

# ELEXION

## **CAPACITY MARKET RULES CHANGE PROPOSAL REPORT: CP392 – ALLOW BSC CODE OF PRACTICE 11 ASSET METERING**

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This Change Proposal seeks to amend the Capacity Market Rules to enable Code of Practice 11 compliant Asset Meters, to be an Additional Metering Solution in the Capacity Market.

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## Table of Contents

<b>Table of Contents</b>	<b>1</b>
<b>About this Document</b>	<b>1</b>
<b>Executive Summary</b>	<b>2</b>
Issue	2
Solution	2
Impacts and Costs	2
Recommendation	3
<b>Issues</b>	<b>4</b>
<b>Solution</b>	<b>4</b>
Legal Text for CP392	5
<b>CMAG Development/Discussions</b>	<b>6</b>
<b>Impacts &amp; Costs</b>	<b>7</b>
CP392 Impacts and Benefits	8
Rules	8
Costs	8
Regulation and Other Code Impacts	8
Views against CM Rules Change Objectives and Ofgem's Principal Objective	9
Recommendations	9
Appendix 1 – Summary of Issue and Government Policy Questions for CP392	10
Appendix 2 – Summary of Standard Change Proposal Questions for CP392	10

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## About this Document

Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read the executive summary
- Have 15 mins? Read the issue, solution and impact and costs sections
- Have 30 mins? Read all sections
- Have longer? Read all sections and the annexes and attachments

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# Executive Summary

A summary of CP392, including the Proposal Form, can be found on the [CMAG Website](#)

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## Issue

Current requirements for Half-Hourly settlement at the associated Boundary Point Metering Systems creates a barrier for many domestic consumers looking to participate in certain markets with smart devices. The [P483 Modification](#) aims to remove the Half-Hourly settlement requirement for associated Boundary Point Metering Systems in flexibility markets, which will also create a large volume of domestic DSR Components being registered in the Capacity Market (CM). This would mean a significant and insurmountable operational bottleneck for testing the increase in domestic DSR Components in the CM.

As the use of Asset Metering (domestic DSR Components) for decentralised storage and flexibility evolves throughout markets, the proposed changes in this Change Proposal are not only contingent upon P483 being passed but are also needed to support Clean Power 2030. The introduction of P483 has raised awareness of the need to adapt the CM metering requirements for enabling system goals and support equitable participation in the CM.

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## Solution

[Code of Practice \(CoP\) 11](#) compliant meters have their metering guaranteed and assured under the Balancing and Settlement Code (BSC). Therefore, this change would enable the use of BSC-compliant metering, which is installed, commissioned and read by BSC Qualified Agents, who are all assured through the BSC Performance Assurance Framework (PAF). Allowing CoP 11 compliant asset meters to be added as an additional metering solution in the CM, will reduce a reliance on the Bespoke Metering Configuration Solution (BMCS). Greatly improving efficiency and the level of assurance for domestic DSR Components.

The Applicant or Capacity Provider (CP) would still have the option to choose to use the BMCS, but that would be more burdensome because of the significant number of domestic DSR Components required to participate in the CM. Using the BMCS to reach the minimum number of domestic DSR Components for 1 MW of De-rated Capacity, would add a significant administrative cost to the Capacity Provider and scheme administrator in Metering Testing and data submission.

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## Impacts and Costs

Impacts and Costs	
Organisation	Comment
CMSB	No system changes required. Communication, guidance and training update required. Cost implementation estimate: £5,000.
EMR DB	No implementation or ongoing costs are expected.
Industry	A much more efficient option for successfully registering DSR Components in the CM.

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## Recommendation

The CMAG recommends to Ofgem:

- a) That CP392 better facilitates Ofgem's Principal Objective;
- b) The CP392 better facilitates CM Rules Change Objectives;
  - i. Promoting investment in capacity to ensure security of electricity supply
  - ii. Facilitating the efficient operation and administration of the Capacity Market
- c) The draft legal text; and
- d) That CP392 should be **implemented**.

