
Issue 97 Workgroup 1 Summary

Summary

1 Meeting Objectives

The Chair welcomed attendees and presented the following meeting objectives to WG Members:

- Review of the issue and determine scope and Terms of Reference
- Discuss potential mitigation options presented
- Discuss or suggest alternative mitigation options
- Confirm next steps

2 Review of Issue Scope

2.1 The WG were invited to discuss the scope of the Issue Group, members identified additional areas for the Issue to explore in future workgroups:

- Scope to include specific impacts on Smart Energy Code (SEC) (e.g. ability to meet smart meter rollout obligations) and Retail Energy Code (REC) (e.g. MEMs able to meet REC obligations).
 - The chair noted representatives were requested from both organisations to attend the Issue group but attendance has not been forthcoming initially. The chair will keep all codes fully engaged via the Cross Code Steering Group (CCSG).
- Scope to include impacts on the end user and economy.
 - WG members noted the Issue wasn't just caused by a shortage of semi-conductors, there were many other issues resulting in shortage of meters, including wider economic issues, supply chain issues such as transportation and logistics and shortages of Metering Equipment components – there is a perfect storm. These issues were also affecting long term planning and Investment decisions, as well as potentially limiting New Connection work being undertaken i.e. not just a shortage of meters. It was confirmed Issue 97 had been to consider the impact on the BSC and Settlement from a potential shortage of meters (whatever the cause of the shortage). Any other impacts from the causes of these shortages should be captured as part of this Issue, so that it can be determined what, if any, further action, outside of Issue 97 would be required e.g. sim card shortage. The Group also agreed that the impact on consumers should be at the forefront of considerations.

3 Meter availability

3.1 Elxon noted no CVA MOAs responded to the request for data and slides contain assumptions. Issue Group members, including those who operate in the CVA sector, agreed to provide the update and respond to any Issue 97 data requests.

3.2 As the data received to date was limited and not representative, no conclusions or decisions on the required actions to take could be made. The Group discussed what improvements would be needed to the data request,

3.3 All responses received related to Current Transformer (CT) Meters.

3.4 Elxon will make a follow up request via Operational Support Managers (OSMs).

- This will include additional data columns for cancelled/on hold jobs for other reasons to provide greater context and clarity of the Issue.
- WG members noted CT Meters are a small percentage of the Market and other jobs are going ahead so these should be recorded as well.
- Issue group members will be targeted for the updated survey.
- CVA and SVA should be split out
- Available stock and forecasted stock over coming [3, 6 and 12 months]. This would provide a forward risks check e.g. are stock levels sufficient to weather any supply chain issues?

- It was noted that some MOAs may not be responding as they may not be responsible for managing meter stock, they are not experiencing an issue or may not have enough information. The revised data request should confirm this.
- Supplier and Meter manufacturer views and data should also be requested to get a holistic view of the market (noting Elexon had tried to engage manufacturers already).
- WG members asked if responses could be provided anonymously e.g. via a web form
 - Elexon agreed to this approach on the basis that it might encourage MOAs to respond which might not have due to concerns around commercial sensitivity.

3.5 A WG member noted that 3 phase Whole Current (WC) meters were originally intended to be Smart Meters but have not become available to the Market and therefore Advanced Meters (AMR) for 3 phase Whole Current have not been developed.

3.6 There has been an unexpected increased in demand for AMR devices and the capacity is not available in the supply chain. There was a sense from some members that the issue may not be too bad currently, but could become significant if it prolongs into next year.

3.7 There is an overlap between Supplier Volume Allocation (SVA) and Central Volume Allocation (CVA) Meters and so it is anticipated that if there is a shortage in the SVA market there could be a shortage in the CVA market.

3.8 WG member confirmed different Supplier Agents were facing different levels of challenge obtaining Meters, with a WG poll showing 29% of respondents agreed with Elexon's initial assessment of Meter availability and 29% saying there was a lower impact than stated.

3.9 WG members were asked if certain Meter Types were more widely impacted than others:

- CT: 64%
- AMR Whole Current: 18%
- Smart: 0%
- No difference: 18%

3.10 The WG noted Smart stock may be potentially more widely available due to lockdown and may be an issue in the long term before it is shown as current stock levels will be high. The need for EV charge points to be CT Meters was cited as another reason for the demand for CT Meters.

3.11 A Meter Manufacturer (EM-Lite) had a view that the cause of the Issue was with not only the availability of semi-conductors but also the cost and availability of other components, materials and transportation services. The Manufacturer noted that there was likely to be a period of 12-18 months before stock and service levels are returned to 'normal'.

