

Assessment Procedure Consultation Responses

P348 'Provision of gross BM Unit data for TNUoS charging'

This Assessment Procedure Consultation was issued on 8 August 2016, with responses invited by 26 August 2016.



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
LondonWaste Limited	0/1	Embedded Generator
Tees Valley Combined Authority	0/1	Local Authority and LEP
SmartestEnergy	1/0	Supplier
National Grid Electricity Transmission	1/0	Transmission Company
Scottish Power PLC	6/0	Generator, Supplier, Non Physical Trader, ECVNA, Supplier Agent, MVRNA
RWE Npower	1/0	Supplier
EDF Energy	8/0	Generator, Supplier, ECVNA, MVRNA

Question 1: Do you agree with the Workgroup's initial majority view that P348 does better facilitate the Applicable BSC Objectives than the current baseline?

Summary

Yes	No	Neutral/No Comment	Other
3	4	0	0

Responses

Respondent	Response	Rationale
LondonWaste Limited	No	<p>We do not see the proposal as "promoting effective competition in the generation and supply of electricity". We argue that it would do the opposite by reducing competition in generation by creating a barrier to new entry into the generation market in the form of regulatory risk.</p> <p>This proposal seems to be based on the flawed premise that embedded generators (and the demand they offset) are 'using' the transmission system. What was the lowest level of total embedded generation during a triad Settlement Period? As a collective they provide a significant generation base which is "always there" at triad times in the same way the demand they offset is "always there" and so the transmission system has never had to cater for that demand. It cannot be argued that anything more than a minority of such generators are using the transmission system. It might be argued that the embedded generators have stolen this load away – but that is competition which is to be encouraged. The proposal claims that it seeks to "level playing field between new embedded generators and other generation plant", but in fact the effective competition in the long term arises between companies and results from the investment decisions they make. The playing field is already level, because the proposer of P348 is quite free to build embedded plants as well as any other company. P348 would significantly stifle the building of new embedded plant and thus stifle competition in generation.</p> <p>P348's targeting of CM generators is discriminatory against parties who have entered into CM agreements in good faith.</p>
Tees Valley Combined	No	We do not see the proposal as "promoting effective competition in the generation and supply of

Respondent	Response	Rationale
Authority		<p>electricity”.</p> <p>We believe that it may reduce competition in generation by creating a barrier to new entry into the generation market in the form of regulatory risk.</p> <p>This proposal seems to be based on the premise that embedded generators (and the demand they offset) are ‘using’ the transmission system. What was the lowest level of total embedded generation during a triad Settlement Period? As a collective they provide a significant generation base which is “always there” at triad times in the same way the demand they offset is “always there” and so the transmission system has never had to cater for that demand. It cannot be argued that anything more than a minority of such generators are using the transmission system. The proposal claims that it seeks to “level playing field between new embedded generators and other generation plant”, but in fact the effective competition in the long term arises between companies and results from the investment decisions they make. The playing field is already level, because the proposer of P348 is quite free to build embedded plants as well as any other company. P348 would significantly stifle the building of new embedded plant and thus stifle competition in generation.</p> <p>P348’s targeting of CM generators is discriminatory against parties who have entered into CM agreements in good faith.</p>
SmartestEnergy	No	<p>Reporting gross data is inappropriate. The triad charge is on suppliers and should be net. As far as NGT are concerned there is no difference between a MW of reduced demand or a MW of increased embedded generation.</p> <p>It is also wholly inappropriate to progress this modification until it is clear what solutions are going to come out of the CMP264/265 process. The Ofgem open letter has been a game changer and CMP264/265 is of much greater significance. It is therefore inappropriate to continue with the accelerated timetable and proposals need to be considered in a thorough manner. Because Ofgem are not conducting their own review into Embedded benefits at this stage there will be many more WACMs proposed under the CMP264/265 proposal and these will not necessarily involve gross reporting of data.</p>

