

CMP453: To Bill BSUoS on a net basis at BSC Trading Units

**Workgroup 3, 11 August 2025
Online Meeting via Teams**

WELCOME

Agenda

Topics to be discussed	Lead
Introductions	Chair
Timeline <ul style="list-style-type: none">• Walk-through of the timeline for the modification	Chair
Review Workgroup Consultation Responses	All
Workgroup Report Document Discussion	All
Workgroup Vote Discussion	All
Any Other Business	Chair
Next Steps	Chair

Expectations of a Workgroup Member

Contribute to the discussion

Be respectful of each other's opinions

Language and Conduct to be consistent with the values of equality and diversity

Do not share commercially sensitive information

Be prepared – Review Papers and Reports ahead of meetings

Complete actions in a timely manner

Keep to agreed scope

Email communications to/cc'ing the .box email

Your Roles

Help refine/develop the solution(s)

Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

Vote on whether the solution(s) better facilitate the Code Objectives

Workgroup Membership

Role	Name	Company
Proposer	Matthew Foster	Triton Power
Workgroup Member	Andrew Dudkowsky	NESO
Workgroup Member	Lisa Waters	Waters Wye (Saltend)
Workgroup Member	Damian Clough	SSE
Workgroup Member	Karl Mayron	Drax Energy Solutions Limited
Workgroup Member	George Major	Smart Grid Consultancy (SGC)
Observer	Robert Malone	Phillips 66 Ltd
Observer	Iain Ewing	SSE Transmission
Authority Representative	Ellie Brundrett	OFGEM

Timeline

Prisca Evans – NESO Code Administrator

Timeline for CMP453 as of 19 June 2025

Milestone	Date	Milestone	Date
Modification presented to Panel	23/05/25	Code Administrator Consultation	29/09/25 - 17/10/25
Workgroup Nominations (15 business days)	23/05/25 - 13/06/25	Draft Final Modification Report (DFMR) issued to Panel (5 business days)	23/10/25
Workgroups 1 and 2	<ul style="list-style-type: none"> 25/06/25 09/07/25 	Panel undertake DFMR recommendation vote	31/10/25
Workgroup Consultation (21 business days)	11/07/25 - 1/08/25	Final Modification Report issued to Panel to check votes recorded correctly	03/11/25
Workgroups 4 and 5	<ul style="list-style-type: none"> 11/08/25 27/08/25 	Final Modification Report issued to Ofgem	11/11/25
Workgroup report issued to Panel	18/09/25	Ofgem decision needed by	TBC
Panel sign off that Workgroup Report has met its Terms of Reference	26/09/25	Implementation Date	01/04/26

Public

Outstanding Actions

Action number	Workgroup Raised	Owner	Action	Comment	Status
1	WG1	AD	Add a clause in section 14 to reference that BMUs directly connected as part of a trading unit will be charged on a net basis. Also clarify the legal text as it applies to BMUs subject to the charge	Legal Text updated	To close
2	WG1	LW	Chase up Elexon to find out how many units this applies to and if any of them have more than one demand BMU within a trading unit..	This has been shared with the Workgroup Members	To Close
3	WG1	PE	The Chair is to give access to the Collab space for Workgroup members to review legal text and update Workgroup report.	Access has been shared with the Workgroup Members	To Close

Workgroup Consultation Responses Review

All



CMP453 Workgroup Consultation Responses Review

Number of Responses/Alternatives	
Confidential Responses	0
Non-Confidential Responses	2
Alternative Requests Raised	0

Industry Sector Representation*	
Consumer body	0
Demand	0
Distribution Network Operator	0
Generator	1
Industry body	0
Interconnector	0
Storage	0
Supplier	
System Operator	1
Transmission Owner	0
Virtual Lead Party	0
Other	0

*Please note some responses represent a number of industry sectors and this tally does not include confidential Respondents

CMP453 Workgroup Consultation Responses Review

Question	Number of Respondents			
	Objectives	Yes	No	N/A or No response
Do you believe that the Original Proposal better facilitates the Applicable Objectives?	D	1		N/A (1)
	E	1		
	F	1		
	G	1		
	H	1		
Do you support the proposed implementation approach?		1		N/A (1)
No respondents raised Workgroup Alternative Requests during the Workgroup Consultation.				
No respondents indicated that they disagreed with the Workgroup's assessment that the modification does not impact the European Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the CUSC.				

