

REGISTRATION of BM UNITS for EMR

Introduction

This guidance reflects ELEXON's understanding of the Department of Business, Energy and Industrial Strategy's (BEIS') policy, the BSC and BSCP changes for EMR. This document should not be interpreted as BEIS policy. You should ensure that you follow the relevant procedural documents. You can find more information on the government's *2010 to 2015 government policy: UK energy security* page.

Who is this document for?

This document is aimed at:

- **Suppliers** who need to register Additional Primary BM Units (A.BMU) for CFD generators whose Assets are registered in the Supplier Meter Registration Service (SMRS);
- **CFD Generators** who wish to learn about BM Units for EMR¹; and
- **BSC Parties** who need to register BM Units for **CFD generators** or **capacity providers** whose Assets are registered in the Central Meter Registration Service (CMRS).

What is the purpose of this document?

The **purpose** of this guidance is to:

- Provide an overview of why and how BM Units are used for EMR settlement;
- Describe the differences between BM Units for SVA and CVA EMR Assets; and
- Explain how BM Units are registered and deregistered for use in the Electricity Market Reform (EMR) arrangements.

This document **assumes some basic BSC knowledge**, such as what BM Units are, and the principles of the SVA and CVA arrangements. It also **assumes some basic EMR knowledge**, such as the roles of the different participants. If you'd like to learn more about BM Units please see the <u>BSC guidance on</u> <u>BM Units</u> (under the registrations section). If you'd like to know more about EMR please see ELEXON's <u>EMR page</u>.

Summary of Changes

In order to support the EMR arrangements and provide BM Unit metered volumes to EMR settlement, changes were made to the BSC:

- Section D: BSC Cost Recovery and Participation Charges
 - Exclude the £100 monthly BSC charge for A.BMUs with CFD Assets.

¹ No new BM Unit types were created for EMR. All BM Units will still be used for BSC Settlement, as was done before EMR. Any BM Units registered for EMR will be used in BSC and EMR settlement. The Assets assigned to BM Units determine whether the BM Unit is to be used for EMR settlement.

- Section K: Classification and Registration of Metering Systems and BM Units
 - Requires BM Units comprised of CFD or CM Assets to comprise the right Assets.
 - Requires Suppliers with CFD Assets in SMRS to register A.BMUs and allocate the relevant CFD Assets.
 - Allows the CFDSSP to instruct BSCCo to (de)-register A.BMUs on behalf of Suppliers.
 - Requires BSCCo to maintain a list of Active Power Purchasing Suppliers.
- BSCP15: BM Unit Registration
 - New registration and deregistration process for A.BMUs for CFD Assets.
 - New process to maintain the Active Power Purchasing List (APPL).
- BSCP509: Changes to Market Domain Data
 - Allow the registration of A.BMUs to be part of the MDD fast track process.

The new process has been designed to ensure that A.BMUs are available when they are needed. Sets of A.BMUs are registered where it is not known who the Supplier that will register the A.BMUs for CFD Generators will be. There are two guiding principles for registering A.BMUs for EMR:

- 1. BSCCo can only register A.BMUs for EMR if the CFD Settlement Services Provider (CFDSSP) confirms it is needed for EMR. This is to ensure that the ± 100 monthly BSC charge for A.BMUs is not applied erroneously.
- 2. Suppliers will not need to register A.BMUs as long as they ensure they are accurately captured on the APPL maintained by BSCCo, and the CFD Generator meets its obligations to keep the CFD Counterparty updated on its metering requirements (the CFD Counterparty will inform the CFDSSP).

Background

This section provides an overview of why and how BM Units are used in EMR settlement.

Any flow of electricity on or off of the GB electricity system (the System) finds its way into a BM Unit Metered Volume. BM Units are the trading blocs used by National Grid to balance the System. There are no changes to the way BM Units are used in BSC Settlement as a result of EMR.

Why are BM Units being used for EMR?

Metered volumes will be used in the CFD and CM Settlement calculations to determine EMR payments and charges. BM Units capture **metered volumes** that can be used to calculate the EMR payment and charges. BM Unit metered volumes will be used to calculate all Suppliers, some CFD Generators and some Capacity Providers' EMR charges and payments. BSC central systems, specifically the Settlement Administration Agent (SAA), will provide BM Unit metered volumes to the EMR Settlement Services Provider (EMRSSP²), who will perform the EMR settlement processes and calculations.

Not all metered volumes for CFD Generators, or Capacity Providers are provided from the BSC, some CFD generators and Capacity Providers will operate on a **Private Network** and be subject to specific regulations (Private Network Metering Operational Framework and Technical System Requirements

² Used collectively to refer to the CFD and CM Settlement Services Provider roles.

within the Generators Private Network CFD Agreement). **This document does not discuss** these types of CFD Generators or Capacity Providers.

The EMR Regulations require all Licensed Suppliers to fund the EMR arrangements based on its metered volumes provided by BSCCo. Suppliers will not need to register or take any action for these volumes to be calculated and provided to the EMRSSP. This **document focuses** on the use of BM Units for CFD Generators registered in SMRS.



What metering options do CFD generators have?