Respondent	Response	Rationale
National Grid Electricity Transmission	Yes	At this stage, we would agree with the assessment made by the Workgroup.
ScottishPower PLC	Yes	<p>We agree with the majority view of the Workgroup that P349 better facilitates the Applicable BSC Objectives (a) and (c) compared to the baseline.</p> <p>Should the Authority direct implementation of CMP265, P348 will facilitate delivery by suppliers or their agents of the data requirements under CMP265 thus enabling the Transmission Company to deliver the obligations under its Transmission Licence (objective (a)).</p> <p>In helping facilitate CMP265, P348 will remove a distortion in competition between investing in embedded and transmission connected generation by removing a non cost reflective payment from embedded generation benefiting from capacity mechanism payments thus better facilitating Objective (c).</p>
RWE Npower	No	<p>We do not agree that P348 better facilitates the applicable BSC objectives. Please see below our comments towards the each relevant objective below:</p> <p>(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence.</p> <p>We are neutral towards whether P348 facilitates this objective.</p> <p>(b) The efficient, economic and co-ordinated operation of the National Transmission System</p> <p>P348 does not better facilitate this objective as the development of systems and data flows to support CMP265 are likely to be disproportionately costly in terms of the terms of the temporary and partial nature of the benefits they will deliver when implementing the solution suggested.</p> <p>(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</p> <p>P348 does not better facilitate this objective as it does not improve competition as this modification introduces different rules for different Embedded</p>

Respondent	Response	Rationale
		<p>Generators. (CM vs non CM).</p> <p>(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements</p> <p>We feel that P348 does not better facilitate this objective given the added complexity this modification delivers at significant expense for a limited time period only.</p> <p>(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]</p> <p>N/A</p> <p>(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</p> <p>N/A</p>
EDF Energy	Yes	<p>As to BSC applicable objective a, the efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence, BSC P348 (taken with CUSC mod 265) helps the Transmission Company to efficiently discharge its obligations to better develop a cost reflective charging methodology. It also allows the Transmission Company to discharge obligations enshrined in the SLC C13 by forming part of an enduring solution to the issue of a disparity in charging arrangements for different types of generation.</p> <p>As to BSC applicable objective b, The efficient, economic and co-ordinated operation of the National Electricity Transmission System , this is not relevant.</p> <p>As to BSC applicable objective 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, BSC P348 better facilitates this than baseline; it will enable the promotion of more effective competition in the generation and supply of electricity in the capacity mechanism, by providing the necessary data to allow a CUSC mod to address a growing disparity in charging</p>

Respondent	Response	Rationale
		<p>arrangements for different types of generation, and removing the most marked effect of this distortion, in the capacity mechanism.</p> <p>As to BSC applicable objective d, Promoting efficiency in the implementation of the balancing and settlement arrangements, this is not relevant.</p> <p>As to BSC applicable objective e, Compliance with the Electricity Regulation and any relevant legally binding decision of the EC and/or ACER, this is not relevant.</p> <p>As to BSC applicable objective f, Implementing and administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation, BSC P348 better facilitates this than baseline; there are wider Capacity Market effects that will flow from the implementation of P348 (and CUSC mod CMP265) including promoting investment in capacity to ensure security of electricity supply, and facilitating the efficient operation and administration of the Capacity Market.</p>

Question 2: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of the P348 proposed solution?

Summary

Yes	No	Neutral/No Comment	Other
3	1	3	0

Responses

Respondent	Response	Rationale
LondonWaste Limited	Yes/No	None provided.
Tees Valley Combined Authority	Yes/No	We have no views on the legal text.
SmartestEnergy	No comment	None provided.
National Grid Electricity Transmission	Yes	The legal text appears to provide for the data required under CMP265, however, we would note that CMP265 is still progressing through the CUSC Workgroup processes and therefore the Original and any alternatives (WACMs) are not yet defined. Under the principle of proposer ownership, the Original CMP265 solution may yet change which would affect P348.
ScottishPower PLC	No	<p>Whilst the netting of import and export might produce more accurate results, we remain unconvinced of the overall benefits, irrespective of the definition of mixed site, i.e.</p> <ul style="list-style-type: none"> o Import volumes are likely to be small at times of TRIAD o Cost of netting may be prohibitive o Where do you draw line, and ensure that loopholes are not exploited <p>As the solution develops, further legal text may be required to address mixed sites.</p>
RWE Npower	Yes	We believe that the draft legal text in Attachment B sufficiently delivers the intention of P348's proposed alternative solution.
EDF Energy	Yes	Attachment A contains the draft changes to the legal text in the BSC for the primary P348 proposed BSC solution. This will require Suppliers, their HHDA's and SVAA to collect and aggregate metered

Respondent	Response	Rationale
		<p>data (and associated line losses) from Embedded Generation Capacity Mechanism Unit (EGCMU) and Related EGCMU for every Settlement Period. This is to enable the calculation of net export energy volumes for individual EGCMU Metering Systems, which the SVAA will report to the Transmission Company. The legal text seeks to capture everything that must be done under the BSC, to this ultimate effect.</p>

Question 3: Do you agree with the Workgroup that the draft legal text in Attachment B delivers the intention of the P348 potential alternative solution?

