Final CP Report

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

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About This Document

This document is the CP1542 Final Change Proposal (CP) Report which Elexon has published following the final decision from the Supplier Volume Allocation Group (SVG) to reject CP1542.

There are 6 parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, and previously proposed implementation approach. It also summarises the SVG's views on the changes and the views of respondents to the CP Consultation, along with the final decision to reject CP1542.
- Attachment A contains the CP1542 Proposal Form
- Attachments B-C contain the rejected updated redlined changes to deliver the CP1542 solution.
- Attachment D contains the Issue 85 Report
- Attachment E contains the full responses received to the CP Consultation.

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1 Summary

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.

Solution

CP1542 sought to transfer the obligation in BSCP504 to visit de-energised sites on an annual basis from Non Half Hourly Data Collectors (NHHDCs) to Suppliers. For consistency and clarity, the BSCP502 obligation for HHDCs (Half Hourly Data Collectors) to visit de-energised sites was to be placed on Suppliers so that both the Non Half Hourly (NHH) and Half Hourly (HH) markets are aligned.

The responses we received to the CP1542 consultation indicated the intent of the CP was not clear. The CP1542 solution only intended to transfer the accountability of visiting sites from DCs to the Supplier, leaving the responsibility of conducting and scheduling Site Visits to the DC (in line with current industry operational practise). The CP1542 solution did not intend to have significant operational impacts for DCs or Suppliers, rather it is just a clarification of accountability, in line with the Supplier hub principle. To this extent, it ensures Suppliers have an obligation to ensure DCs visit de-energised sites no less than every 12 months. This mechanism could be contractual, a group instruction, or on a per site basis. We have updated the redlining (Attachment B and C) to better reflect this intention.

Impacts and costs

CP1542 would have impacted Suppliers, HHDCs and NHHDCs. CP1542 required changes to BSCP502 and BSCP504.

These participants would have incurred procedural changes, along with potential contractual and system changes.

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

Implementation

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

SVG Decision

Elexon recommended to the SVG at its meeting on 4 May 2021 that CP1542 be re-consulted upon due to updated redlining that was supported by 8 out of 10 consultation respondents. However, the SVG by majority rejected CP1542.

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2 Why Change?

What is the issue?

There is an obligation in BSCP504 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 request the NHHDC visits 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.

Background

What are de-energised sites?

De-energisation is when any Boundary Point or Systems Connection Point where 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.

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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 a cost to the supplier which they should not be incurring.

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 102 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.

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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.

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3 Solution

Rejected solution

CP1542 sought to transfer the obligation in BSCP504 to visit de-energised sites within 12 months of previous Site Visit or Supplier Start Date (SSD) from Non Half Hourly Data Collectors (NHHDCs) to Suppliers. This means that there is an obligation on Suppliers to request a DC conducts a Site Visit within 12 months of previous Site Visit or SSD.

For consistency, the BSCP502 obligation for HHDCs (Half Hourly Data Collectors) to visit all de-energised sites annually would 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.

Placing the obligation on Suppliers explicitly ensures the BSC 'Supplier Hub' model is followed. Supplier activities could include liaising with the customer to ensure access where the DC may not be able to do so itself.

Also, as agreed by the Issue 85 Workgroup, the solution sought to rearrange the table in section 3.4.1 in BSCP504 to incorporate the important information in footnote 102 into the table. This would align with the approach in BSCP502 for Half Hourly. For the benefit of clarity, the Issue 85 Group agreed it would be clearer to have this important information in the table, rather than embedded in a footnote.

What does the solution mean operationally?

The responses we received to the CP1542 consultation indicated the intent of the CP was not clear. The CP1542 solution only intended to transfer the accountability of visiting sites from DCs to the Supplier, leaving the responsibility of conducting and scheduling Site Visits to the DC (in line with current industry operational practise). The CP1542 solution did not intend to have significant operational impacts for DCs or Suppliers, rather it just sought to clarify accountability in line with the Supplier hub principle. To this extent, it ensured Suppliers have an obligation to ensure DCs visit de-energised sites no less than every 12 months. This mechanism could be contractual, a group instruction, or on a per site basis. We have updated the redlining (Attachment B and C) to better reflect this intention.

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.