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## Issue

### Issue

The current requirements for Half-Hourly settlement at the associated Boundary Point Metering Systems creates a barrier for many domestic consumers looking to participate in certain markets, including the Capacity Market (CM). The P483 Modification to the BSC, aims to remove the Half-Hourly settlement requirement for associated Boundary Point Metering Systems in flexibility markets. In doing so this Modification will expand market access for many smart devices at domestic properties which are Non-Half Hourly Settled. P483 and this Change Proposal will support equitable participation in energy services and reduce the dependency on Market-wide Half-Hourly Settlement (MHHS) for consumer inclusion.

As domestic smart devices become more ubiquitous and profitable, this will likely create a large volume of domestic DSR Components being registered in the CM, to guarantee the required De-rated Capacity to participate in the CM. For reference, in the 2024/25 Delivery Year, 211 Capacity Market Units (CMUs) and 73,109 components underwent a metering test. From market assessments for P483, there is potential for at least an additional 345 thousand components that may wish to participate in the CM, which is viewed as a conservative estimate. Many of the respondents to the P483 consultation were marked as confidential.

BMCS metered data for tests and assurance is submitted manually by the Applicant or CP, which is not validated by an independent qualified agent. Under CoP 11 processes, meter governance would mean a CM test is not required, and meter readings are collected and processed independently. Both essential areas can be automated and scaled to maintain accuracy and improve CM metering assurance.

A significant and insurmountable operational bottleneck will occur if the BMCS remains the only option for testing and assuring domestic DSR Components (smart devices) at Metering Sites.

As the use of Asset Metering for decentralised storage and flexibility grows, these proposed changes are not only contingent upon P483 being passed but are also needed in line with Clean Power 2030. However, the introduction of P483 has raised awareness on the need for this change.

There is no way of accurately predicting how many DSR Capacity Providers would want to register domestic DSR Components in the CM, however there is likely to be a significant ramp up. The BMCS pathway was not designed for a high volume of meters at many thousands of Metering Sites, and BMCS would not be able process hundreds of thousands of DSR Components wishing to compete for Capacity Agreements.

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## Solution

This change proposal will introduce an Asset Metering definition in the CM Rules and amend the Supplier Settlement Metering Configuration definitions to utilise CoP11 compliance of Asset Meters. Enabling an efficient assurance path for domestic smart devices to be Prequalified in the CM as domestic DSR Components. Utilising an established and industry recognised metering assurance processes for Applicants and CPs, which will also create efficiencies for all participants.

Allowing CoP 11 compliant asset meters to be added as an additional CM additional metering solution will reduce reliance on the BMCS and will likely improve the level of metering assurance and metered data submitted for settlement. This is because the Applicant or CP, would have to use a qualified agent who is

authorised under the BSC to collect and submit Meter Test data. For the BMCS option, the Applicant or CP would have to collate many thousands of data files and submit them manually via the MyEMRS portal.

CoP 11 would be significantly easier than BMCS and reduce the operational burden on all participants. Also, if tests and submissions on domestic flexibility assets are being done elsewhere - through CoP 11 processes for participation in other markets, then the CM delivery partners should use that to improve overall efficiency of the scheme.

This change proposal would enable the use of BSC-compliant metering and agents who are subject to the BSC PAF, which is like other Supplier Settlement configurations already used in the CM. Cop11 compliant meters also have their metering installed, commissioned and data guaranteed under the BSC.

The CP would still be able to use Bespoke Metering arrangements, but that would be more burdensome as the significant number of domestic DSR Components required to participate in the CM, would add a significant administrative cost to the CP and scheme administrator in Metering Tests (CM Rules Schedule 7).

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## Legal Text for CP392

### CM Rules Additions

#### CM Rule, 1.2 Definition

**Asset Metering System** has the meaning given in the BSC

### CM Rules Amendments

Broaden the definition of **“Supplier Settlement Metering Configuration Solution”** to include Asset Metering Systems (and change the name to recognise that it now includes Metering installed by BSC Parties other than suppliers). Also includes changes to reflect MHHS.