Summary

Yes	No	Neutral/No Comment	Other
2	1	4	0

Responses

Respondent	Response	Rationale
LondonWaste Limited	Yes/No	None provided.
Tees Valley Combined Authority	Yes/No	We have no views on the legal text.
SmartestEnergy	No comment	None provided.
National Grid Electricity Transmission	Yes	The legal test appears to provide for the data required under CMP265, however, we apply the same caveats as in our response to Question 2.
ScottishPower PLC	No	Please see our response to question 2 above. We question the rationale for the netting of imports and exports at each site.
RWE Npower	Yes	We believe that the draft legal text in Attachment B sufficiently delivers the intention of P348's proposed alternative solution.
EDF Energy	Yes/No	<p>Attachment B contains the draft changes to the legal text in the BSC for the BSC P348 potential alternative solution, which is 'BSC light' : it <u>places greater emphasis on the Transmission Company receiving and aggregating metered data</u> from individual Metering Systems. Where a Supplier is the registrant for a relevant Metering System, the Supplier reports certain data for these Metering Systems to the Transmission Company.</p> <p>Upon request by its Supplier, HHDCs must report certain data for relevant Metering Systems to the Transmission Company; and Suppliers responsible for relevant Metering Systems must notify the Transmission Company of all relevant Metering System IDs. If it can be made to work, we see merit in the BSC P348 potential alternative solution, for which legal text has been produced.</p>

Question 4: Do you agree with the recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
3	3	1	0

Responses

Respondent	Response	Rationale
LondonWaste Limited	No	The industry seems to be trying to rush through changes to well established charging principles which have been in place for many years, when instead a great deal of consideration is required.
Tees Valley Combined Authority	No	The industry seems to be trying to rush through changes to well established charging principles which have been in place for many years, when instead a great deal of consideration is required.
SmartestEnergy	No	It is wholly inappropriate to progress this modification until it is clear what solutions are going to come out of the CMP264/265 process. The Ofgem open letter has been a game changer and CMP264/265 is of much greater significance. It is therefore inappropriate to continue with the accelerated timetable and the CUSC proposals need to be considered in a thorough manner first.
National Grid Electricity Transmission	Yes	We are content with the implementation date and how it aligns with NGET's potential new obligations to bill for TNUoS under CMP265.
ScottishPower PLC	Yes	Yes the implementation date is achievable and in line with the requirements of CMP264. However, we would note that by delaying implementation until 2020 (and assuming CMP264 is not also adopted) there is the opportunity for embedded generators to bid into the capacity market on the basis of receipt of escalating embedded benefits in the period between construction and CMP265 implementation. The NPV of these benefits could amount to as much as £17/kW which could represent a significant distortion in the CM auction. An earlier implementation date would prevent this potential distortion.
RWE Npower	N/A	While we are unsupportive of the implementation of CMP265 (which P348 is related to), we feel any

Respondent	Response	Rationale
		<p>modification that makes such significant changes to the demand charging principles should allow a minimum of 3 years from the date of the Ofgem decision to implementation. This delay is necessary for suppliers and consumers because it enables systems and processes to be updated to accommodate the changes required. In addition it will enable current contractual agreements to unwind which will allow the required changes to be factored into future contracts.</p> <p>Assuming that Ofgem make a decision on the proposal and approve it between now and April 2017, the proposed timeline of April 2020 for implementation is acceptable since this will fulfil our requirement of receiving 3 years notice from the point of a decision to implementation.</p> <p>As system changes will be required in order for us to implement P348, without this notice period there could be a negative impact on suppliers. This is made more difficult as customers typically sign a yearly contract with their supplier therefore it is only at the point of contract renewal that the supplier can incorporate these additional charges into customer contracts.</p> <p>Should the locational element of TNUoS remain for these embedded generators but the residual removed, some will have negative TNUoS charges and some positive. Where pass through benefits have been specified explicitly and exclusively for TNUoS within a contract with an embedded generator there will not be scope to pass on charges. Should the industry not receive 3 years notice from the point of a decision to implementation then future TNUoS rates charged by suppliers will need to factor in appropriate additional risk premia for potential future methodology changes. Longer term contracts covering 25 years plus also exist. These highlight the increased risks around changing industry rules and charging methodologies.</p> <p>In practical terms CMP265 seems impossible to achieve. It anticipates that suppliers must identify sites with CM contracts. This is challenging as the proposal does not establish a means for suppliers to have visibility of CM contracts. Also, CM contracts are temporary- how would suppliers deal with detecting and dealing with customers entering and leaving CM agreements? CMP265 is practically</p>

