so that the commercial benefits can be realised.

Recommendation

The Panel initially and unanimously agree that P425 should be **approved**. There was unanimous agreement that the Modification better facilitates BSC Applicable Objective (c), and a majority view that it better facilitates Objective (d). The Panel also believe P425 should be **submitted to Ofgem** for decision (not Self-Governance) and does not impact the EBGL provisions within the BSC.

² <https://www.elexon.co.uk/the-bsc/bsc-section-k-classification-and-registration-of-metering-systems-and-bm-units/>

³ <https://www.elexon.co.uk/csd/bscp550-shared-sva-meter-arrangement-of-half-hourly-import-and-export-active-energy/>

⁴ <https://www.elexon.co.uk/the-bsc/bsc-section-x-annex-x-1-general-glossary/>

What is the issue?

Shared SVA Meter Arrangements provide a useful and meaningful way for certain customers to share both the responsibilities and benefits associated with a single network connection, predominantly in the Industrial & Commercial market segment. For example, two individual companies can agree to make an investment in a generation asset that has a single connection to a Distribution network on a shared investment basis.

The existing rules for Shared SVA Meter Arrangements contained within [BSC Section K 'Classification and Registration of Metering Systems and BM Units'](#) 2.5, and in turn within [BSCP550 'Shared SVA Meter Arrangement of Half Hourly Import and Export Active Energy'](#), state that the arrangement must be between two or more Suppliers. This places a requirement for each end customer to procure different electricity Suppliers before a Shared SVA Metering Arrangement can be put in place. The Proposer believes that the current requirement acts as a barrier to competition because the Primary Supplier is prohibited from agreeing supply contracts with all customers involved in a Shared SVA Metering Arrangement.

Additionally, the requirement for two or more Suppliers can introduce unnecessary set-up issues for customers where the circumstances would be suited to a single Supplier facilitating the Shared SVA Metering Arrangement. Set-up of the arrangement involves the Primary Supplier registering the Meter System Identifier (MSID) while the Secondary Supplier(s) separately register each pseudo Secondary MSID. The Suppliers must also appoint the same Supplier Agents, and agree a volume allocation schedule prior to the arrangement taking effect. This requires each Supplier to form a working relationship and agree who is to act as the Primary Supplier and who is to act as Secondary Supplier(s).

It should be noted that Suppliers are currently able to work around the requirement for a Shared SVA Meter Arrangement to involve two or more Suppliers. One method for a single Supplier to replicate a Shared SVA Metering Arrangement is to use a billing only solution, where an algorithm can be used internally to split the consumption across multiple billing entities. This option also acts as a barrier to competition, as both customers would have to remain with the same Supplier for it to function.

Another method is for the Supplier to use a different Supplier Market Participant Identifier (MPID) in order to act as the Secondary Supplier, and then following the necessary processes described through to conclusion.

The Proposer believes that the requirement for two or more Suppliers to be involved in a Shared SVA Metering Arrangement adds unnecessary complexity that cannot be justified. The need for two or more Suppliers to be involved neither improves the efficiency of the process nor reduces any associated risks to Settlement when compared to a single Supplier facilitating a Shared SVA Metering Arrangement for two or more customers. Furthermore, the requirement acts as a barrier to competition by limiting the Supplier options for customers involved in a Shared SVA Metering Arrangement.

Background

A Shared SVA Meter Arrangement refers to a single SVA Metering System, comprising Half Hourly Metering Equipment, for Exports or Imports that is the responsibility of two or more Suppliers. Shared SVA Metering Arrangements were created to allow multiple Suppliers to settle energy against a single Metering System, with an algorithm used to allocate the energy.

Elxon is unaware of any reason a single Supplier would have been prevented from facilitating a Shared SVA Metering Arrangement. The current drafting reflects the issue that was being solved at the time, and so single Supplier Shared SVA Meter Systems were not considered rather than being excluded explicitly.

