

CP1542 'Transfer the obligation to visit de-energised sites annually from Data Collector to Supplier'



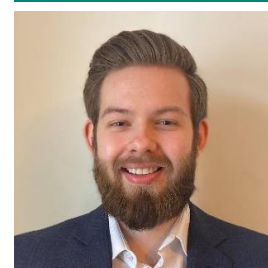
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About This Document

The purpose of this CP1542 Change Proposal (CP) Consultation is to invite BSC Parties, Party Agents and other interested parties to provide their views on the impacts and the merits of CP1542. The Supplier Volume Allocation Group (SVG) will then consider the Consultation responses before making a decision on whether or not to approve CP1542.

There are six parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and proposed implementation approach. It also summarises the SVG's initial views on the proposed changes.
- Attachment A contains the CP1542 Proposal Form.
- Attachments B-C contain the proposed redlined changes to deliver the CP1542 solution.
- Attachment D contains the Issue 85 Report which preceded this CP1542.
- Attachment E contains the specific questions on which we seek your views. Please use this form to provide your response to these questions, and to record any further views or comments you wish to be considered.

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CP Consultation

8 March 2021

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Why change?

The [Issue 85 'Removal of obligation to visit de-energised sites once every 12 months from BSCP504'](#) Group concluded that a Change Proposal be raised to amend [Balancing and Settlement Code Procedure \(BSCP\) 502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) and [BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) to transfer the obligation to visit de-energised sites on an annual basis from Data Collectors (DCs) to Suppliers.

They were also in agreement that the table in 3.4.1 in BSCP504 should be rearranged so that important information in the footnote should be brought up to the main table as having text in the main body is clearer than including it within a footnote.

Solution

Transfer the obligation in [BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) to visit de-energised sites on an annual basis from Non Half Hourly Data Collectors (NHHDCs) to Suppliers. For consistency and clarity, the [BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) obligation for HHDCs (Half Hourly Data Collectors) to visit de-energised sites will also be placed on Suppliers so that both the Non Half Hourly (NHH) and Half Hourly (HH) markets are aligned.

Impacts and costs

CP1542 will impact Suppliers, HHDCs and NHHDCs. CP1542 requires changes to [BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) and [BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#).

These participants are expected to incur procedural changes, along with potential contractual and system changes.

There are no central BSC system impacts arising from this CP.

Implementation

This CP is recommended for implementation on 24 February 2022 as part of the scheduled February 2022 BSC Release.

2 Why Change?

What is the issue?

There is an obligation in [BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) on Non Half Hourly Data Collectors (NHHDCs) to visit de-energised sites annually (footnote 102).

Footnote 102 exists for the process whereby a NHHDC collects Meter register readings for designated Supplier Volume Allocation (SVA) Metering Systems either directly or via the Supplier, for which it must conduct a Site Visit.

The footnote 102 provision exists within the Balancing and Settlement Code (BSC) to ensure that, where sites are registered as de-energised, they do not have any Meter advances, thus protecting the integrity of Settlement.

Under the Standard conditions of the [Electricity Supply License](#), in the case of energised sites, Suppliers are explicitly required to gain a Meter reading annually. Further, Suppliers are responsible for the activities of their agents in relation to Metering Systems.

In a scenario whereby the Supplier doesn't instruct the NHHDC to visit de-energised sites and the NHHDC does not automatically do so annually in line with BSCP504 obligations (for example due to contract or customer access issues), the footnote 102 provision has the potential to cause NHHDCs to become non-compliant under obligations in BSCP504.

This particular obligation is solely on the NHHDC. Whilst there are overarching obligations in the BSC that ensure the Supplier is responsible for its Party Agents, the Supplier level oversight is not clearly mirrored in BSCP504.. The ability of the NHHDC to comply with this obligation is greatly impaired by accessibility to de-energised sites, pointing to the fact that the current obligation is not the best way to ensure data accuracy from de-energised sites. As Party Agents do not always have a direct relationship with the customer, they are unable to book site visits in some scenarios where the Supplier has not instructed the site visit. As Party Agents do not always have a direct relationship with the customer, they are unable to book site visits in some scenarios where the Supplier has not instructed the site visit.

Background

What are de-energised sites?

De-energisation is when any Boundary Point or Systems Connection Point is disconnected and no electricity can flow to or from the system.

[BSC Section X, Annex X-1 'General Glossary'](#) describes de-energisation as:

"In relation to any Boundary Point or Systems Connection Point (or the Plant or Apparatus connected to any System at such a point) the movement of any isolator, breaker or switch or the removal of any fuse whereby no electricity can flow at such point to and from a System; and **"de-energised"** shall be construed accordingly"

De-energised means the temporary removal of the supply at a Defined Metering Point (e.g. the main circuit connections to the Licenced Distribution System Operator's (LDSO) network are still made) such that all or part of the Metering Equipment is considered to be temporarily "inactive" for the purposes of Settlement e.g. unoccupied premises where the

incoming switchgear has been opened or the cut-out fuse(s) removed and any generation disconnected.