Rejected redlining

The rejected redlining to BSCP502 and BSCP504 (updated following the consultation and further respondents' comments) for this CP1542 can be found in Attachments B and C. The previous versions of the proposed redlining to BSCP502 and BSCP504 can be found in Attachments B and C of the Consultation documentation.

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4 Impacts and Costs

BSC Party & Party Agent impacts and costs

Participant impacts

CP1542 would have impacted Suppliers, HHDCs and NHHDCs.

BSC Party & Party Agent Impacts	
BSC Party/Party Agent	Impact
Suppliers	There will be a transfer of obligation to Suppliers such that they must request a DC conducts a Site Visit within 12 months of previous Site Visit or SSD. 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 are still expected to conduct and schedule Site Visits upon request from the Supplier. 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 are still expected to conduct and schedule Site Visits upon request from the Supplier. NHHDCs will incur process changes, and may incur contractual changes with Suppliers and internal system changes.

Central impacts and costs

Central impacts

CP1542 required document changes to BSCP502 and BSCP504. There would have been no system impacts.

Central Impacts	
Document Impacts	System Impacts
• 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'	• None

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Impact on BSC Settlement Risks

Impact on BSC Settlement Risks
Elexon would have expected a positive impact from CP1542, as more de-energised sites will be visited, which would have provided the opportunity to identify, and thus rectify more errors in Settlement. Therefore, CP1542 will have a positive impact on the integrity of data entering settlement. We would have expected a positive impact on 016 SVA Risk: Energisation Status incorrect as Site Visits will check and confirm that a site is de-energised.

Central costs

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

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5 Implementation Approach

Rejected Implementation Date

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

7 of the 10 respondents agreed with the Implementation Date, however we sought to re-consult on this due to the varying interpretations of the intention of the CP.

At the SVG meeting on 4 May 2021, CP1542 was rejected, and thus will not be implemented.

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6 Initial Committee Views

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.

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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?

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7 Industry Views

This section summarises the responses received to the CP Consultation. You can find the full responses in Attachment E. There were 10 respondents with represented roles including: Distributor, Supplier Agents (HHDC, HHDA, NHHDC, NHHDA, NHHMOA), Suppliers and a Trade Body.

Summary of CP1542 CP Consultation Responses

Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the CP1542 proposed solution?	5	5	0	0
Do you agree that the draft redlining delivers the intent of CP1542?	6	3	0	1
Will CP1542 impact your organisation?	7	2	1	0
Will your organisation incur any costs in implementing CP1542?	6	3	1	0
Do you agree with the proposed implementation approach for CP1542?	7	2	1	0
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?	4	5	0	1
Do you anticipate that this solution will have any impact on the accuracy of Settlement of sites recorded as de-energised in SMRS?	8	0	1	1
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?	8 (4 positive, 4 negative)	0	2	0
Do you agree that the proposed solution should align the NHH and HH process?	9	1	0	0
Do you have any further comments on CP1542?	4	6	0	0

Comments on proposed solution

5 out of 10 respondents disagreed with the proposed solution. The majority of respondents disagreed with the solution based on the understanding that Suppliers would have to conduct and schedule Site Visits instead of DCs, and thus would incur significant

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costs due to system developments and implementations. This understanding was referring to the Consultation documentation using the wording 'Suppliers have contact with the customer and are best placed to decide when visits should be conducted'.

Upon further discussion with these respondents, Elexon clarified the intention of CP1542 that Suppliers would only be held accountable for the obligation to visit de-energised sites, annually rather than taking on the responsibility of conducting and scheduling Site Visits. All but two of the respondents indicated that following Elexon's clarifications, they would be supportive of the CP, subject to the wording being amended to better reflect the intent of the CP.

One respondent stated that they believed there was no need for the CP as there is already an implicit obligation on the Supplier, through the Supplier Hub Principle, to visit de-energised sites. The respondent stated that if this obligation is becoming explicit in the BSCP, then this might make Suppliers believe other implicit obligations do not need to be followed. Elexon notes evidence that visiting de-energised sites is a current issue in the market that does have an impact on Settlement integrity. Further, consultation respondents (following clarification from Elexon) verbally agreed that this CP will have a positive effect on Settlement. Therefore, this is a specific case where the BSCP documentation can be improved and made clear by a specific obligation that is in-line with the Supplier hub principle.