Any CFD Generator using BSC registered Metering Systems must ensure its CFD metered volumes are captured in accordance with its CFD contract using one or more BM Units. All metered volumes will be generation less any parasitic and site load used by the Facility. These BM Units may contain Metering Systems registered in Central Meter Registration Service (CMRS) or Supplier Meter Registration Service (SMRS). Action will need to be taken by the CFD Generator to ensure the Registrant of the Metering System(s) correctly registers and configures the BM Units.

What metering options do capacity providers have?

Capacity Providers have three metering solutions to choose from:

- 1. The Use of BM Units with Assets registered in CMRS;
- 2. Half Hourly Data Aggregator (HHDA) provides metered data;
- 3. The use of Balancing Services meters.

How do the SVA and CVA arrangements affect the registration of BM Units?

There are differences between the SVA and CVA arrangements that mean BM Units need to be registered and treated in different ways depending on what they are being registered for e.g. to hold metered volumes associated with demand sites connected to Distribution networks, or generation plants connected to the Transmission network.

BM Units for CFD or CM Assets Registered in CMRS

The rules and processes for registering Metering Systems in CMRS and configuring the associated BM Units for EMR are the same as the existing BSC rules, with one exception. Where BM units contain CFD or CM Assets registered in CMRS they must only comprise those Assets allowed by the relevant CFD contract or capacity agreement (see BSC Section K 3.1.8). This allows metered volumes for specific CFD Generators and capacity providers to be determined and provided to the EMRSSP.

Registration in CMRS is mandatory for Licensable and transmission-connected generators. Small embedded generators can also elect to use it. Where the CFD Generator is a BSC party it may choose to register the Metering Systems and BM Unit(s) itself or allow another BSC Party to be the Registrant.

If the CFD Generator is an embedded exemptible generator they will require a BSC party to be the Registrant.

In CMRS the BM Unit is specific to the Generating Unit. It is therefore **possible to change BM Unit ownership** (retaining the same identifier). The BM Unit can therefore exist for the lifetime of the Generating Unit, which will include the lifetime of the CFD Contract.

BM Units for CM Assets Registered in SMRS

Capacity Providers who have Metering Systems registered in SMRS cannot use BM Units to provide its metered volumes to the Capacity Market Settlement Services Provider (CMSSP). There are two alternatives available:

- 1. Half Hourly Data Aggregator (HHDA) metering solution; or
- 2. Balancing Services metering solution.

The HHDA solution can be found in <u>BSCP503</u>³. Guidance on these services can be found on the <u>EMRS</u> <u>website</u>.

BM Units for CFD Assets Registered in SMRS

Unlike in CMRS where BM Units are specific to the Generating Unit or Demand site, in SMRS the BM Unit represents the Supplier's Metering System(s), and is specific to that Supplier, not the associated assets.

Typically Metering Systems registered in SMRS would be assigned to the Suppliers Base BM Unit and have its metered volumes aggregated with all the other Metering Systems allocated to that Base BM Unit. This is fine for BSC Settlement, but for EMR Settlement the metered volumes for these MPANs (Metering Systems) need to be provided in a disaggregated state so that the metered volumes for each CFD can be sent to the CFDSSP. This is achieved by using **Additional Primary BM Units** (A.BMUs), which can separate part of a Suppliers portfolio from its Base BM Units.

In order to determine metered volumes belonging to each individual CFD, the **Supplier must register** an A.BMU and **allocate the Metering Systems** associated with the CFD to an A.BMU using the BSCP503 process 3.5.

Registering Additional Primary BM Units for CFD Assets

This section describes the principles of the registration process, the triggers and why a new registration process was established.

Why was a new Registration process needed?

It takes between 28 and 62 calendar days (based on the MDD 2014 timetable) to register an A.BMU. Following a CFD generator moving Suppliers there is a risk that the new Supplier will not have an A.BMU. A new process was established to ensure that a CFD generator's metered volumes can be captured by an A.BMU, including following a Change of Supply (CoS). The new process was designed to solve the A.BMU 'speed of registration issue'.

Small embedded generators, such as CFD generators requiring A.BMUs typically sign a Power Purchase Agreement (PPA) with a Supplier, who in this instance is known as an Offtaker. The PPA is a commercial contract whereby the generator agrees to sell some or all of his generation to the Offtaker.

³ Half Hourly Data Aggregation for SVA Metering Systems Registered in SMRS

BSCP15 process 3.18 was established to support CFD generators and Offtakers signing PPAs within 5WDs of the PPAs start date.

Normally PPAs have no impact on the registration of BM Units because typically the MPANs will be part of the Suppliers Base BM Units. The Metering Systems can move from the old Supplier/Offtaker's Base BM Unit to the new Supplier/Offtaker's Base BM Unit before the PPA start date. However, for EMR the CFD Generators Metering Systems must move from the old offtaker's A.BMU to the new offtaker's A.BMU, which requires the new Supplier to have an A.BMU registered and available (no other Assets allocated to it).

Base BM Units are registered for all Suppliers in all GSP Groups as part of its BSC Market Entry processes, whereas A.BMUs are only registered upon request. This means it is possible under EMR for a generator to sign a PPA with a new offtaker who does not have an available A.BMU. In this instance the Metering Systems will move to the new offtaker's Base BM Unit by default. This will not impact BSC Settlement, but will mean that the Supplier is in breach of the BSC, and the CFDSSP will not receive the CFD generator's metered volumes, resulting in the CFD Generator **not receiving its difference payments**.