If a Metering System has not been de-energised, the volume of energy allocated to the Supplier will be calculated using the latest Estimated Annual Consumption (EAC). When the NHHDC gains access to the site and records a Meter reading, an Annualised Advance (AA) can be calculated which will reflect the true consumption on site.

However, in many cases NHHDCs are unable to gain access to unoccupied sites. Additionally, the EAC associated with the site is unlikely to be zero which is the most probable actual consumption value. This results in the energy volumes attributable to the Supplier in Settlement being overstated and inequitable.

Issue 85

[Issue 85 'Removal of obligation to visit de-energised sites once every 12 months from BSCP504'](#) was raised by TMA on 27 August 2019.

During the BSC Audit 2018-2019, an issue was raised against a market participant for not visiting 11 out of the 25 sample de-energised sites, this led them to being non-compliant to obligation 3.4.1.1 footnote 99 of BSCP504:

"Where a SVA MS is de-energised the NHHDC shall make visits to the site concerned every 12 months."

The obligation for regular site visits was removed from the [Electricity Supplier Licence](#) obligations in 2016 by Ofgem as the Authority, because other obligations, such as Licence Condition 21B.4 would prompt the Supplier to use a risk based approach to ensure that sites are visited regularly enough to avoid health and safety issues.

Originally this obligation only applied to sites where no remote communication was available. The specific reference was removed by [CP1019 'Clarification of Pre-Payment Meter reading Obligations'](#) in 2005. However, the Issue 85 Proposer contended that it's unclear whether this License Condition applies to de-energised sites.

The non-compliances identified under the BSC Audit issue were due to a lack of Data Retrieval contract in place with Suppliers.

The Issue 85 Proposer wished to remove the obligation from BSCP504 for two reasons:

- The obligation is solely put on the NHHDC with no matching obligation on the Supplier, leaving Party Agents exposed to non-compliance; and
- The ability of the NHHDC to comply with this obligation is greatly impaired by accessibility to de-energised sites, pointing to the fact that this obligation is not the best way to ensure data accuracy from de-energised sites.

The Issue 85 Proposer outlined three solutions that were discussed with the Workgroup:

- The removal of the obligation for NHHDCs (and any other Party) to visit de-energised sites on an annual basis from BSCP504; (The Issue 85 Proposer's preferred option);
- Clarifying the responsibility of the NHHDC visiting de-energised sites annually directly in BSCP504 table step 3.4.1.1; or

- The obligation for NHHDCs to visit de-energised sites to be placed instead on the Supplier of a Metering System.

The Issue Group's discussions can be found in the Issue 85 Issue Report, which is Attachment D of this paper. This was presented to the BSC Panel at its meeting on [13 February 2020](#).

The Issue Group concluded that a Change Proposal be raised to amend BSCP502 and BSCP504 to remove the obligation on NHHDCs to visit de-energised sites annually and instead re-assign the obligation on the Supplier.

The Issue Group was also in agreement that the table in 3.4.1 in BSCP504 should be rearranged so that important information in the footnote should be inserted into the main table.

Finally, the Issue Group concluded that the HH and NHH market processes should be aligned for efficiency and clarity.

Proposed solution

Transfer the obligation in [BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) to visit de-energised sites on an annual basis from Non Half Hourly Data Collectors (NHHDCs) to Suppliers. This means that there is an obligation on Suppliers to trigger the annual site visit process.

For consistency, the [BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) obligation for HHDCs (Half Hourly Data Collectors) to visit all de-energised sites annually will also be placed on Suppliers so that both the Non Half Hourly (NHH) and Half Hourly (HH) markets are aligned. The Issue 85 Group believed it would be more efficient and clear for organisations to have an aligned, consistent process across HH and NHH markets.

Also, as agreed by the Issue 85 Workgroup, rearrange the table in section 3.4.1 in BSCP504 to incorporate the important information in footnote 99 into the table. This would align with the approach in BSCP502 for Half Hourly.

It may well be that there is a relationship outside the BSC whereby the Supplier engages with the DC to organise a suitable time to visit sites, that supports the DC and Supplier schedules. However, for the purposes of the BSC obligation, the Issue 85 group believe the Supplier is the appropriate place for this obligation given the Supplier is more likely to have a relationship with the customer.

Proposer's rationale

Raising a Change Proposal to place the obligation on Suppliers for de-energised sites to be visited on an annual basis was the agreed solution of the Issue 85 Workgroup and this was noted by the BSC Panel at its meeting on 13 February 2020. Suppliers have contact with the customer and are best placed to decide when visits should be conducted.

