

## 4.7 Issue Form

<b>Issue Form - BSCP40/04</b>	<b>Issue Number</b> <i>(mandatory by BSCCo)</i>
<b>Issue Title</b> <i>(Mandatory by originator)</i> Meter shortage risk driven by global materials availability and supply chain challenges	
<b>Issue Description</b> <i>(Mandatory by originator)</i> <p>Due to a global shortage of materials and the on-going impacts of COVID-19 on global supply chains, there is a shortage of semi-conductors among other crucial components, which impacts the ability of Meter manufacturers to produce Meters. Through engagement with industry colleagues we have become aware that this is impacting on the availability of various types of electricity Meters including those required for Settlement under the BSC. This shortage of Settlement Meters could impact on a number of BSC processes. Our understanding is that this issue is also impacting the availability of Current Transformer (CT) Metering, which has the highest potential for material impact (due to usually being installed at higher consumption/higher voltage sites). Thankfully it is currently our understanding that shortages are not impacting on CVA Metering however we will continue to monitor this.</p> <p>We have been made aware of force majeure event notifications being issued by BSC Party Agents to their customers in relation to Meter stock levels. To reiterate, this issue has the potential to significantly impact Meter installations and meter fault resolution, which in turn has the potential to impact the accuracy of Settlement.</p> <p>The primary impacts forecast are in respect of Risks <a href="#">003 – New connections</a> and <a href="#">005 – Faults</a>. However, where industry is unable to install new Meters for new connections or where it is required to do so to address a fault, this will inevitably have broader impacts on Settlement accuracy across the market.</p>	
<b>Justification for Examining Issue</b> <i>(Mandatory by originator)</i> <p>This issue has been discussed via the Risk Report at the <a href="#">June</a>, <a href="#">July</a> and <a href="#">August</a> Performance Assurance Board (PAB) meetings. Elexon has been taking a proactive role in identifying the issue, and engaging with the PAB, working with them to agree a suitable route forwards. The PAB has called for market wide solutions to be developed and PAB members have stressed the potential for this risk to result in a high material impact.</p>	

**Potential Solution(s)** *(Optional by originator)*

Elxon, supported by the PAB, is raising this BSC Issue to work together with market participants, to understand what support can be given, or changes made, in light of the worldwide shortage of technical components required to construct Meters.

The priorities for the Issue Group should include, as part of its terms of reference:

- Assessment of the potential extent of the issue;
- Consideration of whether BSC processes need adaption to enable Registrants, Supplier Agents and Central Volume Allocation (CVA) Meter Operator Agents to mitigate/best manage this issue;
- Ensuring that a clear approach is put in place and communicated to industry; and
- Discussion of whether existing BSC processes such as Metering Dispensations can be utilised to allow Parties and Party Agents to mitigate against these impacts

Elxon is in the process of establishing monitoring in order to accurately report on the current impact and to forecast potential future impacts of the Meter shortage on Settlement and our customers' operations. This monitoring will rely on reporting by MOAs in respect of the number of Meter Faults (which required a Meter exchange) and new connections which could not be completed due to Meter availability. This information will then be used by Elxon to update our forecast impact for Settlement Risks [003 – New connections](#) and [005 – Faults](#).

Discussions at the PAB suggested that this issue might also need to be raised with other industry Codes and bodies, such as the Retail Energy Code (REC), Smart Energy Code (SEC), Department for Business, Energy and Industrial Strategy (BEIS) and/or Ofgem.

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