

P402 Microsoft Teams Meeting

- Welcome to the P402 teleconference – we'll start in a moment
- No video please – conserve bandwidth
- All on mute – use IM if you can't break through
- Talk – pause – talk
- Lots of us are at home – be mindful of background noise and connection speeds

ELEXON

P402

Allowing extensions to ELEXON's
business and activities subject to
additional conditions

2 November 2020

Meeting Objectives and Agenda

- Consider responses to the Assessment Procedure Consultation; and
- Provide final views against the BSC Objectives.

Agenda Item	Lead
Welcome and meeting objectives	Claire Kerr (Chair),
Summary of 4th Workgroup Meeting	Ivar Macsween
Summary of P402 Solution	Nick Rubin
Consider Assessment Consultation responses	Workgroup
Views against the BSC Objectives	Workgroup
Next steps	Ivar Macsween
Meeting close	Claire Kerr



SUMMARY OF 4TH WORKGROUP MEETING

P402 4th Workgroup Summary

- The Workgroup considered whether ELEXON should make output Billing and Tariff Setting Reports (produced by SVAA) available to any person or whether any commercial or confidentiality reasons might restrict publication. Suggested that both Billing and Tariff Setting Reports should be published on the ELEXON Portal and made available to all, and suggested a consultation question to affirm this approach.
 - permissions and access in the ELEXON Portal currently offered at two levels: on a function-by-function basis (allowing access to a whole page), and/or on a BSC Party Id basis (allowing access only to the data relevant to that Party).
- The Workgroup also considered whether input Billing and Tariff Setting Data sent to SVAA by LDSOs should be published and made accessible by all. In general the group considered that for similar reasons to publishing the output reports, the input data could be published. However, ELEXON pointed out that this was not part of the requirements an Impact Assessment by its service provider has been based on.
 - Concern is that there is a very large volume of data to move around, especially given the additional LLFCs - likely have a significant impact on the costs needed to deliver the solution

P402 4th Workgroup Summary

- Workgroup feel that impact on MDD and systems by increasing use of LLFCs is necessary irrespective of P402 and should therefore be assessed and considered independently.
- Clarifications that SVA site counts will be attributed to Base BMUs only and a clarification as to how BSCCo will publish the new Mapping Tables.
- Question (at the time) over data retention provisions in Section U and whether these need to be extended – since resolved as wording used to define “settlement data” in 1.6.2(b)(ii) considered wide enough to cover data that would be provided by BSC Parties under P402. Legal Text drafted with this in mind.
- The group are comfortable that the P402 Solution is unlikely to conflict with GDPR restrictions as it is concerned with aggregated information from organisations, rather than collecting and sharing data on individuals.

P402 Alternative Approach

P402 Alternative Approach Summary

- Discussions on this solution initially held in February/ March
- Not progressed by NGESO as wanted to pursue P402 approach

Key Elements of Alternative to P402

- **Mapping Tables**

- Each DNO/ IDNO to provide mapping tables between LLFC and Charging Band
- Format (eg Excel, csv) to be agreed

- **Billing Report**

- A new CSV report to be provided to support billing. Ideally this would be produced daily but at a minimum it would need to be issued monthly.
- The report would need to return the number of demand sites with a residual charge effective on a settlement date aggregated by the following:
 - Supplier ID
 - GSP Group
 - Domestic, UMS, LVNC_1, LVNC_2, LVNC_3.....EHV_4
- NETSO has indicated that it would need to be re-issued at RF.
- NETSO to aggregate LLFC data into charging bands using mapping tables
- Estimated cost of changes to Durabill for DNOs (£50k across 14 companies), IDNO costs to be determined.
- IDNO comment: “if we could provide data beyond 2 wds e.g. 10 wds or say ‘by the 15th of the month’ (in line with the DCUSA reporting timescales), EAN’s billing system would have committed the NHH and HH consumption data following the billing run and would be able to report out accordingly. System changes would be required to automate the reports, upload the P222 data etc. but in the meantime, with longer timescales, we could manually process the data.”

