

BSC Panel, Parties to the BSC,
National Energy System Operator
(NESO), Elexon and other
interested parties

Email: maryam.khan@ofgem.gov.uk

Date: 6 December 2024

Dear Sara,

**Approval of the request to bring forward the implementation date for P475
'Allowing all storage sites to set and fix their own Production/Consumption flags'**

This letter sets out our decision to approve the Balancing and Settlement Code (BSC) Panel's application to bring forward the implementation date for BSC modification P475. The implementation date will move from 27 February 2025 to 10 December 2024.

Background to the proposal

Section K3 of the BSC mandates that each Balancing Mechanism unit (BMU) must have either a Production (P) or Consumption (C) status to ensure accurate allocation of energy flows. Storage assets differ from traditional generation and consumption assets because they can operate in both modes – importing and exporting energy. This dual capability means that storage BMUs can flip between being classified as P and C. If the P/C status flips unexpectedly, it can result in an imbalance that may not be detected immediately.

Currently, storage units that are under 50MW can set their P/C flag via the Exempt Export process. However, storage units over 50MW cannot do so, and Elexon manually notifies them of impending flag changes as a workaround to prevent involuntary status flips.

HD143OCK Ltd raised P475 on 6 June 2024 to propose a solution to the issue of involuntary flipping of the flag status that removed the need for Elexon to manually notify BMUs. The proposal aimed to enable storage BMUs to fix their P/C flag at the time of first registration, or change it once registered to BSC Procedure 15. The proposal also intended to add

definitions for storage BMU and for Consumption and Production BMUs into section X-1 of the BSC, as well as extend BSC section K3.5.5 to cover storage and Exempt Export BMUs.

The BSC Panel recommended the approval of P475 on 8 August 2024. On 26 September 2024 we published our decision to approve the proposal, with an implementation date of 27 February 2025.¹

Request to bring forward the implementation date

After we approved P475, Elexon signalled to the BSC Panel that it found additional resources allowing its third-party vendors to work sooner than anticipated on implementing the approved changes. On 10 October, the BSC Panel agreed that Elexon issue a consultation on bringing forward the implementation of P475 to 10 December.² The consultation ran between 10-24 October 2024 and received two responses, both in favour of the revised implementation date.³

At its meeting held on 14 November 2024, the BSC Panel agreed unanimously to recommend to Ofgem to bring forward the implementation date for P475 to 10 December 2024, noting that this would allow participants to benefit from the solution earlier.

Our decision

We have considered the request to bring forward the implementation date for P475 and agree that the earlier implementation will improve stakeholders' processes without any cause for concern. We therefore approve the request to bring forward the implementation date from 27 February 2025 to 10 December 2024.

Yours sincerely,

Maryam Khan

Head of Electricity Security and Market Management

Signed on behalf of the Authority and authorised for that purpose

¹ [Decision on BSC Modification Proposal P475 | Ofgem](#)

² [BSC-Panel-355-Public-Minutes v1.0.docx](#)

³ [Report Phase Consultation Responses](#)