Annual site visits

Some respondents questioned the term 'Annually' when referring to how often Site Visits must be carried out. There was confusion on whether this meant per calendar year or since last Site Visit. Whilst this wording has not been amended from the wording in the BSCP before CP1542, Elexon agrees that the wording could be clarified to aid understanding. To this extent, Elexon has amended the wording to refer to 'Within 12 months of previous Site Visit or SSD'.

NHH/HH market alignment

9 out of the 10 respondents agreed that the NHH and HH markets should be aligned for efficiency and consistency.

Impact on Settlement Risk

4 out of 8 respondents that agreed there would be an impact on Settlement Risk 16 and the control strength, believed it would have a negative impact. These respondents stated that less sites would be visited by adding complexity to Site Visits and occupiers of (nominally) de-energised sites benefitting from unbilled supplies are less likely to respond positively to Supplier approaches. These views were generally based on the understanding that the Supplier would schedule site visits under CP1542 rather than the DC, which may have led to overall less successful site visits.

Elexon responded that we believe more sites would be visited as the clarified obligation on Suppliers would incentivise visiting de-energised sites through the threat of non-compliance, therefore having a positive impact on Settlement. Following Elexon's clarification of the intent of CP1542, respondents better understood the merits of the CP and by large agreed that it would result in more Site Visits and thus positively impacting

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Settlement. Furthermore, participants indicated that the Suppliers would need to make changes to ensure sites were visited, which does support Elexon's notion that a greater volume of sites will be visited.

Sending D0005's

Some respondents were against the idea of requiring D0005 data flows as means of communication between Supplier and DC as this was potentially limiting flexibility of efficiency. Elexon agreed with these concerns and we have since updated the redlining to remove the requirement of D0005 data flows. They are still a possible means of communication, but other methods may be used instead.

Comments on implementation approach

7 of the 10 respondents agreed that the Implementation Date was feasible. Some respondents stated that there was not enough time to implement new system changes such as Supplier's organising Site Visits. Following clarification from Elexon, the respondents generally noted that system changes would be to a lesser extent, but in some cases system changes would still be required. Elexon understands some of these system changes are required to ensure compliance, rather than to reflect any new updated process through this CP1542, demonstrating that CP1542 will have the correct impact on the market.

Comments on the proposed redlining

6 of the 10 respondents agreed that the proposed redlining delivered the intended solution. Other respondents stated that the wording of the redlining was not clear enough and therefore could be easily misinterpreted.

Having discussed the CP with consultation respondents, Elexon agrees that the wording could be clarified to be more explicit in line with the intent of the CP.

Therefore, we have made the following changes to the redlining:

- Replaced timescale term 'Annually' for 'within 12 months of previous Site Visit or SSD' as it became apparent that 'Annually' could have a different meaning depending on interpretation.
- Made clear that Supplier must request NHHDC conducts site visits (rather than instruct which could imply a date is scheduled by the Supplier).
- Made clear that the NHHDC conducts the site visits which it may also schedule, to align to current industry operations whilst retaining flexibility for Supplier to instruct if that's how the operating relationship works between DC/Supplier (and also provides the opportunity for the Supplier to provide contact details if required). This may also be situation specific where parties need to agree a specific date due to access challenges.
- Removed the requirement for the use of the D0005 data flow as this was not mandated under the previous wording. Rather, the comms method should be agreed bilaterally, which may be contractual, email, D0005 or other agreed documented mechanism.

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Additional Comments

A respondent stated that "The consultation has been compromised by:

- Confusing content and communications
- Change report intentions not accurately reflected in draft CSDs
- Unintended scope creep
- Updates to documents during the consultation, resulting in significant and material difference to what was proposed – not all clearly version marked.
- Inability to identify any respondent's assumptions, understanding or version of document referenced when responding, therefore not possible to compare opinion or use responses to support progression."

Another respondent stated "It is only by maintaining the current supplier agnostic approach, that this process can be scheduled efficiently. Data Collectors remain the best equipped to schedule and administer readings in bulk." As before, Elexon has said that the intent for this CP is for the scheduling to remain with the DC.

As part of Elexon's further engagement with consultation respondents, one respondent highlighted that the additional questions as requested by the SVG added to their confusion over the intent of the solution. Following Elexon's clarification of the intent of the solution, the consultation respondent was supportive of CP1542.