A new approach to registering A.BMUs for EMR was developed by BEIS in partnership with the CFD Expert Group on Metering to try and alleviate the potential 'speed of registration issue'.

Which systems are Additional Primary BM Units registered in?

A.BMUs need to be registered in two BSC systems. The first is the Central Registration System (CRS) operated by the Central Registration Agent (CRA). This system is used to hold the standing data for CVA participants. It can be updated as needed.

The second is the Market Domain Database (MDD). This database is used to store SVA standing data for use by SVA participants. It can only be updated following a timetabled schedule. The schedule is partly based around the monthly meetings of the Supplier Volume Allocation Group (SVG). Based on the 2013/14 timetable it takes between 42 and 75 days to register A.BMUs depending where in the scheduled timetable the A.BMU registration process is started. As a result of the BSC changes for EMR, A.BMUs can now be registered as part of the MDD fast track process. This has reduced the time down to between 28 and 62 calendar days (based on the MDD 2014 timetable).

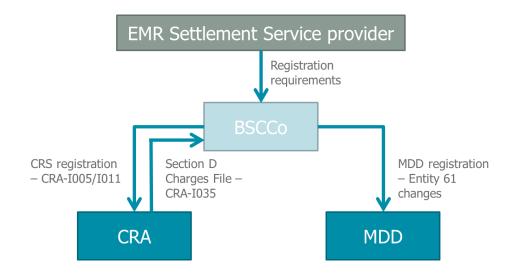
How does the new Registration process work?

The registration process for A.BMUs for CFD Assets differs in three main ways to the original A.BMU registration process:

- 1. BSCCo can register A.BMUs on behalf of Suppliers under instruction from the CFDSSP;
- 2. Sets of A.BMUs will be registered for each CFD (one CFD has many A.BMUs); and
- 3. The A.BMU Id and Name follows a different naming convention.

Sets of A.BMUs will be registered for each CFD whose Assets are registered in SMRS. Each A.BMU in the set will belong to a different Supplier. The idea being that when the CFD generator chooses its Supplier/Offtaker one of the A.BMUs in the set will belong to that Supplier. This means the Supplier will not have to register A.BMUs (they will be registered on its behalf), and the A.BMU is ready and waiting, mitigating the 'speed of registration issue'. The sets will be registered based on the APPL. A.BMUs for CFD Assets will last for the lifetime of the CFD Generator Contract (typical tenure of 15 years).

The diagram below shows the EMRSSP providing BSCCo with details needed to register a set of A.BMUs for a CFD. BSCCo will subsequently register the A.BMUs in the CRS and MDD.



Registering A.BMUs on behalf of Suppliers

BM Unit registration is typically triggered by the Lead Party (which for A.BMUs is always the Supplier to whom the A.BMU belongs). Suppliers will still be able to register A.BMUs for CFD Assets if they wish, but the typical process will be for the CFDSSP to instruct BSCCo to register A.BMUs on Supplier's behalf.

The CFDSSP will instruct BSCCo to register the A.BMUs following notice from the CFD generator of its intended start date (see CFD Standard Terms Schedule One 2.4). The CFD Standard Terms require that this notice shall be at least three months prior to the start date.

Suppliers will have A.BMUs automatically registered on their behalf, and in advance of a Supplier becoming the Registrant for the CFD Generator.

Registering Sets of A.BMUs

In order to ensure A.BMUs are registered and available, a set of A.BMUs will be registered by BSCCo following instruction from the CFDSSP. The set is registered based on the APPL. Once the set is registered it will be updated at least quarterly based on the latest APPL. The set will remain for the lifetime of the CFD, and forever associated with the same CFD.

When the generator notifies the CFD Counterparty (the Low Carbon Contracts Company) that its start date is in three months, the CFD Counterparty will inform the CFDSSP that the generator has three months until it needs an A.BMU. The CFDSSP will in turn, instruct BSCCo to register a set of A.BMUs for that generator in the relevant GSP Group (<u>BSCP15</u> 3.20).

The APPL

BSCCo is required (BSC Section K 3.3.14) to maintain a list of Active Power Purchasing Suppliers. This will include any Supplier that has recorded a Half Hourly Active Export greater than zero in the previous 30 days in each GSP Group or has requested to be included on the list. Suppliers will be able to opt-in and out of this list. The list records for each GSP Group a list of Supplier Market Participant Identifiers (MPID) that will have A.BMUs registered on its behalf. In the example APPL below, a CFD in _N would have a set of A.BMUs for Suppliers 'BBBB' and 'CCCC':

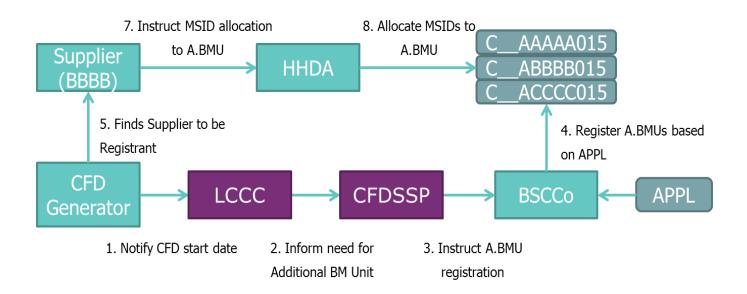
| Supplier ID | GSP Group | | | | | | | | | | | | | |
|----------------|-----------|----|----|----|----|----|----|----|----|----|----|----|----|----|
| | _A | _B | _C | _D | _E | _F | _G | _H | _J | _K | _L | _M | _N | _P |
| AAAA | 1 | | | | | | | | | | | | | |
| BBBB | 1 | 1 | | 1 | 1 | 1 | | 1 | | 1 | 1 | | 1 | |
| CCCC | 1 | 1 | | 1 | 1 | | | | | 1 | 1 | | 1 | 1 |

