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**To**                            EMR Circular List

**From**                        EMR Settlement Limited

**Purpose**                      For Action

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## **DECC Publishes 'Energy Intensive Industry Amendments to the Balancing and Settlement Code Consultation'**

This circular informs you that:

- **DECC** has published a consultation on proposed changes to the Balancing and Settlement Code (BSC) to support its Energy Intensive Industry (EII) policy). DECC are consulting on two options (A & B) and consequently two sets of BSC changes. The consultation can be found [here](#).
  - Responses are due by **21 December 2014** to DECC's consultation.
  - The BSC changes will be directed by the Secretary of State and are not part of the normal BSC change processes.
- **ELEXON** are seeking comments by 17.00 **Monday 5 January 2015** to [contact@emrsettlement.co.uk](mailto:contact@emrsettlement.co.uk) on the following:
  - **Option A** - Proposed naming convention for Additional BM Units registered for EII Assets (see below).
  - **Option B** – The changes identified to the Data Transfer Catalogue (DTC) to support the BSC changes (see attachment one).

The EII policy forms part of the Contracts for Difference (CFD) EMR policy, and is designed to exempt the costs of CFD payments for eligible EIIs.

### **Who does this impact?**

The changes will place new obligations on **Suppliers** and **Half Hourly Data Aggregators** (HHDAs). The impacts include:

#### **Option A**

- **Suppliers and HHDAs:** BM Unit-related DTC flows (i.e. D0294, D0295, D0296, D0297, D0298 and D0299) impacted by Additional BM Unit naming convention (see below).
- **BSC Parties** (and others) who receive the SAA-I014 settlement report need to be aware that it may contain data for EII-related Additional BM Units, whose BM Unit ID will follow a new naming convention (see below).
- **Suppliers** should be aware the existing £100 monthly charge for each Additional BM Unit will be waived, and replaced with a one-off fee for each Additional BM Unit.

#### **Option B**

- **Suppliers and HHDAs:** Changes to the DTC flows for sending data to the EMR Settlement Services Provider (D0354, D0355, D0356 and D0357) (see attachment one).

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## What are the two options proposed by DECC?

**Option A:** Proposes to use BM Units to capture EII metered volumes so that they can be provided to CFD settlement. This includes, where the Metering Systems are registered in SVA, requiring Suppliers to register Additional BM Units, using a new naming convention, and allocating the EII Assets to the Additional BM Units.

**Option B:** Proposes that Suppliers provide the EII metered volumes to CFD Settlement via its HHDA. This extends the scope of the metering solution approved for the Capacity Market (CM) in August 2014 as part of the directed BSC changes for EMR. The HHDA metering solution for the CM will be implemented on 26 February 2015. The BSC changes for the CM solution can be found [here](#), and the DTC changes [here](#). The proposed changes to the DTC for this option can be found in attachment one. This option will still use BM Units to capture EII metered volumes for Metering Systems registered in CVA.

A summary of the BSC changes and full details of the two options can be found in DECCs consultation, [available here](#).

## What is the naming convention proposed for Additional BM Units registered for EII Assets under DECC's option A?

As communicated in [EMR Circular 10](#) (EMRC10), a new naming convention will be used for Additional BM Units registered for EII Assets. We welcome your comments on the proposed naming convention for Additional BM Units for EII Assets. EMRC10 contains full details on the naming convention. In summary the naming convention is:

| New Additional <u>BM Unit ID</u> Schema for EII Assets: e.g. D__ASUPP001 |   |
|--|---|
| Schema Element   | Schema Element Description  |
| D_   | The first two characters of the BM Unit Id will identify the type of Additional BM Unit: Supplier BM Unit for EII Assets (D_)                                   |
| _X   | The next two characters will be the GSP Group Id e.g. _A 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  | <b>CHANGED FROM EMRC10</b> - The number starts at 001 for each Supplier and increments by one for each new Additional BM Unit for that Supplier in a GSP Group. |

**BM Unit Name:** The BM Unit Name will not be defined. It will be a free text field up to 30 characters long.

## There is one important amendment to the naming convention in EMRC10.

EMRC10 proposed the last three numbers of the BM Unit ID would be used to signify the exemption level being applied to the Additional BM Unit. Consequently, only EII Assets of that exemption level could be allocated to that Additional BM Unit. The proposal now is to assign the last three numbers of the BM Unit ID as was originally done for Additional BM Units i.e. start at 001 for each Supplier's EII Additional BM Unit, and increase by one each time that Supplier adds an Additional BM Unit in the same GSP Group.

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The reason for this change is to allow greater flexibility, reduce the number of Additional BM Units that need to be registered and consequently the costs incurred by Suppliers for registration. Previously, the exemption levels were to be in pre-defined groups or categories e.g. 70, 75, 80 and 85 %. This method lent itself to discrete categories that could be assigned to Additional BM Units using the last three numbers in the BM Unit ID. However, now the exemption levels can be any percentage from 85 and below. By allowing Additional BM Units to have EII Assets with any exemption level allocated to it, so long as they are of the same exemption level, Suppliers will not need to register a new Additional BM Unit.

## **What are the DTC changes proposed for DECC's option B?**

Should DECC proceed with option B, ELEXON has identified the Data Transfer Catalogue (DTC) changes it believes will be needed to implement the BSC changes. The identified DTC changes, which we welcome your comments on, can be in attachment one.

If option B is progressed, a consequential DTC change proposal will be raised by BSCCo and progressed using the normal DTC change process with MRASCo.

## **Where can I get more information?**

If you have queries on DECC's consultation please contact DECC on [secondarylegislationemr@decc.gsi.gov.uk](mailto:secondarylegislationemr@decc.gsi.gov.uk).

If you have any further questions about this circular, or the BSC changes, including the Additional BM Unit naming convention, and DTC changes, please email [contact@emrsettlement.co.uk](mailto:contact@emrsettlement.co.uk).

Find out more about our role in EMR on the [EMR Settlement website](#).