CMP453 Workgroup Consultation Responses Review

Key Points

- Two Non – Confidential Workgroup Consultation Responses were received.
- One Respondent raised concerns that customers are being charged for system components they do not use, resulting in unfair cost allocation. They warned that if the issue isn't addressed, sites may resort to rewiring as a workaround.
- Another Respondent expressed concern around the implementation date, noting that any delay in approval beyond mid-September 2025 would change the current agreed timeline.
- One Respondent raised concerns that CMP453 would distort financial incentives by granting a BSUoS-related benefit to the Trading Unit, creating a barrier for more efficient generators to compete—similar in effect to the embedded benefit removed by CMP308.
- One Respondent raised concerns that the modification does not improve overall BSUoS efficiency but instead shifts the cost burden onto fewer participants, creating stronger financial incentives to form Trading Units and potentially leading to inequitable outcomes for customers.

CMP453 Workgroup Consultation Responses Review

Q7 – Do you agree that this modification has no impact on competition in generation?

- One Respondent disagrees that the modification has no impact on competition in generation. The modification impacts competition in generation by creating a barrier to entry for more efficient generators.
- One Respondent agrees

CMP453 Workgroup Consultation Responses Review

Q8 – Do you believe there is a risk that implementing this modification will create an incentive that others could use to reduce BSUoS (and therefore impose more BSUoS on a smaller group of payees) ?

- One Respondent notes that there is a risk that the modification will create an incentive for others to reduce BSUoS, shifting the burden onto fewer participants.
- One Respondent does not think there is a Risk of Incentive to Reduce BSUoS as customers are not creating the charges and should not be unfairly charged.

CMP453 Workgroup Consultation Responses Review

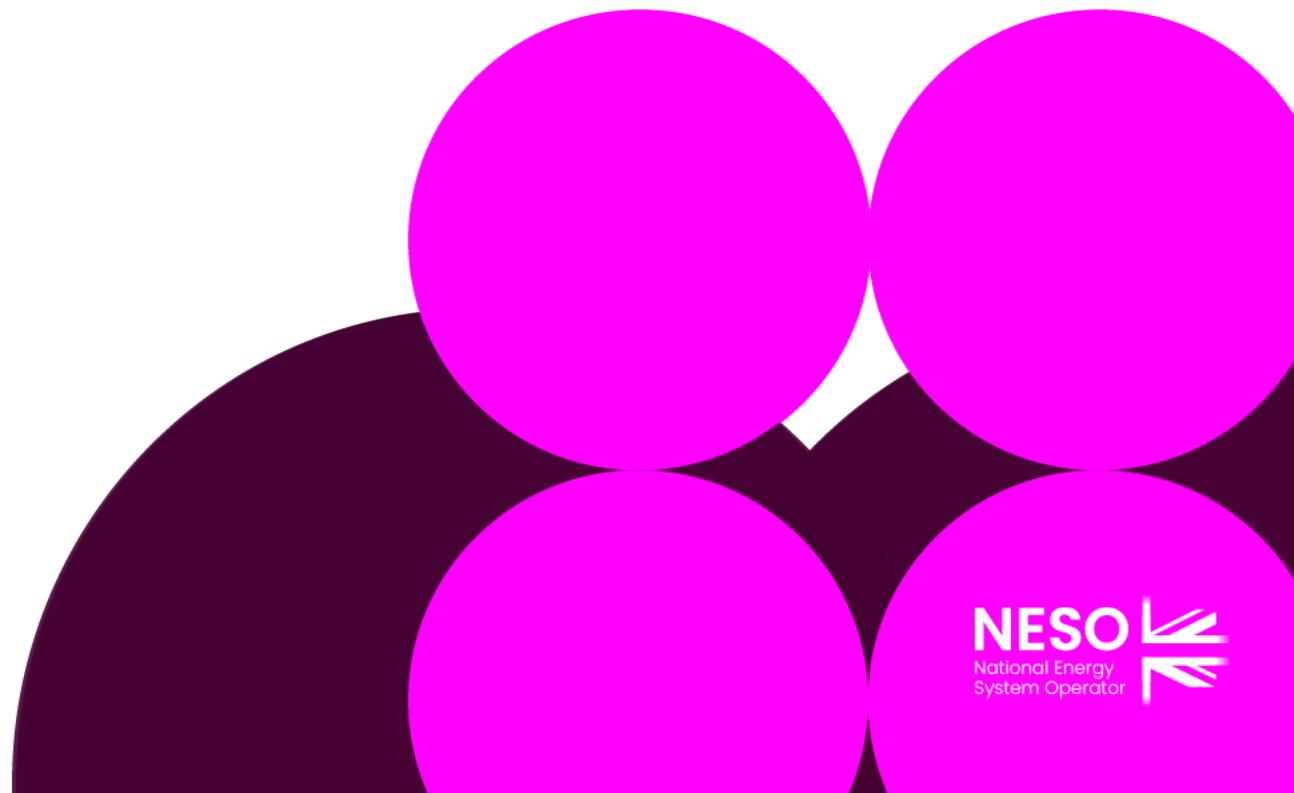
- **Q9 – How to better define who is eligible for this functionality. Do you prefer:**
 - a) Any trading unit defined as a class 1-3 or a class 6 trading unit Or b) Any trading unit that shares the same connection point?**
- One Respondent thinks option B as this defines the eligibility based on trading units that are collocated.
- One Respondent has a preference for option A, which is clearer in defining units where the point of connection is shared.