Key Elements of Alternative to P402

continued

- **Tariff Report**

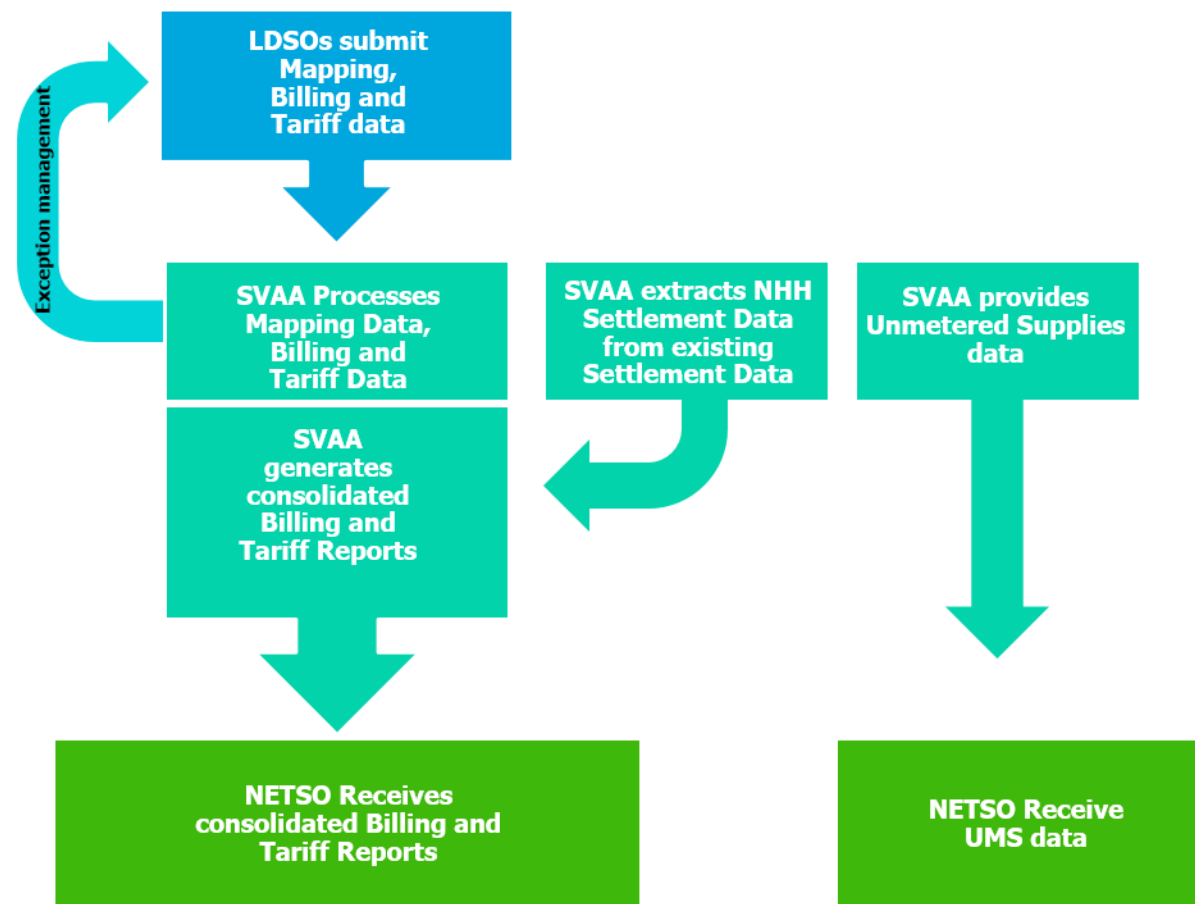
- A new CSV report will be required to support setting of TNUoS tariffs. It would need to be run twice a year, once during October and once during December. The report should return both the total active meter reads for sites with a residual charge in MWh for the year and the number of sites aggregated by:
 - GSP Group
 - Domestic, UMS, LVNC_1, LVNC_2, LVNC_3.....EHV_4
- It is questionable whether this report is actually needed: sufficient information to enable NGESO to set tariffs is available from published DNO charging models.



P402 SOLUTION SUMMARY

P402 Solution summary

- P402 introduces processes that require the provision, consolidation and validation of three types of data to NETSO (Monthly Billing data, Annual Tariff Setting data and Unmetered Supplies (UMS) data), the creation of two new reports to NETSO and an update to the P0210 'TUOS Report'.
- The new Tariff Setting Reports and Billing Reports will be compiled following these overall steps:
 1. LDSOs compile and send Half Hourly (HH) reports to BSCCo (SVAA) using a common file format to be specified in the SVA Data Catalogue. BSCCo extracts NHH data from existing Settlement data;
 2. BSCCo consolidates each LDSO's report along with the NHH Settlement data into a single report (which will be specified in the SVA Data Catalogue); and
 3. BSCCo will provide/enable access to the consolidated reports to NETSO.