Each time the trigger (CFD generators three month start date notice or quarterly update) for registering a set of A.BMUs is initiated, BSCCo will register and deregister A.BMUs according to the APPL. Suppliers can control A.BMUs being registered on its behalf via the APPL. Suppliers can choose to be part of an A.BMU set in each GSP Group, or specific CFDs. The process for inclusion or exclusion from the APPL is found in <u>BSCP15</u> 3.20.

Should a Supplier already have an A.BMU for a particular GSP Group and subsequently opt-out of the list, the Suppliers A.BMU for that GSP Group will not be deregistered until the trigger for registering a set of A.BMUs is initiated (CFD generators three month start date notice or quarterly update).

Where a Supplier is no longer active in a GSP Group, the Supplier will **only be removed from the APPL** in that GSP Group if the Supplier agrees to the removal.

Example



| Date | Event | Detail |
|------------------|--|--|
| December 2014 | CFD Allocated | A small wind farm in GSP Group _N is allocated a CFD contract. It will have Metering Systems registered in SMRS and will therefore require an A.BMU for CFD Settlement. |
| March 2015 | Expected start date changed and Settlement Services Provider notified. | The CFD Generator originally expected to finish building the wind farm and start generating around May 2015, with CFD payments starting shortly afterwards. However, as the project developed it encountered some delays and now it's expected commencement of operation is to be in July 2015, with CFD payments to start thereafter. The new expected start date is notified to the CFD Counterparty (and by them to the CFDSSP) |
| March 2015 | Settlement Services Provider instructs BSCCo to register A.BMUs | The CFDSSP instructs BSCCo to register A.BMUs in GSP Group _N for this CFD Generator. The CFDSSP notifies BSCCo of the effective from date (EFD) for the A.BMUs (1 June 2015) and provides the unique CFD Generator ID held for that CFD Generator, say 'CFD1234' (CFD Generator ID convention to be defined). |
| | | The EFD is chosen to start before the CFD Generators expected commencement of operations date to ensure sufficient time to resolve any issues. |
| March 2015 | BSCCo starts the A.BMU registration process | BSCCo initiates the CRA and MDD registration processes, registering A.BMUs for each Supplier on the list for GSP Group _N. On this occasion there are nine Suppliers on the list and therefore nine A.BMUs are registered. |
| April 2015 | CFD generator signs a PPA with a Supplier | The CFD Generator signs a PPA with a Supplier effective from April 2015. The Supplier registers the relevant MPANs, which for the time being are assigned to the Suppliers Base BM Unit as the A.BMUs are not yet registered. |
| 10 May 2015 | A.BMUs entered into CRS | The nine A.BMUs are registered by the CRA in the CRS with an EFD of 1 June. |
| 14 May 2015 | MDD Go-live date | The nine A.BMUs go live in MDD with effective from dates of 1 June 2015. |
| 1 June 2015 | A.BMUs become effective in MDD and CRS | The nine A.BMUs are now effective in the CRS and MDD. |
| 15 June 2015 | Supplier allocates relevant MPANs to its A.BMU | The Supplier is one of the nine A.BMUs registered and can therefore assign the relevant MPANs from its Base BM Unit to the A.BMU for the CFD Generators CFD commencement of operations date. |
| 20 July 2015 | CFD Payment start date | The CFD Generators CFD payments start. |

| BMU Id | BMU Name |
|------------|----------------------|
| CNAAAA015 | CNAAAA015 - CFD1234 |
| CNBBBB015 | CNBBBB015 - CFD1234 |
| CNCCCC015 | CNCCCC015 - CFD1234 |
| CNDDDD015 | CNDDDD015- CFD1234 |
| CNEEEE015 | CNEEEE015 - CFD1234 |
| CNFFFFA015 | CNFFFFA015 - CFD1234 |
| CNGGGG015 | CNGGGG015 - CFD1234 |
| CNHHHH015 | CNHHHH015 - CFD1234 |
| CNIIII015 | CNIIII015 - CFD1234 |

The following sets of A.BMUs are registered for this CFD Generator:

A.BMU Naming Convention

All A.BMUs registered for CFD Assets shall follow a new naming convention. This means Lead Parties will not be able to choose how the BMU ID⁴ and BMU Name⁵ fields are populated. The main reason for the naming convention is to ensure that a relationship is established and maintained between the A.BMUs and the relevant CFD Generator. This relationship should last for the lifetime of the CFD contract. This naming convention does not apply to BM Units with Metering Systems registered in CMRS as sets of BMUs and the exclusion of the £100 monthly BSC charge do not apply.

When you create a set, of say 10 A.BMUs for a CFD Generator, it's important those ten are available to use the next time the CFD generator changes Offtaker/Supplier. Without a way of associating A.BMUs to the CFD Generator the process becomes much harder to manage.