CMP453 Workgroup Consultation Responses Review

- **Q10 – Do you agree that the modification results in more cost reflective charging of BSUoS for customers who do not use the Total System by virtue of their connection agreement?**
- One Respondent agrees that the modification is more Cost Reflective Charging of BSUoS as customers not using the Total System should not be paying for it.
- One Respondent notes that, If this modification is approved it needs to ensure that the scope of the beneficiaries is well defined and known and locked down to avoid BSUoS slowly being imposed on a dwindling number of customers who are least able to avoid the BSUoS burden

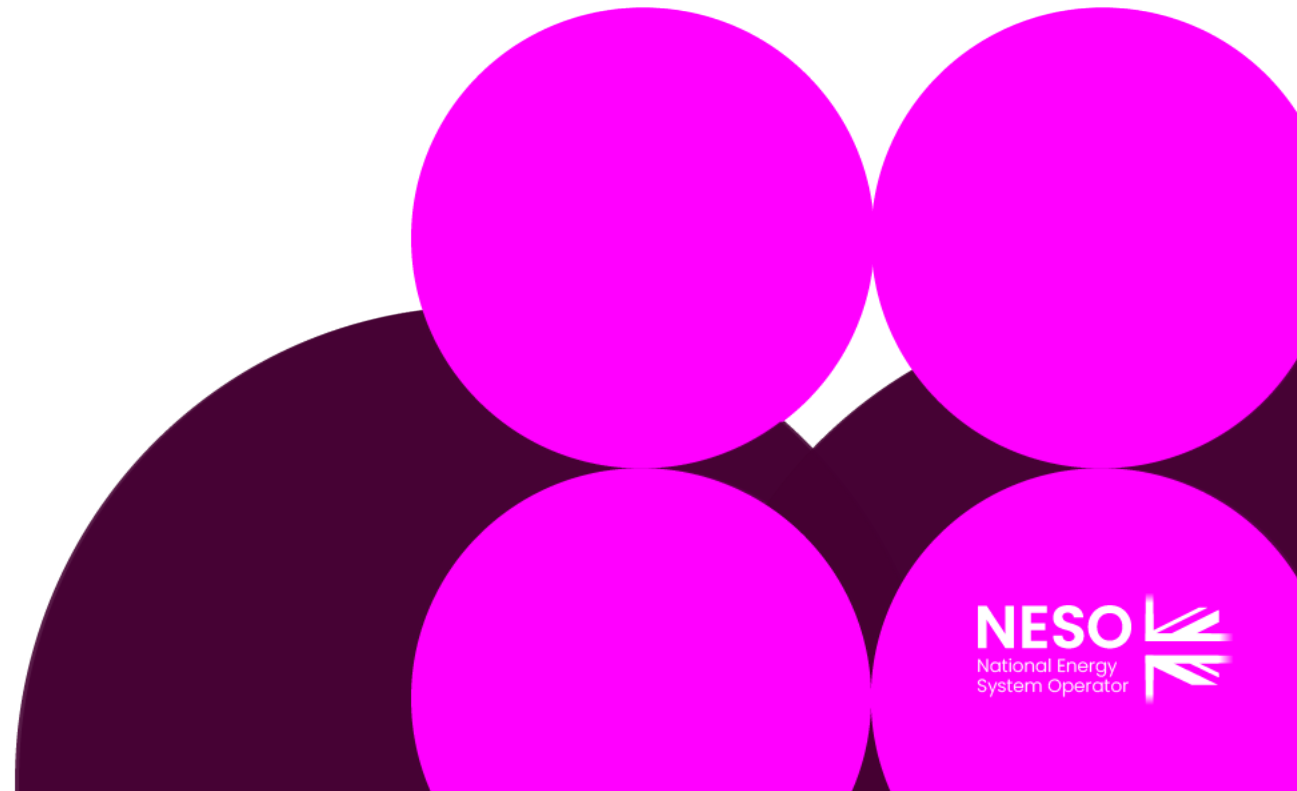
