

S2022-03 Good Energy Sandbox Consultation Response Form

Response Form

We welcome your views and responses to the questions set out in this response form in relation to Good Energy's application to the BSC Sandbox. To help us understand your response, please provide supporting reasons for your answers where possible.

Exelon can treat any information provided as confidential if you request this, although we may provide all information to the Authority.

Your Details

Respondent	
Name	Tom Chevalier
Organisation	Power Data Associates Ltd
Contact telephone number	01525 601202

Parties Represented				
BSC Party role(s) represented (mark all that apply)	<input type="checkbox"/>	Generator	<input type="checkbox"/>	Supplier
	<input type="checkbox"/>	Distributor	<input type="checkbox"/>	Interconnector User
	<input type="checkbox"/>	Int. Administrator	<input type="checkbox"/>	Int. Error Admin.
	<input type="checkbox"/>	Non Physical Trader	<input type="checkbox"/>	System Operator
	<input type="checkbox"/>	Virtual Lead Party	<input type="checkbox"/>	
Non-Party role(s) represented (mark all that apply)	<input type="checkbox"/>	ECVNA	<input type="checkbox"/>	Trade Body ¹
	<input type="checkbox"/>	MVRNA	<input checked="" type="checkbox"/>	Consultant
	<input type="checkbox"/>	Supplier Agent:	<input type="checkbox"/>	Other:
	<input type="checkbox"/>		<input type="checkbox"/>	[please state]

Confidentiality	
Does this response contain confidential information?	No If 'Yes', please clearly mark the confidential parts

¹ Please state how many members you represent and which roles, where possible.

Sandbox Consultation Question

Question 1

1. How, if at all, will you be impacted by the operation of the proposed derogation outlined in this document? Please refer to the draft Elexon consideration of Impacts on Other Parties (in this document) and the draft Good Energy Elexon Risk Assessment.

Please enter your response here

Question 2

2. REC schedule 14 lays out Supplier responsibilities with regard to the appointment of the Metering Equipment Managers (MEMs). This includes the appointment of the same MEM where the Metering Asset is used for the measurement of both import and export, in accordance with the BSC.

Please could you provide any reason and evidence why a derogation against this obligation in the REC should/should not be granted alongside the Sandbox Trial being carried out under the BSC?

The underlying concerns raised by this Sandbox application were considered at length by [Issue 91](#) - Registration and Settlement of Smart Export Guarantee (SEG) sites. Interim and longer term solutions were considered. The longer term solution developed through the MHHS activity is to require/force the same MEM to be appointed to the import and export MPAN. The MHHS design also addresses the exchange of SMETs meter MTD in a much more efficient way than today - this was one of the conclusions of Issue 91. There is therefore no benefit in "trailing" a Sandbox solution for an activity that already has a revised design under MHHS, as there will not be any opportunity/desire/business case to change anything in the current arrangements as the result of a "Sandbox Trail".

[CP1558](#) - 'New Registration data items to facilitate MHHS' is addressing some of the concerns raised under Issue 91, in that it creates a clear and explicit link between the import & export MPANs. This has been approved and will be implemented into Registration Systems in June 2023. This was a key concern raised under Issue 91 to enable the Supplier (either import or export) to know whether an export MPAN was actually existed and was registered, and then enable through EES to determine the relevant participants. Also, in many cases the export Supplier is not also the import Supplier, so they need to be triggered if the import supplier (and agents) change. The document correctly identifies that the role of the MEM for export MPAN management should not result in any physical site work. Smart meter faults/replacement/etc. should always be performed by the import MEM, at the request of the import supplier. Any problems/concerns with the metering equipment identified by the export Supplier, would be referred to the import Supplier and import (& export) MEM.

Non routine issues like crossed meters, theft and correction of metering errors should be dealt with by a single MEM consistently for the import and export MPAN. Having two different MEMs appointed has the risk of different inconsistent settlement outcomes.

Routine issues like changes to meters should be performed by the single MEM appointed by import and export MEM, who can then be informed immediately of any changes through the normal BAU processes.

I am not aware of any of the governance groups ever auditing compliance with this requirement. Until the implementation of CP1558 it is not an easy compliance check, but in terms of SMETs meters it should be possible to make a relationship between different MPANs through the common meter serial number.

Using a Sandbox derogation to address some of the concerns raised in Issue 91 may well lead to a series of identical applications from other participants. Although the Sandbox process prevents identical applications, there may be a series of applications with slight variances. Which is not the purpose/intent of the Sandbox process. It is debatable whether this should be a BSC or more appropriately a REC derogation.