P379 'Enabling consumers to buy and sell electricity from/to multiple providers through Meter Splitting'

[P379](#)⁵ was a Modification that sought to enable consumers to be supplied by multiple Suppliers through BSC Settlement Meters at the Boundary Point. This would have allowed multiple Suppliers to compete for the supply or export of electricity through a single Meter without needing to establish an agreement between all of the Suppliers involved for every instance. The proposed solution involved a complex, fundamental change to the Code, which would have increased the flexibility of the existing SVA Shared Metering Arrangements. The Modification Workgroups thoroughly examined the Shared SVA Metering Arrangements and the roles held by Primary and Secondary Suppliers.

Ultimately, Modification P379 was withdrawn after independent analysis of the proposal showed that the costs for implementing it would significantly outweigh the benefits.

Issue 96 'Assessing the reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt and licensed supply'

A Modification to amend the definition of a Shared SVA Meter Arrangement, removing the need for an arrangement to involve two or more Suppliers, was considered as a potential solution to [Issue 96](#)⁶. The Issue 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 address the exempt supply issue. As such it was not pursued as a solution for Issue 96.

Desired outcomes

The desired outcome is to remove the requirement from [BSC Section K 2.5](#) for two or more Suppliers to be involved in a Shared SVA Metering Arrangement, along with removing references to the requirement within the relevant Code Subsidiary Document, [BSCP550](#). This will simplify and remove the process related complexities involved with setting up Shared SVA Metering Arrangement and ensure a single Supplier can manage it end to end where required, improving better customer choice and experience both on initial set up and for the lifecycle duration of the arrangement.

⁵ <https://www.elxon.co.uk/mod-proposal/p379/>

⁶ <https://www.elxon.co.uk/smg-issue/issue-96/>

Proposed solution

This Modification proposes to remove the requirement for a Shared SVA Metering Arrangement to involve two or more Suppliers, with the definition amended so that one or more Suppliers may be involved. This would need to be updated within [BSC Section K 2.5](#) and [BSCP550](#). The definition would also have to be amended in [BSC Section X, Annex X-1 'General Glossary'](#). The legal text can be found in Attachment A, to show how this solution will be achieved.

Benefits

This change will benefit customers and Suppliers that are interested in Shared SVA Metering Arrangements. It would permit a single Supplier to enter into Shared SVA Metering Arrangements, without the complexities of using multiple MPIDs, allowing for simpler commercial arrangements. This Modification would also create the possibility for a single Supplier to facilitate the arrangement for all customers involved where desired, better facilitating customer choice of Suppliers both on initial set up and for the lifecycle duration of the arrangement. This would remove a barrier to competition that currently exists within the industry. These benefits should significantly outweigh the expected low cost to implement and operate the proposed solution.

Alternative solution

The Workgroup has not identified any alternative solutions that would better address the P425 defect and the Applicable BSC Objectives than the Proposed Solution.

Legal text

The redlined changes to the BSC can be found in Attachment A, and the redlined changes to the CSDs can be found in Attachment B.

Three housekeeping updates were made to the redlining as a result of comments within the Assessment Phase consultation responses, which the Workgroup agreed with. The full consultation responses can be found in Attachment C.

Report Phase Consultation Questions

Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P425?

The redlined changes to the BSC can be found in Attachment A.

Do you agree with the Panel that the redlined changes to the Code Subsidiary Documents deliver the intention of P425?

The redlined changes to the CSDs can be found in Attachment B.

The Panel invites you to give your views using the response form in Attachment D

4 Impacts & Costs

Estimated implementation costs of P425

This Modification will impact upon BSC Section K, BSC Section X, Annex X-1, and BSCP550. No impacts on Core Industry Documents or BSC Systems have been identified.

Implementation cost estimates			
Organisation	Item	Implementation (£)	Comment
Elexon	Systems	N/A	
	Documents	<3k	Document updates to BSC Section K; BSC Section X, Annex X-1; BSCP550; Self Assessment Document.
NGESO	Systems	N/A	
Industry	Systems & processes	0	
Total		<3k	

Estimated on-going costs of P425

There are no identified ongoing costs as P425 is simply an expansion of an existing practice, expanding the scope of potential arrangements but ultimately utilising the same processes and systems.