Respondent	Response	Rationale
		<p>impossible to implement for behind the meter embedded generation, thereby creating another dimension of discrimination.</p> <p>We feel that the development of systems and data flows to support such a change are expensive and disproportionate in terms of the partial nature of the solution suggested. There are additional loopholes (behind the meter generation) that cannot be covered. In addition the expectation that suppliers can obtain appropriate information from Embedded Generators without supporting central data flows when quoting for an Embedded Generator that is not part of their current portfolio is unrealistic.</p> <p>This also opens up wider questions on the governance framework required on the data quality in addition to the resource implications this would have across the industry as appropriate SLAs would need to be put in place to ensure suppliers can readily access the required information for their tendering process.</p>
EDF Energy	Yes	<p>Yes, although the February 2019 release might be more prudent. We do appreciate the need to avoid extra costs associated with earlier-than-needed implementation, but even February 2019 is a long notice period. P348 is targeted for implementation on 7 November 2019, as part of the November 2019 BSC Systems Release. The reason for this is that P348 will not need to be implemented until April 2020. P348 and CMP265 are robust to any changes in HH demand TNUoS charging periods (currently there is a triad basis to these periods), but if nothing changes, their first effect the 2020 Triad period (November 2020 to February 2021 inclusive). If the basis of HH demand TNUoS cost recovery were changed, so that some recovery were in April 2020, the implementation of P348 as part of the November 2019 release will still allow for this Modification to take effect ahead of April 2020. If triads remain, then there would be no effective operation of the mod until November 2020.</p>

Question 5: Do you believe there are other potential Alternative Modifications within the scope of P348 which would better facilitate the Applicable BSC Objectives?

Summary

Yes	No	Neutral/No Comment	Other
1	6	0	0

Responses

Respondent	Response	Rationale
LondonWaste Limited	No	We argue that what is really required is a fundamental review of the transmission charging arrangements in order to fix the problem (the standing of NGC assets) and not one of the symptoms.
Tees Valley Combined Authority	No	We believe that what is really required is a fundamental review of the transmission charging arrangements in order to fix the problem (the standing of NGC assets) and not one of the symptoms.
SmartestEnergy	No	None provided.
National Grid Electricity Transmission	No	N/A
ScottishPower PLC	No	No, while the exact requirements remain unknown, we believe that at least one of the two solutions being explored will facilitate the delivery of CMP265 and the Applicable BSC Objectives.
RWE Npower	Yes	At this time we are unsure of any other potential Alternative Modifications within the scope of P348.
EDF Energy	No	None Provided.

Question 6: Will your organisation be impacted by the implementation of the P348 proposed solution?

Summary

Yes	No	Neutral/No Comment	Other
7	0	0	0

Responses

Respondent	Response	Rationale
LondonWaste Limited	Yes	We are an embedded generator and currently receive the TNUoS embedded benefit, so depending on the final form of P348 we are concerned we may lose out.
Tees Valley Combined Authority	Yes	We are concerned that the proposals in their final form will impact generating business in our area and act to deter future investment in the area.
SmartestEnergy	Yes	We have been and will continue to be active in the Capacity Market.
National Grid Electricity Transmission	Yes	As the recipient of the P02010 file we would be required to update a number of IS systems to allow this data to be received and processed into our core TNUoS billing system.
ScottishPower PLC	Yes	If implemented we will have to forecast and supply both Supplier Volume Allocation (SVA) metered data for any Embedded Generator Capacity Providers that we register to the Transmission Company , via Elexon, to allow it to forecast and calculate Transmission Charges in accordance with CMP265. The Transmission Company should already receive metered data for metering systems registered in CMRS (i.e. BMU data)
RWE Npower	Yes	Npower's systems will be impacted by implementing P348. These changes need to be accommodated in the timeline for implementation as our internal pricing and billing systems would require changes along with customer contractual arrangements.
EDF Energy	Yes	As a Supplier, we will be impacted, both through reduced demand side TNUoS charges as a result of the implementation of CUSC CMP265/BSC P348, and through our potential involvement, via offtake contracts, with SVA-metered embedded generation in the capacity market, from April 2020 when CMP265 comes into force.