Elexon response

Following consultation, Elexon engaged with 7 respondents. These discussions confirmed varying understandings of the CP solution and we acknowledge the intent of the CP has been open to different interpretations. Upon verbal discussion with respondents all but one we contacted supported the intent of the CP subject to amendments to the redlining. We have since circulated updates and are awaiting comments back.

As a result we have updated the redlining (found in Attachments B and C) to better reflect the intention of the CP. Our initial verbal conversations indicated the majority of Participants thought the intent and solution of the CP would be clearer following Elexon's suggested amendments, although this was clearly dependent upon having sight of the proposed solution and redlining. We presented the updated redlining to 11 Parties, receiving 2 negative replies and 8 positive replies.

In consideration of the changes that we have suggested to the solution, and that there was evidently differing understanding of the intent of the CP, Elexon believes that CP1542 should be resubmitted to industry for consultation on the revisions made as a result of engagement with parties following the first consultation. This will provide all market participants the opportunity to consider the updates made to CP1542 to deliver its intent.

Feedback following updated redlining

We received 8 responses to the updated redlining. 8 responses were in support of the CP1542 solution, 2 were against.

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A respondent stated that in BSCP502 the 'requirement to visit de-energised sites is already encompassed in section 4.1.8, which applies to all metering systems irrespective of energisation status – proposed 3.4.1.3 is therefore a duplication. 3.4.1.3 also includes requirement to visit Permanent Hand Held Read Sites and also Faulty comms sites; again this is already covered by section 4.1.8. Why include these two specific scenarios but not all others from 4.1.8 in this duplication?'

Elexon has clarified that this is a specific case where the BSCP documentation can be improved and made clear by a specific obligation that is in-line with the Supplier hub principle.

A respondent stated that 'The "table" sections in the BSCPs are used to describe transactional processes, therefore this proposed section, and use of the word "instructs" infers some ongoing communication between Supplier and DC to instigate these visits. This is misleading and superfluous to requirements.'

Elexon responds that we have removed the word 'instruct' from the redlining as we agree it could be misinterpreted. We have replaced it with the word 'request', to clarify that it is not the intent for the Supplier to decide dates for the DC to conduct a Site Visit.

A respondent questioned 'In 504, what is meant by 'not functioning correctly'? Is that a meter fault? What has a meter fault got to do with de-energisation?'

Elexon responds that this requirement of when to conduct a Site Visit was previously in BSCP504. CP1542 has not amended this requirement and thus would be out of scope of the CP given it would require an operational change.

A respondent questioned 'In your drafting you have documented two different trigger events – why? What is the difference between NHH & HH that requires a different entry in the When box?'

Elexon responds that scenarios regarding equipment issues for NHH and HH differ, where NHH is unlikely to have communications equipment. However Elexon agrees that for complete alignment and to avoid confusion we have updated the redlining to mirror the wording in the 'When' box across the two BSCPs.

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8 Final Committee Views and Decision

SVG's final views

The CP1542 Assessment Report (SVG 243/05) was presented to the SVG at its meeting on 4 May 2021, whereby Elexon recommended that CP1542 be re-consulted upon due to material change to the redlining supported by 8 out of 10 respondents.

An SVG member put forward one perspective that the obligation was already covered by the BSC so by explicitly adding further clarity on ownership of this obligation on Suppliers, it would be inconsistent with other BSCPs. They highlighted that there is already an obligation in Section J 1.2.5 on the Supplier to be accountable for Agent activities and hence it is unnecessary for this CP to mirror this obligation explicitly on the Supplier within the BSCP. Elexon noted that it is clear that in the current market, understanding of the obligation is not there. This is in part why the Issue 85 group was raised, as industry believes there is a current issue. Further, from speaking to respondents it is clear that the CP1542 solution would make it clear to them and would benefit this process as demonstrated through the extra engagement Elexon has had with industry, as 8 out of 10 supported the amendments being proposed under CP1542.

An SVG member stated that there was no need to amend the HH market as there are no problems in accessing and visiting de-energised HH sites. Elexon responded that the Issue 85 workgroup concluded that it would be beneficial to align the NHH and HH markets for efficiency and consistency, and that 9 out of 10 respondents agreed that aligning the HH and NHH markets would be preferential as part of CP1542.