P425 impacts

The following tables detail the impacts from P425, with low estimated costs equating to costs of less than £25k per company.

Impact on BSC Parties and Party Agents		
Party/Party Agent	Impact	Estimated cost
Suppliers	Suppliers will be able to enter into Shared SVA Meter Arrangement without the need for a separate Secondary Supplier, or the use of multiple MPIDs. There are no Supplier system changes expected, as no Supplier is required to offer Shared SVA Meter Arrangements, and the processes are expected be the same as those utilised for multiple Supplier arrangements.	L
HHMOAs	There are no HHMOA system changes expected, as the processes are expected be the same as those utilised for multiple Supplier arrangements.	L

Impact on BSC Parties and Party Agents		
Party/Party Agent	Impact	Estimated cost
HHDCs	There are no HHDC system changes expected, as the processes are expected be the same as those utilised for multiple Supplier arrangements.	L

Impact on the NETSO	
Impact	Estimated cost
None identified	None

Impact on BSCCo		
Area of Elexon	Impact	Estimated cost
Metering	Answering queries around changes to BSCP550 following implementation. Low impact as P425 is not expected to cause a large influx of queries.	L
Participant Management	Update to Self Assessment Document (SAD) and discussions with Qualification Service Provider to discuss updates to HHDC Qualification section	L

Impact on BSC Settlement Risks
This Modification is not expected to impact BSC Settlement Risk as it is expanding existing processes.

Impact on BSC Systems and process	
BSC System/Process	Impact
N/A	No impacts identified

Impact on BSC Agent/service provider contractual arrangements	
BSC Agent/service provider contract	Impact
N/A	No impacts identified

Impact on Code	
Code Section	Impact
Section K 'Classification and Registration of Metering Systems and BM Units'	Updating definitions related to Shared SVA Meter Arrangements and additional updates to indicate that single Supplier Shared SVA Meter Arrangements are included within the scope
Section X 'Annex X-1 'General Glossary'	Updating definitions related to Shared SVA Meter Arrangements

Impact on EBGL Article 18 terms and conditions
This Modification is not expected to impact or expand the BSC provisions that constitute EBGL Article 18 Terms and Conditions, as described in BSC Section F, Annex F-2 ⁷ .

Report Phase Consultation Question
Do you agree with the Panel's initial consideration that P425 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC? <i>Please provide your rationale.</i>
The Panel invites you to give your views using the response form in Attachment D

Impact on Code Subsidiary Documents	
CSD	Impact
BSCP550 'Shared SVA Meter Arrangement of Half Hourly Import and Export Active Energy'	Extension of the existing process to allow for a single Supplier to facilitate Shared SVA Meter Arrangements, and additional updates to indicate that single Supplier Shared SVA Meter Arrangements are included within the scope

Impact on other Configurable Items	
Configurable Item	Impact
SAD	Updates required to indicate that single Supplier Shared SVA Meter Arrangements are allowed

Impact on Core Industry Documents and other documents	
Document	Impact
Ancillary Services Agreements	No impacts identified
Connection and Use of System Code	
Data Transfer Services Agreement	

⁷ <https://www.elexon.co.uk/documents/bsc-codes/bsc-sections/bsc-section-f-modification-procedures/>

Impact on Core Industry Documents and other documents	
Document	Impact
Distribution Code	
Grid Code	
Retail Energy Code	
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	

Impact on a Significant Code Review (SCR) or other significant industry change projects
No impacts identified. On 13 October 2021 Ofgem confirmed that this Proposal be treated as an SCR Exempt Modification Proposal.