Question 7: Will your organisation incur any costs due to the implementation of the P348 proposed solution?

Summary

Yes	No	Neutral/No Comment	Other
5	1	0	1

Responses

Respondent	Response	Rationale
LondonWaste Limited	Yes	We are an embedded generator and currently receive the TNUoS embedded benefit, so depending on the final form of P348 we are concerned we may lose out.
Tees Valley Combined Authority	Yes	We are concerned that the proposals in their final form will impact generating business in our area and act to deter future investment in the area.
SmartestEnergy	Yes	We will only have a small number of CMU's containing data from a number of MPANs. We will have to review our systems and processes to ensure that we send information/flows as appropriate. This will likely be a manual solution.
National Grid Electricity Transmission	Yes	<p>We are currently undertaking detailed assessment of the likely cost impact of the P348 proposed solution, and hope to provide this information prior to the next Workgroup.</p> <p>At a high-level, we will require changes to the systems that accept and process additional data received in the P02010 file.</p> <p>Note in our assessment (ongoing) any changes to the billing / invoicing functionality of our systems arising from the changes to tariff structures and chargeable volumes proposed under CMP265 will not be included (as these are outside the scope of this modification)</p>
ScottishPower PLC	Not Significant	Once the Embedded Generator Capacity Providers have been appropriately identified we believe that the processes will become largely automated. The HHDC and HHDA are likely to charge a minimal fee for the incremental additional work they will need to carry out
RWE Npower	Yes	As mentioned prior, implementing P348 will necessitate system changes which will be costly. Further, existing contracts may need amending/renegotiating. Also as a low number of

Respondent	Response	Rationale
		metering systems will be impacted by the implementation of P348, we do not think that the costs for implementation will outweigh the benefits.
EDF Energy	No	As a Supplier, we have not identified any systems or agent costs that would result from the implementation of either of the P348 proposed solutions, nor do we anticipate having to recruit extra staff to deal with it

Question 8: Will your organisation be impacted by the implementation of the P348 potential alternative solution?

Summary

Yes	No	Neutral/No Comment	Other
7	0	0	0

Responses

Respondent	Response	Rationale
LondonWaste Limited	Yes	We do not consider either version to be acceptable, we have issues with the overall concept, as described above
Tees Valley Combined Authority	Yes	We do not consider either version to be acceptable, we have issues with the overall concept, as described above
SmartestEnergy	Yes	We have been and will continue to be active in the Capacity Market.
National Grid Electricity Transmission	Yes	<p>Under the proposed alternative solution National Grid would be required to accept and process data submissions directly from third parties, for these to them be used in billing / invoicing of TNUoS charges.</p> <p>Our systems are not setup at present to deal with data of this nature and significant IS changes are likely to be required. We are currently undertaking detailed assessment of the likely cost impact of the P348 alternative solution, and hope to provide this information prior to the next Workgroup. We feel that, given the new data is well aligned to the data in the P0210 file; it seems appropriate that that file be updated as per the original proposal.</p>
ScottishPower PLC	Yes	If implemented we will have to forecast and supply both Supplier Volume Allocation (SVA) metered data for any Embedded Generator Capacity Providers we register to the Transmission Company to allow it to forecast and calculate Transmission Charges in accordance with CMP264. The Transmission Company should already receive metered data for metering systems registered in CMRS (i.e. BMU data)
RWE Npower	Yes	Yes, Npower will be impacted by the implementation of P348's alternative solution.
EDF Energy	Yes	Yes, see comments in reply to question 6; but the

Respondent	Response	Rationale
		effects may be a little less, in that Grid does more data processing under the P348 potential alternative solution

Question 9: Will your organisation incur any costs due to the implementation of the P348 potential alternative solution?