If however, Suppliers know that A.BMU IDs ending in 015 relate to the CFD Generator with the unique ID of 'CFD1234' it becomes much easier to understand and manage the A.BMUs.

The naming convention is also used to exclude the A.BMUs from the relevant finance file, preventing Lead Parties from paying the ± 100 monthly BSC charge.

| New Additional BM Unit ID Schema for CFD Assets: e.g. CASUPP001 | | | | |
|---|---|--|--|--|
| Schema Element | Schema Element Description | | | |
| C_ | The first two characters of the BM Unit Id will identify the type of Additional BM Unit: Supplier BM Unit for CFD Assets (C_) | | | |
| _X | The next two characters will be the GSP Group Id e.gA for Eastern GSP Group. | | | |
| XXXX | The next four characters will be the Market Participant Id of the Supplier on whose behalf the Additional BM Unit is registered. e.g. SUPP. | | | |
| nnn | Used to identify the CFD. The number increments by one for each CFD. | | | |

⁴ BM Unit Id - N0034

⁵ BM Unit Name - N0036

| BMU Id Prefix | BMU Name Schema | Example | Description |
|---------------------|------------------------|--------------------------------------|---|
| C_ | {BMU Id} - {CFD Id} | CASUPP001 - CFD12345 ⁶ | The CFD Id used in the CFDSSP system will be stored in the A.BMU name field. This will be provided by the CFDSSP to BSCCo. This allows the Additional BM Unit to be associated with a particular CFD for the lifetime of the CFD, by creating a relationship between the BMU Id and CFD Id. The maximum number of characters allowed for the BMU name is 30 characters. |

More details can be found in <u>EMRC10</u>.

Deregistering A.BMUs that were registered for EMR

There are two triggers for deregistering A.BMUs with CFD Assets assigned to them:

- 1. A set of A.BMUs for a particular CFD Generator needs updating; or
- 2. The CFD contract expires or a CFD contract Termination Event occurs.

A.BMUs for CFD Assets can only be deregistered under instruction from the CFDSSP, as per the process in <u>BSCP15</u> 3.19. If a Supplier wishes to deregister one of the A.BMUs that have been registered on its behalf (i.e. as part of a set), it can:

- 1. Opt-out of the APPL in that GSP Group. This will prevent any A.BMUs being registered on its behalf in that GSP Group. Please follow process 3.20 in <u>BSCP15</u>, to opt-out of the list in the relevant GSP Group. The A.BMU will not be deregistered until the set of A.BMUs is updated. This will happen at least quarterly.
- 2. Request the CFDSSP to instruct BSCCo to de-register the A.BMU. Please contact <u>contact@emrsettlement.co.uk</u> to make this request.

The CFD Counterparty will inform the CFDSSP that a CFD contract has ended or a Termination Event has occurred. Consequently the CFDSSP will instruct BSCCo to deregister the relevant A.BMU. The CFD Counterparty will know when these are due to end.

There may also be occasions when the Supplier no longer needs the A.BMU and wishes to deregister it. For example, if a CFD Generator changes Suppliers/Offtakers, and the old Supplier no longer wishes to take on customers with CFDs. Should this be the case, the Supplier should contact the Settlement Services Provider and request that it instructs BSCC0 to deregister it as per <u>BSCP15</u> 3.19.

⁶ The CFD Id will be up to 16 characters long.

Frequently Asked Questions - FAQs

All of these questions are asked in the context of needing BM Units for EMR.

| | Question | Answer |
|----|--|---|
| 1. | When do I need to register my BM Unit associated with Metering Systems | The BM Units should be registered in sufficient time so that they are effective from the start of the CFD Generator's start date (the day CFD difference payments start). |
| | registered in CMRS? | It is the responsibility of the CFD Generator to ensure its metering, including BM Units are compliant. It is the responsibility of Lead Parties to ensure that the BM Units are comprised of the correct assets. See the BSC section K 3.1.8. |
| 2. | When do I need to register my BM Unit associated with Metering Systems | BM Units should be registered in sufficient time so that they are effective from the start of the CFD Generator's start date (the day CFD difference payments start). |
| | registered in SMRS? | It is the responsibility of Suppliers to ensure that A.BMUs are registered and that only the relevant assets are assigned. See the BSC section K 3.3.12 and 3.3.13. |
| 3. | How do I register CVA BM Units? | You need to register the BM Unit following BSCP15 section 3.1. |
| 4. | How do I register SVA BM | You need to register the BM Unit following BSCP15 3.18. |
| | Units? | Lead Parties should not need to register A.BMUs for EMR as long as: |
| | | 1. The CFD Generator has informed the CFD Counterparty (who then informs the EMR Settlement Services Provider) in sufficient time; and |
| | | 2. The Supplier is on the list maintained by BSCCo |
| 5. | When do I need to deregister my BM Unit associated with Metering Systems registered in | As per registering A.BMUs you should not need to deregister the A.BMUs (unless you want to). You will only be permitted to de- register A.BMUs if the Settlement Services Provider confirms it is not needed for EMR settlement. |
| | SMRS? | There are two occasions when A.BMUs will be de-registered on your behalf: |
| | | 1. When the CFD Contract terminates or a Termination Event occurs; or |
| | | 2. When a set of A.BMUs is being updated based on the APPL maintained by BSCCo. |
| 6. | When do I need to deregister my BM Unit associated with Metering Systems registered in CMRS? | This is up to the Lead Parties of the BM Unit. We would expect this to occur when the generating units assigned to the BM Unit are decommissioned. |
| 7. | Why is there a new process for SVA BM Units and not CVA BM Units? | A new process is needed because A.BMUs are specific to Suppliers and cannot move between Suppliers. Any EMR Assets must move between A.BMUs as the Supplier/offtaker changes. |