CP Consultation Question

Do you agree with the CP1542 proposed solution?

Please provide your rationale.

Do you agree with the proposed redlining removing the obligation on Data Collectors to automatically make an annual site visit to de-energised sites with no working communications and replace it with an obligation on suppliers to arrange a visit and then instruct the DC to attend?

What impact on current DC processes would this have?

Would these process changes be feasible or cause challenges in DC business operation?

Please provide your rationale.

Do you anticipate that this solution will have any impact on the accuracy of Settlement of sites recorded as de-energised in SMRS?

Please provide your rationale.

Do you agree that the proposed solution should align the NHH and HH process?

Please provide your rationale.

We invite you to give your views using the response form in Attachment E

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Proposed redlining

The proposed redlining to [BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) and [BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) for this CP1542 can be found in Attachments B and C of this paper.

CP Consultation Question

Do you agree that the draft redlining delivers the CP1542 proposed solution?

If 'No', please provide your rationale.

We invite you to give your views using the response form in Attachment E

4 Impacts and Costs

BSC Party & Party Agent impacts and costs

CP1542 will impact Suppliers, HHDCs and NHHDCs.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
Suppliers	The obligation to visit de-energised sites will transfer to Suppliers from HHDCs and NHHDCs. Suppliers will incur process changes, and may incur contractual changes with Party Agents and internal system changes.
HHDCs	The obligation to visit de-energised sites will transfer from HHDCs to Suppliers. HHDCs will incur process changes, and may incur contractual changes with Suppliers and internal system changes.
NHHDCs	The obligation to visit de-energised sites will transfer from NHHDCs to Suppliers. NHHDCs will incur process changes, and may incur contractual changes with Suppliers and internal system changes.

Although the obligation is transferring from Data Collectors to Suppliers, it's likely that Data Collectors will still be instructed to visit the de-energised site. However, as the Supplier has the relationship with the customer, it should mean that more sites can be visited thus having a positive impact on the integrity of Settlement.

Central impacts and costs

Central impacts

CP1542 requires changes to [BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#) and [BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'](#). There are no system impacts.

Central Impacts	
Document Impacts	System Impacts
<ul style="list-style-type: none">BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'	<ul style="list-style-type: none">None

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Impact on BSC Settlement Risks

Impact on BSC Settlement Risks

We would expect a positive impact from CP1542, as more sites will be visited, which would mean more errors would be identified. This will have a positive impact on the integrity of data entering settlement.

We would expect a positive impact on [016 SVA Risk: Energisation Status incorrect](#) as site visits will check and confirm that a site is de-energised.

CP Consultation Question

Do you think that this will impact Settlement Risk 16 and the control strength? If you believe there will be an impact, will the impact be positive or negative and to what scale?

Please provide your rationale.

We invite you to give your views using the response form in Attachment E

Central costs

The central implementation costs for CP1542 will be <£1k. This is a document only change requiring amendments to two Code Subsidiary Documents (CSDs).

CP Consultation Questions

Will CP1542 impact your organisation?

If 'Yes', please provide a description of the impact(s) on your organisation and any activities which you will need to undertake between the approval of CP1542 and the CP1542 Implementation Date (including any necessary changes to your systems, documents and processes). Where applicable, please state which of the roles that you operate as will be impacted and any differences in the impacts between each role.

Will your organisation incur any costs in implementing CP1542?

If 'Yes', please provide details of these costs, how they arise and whether they are one-off or on-going costs.

We invite you to give your views using the response form in Attachment E

5 Implementation Approach

Recommended Implementation Date

This CP is recommended for implementation on 24 February 2022 as part of the scheduled February 2022 BSC Release.

This approach should allow sufficient time between approval and implementation of the CP for Suppliers and Data Collectors to make changes to their processes, along with systems and contractual arrangements, if required.

We are seeking market participants' views on this through this CP consultation period.

CP Consultation Question

Do you agree with the proposed implementation approach for CP1542?

Please provide your rationale.

We invite you to give your views using the response form in Attachment E

SVG's initial views

The CP1542 Progression Paper (SVG 241/07) was presented to the SVG at its meeting on [2 March 2021](#).

An SVG member questioned whether the proposed solution to give the Supplier the responsibility to arrange site visit dates may be an inefficient process for Data Collectors (DCs), as they may not be able to manage their own site visit schedules. By tying DCs down to specific dates it could cause the DCs additional costs.

Elexon responded that the reason for this transfer of obligation was that it would increase the number of visits to sites, as Suppliers have the relationships with the customers to arrange these visits.