Summary

Yes	No	Neutral/No Comment	Other
5	1	0	1

Responses

Respondent	Response	Rationale
LondonWaste Limited	Yes	We are an embedded generator and currently receive the TNUoS embedded benefit, so depending on the final form of P348 we are concerned we may lose out.
Tees Valley Combined Authority	Yes	We are concerned that the proposals in their final form will impact generating business in our area and act to deter future investment in the area.
SmartestEnergy	Yes	We will only have a small number of CMU's containing data from a number of MPANs. We will have to review our systems and processes to ensure that we send information/flows as appropriate. This will likely be a manual solution.
National Grid Electricity Transmission	Yes	It has not been possible to undertake a detailed analysis of the cost impact of the alternative solution. However, as it increases the number of data flows to National Grid and requires us to undertake processing of that data once received compared to an updated P0210 file, the likely cost, complexity and risks are likely to be significantly higher than under the original solution.
ScottishPower PLC	Not Significant	Once the Embedded Generator Capacity Providers have been appropriately identified we believe that the processes will become largely automated. The HHDC and HHDA are likely to charge a minimal fee for the incremental additional work they will need to carry out.
RWE Npower	Yes	As mentioned in our previous response, implementing P348's proposed or alternate solution will have cost implications.
EDF Energy	No	As a Supplier, we have not identified any systems or agent costs that would result from the implementation of the P348 potential alternative solution, nor do we anticipate having to recruit extra staff to deal with it

Question 10: How many Metering Systems do you believe will be affected by the implementation of P348?

Responses

Respondent	Rationale
LondonWaste Limited	In our case around 40 MW (on Metering System).
Tees Valley Combined Authority	There are a significant number of embedded generators in the area, but cannot give a precise number.
SmartestEnergy	A relatively low number
National Grid Electricity Transmission	The CMP264 / CMP265 Workgroup Consultation estimated 3.2GW of embedded generation with capacity market agreements in 2020/21 (3.6.3). Using an average capacity of 30MW, this gives ~100 meters, or an average capacity of 12.8MW this give ~ 250 meters for 2020/21 (see 3.5.2 for discussion about meter capacity estimates. This number would increase in future.
ScottishPower PLC	Table 8 in the CMP264/265 Workgroup report indicates that the number of affected sites (assuming CMP264 does not reduce the number of new embedded generators that come forward) would be between 12 and 122 per annum in the period 2017/18 to 2020/21. In practice, we believe that implementation of CMP264 would lead to lower volumes than this, especially in later years. As a supplier, we do not foresee any issues. The output from these sites based on the outcome of the first two capacity auctions could be as high as 3GWs during a TRIAD period.
RWE Npower	We believe a relatively low number of metering systems will be affected by implementing P348.
EDF Energy	Nationally, irrespective of who supplies them, the number of embedded generators in the CM currently lies in the 100 to 200 range, based what we know of the CM register.

Question 11: Please validate (if possible) the accuracy and frequency of Scenarios 1 and 2 (discussed by the Workgroup on page 14) and identify additional scenarios that highlight complex configurations that require net data to be provided.

Responses

Respondent	Rationale
LondonWaste Limited	We do not have views on this technical detail
Tees Valley Combined Authority	We do not have views on this technical detail
SmartestEnergy	We are not in a position to comment on this in the time available.
National Grid Electricity Transmission	We do not have any evidence to support this discussion
ScottishPower PLC	<p>Whilst the netting of import and export might produce more accurate results, we remain unconvinced of the overall benefits, irrespective of the definition of mixed site, i.e.</p> <ul style="list-style-type: none"> o Import volumes are likely to be small at times of TRIAD o Cost of netting may be prohibitive o Where do you draw line, and ensure that loopholes are not exploited
RWE Npower	What customers are doing on their own private networks should have no impact on their suppliers liabilities it is the settlement boundary flows that show network usage. It is a flaw in the design of the capacity market that allows generation without a settlement meter to enter, I don't believe it is for the BSC or CUSC to attempt to work around this flaw in the capacity market design.
EDF Energy	<p><i>(The workgroup's "Scenario 1" is of an envisaged embedded generator site with a single connection point with two Metering Systems - an import and export Metering System – where the on-site demand and generation are connected by a private wire within the Settlement boundary. The embedded generator directly supplies the on-site demand through the private wire connection. In effect the volumes measured by the Settlement Metering Systems at a specific point in time represent either a gross import or export – i.e. if on-site embedded generation exceeds on-site demand then the export meter will record a +ve value and the import meter will show nil; but if on-site demand exceeds on-site generation then the import meter will record a +ve value and the export Metering System will record nil).</i></p> <p>Answer : The relevant metering system for scenario 1, if such a scenario is able to be easily caught within the solution (which is not</p>