| Question | Answer |
|--|--|
| 8. Why are we still charging for CVA BM Units? | The requirement to register Metering Systems in CMRS and the setup of CVA BM Units is not changed as a result of EMR. If a generator is licensed and awarded a CFD contract it will be required to register its BM Units in the same way as if it did not hold a CFD contract. |
| 9. Why does the £100 monthly A.BMU charge not apply for A.BMUs registered for EMR? | Unlike in CVA, EMR is mandating the use of A.BMUs for SMRS registered Metering Systems. Currently Suppliers have a choice of whether to allocate its Metering Systems to its Base BM Unit (default position) or to an A.BMU. EMR is removing this choice. Also, the £100 monthly charge is not cost reflective. Any costs (e.g. time and effort) BSCCo incurs in registering A.BMUs for EMR will be recovered from the CFD operational levy. |
| 10. Will I have to pay for Additional Primary BM Units? | No. The normal Section D charge of £100 per month per A.BMU will not apply if it is registered for CFD purposes. Further information provided in question 9. |
| 11. Why do we need a naming convention for SVA BM Units? | The main reason for a new A.BMU naming convention is to maintain a relationship between A.BMUs and a CFD Generator. This is most relevant when registering a set of A.BMUs for the lifetime of a CFD contract. In order to ensure A.BMUs remain available for the lifetime of the CFD contract it is important to know which A.BMUs have been registered for which CFD Generator. By including the CFD Generator unique Id in the BMU name field this can be easily achieved and visible for all relevant participants. The naming convention also helps exclude the A.BMUs from BSC Parties BSC charges. |
| | No such naming convention is needed for CVA BM Units as the BM Unit is related directly to the generating unit and consequently the CFD Generator. |
| 12. What GC/DC values will be entered for A.BMUs registered as part of a set? What about other CALF and Physical Notifications | Where A.BMUs are registered by BSCCo under instruction from the Settlement Services Provider zero GC/DC values will be entered. This means there will be no impact on a Supplier's Credit position. Default CALF values and FPN flag of `N' will also be set as default. |
| (PNs)? | Where a Supplier allocates Metering Systems to an A.BMU it will be required to declare the GC/DC values in accordance with existing BSC rules. This should be the maximum expected net Generation and Demand for that BM Unit in the current BSC Season. |
| | A corresponding CALF value will also be calculated. Should the A.BMU participate in the Balancing Mechanism, or wish to submit Physical Notifications, the Supplier will need to submit a BSCP15/4.1 form to change the FPN flag for the BM Unit in accordance with the current process. The Supplier will also need to register BM Units with National Grid. |

| Question | Answer |
|---|---|
| 13. What data will I receive for A.BMUs? | From a BSC perspective you will receive all the normal data flows and data you would normally receive. This includes the SAA-I014 part two flow. Where an A.BMU is inactive, because it was registered as part of a set, or is no longer needed you will still continue to receive this flow. |
| | From an EMR perspective you will only receive data relating to BM Units where you are the EMR participant. For example, a small embedded CFD Generator with Metering Systems registered in SMRS will not receive any BSC data flows from BSCCo. However, it will receive data flows from the CFD Settlement Services Provider. These flows will provide the credit note/invoice and associated backing sheet. The backing sheet will contain the metered data used to determine the credit note/invoice and will mirror the volumes provided by BSCCo to the Supplier. |
| 14. What Settlement timeline will CFD follow / when will I | The BSC Settlement timetable does not change for EMR and BSC Settlement continues to operate as scheduled. |
| receive EMR settlement volumes? | The EMR Settlement timetable will follow the BSC timetable. For example, for Settlement Day (SD) 1 April 2015 we would expect the II Run to occur 5WD later on 8 April. The EMR Settlement Services Provider will receive this BSC data on SD+5WD and submit the EMR Settlement data to the EMR participant by SD+7WD on 10 April 2015. |
| 15. Where do Energy Intensive Industries fit into this? | Customers of Suppliers that are eligible can apply to the Department of Business, Energy & Industrial Strategy (BEIS) for an EII Certificate. Each EII Certificate will exempt a proportion of up to 85% of a meter's metered volumes from CFD charging. You do not need to register Additional BMUs to measure the EII volumes separately. |
| 16. Do I have to use A.BMUs? | If you have agreed to be the Supplier/offtaker for a CFD generator then you are obliged by the BSC to register A.BMUs and assign the relevant CFD Assets in accordance with the CFD Generators CFD contract. |