Impact of the Modification on the environment and consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability This Modification would have no impact on safety and reliability.	Neutral
2) Lower bills than would otherwise be the case This Modification would have no impact on bills.	Neutral
3) Reduced environmental damage This Modification would have no impact on environmental damage.	Neutral
4) Improved quality of service Through enabling a single Supplier to set up a Shared SVA Metering Arrangement the customers would not need to contract with multiple suppliers if their circumstances are better suited to utilising a single Supplier, avoiding the associated co-ordination issues.	Positive
5) Benefits for society as a whole This Modification would have no impact on society as a whole.	Neutral



What are the consumer benefit areas?

1) 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?

2) Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?

3) Will this proposal support:

i) new providers and technologies?

ii) a move to hydrogen or lower greenhouse gases?

iii) the journey toward statutory net-zero targets?

iv) decarbonisation?

4) 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.

5) Are there any other identified changes to society, such as jobs or the economy.

5 Implementation

Recommended Implementation Date

The Workgroup and Panel recommends an Implementation Date for P425 of:

- Five Working Days after the Authority's decision is received.

The Workgroup believe this will enable this low impact change to realise its benefits at the earliest opportunity.

Report Phase Consultation Question

Do you agree with the Panel's recommended Implementation Date?

Please provide your rationale.

The Panel invites you to give your views using the response form in Attachment D

The P425 solution seeks to expand the current Shared SVA Meter Arrangement provisions, to allow a single Supplier to register both the MSID and pseudo Secondary MSID for shared connection to the Total System. The Workgroup discussion considered the potential impacts and benefits of this Modification, as well as wider issues to Shared SVA Metering Systems that could potentially be covered within the scope of P425.

Impact of P425 on the Shared SVA Meter Arrangement processes

The proposed redlining changes for Section K were presented to the Workgroup, who had no additional comments.

The Workgroup discussed the current processes outlined in BSCP550, and how P425 may affect them. Elexon explained that within BSCP550 there are branched options describing what must be done in certain situations, such as for a new Connection, changing Supplier for an existing system, and de-energising a Shared SVA Metering System. Several possible methods of amending the document for P425 were discussed, including the creation of a separate section detailing the processes specific to single Supplier arrangements. However, several of the current processes outlined in BSCP550 would still apply to single Supplier arrangements, so the creation of a separate section could actually be detrimental to the usability of the document. Elexon suggested the existing sections be expanded to allow for situations relating to single Supplier Shared SVA Meter Arrangements where appropriate. The Proposer and Workgroup agreed with Elexon's approach.

The Workgroup also discussed the terminology surrounding a single Supplier Shared Meter Arrangement. They agreed that continuing to utilise the terms Primary Supplier and Secondary Supplier for these arrangements would be practical, as even where there is only one Supplier it is still necessary to differentiate between the two parts of the system. Additionally, allowing the same terminology would reduce the amendments required to both Section K and BSCP550.

It was also considered whether a single Supplier Shared SVA Meter Arrangement would be limited on the type of allocation schedules possible. It was concluded that there was no reason to limit the allocation schedules available to single Supplier arrangements.

Qualification impacts

The Qualifications for Shared SVA Meter Arrangements were also discussed. The Self Assessment Document section for HHDCs has a specific question related to BSCP550 (9.1.12). The question is optional and only applies to those Applicants seeking Qualification as a HHDC agent with shared Meter allocation functionality. HHDCs can achieve qualified status without demonstrating capability to manage Shared SVA processes. Once qualified, a HHDC undertakes a self assessment on whether it needs to re-qualify following a change to systems or processes. Elexon have confirmed that a HHDC that did not answer the Shared SVA question at qualification but then decided to offer Shared SVA as a service should Re-Qualify. Elexon have also confirmed that there would be no impact for MOA qualification.

Additional network impacts and impacts on other codes

The Workgroup considered potential impacts of P425 on the Distribution Connection Use of System Agreement (DCUSA). Usually in a Shared SVA Meter Arrangement the Primary Supplier receives all Distribution Use of System (DUoS) invoices, which can cause some issues as a Secondary Supplier, who may be responsible for some of the payments, but would not have visibility of the charges. This issue would not occur in single Supplier Shared SVA Meter Arrangement as the Primary Supplier would be responsible for all invoices. It was agreed that the issues with DUoS charge visibility for multiple Supplier arrangements were outside of the scope of this change, and therefore should not be addressed within this Modification.