- Semi-conductors are key to the makeup of a Meter and as with other components can't just be picked up off the shelf as this will likely affect the lifetime and mechanism of the Meter.
- Any changes made to the design or components of a Meter would require re-testing and to be re-accredited.

3.12 WG Members discussed potential other issues that may affect the supply chain:

- Potential issue with availability of sim cards for AMR meters
- Cardboard shortages increasing the cost of packaging
- Prices for some components gone up by a factor of 4 – easier to claim force majeure for fixed price contracts than to meet contract.

4 Mitigation Options

4.1 The WG confirmed that any dispensation for the requirement to install a Meter should be viewed as a last resort.

4.2 When discussing if there could be a requirement for a dispensation to install a Settlement approved Meter the WG noted supply chain issues would be across the board and so different types of Meters are also unlikely to be available.

4.3 Elexon to confirm whether installing Settlement approved Meters is required under the Electricity Act.

4.4 The WG advised Legal advice should be sought to understand the impacts any potential dispensations would cause.

4.5 The WG confirmed if different Meters are to be installed this would have an impact on MOAs, as different processes and training may be required.

- 4.6 There could be an increase in Site Visits as Agents are unlikely to be dial Meters that are not Settlement approved if installed. This would also lead to a delay in actual readings entering Settlement therefore impacting Settlement performance. Consideration of what actions would be needed once supply issues were resolved and to 'turn-off' any mitigations that had been put in place.
- 4.7 Elexon to ask the P375 WG for contact details of COP11 Manufacturers, noting COP11 Meters are not available until June 2022 and any issues with shortages and supply chains would likely be across the meter range.
- 4.8 Overall, the mitigation options considered were all seen as having significant challenges to overcome and should only be considered where there was sufficient evidence that the cost of mitigation was outweighed by the benefits it risks it would address. The sense was that the options considered would introduce as many or more issues than they sought to solve. Of the options considered, the two quickest wins were seen to be extending the life of meters (derogating the need to replace) and installing old stock or meters removed but that were still in good working order.
- 4.9 When discussing the other options Parties can take to mitigate the Issue the WG raised a number of questions that need to be assessed:
- What additional volumes of Meters do these options provide?
 - How long is the lead time to put mitigation in place?
 - What time period can each option be implemented for?
 - What are the current obligations on Supplier or other Parties that need to be relaxed?
 - How do we get back to "BAU" if or when stock is available again and what is the impact?
- 4.10 The WG provided an initial analysis of the criteria to assess mitigation options:

Criteria	Option A (Derogation to install Meters)	Option B (Derogation to install Settlement approved Meters)	Option C (Derogation to install Check Meters for CoPs 1-3)	Option D (Remove Check Meters for use where a Meter is required but unavailable)
Cost to implement	H	L/H	L/H	H
Complexity to implement	H		L/M	H
Cost to operate	H	L/H	L/M	L
Effectiveness of mitigation against Settlement Risk	L	L	L	L
Effectiveness of mitigation against operational and financial impacts	M	H	M/H	M/H
Timescale to deliver	H	L/H	L/M	H
Legislative Change Required	H	L/H	MH	H
Cost to revert	H	H	M/H	H
Time to revert	H	H	-	-

5 Tightening the minimum accuracy class (cop5 meters)

- 5.1 Elexon presented a change request that is intended to be raised at November's SVG. We clarified the change would only impact new installs. No comments were received but WG members stated they would raise internally.

6 Meeting Close

- 6.1 The WG concluded more insight is required to understand the depth of the problem.
6.2 There was a request for more Meter Manufacturers to join the Issue.
6.3 The WG noted there is a potential risk to engineers and redundancies if there are no Meters to install.

7 Actions

- Scope of Issue to be expanded.
- Elexon to ask MOAs for Meter delivery lead times.
- Next WG to take place in mid-late November, subject to sufficient data responses.
- WG members to explore if Suppliers could more effectively prioritise and drive efficiencies in respect of their available Meter stock.
- Elexon to ask the P375 WG for contact details of COP11 Manufacturers.
- Elexon to look into if not installing Settlement approved Meters would be in breach of legislation. To be explored once the issue has been substantiated.
- Elexon to seek Legal advice to understand the impacts any potential dispensations would cause. To be explored once the issue has been substantiated.
- Elexon to issue follow up survey with request for additional data.