
Balancing and Settlement Code (BSC) P486: 'Aligning BSC Terminology with the Terminology Introduced by P478' (P486)

Decision	The Authority ¹ directs that this modification be made ²
Target audience	National Energy System Operator (NESO), Parties to the BSC, the BSC Panel and other interested parties
Date of publication:	24 July 2025
Implementation date:	On the same date as the M8 Milestone ('Code Changes Delivered') in the MHHS Implementation Timetable

Background

Currently, most electricity customers are settled on a 'non half-hourly' basis using estimated consumption. The aim of Market-wide Half-Hourly Settlement (MHHS) is to make Settlement processes faster and more accurate for market participants, by introducing Half-Hourly Meter readings for site specific reconciliation.

The approved modification P478³ will implement the appropriate obligations, processes and provisions for the new MHHS arrangements into the BSC under Ofgem's MHHS Significant Code Review (SCR). P478 was an Authority Led SCR Modification raised by Ofgem. An Authority Led SCR Modification is one of the routes available to Ofgem for giving effect to an SCR.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ [Decision to approve BSC modification proposal P478 | Ofgem](#)

P478 focused specifically on implementing the MHHS Arrangements for SVA⁴ Metering Systems. P478 changed the definition of the term 'Half Hourly Metering System' to address the needs of MHHS arrangements but did not cover all areas in the BSC, such as Balancing Mechanism (BM) and Wholesale Market participation. These were considered out of scope of the MHHS design and associated Code drafting for the SCR.

This modification proposal seeks to align those sections of the BSC that were deemed outside of the scope of P478 decision to ensure consistency of understanding of the term 'Half Hourly Metering System'.

The modification proposal

This modification proposal was raised by the BSC Panel on 10 April 2025. It was accepted into the BSC change process for progression directly to the Report Phase. The proposal was considered not to be self-governance because it impacts Electricity Balancing Guidelines (EBGL)⁵ regulated sections of the BSC.

The modification proposal seeks to align the terminology used in P478 and the terminology used in areas of the BSC, that were deemed out of scope of the MHHS SCR. Consistent terminology will ensure that Metering Systems are correctly identified for participation in the BM and Wholesale Market following the implementation of MHHS, avoiding misinterpretation and potential market access issues. P486 proposes to amend three sections of the BSC⁶ and make three changes to the code subsidiary documents⁷ that were considered out of scope of the approved P478 modification.

The meaning of "Half-Hourly Metering System" is not entirely clear and there are various interpretations of which Metering Systems can be included in the BM or in the Wholesale

⁴ SVA stands for Supplier Volume Allocation with further information at [Training Video on Supplier Volume Allocation \(SVA\) - Elexon BSC](#)

⁵ EBGL [Regulation - 2017/2195 - EN - EUR-Lex](#)

⁶ Sections K, S and X of the BSC

⁷ CoP5, CoP10 and BSCP602 of BSC subsidiary documents

Market. P486 will clarify those definitions to allow eligible SVA Metering Systems to participate in the BM and Wholesale Market.

In raising this modification, the BSC Panel, as proposer, considered that P486 better facilitates BSC applicable objective (d) *promoting efficiency in the implementation and administration of the Balancing and Settlement Arrangements* because it aligns the MHHS and pre-MHHS Legal Text definitions, allowing MHHS to be implemented without unintended consequences to the Balancing Mechanism or the Wholesale Market.

The proposer identifies P486 to bring the following benefits:

- avoid unintended consequences relating to different uses of the term “Half Hourly Metering System” in both the MHHS SCR-drafted BSC text and the text which was out of scope of the SCR; and
- maintain clear definitions to reduce the risk of non-compliance with BSC obligations, ensuring BSC Parties operate confidently within legal and regulatory frameworks.

The proposer also considered the impacts of the modification proposal on consumers and the environment. The proposer considered the proposal to have a positive impact on lowering consumer bills and improving quality of service.

BSC Panel⁸ recommendation

At the BSC Panel meeting on 12 June 2025, the BSC Panel (the Panel) unanimously considered that P486 better facilitates BSC applicable objective (d) and the Panel therefore recommended its approval.

Our decision

⁸ The BSC Panel is established and constituted pursuant to and in accordance with Section B of the BSC and Condition E1 of the Electricity System Operator Licence.

We have considered the issues raised by the modification proposal and the Final Modification Report (FMR)⁹ dated 17 June 2025. We have considered and taken account of the responses to the industry consultation(s) on the modification proposal which are attached to the FMR. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the applicable objectives of the BSC¹⁰ and
- directing that the modification be made is consistent with our principal objective and statutory duties¹¹.

Reasons for our decision

We consider this modification proposal will better facilitate applicable BSC objective (d) with a neutral impact on the other objectives.

(d) promoting efficiency in the implementation and administration of the Balancing and Settlement Arrangements

We agree with the proposer, the two consultee respondents and the BSC Panel that P486 better facilitates objective (d) in promoting efficiency in the BSC arrangements. We consider that the P486 changes will align the definition of HHS Metering Systems across the BSC to provide a comprehensive understanding and consistency of meaning to BSC parties and users.

We are of the view that P486 further enhances the implementation of MHHS introduced by P478 into the BSC and by doing so promotes efficiency in the administration arrangements of the BSC.

⁹ BSC modification proposals, modification reports and representations can be viewed on the Elexon website at www.elexon.co.uk

¹⁰ As set out in Condition E1 of the Electricity System Operator Licence.

¹¹ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989.

We note the representations of the two consultee respondents in support of P486. One respondent commented that the change will provide the necessary clarity to the term 'Half-Hourly Metering System'. Both respondents expressed little, or no, cost or impact on their organisations from the modification proposal.

EBGL impact

We note that P486 impacts the EBGL regulated sections of BSC and that a one month consultation period was observed with industry. We agree with the BSC Panel's belief that the impact of P486 is consistent with the overall EBGL objectives.

Decision Notice

In accordance with Condition E1 of the Electricity System Operator Licence, the Authority hereby directs that modification proposal BSC P486: 'Aligning BSC Terminology with the Terminology Introduced by P478' be made.

We also approve the amendments to the Terms and Conditions of Article 18 relating to Balancing as result of this modification.

Ellie Baker

Head of Industry Codes

Signed on behalf of the Authority and authorised for that purpose