| Question | Answer |
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| 17. Why are Suppliers allowed to opt-in and out of the list? | BSCCo are required to maintain a list (the APPL) of Suppliers in each GSP Group for whom they should register Additional Primary BM Units when instructed by the CFDSSP. This is expected to occur when a generator does not know who it will sign its Power Purchasing Agreement (PPA) with and consequently which Supplier will be responsible for the Metering Systems. |
| | Suppliers may opt-in because they wish to sign a PPA with a generator who has been awarded a CFD contract but does not currently provide any Half Hourly Export supply in the relevant GSP Group. By opting-in the Supplier ensures an A.BMU will be registered on its behalf and available to use from the start of the PPA. |
| | Some Suppliers will be included on the APPL because they are classed as mandatory Offtakers as part of Ofgem's OLR process. |
| | Suppliers may opt-out because they may make a decision not to take on any CFD Generators and do not wish to have A.BMUs registered on its behalf. |
| 18. Why allow Lead Parties to register A.BMUs at all? Why not just let the new process of registering sets of A.BMUs to unfold? | Allowing Lead Parties to register A.BMUs ensures they can meet their BSC obligations to register A.BMUs. |
| 19. How do I know if I'm [Supplier] on the A.BMU list? | The list will be updated at least quarterly. Suppliers may request a copy of the list at any time. A Supplier will only be provided with a filtered version of the list, showing only its status to maintain confidentiality. |
| 20. How do I deregister A.BMUs for EMR? | The process for deregistering is fundamentally the same as for registering. Either the CFD Counterparty will inform the Settlement Services Provider that the CFD contract has expired and the SSP will instruct BSCCo to deregister A.BMUs. Or BSCCo will deregister A.BMUs if that Supplier is no longer on the list at the time a set is revised each quarter. |
| 21. How does the Offtaker of Last Resort (OLR) process impact the A.BMU registration process? | The Offtaker of Last Resort (OLR) process mandates certain Suppliers/Offtakers to sign a PPA with a CFD generator. Mandatory offtakers must ensure they are on the APPL in every GSP Group. We understand the process to be: |
| | • Supply licence conditions will specify Mandatory Offtakers for the next (Apr-March) OLR Year as those that supplied more than 6% of GB electricity in the preceding OLR Year. |
| | Ofgem will identify the Mandatory Offtakers ~7 months before each OLR Year begins. |
| | Ofgem will publish the list of Mandatory Offtakers. |
| | • Supplier must make sure they have A.BMUs registered by electing to be on the APPL in every GSP Group. |

| Question | Answer |
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| 22. How do I allocate Metering Systems to an Additional BM Unit? | You should follow BSCP503 3.5. Further information on this can be found in the <u>Multiple BM Unit Instruction Processing</u> <u>Specification</u> . |
| 23. Can I retrospectively allocate MPANs to an A.BMU? | No. you can only allocate MPANs to an A.BMU with an effective date in the future. |
| 24. How does the Change of Supply process work with A.BMUs for CFD Assets? | The new Supplier must ensure it has an available A.BMU (no other Assets assigned to it). The New Supplier must also ensure it allocated the relevant MPANs to its A.BMU in line with its supply start date. |
| | If a CFD Generator chooses to transfer to another Supplier/Offtaker, the new Supplier will need to allocate the MPANs to its A.BMU, so that the CFD generators metered volumes are captured by the new Suppliers A.BMU rather than the old Suppliers A.BMU. The old Suppliers A.BMU cannot transfer to the new Supplier, unless the old Supplier is transferring ownership of the entire MPID. |
| | The CFD generator will also need to ensure that the CFDSSP knows about change of supply events, so that it can include the relevant A.BMU in its settlement calculations for the CFD generator. This can be done by a generator's authorised persons. |
| 25. I MVRN energy from my Base BM Units to another Party's energy account, will I have to set up new MVRNs for A.BMUs? | Yes. A.BMUs for CFD Assets with Metering Systems allocated to it will by default allocate energy to the Party Energy Account associated with the A.BMUs. If you wish to move energy from the associated Energy Account you will need to setup MVRNs to the preferred Energy Account. |
| | Unless the A.BMUs are declared exempt export status, the A.BMUs will have 'C' consumption status and form part of the Base Trading Unit. |

