
Balancing and Settlement Code (BSC) P483: 'Allow AMSID Metering Systems to be used in Settlement where the associated Boundary Point Metering System is a Non-Half Hourly Metering System'

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:	21 August 2025
Implementation date:	10 working days after BSCCo's (Elexon's) notification to industry

Background

P483 aims to address a known barrier to the trading of flexibility (changes in demand) from domestic and small business customers where the customer is not half hourly settled.

Code modifications (P344³ and P415⁴) have opened up the Balancing Mechanism and Wholesale Market to trading of flexibility by Virtual Lead Parties or Virtual Trading Parties (VLP, VTP), and modification P375⁵ allowed for the use of asset meters, but there is a requirement that customers boundary meters must be half hourly settled for this to be allowed. In practice, only a small proportion of customers are currently half-hourly settled – and this is dependent on the customer's supplier, this is a barrier to the growth of flexibility (until Market-wide Half-Hourly settlement – MHHS - is complete). P483 seeks to resolve this barrier.

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 [Ofgem decision P344](#)

⁴ [Ofgem decision P415](#)

⁵ [Ofgem decision P375](#)

The modification proposal

The modification, proposed by Axle Energy (the Proposer) aims to address this barrier by removing the requirement for customers to be half-hourly settled in the case where the VLP or VTP is using an asset meter to measure the demand change of a particular asset.

Key elements of the proposal include:

- VLPs and VTPs will be responsible for maintaining their own decentralised register of assets
- Change to imbalance and compensation: under the modified P483 approach, given the supplier is not settled on a half-hourly basis (and so changes from a VLP or VTP cannot be attributed to a specific half-hour period for the supplier), imbalance correction and compensation are not applied to the supplier.
- Transition to MHHS: as and when a specific customer migrates to the Market-wide Half-Hourly settlement solution, the VLP or VTP will be notified and will then need to use the enduring solution (rather than the P483 solution).
- Those customers who do not have half-hourly capable boundary meters (eg functioning smart meter) can continue to use the P483 solution
- But customers who opt out of sharing half-hourly data will not be eligible under P483 to avoid disincentivising data sharing

Although the MHHS programme will migrate most customers to half-hourly settlement in due course the Proposer believes the benefit would be greater by being able to trade the flexibility of those customers sooner, and by helping to stimulate the market ahead of the completion of MHHS.

In bringing forward this proposal, the Proposer states that this modification will better facilitate BSC objectives b) and c)⁶ and identifies the following benefits:

⁶ BSC Objective (b) is "the efficient, economic and co-ordinated operation of the National Electricity Transmission System", Objective (c) is "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"

- It supports a more efficient and economic electricity system by broadening access to domestic flexibility, enabling the System Operator to balance supply and demand at lower cost and with greater resilience.
- It promotes competition by opening the flexibility market to more domestic participants, driving innovation and putting downward pressure on consumer prices.

BSC Panel⁷ recommendation

At the BSC Panel meeting on 10 July 2025, a majority of the BSC Panel (the Panel) considered that P483 would better facilitate BSC objectives b) and c) and the Panel therefore recommended its approval.

Our decision

We have considered the issues raised by the modification proposal and the Final Modification Report (FMR)⁸ dated 14 July 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 BSC⁹
- directing that the modification be made is consistent with our principal objective and statutory duties¹⁰

Reasons for our decision

We consider this modification proposal will better facilitate BSC objectives (b) and (c) and has a neutral impact on the other applicable objectives.

⁷ 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.

⁸ BSC modification proposals, modification reports and representations can be viewed on the Elexon website at www.elexon.co.uk

⁹ As set out in Condition E1 of the Electricity System Operator Licence.

¹⁰ 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.

(b) the efficient, economic and co-ordinated operation of the National Electricity Transmission System

We agree with the Proposer and the majority of the Panel that P483 better facilitates BSC objective (b). We also note that nearly all consultation respondents agreed with the Panel's initial recommendation that this modification should be approved.

We consider that P483 will unlock greater amounts of domestic flexibility ahead of the full implementation of MHHS, which will enable the National Energy System Operator to balance the system at lower cost. We also consider that stimulating the growth of such flexibility in this way will build momentum in the market for flexibility and continue to deliver benefits after MHHS has completed.

We note that some concerns were raised by the Panel and reflected in the FMR, whereby accelerating domestic flexibility, P483 may amplify a potential risk of 'gaming' that could exist in relation to the way that P415 operates in the wholesale market. We are already aware of broader representations around P415 and have stated that we wish to observe how that market develops. We do not believe this risk is sufficient reason to outweigh the beneficial impact of P483, overall.

(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

We agree with the Proposer and the majority of the Panel that P483 better facilitates BSC objective (c). We also note that nearly all of the consultation respondents agreed with the Panel's initial recommendation that this modification should be approved.

We consider that P483 will unlock greater amounts of domestic flexibility – particularly in the wholesale market and Balancing Mechanism - ahead of the full implementation of MHHS, increasing competition in those markets and helping to drive down costs for consumers. We also consider that stimulating the growth of such flexibility in this way will build momentum behind flexibility and continue to deliver benefits after MHHS has completed.

As noted in relation to objective b) we are aware of the potential gaming risk arising from P415 in the wholesale market. However, we do not believe this risk is sufficient reason to outweigh the beneficial impact of P483, overall.

While generally P483 should not cause systematic impact on suppliers (because relevant customers are not half hourly settled and for example in the case of demand shifting, turn up and turn down actions should cancel out over the course of a meter reading period), we note that some suppliers raised concerns about the difficulty fully quantifying the impacts on suppliers. However, the FMR noted that “the expectation remains that no systematic disadvantage to suppliers would occur under the current P483 design – and the Workgroup agreed that “monitoring of supplier outcomes post-implementation would be prudent”.

We also note the concerns around incentives on customers taking up smart meters – with a perception that if in future (thanks to P483) a smart meter was not essential to participate in flexibility, that could weaken what is currently seen as a positive reason for some customers taking up smart meters. We recognise this could in theory impact smart meter take up but do not believe this is insurmountable, nor is it sufficient reason to outweigh the beneficial impact of P483. We note that the workgroup had actively chosen to allow for the P483 solution to continue after completion of MHHS precisely to allow for customers to benefit from flexibility in the case where they cannot have a smart meter installed or their smart meter does not function properly. Noting though that work is underway to address some of the technical difficulties with smart meter communications, we encourage Elexon to review the effectiveness of this aspect of the solution once MHHS is complete.

Decision Notice

In accordance with Condition E1 of the Electricity System Operator Licence, the Authority hereby directs that modification proposal BSC P483: 'Allow AMSID Metering Systems to be used in Settlement where the associated Boundary Point Metering System is a Non-Half Hourly Metering System' be made.

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

Marzia Zafar

Deputy Director, Digitalisation Innovation and Decentralisation

Signed on behalf of the Authority and authorised for that purpose