P402 Solution summary

Key elements of P402

- **Mapping tables maintained in MDD**
 - LDSOs to provide and maintain tables: LLFC:Charging Band and Dummy LLFC:Dummy MPID:CVA MSID
 - ELEXON to derive BMU and Registrant Details from CVA MSIDs
- **Billing Data and Report**
 - LDSOs provide monthly HH Billing Data (including updates in accordance with Reconciliation Settlement Runs)
 - ELEXON derive NHH (inc MC F&G) Billing Data from Settlement Data
 - ELEXON compile monthly Billing Report and publish this on ELEXON Portal
- **Tariff Setting Data and Report**
 - LDSOs provide annual HH Tariff Setting Data
 - ELEXON derive NHH (inc MC F&G) Tariff Setting Data from Settlement Data
 - ELEXON compile annual Tariff Setting Report and publish this on ELEXON Portal
- **UMS**
 - ELEXON to include new HH and NHH UMS data in P0210 TUOS Report

P402 Solution summary

Area	Status
Implementation	24 February 2022 (February '22 BSC Release)
P402 obligations	P402 will introduce obligations on LDSOs to provide monthly Billing Data and Tariff Setting Data and BSCCo to aggregate this data and report to NETSO.
Costs and impacts	P402 is estimated to cost between £1.5 to £2 million and will require a 10-12 month implementation phase. Other implementation costs for this Modification ~ £900 to make document changes. Following implementation, ongoing Elexon effort estimated at 3 WD per month
BSC Sections impacted (Legal Text)	Section S – Supplier Volume Allocation Section V – Reporting Section X Annex X-1 – General Gallery
Further redlining (following approval)	BSCP508 - Supplier Volume Allocation, BSCP509 - Changes to Market Domain Data Other Code Subsidiary Documents (SVAA SD, SVAA URS, SVA Data Catalogue)



P402 ASSESSMENT CONSULTATION RESPONSES

P402: Assessment Consultation responses

Question	Yes	No	Neutral	Other
1: Do you agree with the Workgroup's initial majority view that P402 does better facilitate the Applicable BSC Objectives than the current baseline, and so should be approved?	5	2	2	0
2: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P402?	7	0	2	0
3: Do you agree with the Workgroup's recommended Implementation Date?	8	0	1	0
4: Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P402 which would better facilitate the Applicable BSC Objectives?	4	4	1	0

P402: Assessment Consultation responses

Question	Yes	No	Neutral	Other
5: Do you agree with the Workgroup's assessment that P402 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC, noting that a possible expansion to Section U data retention provisions would then impact these terms and conditions?	7	0	2	0
6: Will P402 impact your organisation?	8	0	1	0
7: Will your organisation incur any costs in implementing P402?	8	0	1	0
8: How long (from the point of approval) would you need to implement P402?	Between 4 – 6 months			

P402: Assessment Consultation responses

Question	Yes	No	Neutral	Other
9: Do you agree with the Workgroup that both Billing and Tariff Setting Reports should be published on the Elexon Portal and made available to all Parties and those who pay for a licence? Would publishing the output data (in particular the Billing Reports) be commercially sensitive?	7	2	0	0
10: Should input billing data also be published alongside output reports so that Parties can trace how input data is transformed? Would publishing the input data be commercially sensitive?	5	3	1	0
11: Whilst P402 will not have been implemented nor will sufficient data be available to ELEXON to produce a Tariff Setting Report, do industry participants agree that the definition of and provision of data for setting Tariffs in October 2021 be agreed by LDSOs and NETSO outside the P402 solution?	9	0	0	0

P402: Assessment Consultation responses

Question	Yes	No	Neutral	Other
12: Is the approach to treating NHH MSIDs (and MC F and G MSIDs) reasonable under the circumstances? Are there alternative approaches the Workgroup should consider?	8	0	1	0
13: Should the P402 solution include a requirement to publish UMS data that SVAA will send to NETSO? If so, why and how would you recommend that this data is published?	1	3	5	0
14: Is the proposed approach to data retention appropriate? Do you have a preference for expanding existing Section U1.6 provisions to apply to non-Settlement data and processes or for creating new retention requirements that mirror Section U1.6?	5	0	4	0



P402 TERMS OF REFERENCE

P402 Terms of Reference

Item	Status
P402 Specific Terms of Reference	✓ - Addressed at previous meetings
Costs and impacts	✓ - Identified and considered
Self-Governance	✓ - Not Self-Governance
Any Alternatives	✓ - No Alternatives identified so far
Views against Objectives	✓ - Final views needed