Glossary

| Term | Definition |
|---|--|
| A.BMU — Additional Balancing Mechanism Unit | Supplier BM Units that are not Base BM Units. |
| Active Export | A flow of Active Energy (means the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of instantaneous Active Power, measured in units of watt- hours or standard multiples thereof) at any instant in time from any Plant or Apparatus (not comprising part of the Total System) of that Party to the Plant or Apparatus (comprising part of the Total System) of a Party. |
| Active Power Purchasing Supplier | In respect of a GSP Group, means a Supplier that has recorded a Half Hourly Active Export greater than zero for that GSP Group at any point over a period of the 30 most recent Settlement Days for which data is available. |
| APPL – Active Power Purchasing List | A list maintained by BSCCo that identifies Active Power Purchasing Suppliers in each GSP Group, or those Half Hourly Suppliers that have requested to be added to the list. |
| Balancing Service Meters | National Grid Balancing Services meters for Short Term Operating Reserve (STOR), Frequency Control by Demand Management (FCDM) and Firm Frequency Response (FFR). |
| Base BM Unit | A Supplier's 'default' Supplier BM Unit for a GSP Group. Every Supplier has one Base BM Unit for each of the 14 GSP Groups. All a Suppliers supply and SVA registered embedded generation in a particular GSP Group will be allocated to the Base BM Unit, unless the Supplier specifically allocates the Metering System to an Additional BM Unit. |
| BEIS- Department for Business, Energy & Industrial Strategy | A UK Government ministerial department which aims to build links between industry, energy and climate change, and enable a united focus on markets, investors and consumers. |
| BMU - Balancing Mechanism Unit | Units of trade in the Balancing Mechanism. Used in the BSC to account for all energy that flows on or off the Total System, which is the Transmission System and the Distribution System combined. A BM Unit is the smallest grouping of equipment that can be independently metered for Settlement. Most BM Units consist of a generating unit or a collection of consumption meters, and the energy produced or consumed by the contents of a BM Unit is accredited to that Unit |
| BSC Party | A person who is acceded and bound by the BSC by virtue of being a party to the Framework Agreement. |
| BSCCo | A non-profit organisation responsible for managing the provision of the necessary central systems and services to give effect to the BSC rules and for managing the governance processes |
| CFD – Feed in Tariff Contracts for Difference | A contract designed to incentivise investments in new low-carbon electricity generation in the UK by providing stability and predictability to future revenue streams. |
| CFD Counterparty | The role responsible for managing Contracts for Difference, and managing the collection and payment of monies under the Supplier Obligation (obligations on Suppliers) for the CFD regime. The LCCC is the CFD Counterparty. |
| CFD Generator | A generator who has a CFD. |
| | |

| Term | Definition |
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| CFD Generator Start Date | The CFD generators payments start date. |
| CFDSSP – CFD Settlement Services Provider | The role to carry out settlement of CFDs and the Supplier Obligation on behalf of the CFD Counterparty. |
| CM – Capacity Market | The Governments scheme designed to ensure sufficient and reliable capacity on the System, even at times of peak demand. |
| CMRS - Central Meter Registration Service | The service for registration of data relating to CVA Metering Systems maintained (for the purposes of the Code) by the Central Data Collection Agent. |
| CMSSP – Capacity Market Settlement Services Provider | The role to carry out settlement of the Capacity Market on behalf of the Settlement Body. |
| CoS – Change of Supply | The SVA process for a customer and its associated Metering Systems moving from the responsibility of one Supplier to another Supplier. |
| CRA – Central Registration Agent | BSC Party details are stored in a database managed by the CRA (a BSC Agent). The database holds information such as, Party IDDs, Party Roles, Authorised Signatories and BM Units. |
| CRS – Central Registration Service | A service for registration of data maintained (for the purposes of the Code) by the Central Registration Agent. |
| CVA – Central Volume Allocation | The process and systems to determine quantities of Active Energy to be taken into account for the purposes of Settlement in respect of Volume Allocation Units. |
| EMR – Electricity Market Reform | The Governments programme to 'transform the UK's electricity system to ensure that our future electricity supply is secure, low-carbon and affordable'. There are four schemes under EMR. Two EMR schemes, CFD and CM, will have its payments and charges calculated by the EMR Settlement Services Provider. |
| EMRS – Electricity Market Reform Settlement | The subsidiary company of ELEXON Ltd established to meet the EMRSSP role. |
| EMRSSP – Electricity Market Reform Settlement Services Provider | Used to refer to the CFDSSP and/or the CMSSP. |
| ESC – Electricity Settlements Company | See Settlement Body. |
| GSP Group – Grid Supply Point Group | A Distribution System. |
| HHDA — Half Hourly Data Aggregator | A Supplier Agent responsible for aggregating metered data received from Half Hourly Data Collectors. |
| LCCC – Low Carbon Contracts Company | See CFD Counterparty. |
| Lead Party | The BSC Party to whom a BM Unit belongs. |
| MDD – Market Domain Data | A database to hold standing data for SVA. |

| Term | Definition |
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| Metering System | Commissioned Metering Equipment (Meters, measurement transformers, metering protection equipment including alarms, circuitry, associated Communications Equipment and Outstations and wiring). |
| Offtaker | A Licensed supplier party to a PPA or Backstop PPA (BPPA) with a generator. |
| PPA – Power Purchase Agreement | A contract between two parties, one who generates electricity (the seller) and one who is looking to purchase electricity (the buyer). |
| Private Network | An electricity distribution network that is not part of the Total System. |
| Registrant | The person responsible for the Metering System. |
| SAA – Settlement Administration Agent | A BSC agent that collects data, including metered data from SVA and CVA to determine the Energy Imbalance of each Trading Party, the System Prices, Trading Charges and BM Unit volumes for EMR. |
| Settlement Body | The role responsible for managing capacity agreements, and managing the collections and payments of monies under the Electricity Capacity (supplier Payments) Regulations. The ESC is the Settlement body. |
| SMRS - Supplier Meter Registration Service | The service for registration of data relating to SVA Metering Systems maintained (for the purposes of the Code) by the Licensed Distributors. |
| Supplier | A Party which holds a Supply Licence and is responsible for Exports and/or Imports for which such Party is required, to register one or more SVA Metering Systems. |
| SVA | The process and systems to determine quantities of Active Energy to be taken into account for the purposes of Settlement in respect of Supplier BM Units. |
| The System or Total System | The Transmission System, each Offshore Transmission System User Asset and each Distribution System. |

For more information, please contact the EMR Team at contact@emrsettelement.co.uk

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