Workgroup Report Discussion

All



Workgroup Vote Discussion

All

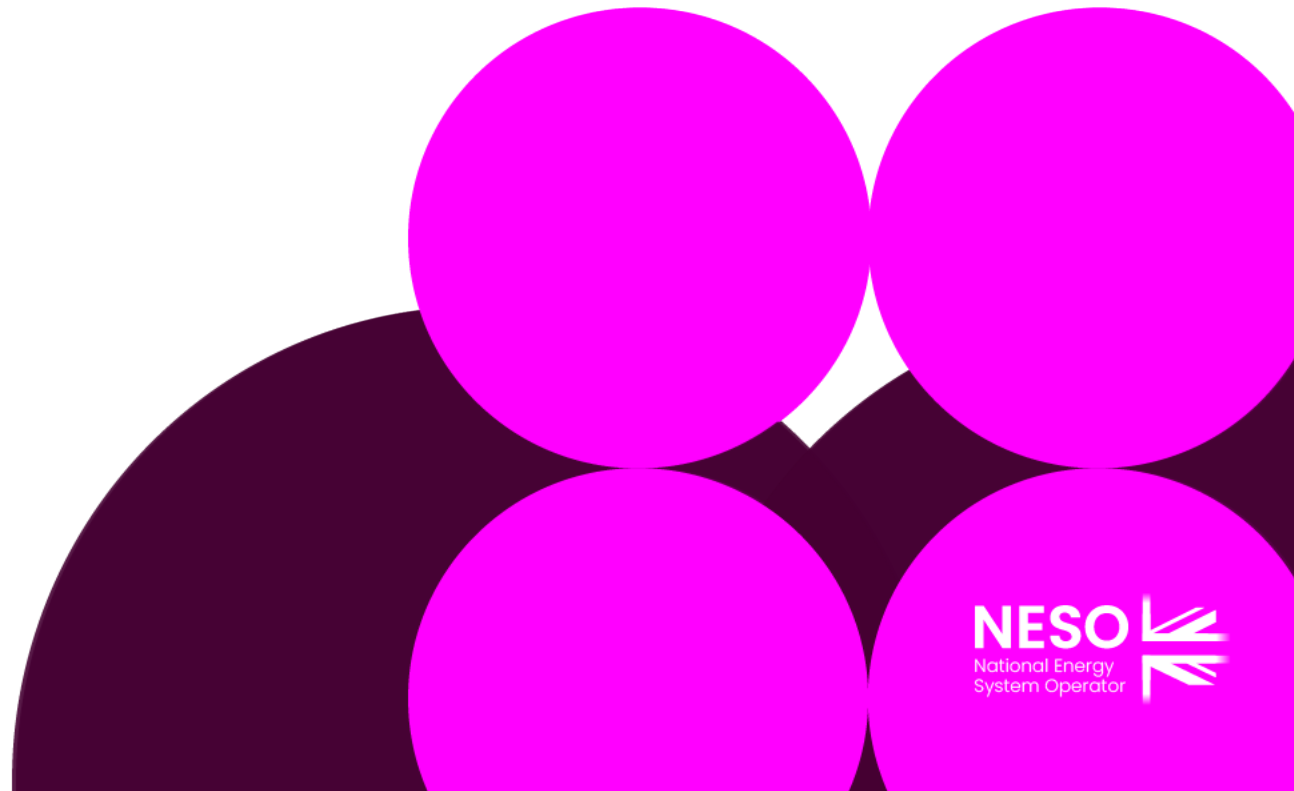


Terms of Reference

Workgroup Terms of Reference	Workgroup Consultation Questions	Workgroup thoughts
1.Consider EBR implications		
2.Consider whether CMP453 proposed solution is consistent with the principles that were recommended for the charging of BSUoS under the Balancing Services Charges Task Force and as reflected in the solution derived under modification proposal CMP333		
3.Consider the practicalities of making physical configuration changes to a site to meet to the intent of CMP453		

Any Other Business

Prisca Evans – NESO Code
Administrator



Next Steps

Prisca Evans – NESO Code
Administrator