Respondent	Rationale
	<p>important for the original solution), would be the export meter. We do not know how often scenario 1, exists/occurs.</p> <p><i>(The workgroup’s “Scenario 2” is of an envisaged alternative configuration, perhaps at a larger site, with two distinct connection points – one for the generating unit and one for the on-site demand – with the export Metering System at one connection and the import Metering System at the other. Furthermore, the on-site embedded generator is envisaged to be not (unlike scenario 1) directly connected by a private wire connection to the on-site demand below the boundary point. In this scenario the on-site generation may still meet the on-site demand but the generator must export onto the Distribution System first due to the lack of an on-site internal connection; the on-site demand immediately imports the energy from the adjacent import connection from the Distribution System. This configuration means that both Metering Systems may record import and exported energy simultaneously. The net position of the total site in this second scenario may be the same as the first scenario, however the Metering Systems record different values. What, the consultation document states, these scenarios identified to the Workgroup is the need to consider whether to focus specifically on gross metered data from export Metering Systems only or whether to calculate a site level net export volume for the EGCMU (i.e. subtract gross import metered data from gross export metered data)).</i></p> <p>Answer : We do not know how often scenario 2, exists/occurs. The relevant metering system for scenario 2, if such a scenario is able to be easily caught within the solution (which is not important for the original solution), would again be the export meter. This time all of the embedded generation’s gross generation is “caught”.</p>

Question 12: Please validate (if possible) the accuracy and frequency of Examples 1 and 2 (discussed by the Workgroup on page 15) and identify additional scenarios that highlight complex configurations that require net data to be provided.

Responses

Respondent	Rationale
LondonWaste Limited	N/A
Tees Valley Combined Authority	N/A
SmartestEnergy	We are not in a position to comment on this in the time available.
National Grid Electricity Transmission	We do not have any evidence to support this discussion
ScottishPower PLC	Although we do not currently operate such as site, it appears possible to have both a CM and non-CM generating unit on the same site.
RWE Npower	N/A
EDF Energy	We do not know how often scenarios 1 or 2, exist/occur. We have no other novel scenarios to highlight. We don't think there are many scenarios. BSC P348, and CMP265, only have to be better than baseline, not absolutely theoretically "perfect" solutions.

Question 13: Do you believe that the P348 potential alternative solution will facilitate the Applicable BSC Objectives better than the baseline and the proposed solution?

Summary

Yes	No	Neutral/No Comment	Other
2	2	3	0

Responses

Respondent	Response	Rationale
LondonWaste Limited	N/A	We do not have views on this technical detail
Tees Valley Combined Authority	N/A	We do not have views on this technical detail
SmartestEnergy	Yes	The primary consideration here should be for accuracy. We are inclined to think that the proposed (DA) solution is less prone to error.
National Grid Electricity Transmission	No	We do not feel that the potential alternative better facilitates the Applicable BSC objectives compared to the proposed solution. Compared to the proposed solution, the alternative meets objective (a) less well as it places new obligations and requirements on NGET which we feel are more efficiently and better discharged through an amendment to the existing processes such as P0210.
ScottishPower PLC	-	Despite Ofgem stating in its open letter of 29 July 2016 that there will be no Significant Code Review (SCR) for this defect, we can still envisage outcomes where elements of CMP264 may be implemented as temporary measures. For instance, it is possible that the authority approves an Alternative Modification that introduces elements of CMP264 from June 2017, but also has wider implications from a later date. From the perspective of delivering Applicable BSC Objective (c), we believe that it is important that non-cost reflective charging benefits are removed from prospective embedded generator projects as quickly as practically possible. By delaying implementation until 2020 (and assuming CMP264 is not also adopted) there is the opportunity for embedded generators to bid into the capacity market on the basis of receipt of escalating embedded benefits in

Respondent	Response	Rationale
		<p>the period between construction and CMP265 implementation.</p> <p>Accordingly, we believe that weighing up the implementation and operational costs of both solutions remains important. We understand that the implementation of the alternative would avoid needing to make changes to the registration systems and the DTC, which, if you follow our rationale above, could be temporary. However, we also recognise the benefits of a more formal 'BSC Heavy' solution.</p> <p>We believe that until such time that the outcome of the CMP 264 and 265 work becomes clearer, given the commonalities of both solutions, that the Working Group should continue to develop both.</p>
RWE Npower	No	No, we do not think that either P348's proposed or alternative solution will better facilitate the BSC objectives.
EDF Energy	Yes	Not sure; its apparent greater simplicity, for parties other than Grid, has attractions. So at this stage, a provisional yes.

Question 14: Do you believe that the proposed changes to the BSC should be prescriptive or allow Suppliers the flexibility to use non-BSC approaches for reporting metered data and associated losses to the SVAA?