The Workgroup could not identify any issues created or exacerbated by the Modification that would impact upon other codes. However, it was recognised that no Distributors were present, and so these assumptions should be corroborated. Elexon engaged directly with Distributors during the Assessment Consultation, and no further issues were identified.

Supplier responsibility for notifying Elexon of arrangements

Shared SVA Metering Systems currently have no requirement to report arrangement changes to Elexon. The issue of notification to Elexon was raised due to the solution proposed by P425 being suggested as a solution to Issue 96 to allow correct reporting to EMRS of chargeable volumes for SVA Metering Systems that record both exempt supply and licensed supply. As part of the current interim exempt supply process, there is an obligation on the Supplier to notify Elexon whenever contractual arrangements change.

The Workgroup's view was that if a Shared SVA Meter Arrangement is being used for exempt supply, then it would have to meet the exempt supply requirements, which would include the need to notify Elexon. The Workgroup could not identify any other reason why single Supplier Shared SVA Meter Arrangements would be required to notify Elexon of their arrangements, considering that in general there is no such requirement. They concluded that there was no reason to establish this responsibility for single Supplier arrangements as the exempt supply arrangements are covered by separate guidance and would apply only to Shared SVA Meter Systems being used for that purpose.

Benefits of P425

The Proposer believes that the major benefits of P425 relate to improving efficiencies in the current Shared SVA Meter Arrangement processes. Initial set up for these arrangements are not easy to facilitate with multiple Suppliers, or require the generation of multiple MPIDs for a single Supplier. The P425 proposed solution would allow easier set-up and on-going servicing. The majority of the Workgroup agreed with these benefits, with a Member commenting that there would be improvements for Party Agents too, as it would be simpler to work with a single Supplier.

The Workgroup also agreed that P425 would also remove a barrier to competition that currently exists within the industry. This Modification would enable customers involved in Shared SVA Metering Arrangements to approach all relevant Suppliers within the market for future supply contracts, including the Primary Supplier, over the lifecycle of the Shared SVA Metering Arrangement. The current requirement acts as a barrier to competition because the Primary Supplier is prohibited from agreeing supply contracts with all customers involved in a Shared SVA Metering Arrangement.

They also discussed some of the specific situations in which a Shared SVA Meter Arrangement with a single Supplier might be beneficial, such as complex site arrangements and sub-letting within a site. Currently, if a Supplier wanted to meter assets behind the point of connection separately they would require Metering Dispensations, but a single Supplier Shared SVA Meter Arrangement could allow them to achieve the same outcome.

It was also noted that there have been reports of issues faced in registering the same Meter against multiple MSIDs for the same Supplier. The Workgroup considered whether P425 would impact these issues at all. While they could not identify any impacts, there were no Meter Operator Agents (MOAs) present. Elexon has confirmed that there would be no REC changes required as a result of this Modification, and MOAs were reached out to during the consultation to determine if their systems would be impacted. No further issues were raised.

Identification of pseudo Secondary MSIDs

The Workgroup discussed the fact that during the set-up of pseudo Secondary MSIDs there should be a clear methodology that is followed to make it clear that they are pseudo Secondary MSIDs. Currently, pseudo Secondary MSIDs are identified through the MTDs (Meter Technical Details), where the multipliers should be set to zero. This is not always done correctly and a robust methodology is not available. There is guidance to identify a pseudo Secondary MSIDs in the address field, but this is not followed consistently.

Identifying pseudo Secondary MSIDs is difficult, and, with the use of Shared SVA Meter Arrangements increasing, the problem could be exacerbated. However, it was pointed out that should this Modification be approved, there would be no need to ensure that the Primary and Secondary Supplier were not the same Supplier, which would lessen the need to correctly identify pseudo Secondary MSIDs.