An SVG member stated that the change in wording of the BSCPs will not encourage Suppliers to do anything differently. Elexon highlighted that feedback from Suppliers provided through bilateral conversations made it clear that the proposed wording would have a positive effect on Settlement as Suppliers better understood a current obligation that is not being met, and thus, the current issue may remain if CP1542 were not to be further progressed and approved (subject to the second industry consultation phase which Elexon proposed).

An SVG member noted their understanding that it is not possible for a non-zero EAC to go into Settlement if it had a de-energised status in Supplier Meter Registration Service (SMRS). Hence, there is a perverse incentive on the registered Supplier not to visit a site and find out that it is not de-energised as they would be exposed to Settlement volumes that they are currently not. Elexon does not believe this statement is accurate, as any energy recorded by a data collector is passed through to the data aggregator and included in the Supplier Purchase Matrix irrespective of energisation status, although an exception report is created in the D00095 exception report stating that energy has been used at a MPAN de-energised in SMRS. Suppliers are in fact incentivised to identify usage at de-energised sites in a timely manner to ensure they can bill the relevant customer promptly and not lose out under the 12 month back billing rule. Further, Elexon noted that CP1542 does not amend the current operational practice of what happens at Site Visits and different flows, as CP1542 purely changes the accountabilities. To this extent, Elexon does not believe this is a concern with the impact of this CP, rather with the wider process which is outside the scope of CP1542.

An SVG member stated that if a DC cannot access a site but sees evidence that the site may not be de-energised they can return a D0004 with a Site Visit check code of suspected energised. The Supplier should then pick this up in the audit. Therefore this CP lessons the control because it makes it more complicated and confuses the issue of what

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should be returned to Suppliers. Elexon responded that we removed the specific requirement to use D0005 data flows from the initial draft redlining, as this was not originally in the process and from speaking with respondents, this was limiting flexibility as not all DCs use D0005 data flows to get their information for which sites need to be visited. Elexon further added that once more, with the updated redlining, CP1542 does not amend the operational process and as such did not agree with the SVG member that this was a pertinent on the validity of the solution.

An SVG member stated that the redlining amendment that has been made requires a register read to be obtained and therefore leads to confusion if they are not able to obtain it. Elexon agreed that the initial redlining sent out with the consultation did amend the process. Therefore, since the consultation, we updated the redlining to ensure the same wording is used in line with existing BSCP wording. This was one of the primary reasons Elexon recommended that CP1542 be submitted for re-consultation.

An SVG member rejected the CP with reasoning that changes like this should never really be contentious and it would have a negative impact on the Settlement risk. The member suggested that it is a contractual issue and therefore should be resolved between parties, not the BSC. They also suggested that this change may not be in line with the Retail Energy Code (REC) principles and thus the general direction of the market, and questioned whether the CP would no longer be required post REC implementation. Elexon highlighted that its analysis supported by the Issue 85 group indicated there would be a positive impact to Settlement, as did consultation respondents verbally once the intent and impact from the solution was clarified. Elexon also added that the implementation of the REC does not impact the BSC documentation amended by CP1542 and this is a separate piece of work. If there are future industry changes that amend the BSC, these will be considered at the appropriate time, however it is not accurate that there will be any changes to the areas of the BSC impacted by CP1542 upon the implementation or near future operation of the REC. On the point of a contractual issue, Elexon suggested that in line with rationale provided previously, it was evident that industry sought further clarity on the matter, evidenced by 8 out of 10 supporting the CP following amendments to the redlining made post consultation.

The discussion concluded with 4 SVG members voting to re-consult and 5 voting to reject the CP, so by majority, the SVG rejected CP1542.

Final decision

The SVG by majority:

- **REJECTED** CP1542.

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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
REC	Retail Energy Code
SMRS	Supplier Meter Registration Service
SSD	Supplier Start Date
SVA	Supplier Volume Allocation
SVG	Supplier Volume Allocation Group

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	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	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/

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External Links		
Page(s)	Description	URL
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/
3, 4	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/
8	016 SVA Risk: Energisation Status incorrect	https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-processes/016-sva-risk-energisation-status-incorrect/
10	2 March 2021 SVG241 meeting	https://www.elexon.co.uk/meeting/svg241/
10	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/

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