**BSC Supplier Settlement Metering Configuration Solution** ~~means a Metering System that uses a supplier’s Half Hourly Metering System by using Half Hourly Data Aggregators to collect metered data~~

means a supplier’s Metering System or Asset Metering System that can record UTC Period Level Consumption for use in Settlement, and for which UTC Period Level Consumption data is provided by a Half Hourly Data Aggregator, Half Hourly Data Collector or the Market-wide Data Service

Amend **“Supplier Settlement Metering Configuration Solution”** to **“BSC Settlement Metering Configuration Solution”** in the definitions of **“Governing Document”** and **“Metering Configuration Solution”**

**Governing Documents** means each of the following documents that are applicable to a Metering Configuration Solution:

- (a) in respect of the Balancing Services Metering Configuration Solution:
  - (i) Short Term Operating Reserve - STOR Despatch Procedure version 1.3; or
  - (ii) Frequency Control by Demand Management – the relevant bilateral agreement between the Generator and System Operator; or

(iii) Firm Frequency Response – the relevant framework agreement or relevant bilateral agreement between the Generator and System Operator;  
(b) in respect of the Bespoke Metering Configuration Solution, the Bespoke Technical Requirements;  
(c) in respect of the **BSC Supplier** Settlement Metering Configuration Solution, the version of the BSC Metering Codes of Practice applicable at the date 22 of installation of the Applicant's/Capacity Provider's Metering System

Metering Configuration Solution means, as applicable, any one of the following:  
(a) Balancing Services Metering Configuration Solution;  
(b) Bespoke Metering Configuration Solution; or  
(c) **BSC Supplier** Settlement Metering Configuration Solution

*Amend the terminology in Rule 3.6.1(b).*

(b) Each Applicant for an Existing Generating CMU that is a Non-CMRS Distribution CMU using the **BSC Supplier** Settlement Metering Configuration Solution must provide:

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## CMAG Development/Discussions

The CMAG discussed CP392 at:

- [Meeting 33](#) (17 June 2025); and
- [Meeting 34](#) (16 July 2025)

### Meeting 33

#### **Amendments to the CM Rules to enable P483 and ensure delivery assurance**

The Electricity Settlement Company (ESC) and EMR Settlement (EMRS) representatives presented the urgent Change Proposal to include asset metering within the Capacity Market Rules, aiming to minimise the operational burden on all participants and ensure compliance with Market-wide Half-Hourly Settlement (MHHS).

A CMAG member raised a query regarding the definition of the Asset Metering System, noting it referenced multiple sections of the BSC, including planning and subparagraph G, causing some difficulty in interpretation. EMRS confirmed that the definition does indeed cross-reference several sections including L, K, and BSCP 602, as well as the relevant Codes of Practice, which contributes to the complexity and delivers assurance.

EMRS explained that the purpose of the proposed change is to ensure COP 11 compliant metering is in place to facilitate half-hourly metering transfers, preventing the system from being overwhelmed by Metering Tests for Bespoke Metering Configuration Solution CMUs and improving operational efficiency for Capacity Providers and the Capacity Market.

EMRS and others noted that although P483 is expected to go live in September, this is not guaranteed. Some Applicants may seek to prequalify Unproven DSR CMUs in anticipation of P483's implementation.

Ofgem asked whether the change would affect existing DSR CMUs adding components under Rule 8.3.4(e), to which it was confirmed that transfers involving non-COP 11 meters would also be subject to the new requirements. Ofgem stated that while preparatory work for the change could proceed, Rule changes cannot be implemented prior to P483's formal approval, although having the changes ready to go once approved was advisable.

Ofgem raised concerns regarding the operational impact of increased volumes of Bespoke Metering DSR CMU Components entering the Capacity Market, noting past instances where a high volume of such components had to be rapidly managed. EMRS responded that introducing COP 11 compliant metering would align assurance levels more fairly between smaller and larger DSR Capacity Providers, reducing disproportionate burdens for Metering Tests. EMRS further noted that Bespoke Metering was originally intended for exceptional cases, but with the increasing volume of new asset types, standardisation and reliance on established Codes and Performance Assurance Frameworks would improve efficiency.