Responses

Respondent	Rationale
LondonWaste Limited	We do not have views on this technical detail
Tees Valley Combined Authority	We do not have views on this technical detail
SmartestEnergy	The BSC should be prescriptive. The BSC has built-in checks and audits. These would not exist in an arrangement which allows non-BSC approaches.
National Grid Electricity Transmission	We do not have a view on the approach taken, but rather we must be assured that the data ultimately received by National Grid is timely and accurate to allow us to discharge our obligations.
ScottishPower PLC	Where practicable, the solutions should be prescriptive.
RWE Npower	We do not believe that suppliers should have flexibility to use non-BSC approaches for reporting metered data as this opens up wider questions on the governance framework required on the data quality.
EDF Energy	The proposed changes to the BSC should allow Suppliers the flexibility to use non-BSC approaches for reporting metered data and associated losses to the SVAA, because some (rare) sites may for example have a mix of CM and non-CM embedded generation behind the same site export meter, and this allows the Supplier and Customer to co-operate to exclude the non-CM embedded generation from the export data reported to Grid. There is no need for the rigidity of obligations on any parties in this regard; suppliers and their customers have every incentive to co-operate with one another in this regard, as their position can only be improved as a result in this scenario. Equally, a solution in BSC space that ignores all mixed sites (excludes them) may be a good way forward. BSC P348, and CMP265, only have to be better than baseline, not absolutely theoretically "perfect" solutions.

Question 15: Do you believe that the Transmission Company requirements needed for the calculation of relevant volumes for Transmission Charges should be included in the BSC or are they better placed under the CUSC?

Summary

Yes	No	Neutral/No Comment	Other
3	0	4	0

Responses

Respondent	Response	Rationale
LondonWaste Limited	N/A	We do not have views on this technical detail
Tees Valley Combined Authority	N/A	We do not have views on this technical detail
SmartestEnergy	Yes	We do not support the alternative proposal that would require these requirements. If the alternative were to be adopted, we would suggest that the requirement sat in the CUSC along with the remaining requirements alongside the TNUoS charging methodology.
National Grid Electricity Transmission	Yes	We do not support the alternative proposal that would require these requirements. If the alternative were to be adopted, we would suggest that the requirement sat in the CUSC along with the remaining requirements alongside the TNUoS charging methodology.
ScottishPower PLC	Yes/No	We believe that the Transmission Company requirements may sit better in the CUSC. However, this may be dependent on which solution prevails, and we believe that until such time that the outcome of the CMP 264 and 265 work becomes clearer, given the commonalities of both solutions, that the Working Group should continue to develop both options.
RWE Npower	Yes	We believe the Transmission Company requirements needed for the calculation of relevant volumes for Transmission Charges should be included in the CUSC. Any changes to charging methodology should be controlled by the CUSC where possible.
EDF Energy	Yes/No	Under the potential alternative the following steps may need to be specified in the <u>CUSC</u> as they are

Respondent	Response	Rationale
		<p>necessary for the Transmission Company to calculate the relevant volumes specifically for Transmission Charging purposes :</p> <ul style="list-style-type: none"> • CUSC to specify that the Transmission Company should calculate Gross Period Metered Export (GPME) for each EGCMU Metering System in accordance with EGCMU Metering System Netting Rules provided to it by Suppliers; • CUSC to specify that the Transmission Company should calculate the Supplier's GPME. Under the main version of the mod in BSC space, the requirements could equally well sit in the BSC (it doesn't really matter)

Question 16: Do you have any further comments on P348?

Summary

Yes	No
2	5

Responses

Respondent	Response	Comments
LondonWaste Limited	No	N/A
Tees Valley Combined Authority	No	N/A
SmartestEnergy	No	N/A
National Grid Electricity Transmission	Yes	<p>As a modification reliant on the requirements of CMP265, this BSC modification seems to be ahead of the related CUSC modification which has not yet fully defined the set of potential solutions, however, we recognise the need for the BSC discussion to inform the CUSC Workgroup.</p> <p>We recognise the need for a 'joined up approach' and note that there is Elexon representation on the CMP265 workgroup. In addition, there will be meetings of a subset of the CMP265 workgroup to consider CUSC legal text and we note particular the strong interaction between this BSC modification and the CUSC modifications in the regard.</p>
ScottishPower PLC	Yes	We believe that it is important to clearly separate some of the potential mixed site complexities associated with P348, from P349.
RWE Npower	No	N/A
EDF Energy	No	N/A