
Issue 97 Workgroup 2 Summary

Summary

1. Meeting Objectives

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

- Recap of Workgroup Meeting 1
- Review data collected from the RFI
- Decide on potential mitigation options presented
- Confirm next steps

- 1.2 A Member asked whether the Group had good representation from Suppliers, MOAs and meter manufactures. There were two well-known meter manufactures on the call, 8 MOAs and 4 Suppliers.

2. Data Submissions

2.2 Aggregated impacts reported through RFIs:

- 2.2.1 Several Workgroup members did not see the data as reflective of what they've experienced at their own organisations. Members indicated that it may be worse than the figures suggest as the figures may be skewed to less impact because of people not operating in AMR / CT metering, which appears to be the most impacted sector. Additionally, the initial inclusion of the N/A responses were skewing the data.

- 2.2.2 Work Group Members noted that while Supplier responses represented better market coverage (nearly 80% of MSIDs), MOA and Manufacturer responses were more reflective of the actual risk. That is because they would naturally have a better forward view of the supply chain issues impacting on Meter availability and of actual Meter stock levels. Whilst having a good number of responses with over 50% market coverage for SVA MOAs, the coverage for CVA was less than 50% at the time of the meeting so Elexon will endeavour to increase the coverage in successive RFIs as well as including meter manufacturer responses. Elexon has received assurances from a major CVA MOA that responses will be provided soon and updated data will be shared with the Issue Group.

- *Post Meeting Note: Following the second Issue Group meeting we received additional CVA MOA responses which has brought coverage up to nearly 70% of MSIDs, with the new responses to be included within the revised data to be shared with Issue Group Members.*

- 2.2.3 Discussion and RFI responses suggested the following impacts across Meter types:

- 2.2.4 CT Metering will face shortages over the next 3 to 12 months, with Issue Group Members noting that CVA Metering had been facing challenges for 18 months or so prior to the start of the pandemic which brought about the supply chain challenges we are now facing. It was noted however that there are at present exceptions to this with certain Agents seeing high stock levels of CT Metering due to works that could not be completed during lockdowns.

- 2.2.5 AMR Metering is likewise already facing shortages which are likely to worsen over the next 3 to 12 months before starting to improve. However it was noted that from RFI responses and Issue Group discussion that AMR availability is less likely to be impacted as severely as CT Metering by the supply chain issues.

- 2.2.6 Smart Metering is currently not facing any such challenges with high stock levels across the market. It is not currently anticipated that these supply chain challenges will seriously impact on the availability of Smart Meters.

- Forecasts could also get worse within the next 3 to 6 months once Suppliers have to start asking different MOAs for stock, resulting in the stock being used quicker than they have anticipated.

2.3 CVA new Connections and CVA Fault Resolution:

- 2.3.1 Meter manufacturers on the call suggested that volumes would start to increase within the next six to nine months with the supply chains improving so the biggest risk will be the next three to six month period. This

indicates that we may have been overly pessimistic about the timing of our high impact forecasts. It was suggested that supply chain issues may be partially caused by the increased demand from MOAs and MAPs anticipating the supply shortage.

- 2.3.2 It was agreed that monitoring the number and age of meter faults and outstanding new connections would be useful indicators as to the effect meter shortages may be having on the market. Elexon agreed to monitor this for SVA and CVA and include it in the Issue 97 reporting (and would be shared and discussed with PAB, as appropriate).
- 2.4 The Group also commented that there might be some optimism bias from respondents (or no response at all), who may not want to reveal any significant issues.
- 2.5 Even if supply chain issues are resolved, there may then be issues of clearing backlogs of site visits, which will take time to clear.

3. Mitigating Actions

- 3.2 The Workgroup suggested that the delay in Meter approvals may be an additional cause to the shortage so expedition of Meter approvals may be a beneficial solution, potentially alleviating a bottleneck. This was based on feedback from two Meter Manufacturers who believed components used in new meters were more likely to be readily available compared with older components. Elexon highlighted it was already chasing any outstanding applications and the Group noted that finalising commercial arrangements was more likely to act as a bottleneck. The Workgroup suggested that DCs could be encouraged to expedite approvals both for the benefit of industry but also to grow in this part of the market.
 - As a secondary consideration, if needed later, relaxing some rules could be considered, but it was agreed the focus, for now, should be on expediting applications.
 - The Group discussed whether the testing requirements were a bottleneck. It was agreed this was not a material issue compared to the time taken to resolve commercial issues.
- 3.3 The Workgroup discussed the implementation date of CP1527 'Increase the minimum data storage capacity for Settlement Outstations and mandate specific selectable integration periods for Metering Codes of Practice' due to Meter Manufacturers having said that the supply chain challenges potentially impacting their ability to comply with this Change
 - The group suggested that the benefits seen from the implementation of CP1527 did not outweigh the cost to users so a dispensation should go ahead.
 - Discussion suggested that a six month dispensation would not alleviate the problem and therefore it would need to be 12 to 18 months, with the majority voting for 18 months. Elexon confirmed it was targeting the January BSC Committees to take this dispensation and would ask for 18 months.
- 3.4 The Workgroup agreed that a letter should be written on behalf of the Issue 97 Workgroup to the Authority to inform them of the latest findings and potential mitigation actions. This would enable Ofgem to decide whether and when it may want to take any action. As the worst case scenario would mean being unable to service new connections, a letter should also be written to BEIS.
 - The letter will be informative rather than asking for action, and will highlight that there doesn't seem to be an issue with smart meters at the moment, but we are expecting issues with CT, AMR and CVA over the next 12 months or so. It should also explain what steps Elexon and Issue 97 Group are taking.
 - Elexon will engage with the Panel before the letters are sent.
- 3.5 The Workgroup suggested that Elexon progress a dispensation for CoP4 recalibration requirements.
 - The risk of some Meters being outside of the accuracy requirements is much less than having Meters unavailable for faults or new connections. This dispensation should therefore have minimal impact on Settlement, whilst making new Meters available for higher priority jobs, such as new connections or faults.
- 3.6 The Workgroup suggested that the next set of data should be requested in February so as not to be distorted by a suppressed level of engineer visits over December and January, with the next Workgroup meeting being held in early March.
 - Elexon will notify parties that we will be asking for their data in February.
 - Responses will not be mandatory however if response rates drop this can be re-evaluated.

4. Next steps

- **Elexon** to progress an 18 month dispensation for CP1527 targeting January Committees.
- **Elexon** to progress a CoP4 recalibration dispensation for CoP3 and CoP5 targeting February Committees.
- **Elexon** to send an email to DCs subject to Workgroup review, suggesting to expedite meter approvals to help address the risks and issues discussed under Issue 97.
- **Elexon** to write a letter to Ofgem and BEIS informing them of the Issue, subject to Workgroup review.
- **Elexon** to send notice in December that we will be sending our next RFI in February
- **Elexon** to update the data submission removing N/As, include market share of responses, call out limitations with data and any late submissions e.g. from meter manufactures or CVA MOAs.
- **Elexon** to reach out to BEAMA members (and any significant non-members) to ask for data and encourage attendance at Issue 97 and to target those MOAs/meter manufactures who deal with a lot of CT/AMR and CVA meters.
- Hold another Workgroup meeting in early March 2022 to assess the data collected in the RFI in February 2022.