Participants agreed that further assurance would be needed around the adequacy of COP 11 compliant metering compared to Bespoke Metering, particularly concerning delivery assurance. EMRS emphasised that COP 11 compliant metering is installed, commissioned, and read by qualified agents and subject to a robust Performance Assurance Framework, providing satisfactory assurance for the Capacity Market.

## **Meeting 34**

### **Enabling P483 in the CM**

ESC summarised the impact if P483 was implemented. Noting it is very hard to know how many DSR Capacity Providers would register domestic DSR Components through the Bespoke Metering pathway. However, this could create a large and significant operational pinch point as the requirements operate today.

ESC presented the proposed solution if P483 was implemented. Which is to allow CoP 11 compliant asset metering in the CM. This would utilise BSC governance and assurances and not the Bespoke Metering Assessment option, which an Applicant could still use. However, using CoP 11 would be significantly easier and reduce the operational burden on all participants.

ESC highlighted the importance of implementing this change as soon as possible, but they can't pre-determine the outcome of P483. However, there is likely to be a ramp up of DSR Components in the future, so CMSB are seeking, at the very least, to get this implemented before Prequalification 2026. That would still mean a significant risk for this year and an increase in costs and administrative burdens on all parties. The earlier this change is published, the more notice everyone has of a possible change, which could in fact increase participation as it will make the process easier for all parties.

Ofgem questioned whether having the consultation published was enough to signal a possible change ahead of the next Delivery Year. ESC noted this should be enough to signal the level of compliance that will be required. Also highlighting that if assurance is being done elsewhere in CoP 11 practices, the scheme should use that to improve overall efficiency.

CMAG Secretariat questioned the timing of the Ofgem Consultation this autumn, which will be published after the 2025/26 Prequalification window closes. ESC agreed this is not ideal, but consulting on CM Rules change ahead of P483 approval wouldn't be appropriate. The decision on P483 must come first. CMAG Secretariat confirmed the BSC Panel approved P483 last week and it is currently with Ofgem for final approval. Therefore CMAG Secretariat suggested the CP form could be published on the CMAG website ahead of the Consultation. ESC agreed that would be helpful. OFGEM will circulate when a decision date for P483 is confirmed. Currently aiming for 21 August, which would be in time for the next Ofgem consultation on the CM Rules. Thereby, if P483 approved 21/8 and the Change Proposal is in parallel published by CMAG, Applicants for this year's Prequalification can anticipate an easier time when loading their CoP-11 based DSR Components in summer 2026.

# Impacts & Costs

## CP392 Impacts and Benefits

Impact Summary			
Organisation	Item	High/Medium/Low	Comment
CMSB	Metering	High	If the CM Rules are not updated, there would be a significant increase in cost to the scheme to administer the Metering Tests for the increased number of components.
EMR DB	None	N/A	N/A
Industry	Metering	High	If the CM Rules are not updated, Capacity Providers may miss registration deadlines for DSR Components. This non-compliance could affect their ability to participate in the Capacity Market, which could affect the cost of security of supply.

## Rules

The CM Rules that will be amended and introduced by CP392 are:

- i. 1.2 Definitions.
- ii. 3.6.1(b), Previous Settlement Period performance.

## Costs

Costs	
Organisation	Comment
LCCC/ESC	No system changes required. Communication, guidance and training update required. Cost implementation estimate: £5,000.
EMR Delivery Body	No implementation or ongoing costs are expected.
Industry	If the CM Rules are not updated, Capacity Providers may miss registration deadlines for DSR Components. This non-compliance could affect their ability to participate in the Capacity Market, which could affect the cost of security of supply.

## Regulation and Other Code Impacts

No impacts on other industry codes or the CM regulations have been identified.