The Workgroup considered whether a Supplier Meter Registration Service (SMRS) and/or Electricity Central Online Enquiry Service (ECOES) solution could be viable. They concluded that the identification of pseudo Secondary MSIDs and improvements to the existing working practice were not needed to address the P425 defect. However, they believed that a separate change should be raised to deal with this, possibly through REC. The Workgroup made a recommendation that REC should consider the issues of pseudo Secondary Meter System identification, and discussions around this are in progress.

7 Workgroup's Conclusions

The Workgroup Members believe that P425 would **better facilitate** the Applicable BSC Objectives (c) and (d) and so **should be approved**. The Workgroup believes that P425 would be neutral against all other Objectives.

Does P425 better facilitate the Applicable BSC Objectives?		
Obj	Proposer's Views	Other Workgroup Members' Views
(a)	• Neutral	• Neutral
(b)	• Neutral	• Neutral
(c)	• Positive	• Positive (unanimous)
(d)	• Positive	• Positive (majority) • Minority neutral
(e)	• Neutral	• Neutral
(f)	• Neutral	• Neutral
(g)	• Neutral	• Neutral

Applicable BSC Objective (c)

The Workgroup unanimously agreed that P425 will better promote effective competition.

This Modification would enable customers involved in Shared SVA Metering Arrangements to approach all relevant Suppliers within the market for future supply contracts, including the Primary Supplier, over the lifecycle of the Shared SVA Metering Arrangement. The current requirement acts as a barrier to competition because the Primary Supplier is prohibited from agreeing supply contracts with all customers involved in a Shared SVA Metering Arrangement.

Applicable BSC Objective (d)

The Workgroup agreed by majority that P425 promotes efficiency in the implementation of balancing and settlement arrangements.

The Proposer believes that P425 would allow the option for a single Supplier to set up a Shared SVA Metering Arrangement for customers, reducing the need for communication between Suppliers. Leaving the current requirements in place would mean that each customer's chosen Supplier would have to work in a timely and co-ordinated manner to achieve the same outcome. This Modification therefore facilitates more efficient and simplified Shared SVA Metering Arrangements.

One Workgroup Member formed the minority view that P425 is neutral against Objective (d), noting their belief that the change would not result in an improvement of efficiency, only the removal of a barrier to competition, as the existing process is just being applied to another business scenario and not materially altered.



What are the 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 administering 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

P425
Report Phase Consultation

18 July 2022

Version 1.0

Page 15 of 20

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Self-Governance

The Workgroup unanimously agreed that P425 should not be progressed as Self-Governance as it impacts Self-Governance criteria (b) (ii). They agreed with the Proposer's view that this Modification will materially alter commercial arrangements and better facilitate competition.

Impacts of EBGL Article 18 Terms and Conditions of Balancing

The Workgroup unanimously agreed that P425 does not impact or expand the BSC provisions that constitute EBGL Article 18 Terms and Conditions, as described in [BSC Section F, Annex F-2](#).



What is the Self-Governance Criteria?

A Modification that, if implemented:

- (a) 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:
 - (i) correcting minor typographical errors;
 - (ii) correcting formatting and consistency errors, such as paragraph numbering; or
 - (iii) updating out of date references to other documents or paragraphs;
- (b) is unlikely to have a material effect on:
 - (i) existing or future electricity consumers; and
 - (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
 - (iii) the operation of the national electricity transmission system; and
 - (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
 - (v) the Code's governance procedures or modification procedures; and

(b) is unlikely to discriminate between different classes of Parties.

P425
Report Phase Consultation

18 July 2022

Version 1.0

Page 16 of 20

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8 Panel's Initial Discussions

The P425 Assessment Report was presented to the Panel at its meeting on 14 July 2022 ([328/10](#)). The Panel agreed with the Workgroup's recommendations that P425 should be implemented as it better facilitates Applicable BSC Objectives (c) and (d), for the reasons provided by the Workgroup. The Panel progressed the Modification to the Report Phase.

