
P483 Workgroup Meeting 4 Summary

Summary

1. Meeting Objectives

At the start of the meeting, the Chair welcomed attendees and outlined the objectives for the session. The group was reminded that the purpose of this final Workgroup meeting was to review the consultation responses and agree on the final recommendations to the BSC Panel for P483. The Chair then walked through the agenda, which included discussions on consultation feedback, implementation approach, Terms of Reference, and Workgroup voting against the BSC Objectives.

2. Consultation Responses

The Workgroup reviewed responses to the Assessment Procedure Consultation, which showed broad support for P483, particularly in relation to Objectives (b) and (c). Respondents welcomed the Modification's potential to unlock domestic flexibility and enable wider participation in flexibility markets ahead of MHHS. Many highlighted its alignment with the Clean Power 2030 targets and its role as a pragmatic interim solution. Some respondents expressed conditional support, calling for post-MHHS eligibility criteria to ensure the solution remains targeted at consumers who genuinely cannot transition to Half-Hourly Settlement.

Concerns were raised about possible Supplier imbalance impacts, baseline accuracy, and the risk of undermining the smart meter rollout. There was also some discussion about interactions with P415 and cost socialisation. Despite these concerns, most respondents agreed the Legal Text was suitable, implementation timelines were manageable, and consumer benefits could be significant. There was general agreement that uptake and market impacts should be monitored as part of the solution's rollout.

3. P483 Implementation Approach

The Workgroup confirmed a preferred implementation date of September 2025, with a fallback of March 2026 if risks to MHHS make the earlier date unviable. The preferred approach depends on Elexon approving system development to begin 'at risk' ahead of Ofgem's decision, helping avoid resource clashes and ensuring readiness ahead of MHHS transition.

4. Review of the Terms of Reference

The Workgroup reviewed P483 against both the standard and specific Terms of Reference and concluded that all terms had been considered. The group noted that while P483 may impact Settlement Risk 25 (Virtual Lead Parties), no new mitigating actions are required. Changes to BSC documents and central systems were identified, with impacts concentrated around the SAA. The Workgroup also determined that P483 should not proceed under Self-Governance and voting on BSC Objectives and Alternative Modifications was scheduled for later in the session.

The group agreed that the solution increases access to flexibility markets ahead of MHHS implementation, helping domestic consumers with smart devices engage sooner. While the potential impact on Supplier systems and settlement was discussed, the group concluded these were minimal and manageable. Concerns about disincentivising smart meter adoption were considered, but no strong evidence was found. The Workgroup did not recommend a formal CBA due to the limited scale of impacts and concluded that P483 aligns with retained EU law under the Clean Energy Package.

5. Workgroup voting against the BSC Objectives

The Workgroup voted on whether the Proposed Solution to P483 better facilitates the Applicable BSC Objectives than the current baseline. A majority agreed that it does, particularly for Objectives (b) and (c). Under Objective (b), most members felt P483 would broaden access to domestic flexibility and help the System Operator balance supply and demand more efficiently. A few members disagreed—one felt the change could worsen Supplier-Aggregator interactions, and others were unsure of the system impact due to uncertainty around smart meter adoption and turn-up

incentives. Under Objective (c), most Workgroup members felt the change would promote competition by expanding participation and putting downward pressure on prices, though one member expressed concern about a negative impact on competition for those already settled Half-Hourly.

The Workgroup also discussed whether to raise an Alternative Modification that included an end date after MHHS Milestone M15. This version aimed to ensure P483 remained a transitional measure and would exclude customers who refused smart meters. However, identifying such customers was deemed infeasible, and members raised concerns about excluding consumers for whom smart metering is not possible. While all members agreed the alternative was better than the baseline, it did not achieve majority support as being better than the Proposed Solution. As a result, the Proposed Solution will proceed to the Report Phase as the sole P483 Modification.

6. Work discussions during this Meeting:

Supplier Risk and Compensation Concerns

- A participant raised concerns that P483 could accelerate and exacerbate existing inefficiencies introduced by P415 by allowing non-HH customers to engage in flexibility without requiring appropriate compensation, thereby bringing forward the point at which domestic consumers are exposed to the “flawed” P415 arrangements and exposing Suppliers to imbalance risks.
- Participants queried whether P483 might unintentionally create systemic incentives favouring turn-down events over genuine flexibility due to the lack of turn-up requirements for VLPs under the current arrangements.
- Elexon responded that while the issues raised were valid, resolving them through P483 was out of scope; such changes would require separate Modifications to P415 or P444.

Interactions with Other Modifications

- Participants queried the interaction between P483 and P415/P444, highlighting risks related to indirect compensation mechanisms and misaligned incentives in the current framework.
- Elexon responded that trying to resolve broader strategic concerns via P483 would likely delay its implementation and recommended addressing such issues directly through appropriate channels rather than indirectly by stalling P483.
- One participant suggested capping participation under P483 to limit risks, but Elexon noted this could create unfair barriers for second movers and was not a preferred route.

Impact on Smart Meter Rollout

- A participant raised concerns that allowing participation without a smart meter might discourage installations or incentivise opt-outs from HH Settlement, undermining MHHS and smart meter uptake.
- Several participants supported the introduction of post-MHHS eligibility criteria (e.g., after M15) to restrict participation to those genuinely unable to obtain a smart meter.
- Elexon acknowledged the concern and confirmed the Proposer was willing to incorporate eligibility restrictions directly into the Proposed Solution, specifically excluding customers who opt out of Half-Hourly (HH) data where their boundary point metering is capable of HH data, rather than pursuing these restrictions as a separate Alternative Modification.

Sunset Clause and Eligibility Criteria

- A participant raised the idea of a 'sunset clause' post-MHHS milestone to ensure P483 remains a transitional solution.
- There was broad support for eligibility criteria that allow continued participation only for consumers who are technically unable to obtain a smart meter, rather than those who refuse one.
- Elexon asked for clarity on how eligibility could be practically defined and verified. Participants discussed using data such as meter type or communication capability to determine eligibility, but also flagged the difficulty of distinguishing between refusal and technical constraints.

Timing and MHHS Programme Interactions

- Participants queried whether a September 2025 go-live would interfere with MHHS milestones and preferred March 2026 to reduce risks.

- Elexon responded that September was chosen to avoid direct overlap with critical MHHS events, and if delays occur, the fallback date of March 2026 would be used.
- The MHHS Programme representative clarified that concerns related more to general industry resource pressures than specific technical clashes, and Elexon confirmed that while P483 introduces additional activity for VLPs, it has minimal impact on Helix systems and the SVA arrangements, making the system impact manageable.

Concerns Around Market Scale and Monitoring

- A participant queried why risks had not been quantified, such as expected volumes, to better assess the modification's potential impact.
- Elexon acknowledged that volume estimates were difficult due to commercial sensitivities, but agreed that close monitoring would be needed post-implementation.
- Participants agreed that Ofgem should be explicitly made aware of these concerns and asked to take forward fixes to P415 compensation mechanisms in parallel.

Actions

No.	Workgroup raised	Action	Owner	Due by	Status
1	WG4	Include all discussions from Workgroup Meeting 4 into the Assessment Report for Panel	Elexon	Panel	Closed
2	WG4	Consider communications strategy to avoid public perception that P483 makes smart meters optional.	Elexon	Implementation	Open