## Views against CM Rules Change Objectives and Ofgem’s Principal Objective

Does CP392 better facilitate the CM Rules Change Objectives and Ofgem’s Principal Objective		
Objective	Proposer’s View	CMAG Views
Ofgem’s Principal Objective	<p><b>Positive</b> - it ensures consumers are not burdened with additional costs from unnecessary Metering Tests.</p> <p>Without making these changes, the cost of administering the CM will increase, which will be passed onto consumers.</p>	<b>Positive</b>
Promoting investment in capacity to ensure security of electricity supply	<b>Positive</b>	<b>Positive</b>
Facilitating the efficient operation and administration of the capacity market;	<b>Positive</b> – Potential to reduce CP and CMSB operational capacity and CP administrative burden through a reduction in Bespoke Metering Tests.	<b>Positive</b>
Ensuring the compatibility of capacity market rules with other subordinate legislation under Part 2 of the Act.	<b>Neutral</b>	<b>Neutral</b>

## Recommendations

At CMAG36 on 18 September 2025, the CMAG made the following recommendations to Ofgem;

- a) That CP392 better facilitates Ofgem’s Principal Objective;
- b) The CP392 better facilitates CM Rules Change Objectives;
  - i. Promoting investment in capacity to ensure security of electricity supply
  - ii. Facilitating the efficient operation and administration of the Capacity Market
- c) The draft legal text; and
- d) That CP392 should be **implemented**.

## Appendix 1 – Summary of Issue and Government Policy Questions for CP392

Issue and Government Policy Questions	
Question	Comment
Is this a valid issue?	Yes, this change aligns with wider industry changes.
Is the CM the right place to address the issue?	Yes, it will ensure that the Capacity Market is well placed to accommodate some Capacity Provider asset portfolios.
Is the solution to this CP going to be counter to the policy objectives of the CM? What is the impact on: <ul style="list-style-type: none"> <li>• Security of Supply</li> <li>• Cost (including cost to consumers)</li> <li>• Unintended consequences – if there are any, what is the impact?</li> </ul>	No.
Are there any consequential impacts on the Regulations?	No.
Does this explicitly affect any functions granted to the Secretary of State?	No.
Is there an impact on subsidy control?	No.

## Appendix 2 – Summary of Standard Change Proposal Questions for CP392

Standard Change Proposal Questions	
Question	Comment
Are there any related changes to the CM Rules in the pipeline?	No.
Does the CP further Ofgem's Principal Objective?	Yes, it ensures consumers are not burdened with additional costs from the CM. Without making these changes the cost of administering the CM could increase, which will be passed onto consumers.
Does the CP further the CM Rules Change Objectives?	Yes, it will ensure the CM is administratively efficiency. It should also promote investment in the CM.
Does the CP impact on the Regulations?	No.
Are there any impacts on any other central industry frameworks or obligations?	No. However, without making these changes the cost of administering the CM could increase, which will be passed onto consumers
Are there any impacts on consumers, and if so, what are the impacts?	No.
Does CMAG agree with the proposed solution?	Yes
Are there any suitable alternative solutions to address the defect?	
What are the expected impacts on: <ul style="list-style-type: none"> <li>• CM Participants?</li> <li>• Delivery Partners?</li> </ul>	No system changes required. Communication, guidance and training update required. Cost implementation estimate: £5,000.

<p>What are the expected implementation/enduring costs for:</p> <ul style="list-style-type: none"> <li>• CM Participants?</li> <li>• Delivery Partners?</li> </ul>	<p>No system changes required. Communication, guidance and training update required. Cost implementation estimate: £5,000.</p>
<p>What are the expected timescales for implementation?</p>	<p>Within a year.</p>
<p>Does the proposed draft legal text deliver the intention of the solution?</p>	<p>Yes</p>
<p>Is there any alternative legal text that would deliver the intention of the solution?</p>	<p>No</p>
<p>What is CMAG's preferred legal text, to deliver the intention of the solution?</p>	<p>n/a</p>
<p>Does the CMAG recommend to Ofgem that the change be made?</p>	<p>Yes</p>