A Panel Member expressed their view that P425 did not positively impact BSC Objective (d), believing it to be neutral against this objective. They stated that P425 is not changing any processes, and so they did not agree that it would improve efficiency in the implementation of the balancing and Settlement arrangements. However, the majority of the Panel Members felt that P425 would positively impact BSC Objective (d) for the reasons provided by the Workgroup.

Report Phase Consultation Questions

Do you agree with the Panel's initial unanimous recommendation that P425 should be approved?

Please provide your rationale with reference to the Applicable BSC Objectives.

Do you agree with the Panel's initial view that P425 should not be treated as a Self-Governance Modification?

Please provide your rationale.

The Panel invites you to give your views using the response form in Attachment D

9 Recommendations

The BSC Panel initially recommends to the Authority:

- That P425 should be **approved**;
- That P425 **does not** impact the EBGL Article 18 terms and conditions held within the BSC;
- An Implementation Date for P425 of:
 - **Five Working Days after the Authority's decision** is received if an Authority decision is received
- The draft BSC legal text for P425; and
- The amendments to the Code Subsidiary Documents for P425.

Appendix 1: Workgroup Details

Workgroup's Terms of Reference

Specific areas set by the BSC Panel in the P425 Terms of Reference	Conclusion
How will P425 impact the processes outlined in BSCP550?	Existing sections of BSCP550 should be expanded for situations relating to single Supplier Shared SVA Meter Arrangements where appropriate
Are there any additional network impacts and impacts on other codes i.e. Distribution Connection Use of System Agreement (DCUSA), as result of P425?	The Workgroup could not identify any issues created or exacerbated by the Modification that would impact upon other codes
What responsibilities should be placed on Suppliers in terms of notifying Elexon of arrangements?	No responsibility for notification required
What would the benefit of P425 be?	Removes a barrier to competition and beneficial for sub-letting and as an alternate to complex site arrangements
How can pseudo Secondary MSIDs be better identified in the market?	No simple solution identified and not required to address P425 defect
How will P425 impact the BSC Settlement Risks?	No impact expected
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?	Detailed in Section 4, subsidiary documents have been developed in the Assessment Phase
Are there any Alternative Modifications?	No
Should P425 be progressed as a Self-Governance Modification?	No, impacts Self-Governance Criteria (b) (ii)
Does P425 better facilitate the Applicable BSC Objectives than the current baseline?	Yes, as detailed in Section 7
Does P425 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?	No, as detailed in Section 4

Assessment Procedure timetable

P425 Assessment Timetable	
Event	Date
Panel submits P425 to Assessment Procedure	14 Oct 2021
Workgroup Meeting 1	10 Nov 2021
Assessment Procedure Consultation	18 Mar 2022 to 7 Apr 2022
Workgroup Meeting 2	17 Jun 2022
Panel considers Workgroup's Assessment Report	14 Jul 2022

P425
Report Phase Consultation

18 July 2022

Version 1.0

Page 19 of 20

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Workgroup membership and attendance

Name	Organisation	10 Nov 21	17 June 22
Members			
Lawrence Jones	Elexon (<i>Chair</i>)		
Jenny Sarsfield	Elexon (<i>Lead Analyst</i>)		
Lee Stone	E.On (<i>Proposer</i>)		
Amanda Dainty	TotalEnergies		
Andrew Colley	SSE		
Dermot Hearty	Salient Systems		
Ian Hall	ImServ		
James Hall	BPG Energy		
Mark Bygraves	Sitigrid		
Mary Gillie	Energy Local		
Nik Wills	Stark		
Phil Russell	Consultant		
Somayeh Taheri	Urban Chain		
Attendees			
Lorna Lewin	Elexon (<i>Design Authority</i>)		
Christopher Day	Elexon (<i>SME - Metering</i>)		
Aditi Tulpule	Elexon (<i>Lead Lawyer</i>)		
Mike Jarman	ImServ		
Rob Johnson	Low Carbon Contracts Company		