BSC & other governance arrangements have a requirement to consider any Modifications and Change proposals against any current Ofgem Significant Code Reviews (SCRs), it is not clear if Sandbox applications have the same obligation. In this case the MHHS SCR is making significant design and process changes to the activities associated with this Sandbox application. These changes render this application redundant as any lesson learnt will not have the time to be considered and implemented in the current arrangement prior to the implementation of MHHS.

In conclusion, I do not support this Sandbox application. It does not appear to fit within the criteria for a Sandbox and it ignores forthcoming changes already defined in CP1558 & MHHS negates any beneficial 'lessons' that could be learnt from a trial.

Also worth noting that some participants have already addressed the challenges that Good Energy perceive as reported by Ofgem.

The most recent FIT levelisation report shows the split of deemed vs. metered export energy. Ofgem expect all smart metered FIT export customers to be metered rather than deemed. The table demonstrates a significant difference between licensees in their ability to use metered export readings, some have successfully addressed the issues, other have not – Good Energy is below the average.

<https://www.ofgem.gov.uk/publications/feed-tariff-fit-levelisation-report-january-march-2022>

Feed-in Tariff Levelisation Report

Payments : 1 January- 31 March 2022

Licence Name	Total FIT Generation Payments due (£)	Total FIT Export Payments due (£)	Total FIT Deemed Export Payments due (£)	Total FIT Metered Export Payments due (£)	Deemed	Metered
Arto Energy Limited	£1,546,785.31	£268,392.66	£268,392.66	£0.00	100%	0%
British Gas Trading	£19,868,840.72	£1,477,471.98	£1,140,380.82	£337,091.16	77%	23%
Bulb Energy Ltd	£137,250.25	£37,458.51	£36,527.68	£930.83	98%	2%
Drax Energy Solutions Limited	£240,126.93	£6,460.25	£4,420.50	£2,039.75	68%	32%
E.ON Energy Solutions Ltd	£10,657,218.05	£1,625,158.03	£450,598.01	£1,174,560.02	28%	72%
E.ON Next Energy Limited	£31,265,821.18	£1,795,206.49	£879,022.53	£916,183.96	49%	51%
ECOTRICITY LIMITED	£13,526,465.48	£1,438,078.06	£1,351,112.25	£86,965.81	94%	6%
EDF Energy Customers Ltd	£42,414,625.67	£1,083,456.78	£583,886.65	£499,570.13	54%	46%
Electricity Plus Supply Ltd	£2,011,482.31	£182,464.11	£179,512.80	£2,951.31	98%	2%
ENGIE Power Limited	£7,568,199.13	£52,235.06	£3,959.00	£48,276.06	8%	92%
F & S Energy Limited	£7,391,896.73	£6,256.82	£6,256.82	£0.00	100%	0%
Good Energy Ltd	£40,538,669.46	£1,925,364.09	£1,705,848.07	£219,516.02	89%	11%
Green Energy Limited	£894,437.21	£24,110.47	£12,145.43	£11,965.04	50%	50%
Limejump Energy Limited	£5,278,195.83	£0.00	£0.00	£0.00		
Octopus Energy Limited	£1,764,917.86	£67,971.91	£65,401.65	£2,570.26	96%	4%
Opus Energy Renewables Limited	£41,040,804.35	£164,446.89	£46,362.20	£118,084.69	28%	72%
Ovo Electricity Ltd	£622,030.89	£112,942.43	£77,166.28	£35,776.15	68%	32%
ScottishPower Energy Retail Ltd	£10,919,194.49	£879,254.60	£788,518.96	£90,735.64	90%	10%
Shell Energy Retail Ltd	£890,384.28	£135,751.38	£135,319.14	£432.24	100%	0%
Shell Energy UK	£3,520.36	£1,386.70	£1,386.70	£0.00	100%	0%
SSE Electricity Limited	£31,823,124.96	£1,942,709.09	£1,323,497.60	£619,211.49	68%	32%
TotalEnergies Gas & Power	£12,245,442.98	£92,255.60	£11,326.08	£80,929.52	12%	88%
Utilita Electricity Ltd	£11,476.98	£3,443.93	£3,443.93	£0.00	100%	0%
Valda Energy Limited	£206,438.23	£0.00	£0.00	£0.00		
		£13,322,275.84	£9,074,485.76	£4,247,790.08	68%	32%

Further Information

To help us process your response, please:

- Email your completed response form to bsc.sandbox@exelon.co.uk, entering "S2022-03 Good Energy Sandbox" in the subject line
- Clearly indicate any confidential parts of your response

- Respond by **17:00** on **29 August February 2022** (we may not be able to consider late responses)