An SVG member disagreed with the conclusion of the workgroup, noting they do not believe it will improve Settlement or that it will increase site visit numbers to de-energised sites. The SVG member suggested that there is already an implicit obligation on Suppliers to visit de-energised sites, as stated in paragraph 1.2.1 and 1.2.5, within [BSC Section J 'Party Agents and Qualifications Under the Code'](#) which says that Suppliers are responsible on behalf of Agents to carry out their obligations.

Whilst Suppliers are responsible under the Supplier hub principle for compliance, including Party Agent activities, there is no clear direct obligation on the Supplier to ensure de-energised sites are visited annually. This lack of clarity means there are certain instances whereby the DC is not able to visit a site without the request of the Supplier. In this instance, Party Agents are exposed to non-compliance for something which they cannot rectify without the support of the Supplier.

The issue group initially wanted to remove the obligation fully, so Elexon provided the workgroup with analysis (which can be found in the attached Issue 85 report) that assessed the impact of removing the obligation in BSCP504. The figures showed that there would be a significant amount of status change and that demonstrated the need for controls to be in place to monitor status change. Considering that the Suppliers have contact with the customers, the transfer of obligation this seemed to be the best option to decide when visits should be conducted. In addition, this is not actually a new obligation as they are already responsible for the site visits through their agents. This is just to ensure there is clarity on the ownership of the process.

An SVG member questioned whether by transferring the obligation from DCs to Suppliers, this might be removing a valid check/control, noting that Suppliers have an incentive to not visit de-energised sites. The SVG member suggested this was because if a de-energised site is consuming, and the supplier has not been billing for consumption they are liable for the consumption costs but have not received payments for the consumption. Therefore there is an incentive not to discover incorrectly de-energised sites. Another SVG member suggested perhaps an additional check would be then required for all de-energised sites read schedules to be checked as part of the audit.

Elexon notes that transferring the obligation to Suppliers will ensure that Suppliers make arrangements for de-energised sites to be visited because there will be a clear obligation on them rather than a direct obligation on the DC with a secondary clause back to the Supplier. To this extent, Suppliers are incentivised to ensure site visits take place.

The SVG requested that further questions be added to the CP Consultation to gather further feedback from industry on the following specific points:

- Do you agree with the proposed redlining removing the obligation on Data Collectors to automatically make an annual site visit to de-energised sites with no working communications and replace it with an obligation on suppliers to arrange a visit and then instruct the DC to attend? What impact on current DC processes would this have? Would these process changes be feasible or cause challenges in DC business operation?
- Do you anticipate that this solution will have any impact on the accuracy of sites recorded as de-energised in SMRS?
- Do you think that this will impact Settlement Risk 16 and the control strength? If you believe there will be an impact, will the impact be positive or negative and to what scale?
- Do you agree that the proposed solution should align the NHH and HH process?

Appendix 1: Glossary & References

Acronyms

Acronyms used in this document are listed in the table below.

Acronyms	
Acronym	Definition
AA	Annualised Advance
BSC	Balancing and Settlement Code
BSCP	Balancing and Settlement Code Procedure
CP	Change Proposal
CPC	Change Proposal Circular
CSD	Code Subsidiary Document
DC	Data Collector
EAC	Estimated Annual Consumption
HH	Half Hourly
HHDC	Half Hourly Data Collector
LDSO	Licensed Distribution System Operator
NHH	Non Half Hourly
NHHDC	Non Half Hourly Data Collector
SMRS	Supplier Meter Registration Service
SVA	Supplier Volume Allocation

External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
2, 6, 8	BSCP502 'Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'	https://www.elexon.co.uk/csd/bscp502-half-hourly-data-collection-for-sva-metering-systems-registered-in-smrs/
2, 3, 6, 8	BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'	https://www.elexon.co.uk/csd/bscp504-non-half-hourly-data-collection-for-sva-metering-systems-registered-in-smrs/
2, 4	Issue 85 'Removal of obligation to visit de-energised sites once every 12 months from BSCP504'	https://www.elexon.co.uk/smg-issue/issue-85/

External Links		
Page(s)	Description	URL
3	Electricity Supply Licence	https://www.ofgem.gov.uk/publications-and-updates/standard-conditions-electricity-supply-licence
3	BSC Section X, Annex X-1 'General Glossary'	https://www.elexon.co.uk/the-bsc/bsc-section-x-annex-x-1-general-glossary/
4	CP1019 'Clarification of Pre-Payment Meter reading Obligations	https://www.elexon.co.uk/change-proposal/cp1019-clarification-of-pre-payment-meter-reading-obligations/
9	016 SVA Risk: Energisation Status incorrect	https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/016-sva-risk-energisation-status-incorrect/
11	2 March 2021 SVG241 meeting	https://www.elexon.co.uk/meeting/svg241/
11	BSC Section J 'Party Agents and Qualifications Under the Code'	https://www.elexon.co.uk/the-bsc/bsc-section-j-party-agents-and-qualification-under-the-code/