P402 Terms of Reference

Item	Status
Can LDSOs deliver the data that National Grid require?	✓ - Addressed and incorporated into the P402 solution.
Specific definition of what needs to be reported and how frequently it needs to be reported.	✓ - Addressed and incorporated into the P402 solution.
How should the reporting specified by this proposal handle data or process errors and disputes?	✓ - Addressed and incorporated into the P402 solution.
Consider whether and if so how a one-off set of Tariff Setting Reports should be provided to NETSO before 1 April 2022, in order to set tariffs to take effect from 1 April 2022.	✓ - LDSOs will provide, bi-laterally and directly, a one-off set of Tariff Setting Reports to NETSO in October 2021
Can LDSOs deliver the data that National Grid require?	✓ - Following assessment, the group are comfortable that the P402 solution is compliant with GDPR regulations
Views against Objectives	✓ - Final views needed

P402 Terms of Reference

1. Can LDSOs deliver the data that National Grid require?
2. Specific definition of what needs to be reported and how frequently it needs to be reported.
3. How should the reporting specified by this proposal handle data or process errors and disputes?
4. Consider whether and if so how a one-off set of Tariff Setting Reports should be provided to NETSO before 1 April 2021, in order to set tariffs to take effect from 1 April 2021.
5. How to ensure the P402 solution is compliant with GDPR regulations?
6. What changes are needed to BSC documents, systems and processes to support P402 and what are the related costs and lead times?
7. Are there any Alternative Modifications?
8. Should P402 be progressed as a Self-Governance Modification?
9. Does P402 better facilitate the Applicable BSC Objectives than the current baseline?



FINAL VIEWS AGAINST THE P402 OBJECTIVES

Proposer's Initial Views on Applicable BSC Objectives

The Proposer had initially identified a positive impact on Objectives (a) and (d)

Applicable BSC Objective (a) 'The efficient discharge by the NETSO of the obligations imposed upon it by the Transmission Licence'

- NETSO has been directed by Ofgem to give effect to Ofgem's TCR SCR Decision by raising changes to the CUSC and 'any such consequential proposals for modification to ... other industry codes'. P402 is intended to enable CMP332, 334 and 335/6 and therefore for the Proposer to comply with Ofgem's Direction, thereby complying with its license.
- Elexon agreed with the Proposer that this Proposal has been raised to comply with Ofgem's TCR SCR Direction and will therefore better facilitate Objective (a) by enabling the efficient discharge of the NETSO's licence obligations.

Proposer's Initial Views on Applicable BSC Objectives

Applicable BSC Objective (d) 'Promoting efficiency in the implementation of the balancing and settlement arrangements'.

- There are no existing means of providing NETSO with the data it requires to implement TCR outomces, a co-ordinated pan-industry approach supports Objective (d).
- BSC processes and systems already provide a centralised mechanism for collecting, aggregating and sharing data with NETSO and LDSOs for network charging purposes. This approach has been maintained by industry because it provides a consistent, secure, efficient and cost effective means of enabling both Settlement and non-Settlement processes.
- In its Decision, Ofgem recognised 'there could be merit in a centralised approach to setting band thresholds and allocating users to bands, which could involve changes under the BSC or other centralised systems. We think this has strong potential to offer a more efficient solution than a fragmented approach across individual parties and we encourage the industry to thoroughly explore the costs and benefits of such an approach.'
- P402 would continue to take advantage of BSC Systems, processes and governance in enabling the calculation of TNUoS charges.

Workgroup 4 Views on Applicable BSC Objectives

Applicable BSC Objective (a) ‘The efficient discharge by the NETSO of the obligations imposed upon it by the Transmission Licence’.

- The Proposer reiterated their view that the proposal better facilitates Objective (a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence
- NETSO has been directed by Ofgem to give effect to Ofgem’s TCR SCR Decision by raising changes to the CUSC and ‘any such consequential proposals for modification to ... other industry codes’. P402 is intended to enable related CUSC modifications and therefore is necessary for the Proposer to comply with Ofgem’s Direction, thereby better enabling NETSO to comply with its license.
- A majority of Workgroup members agreed with this assessment, noting a clear impact and obligation on the Transmission Licence that P402 addresses.

Workgroup 4 Views on Applicable BSC Objectives

Applicable BSC Objective (d) ‘Promoting efficiency in the implementation of the balancing and settlement arrangements’.

- The Proposer confirmed that they still believe this, noting that BSC processes and systems already provide a centralised mechanism for collecting, aggregating and sharing data with NETSO and LDSOs for network charging purposes. This approach has been maintained by industry because it provides a consistent, secure, efficient and cost effective means of enabling both Settlement and non-Settlement processes.
- A majority of Workgroup members agree (minority disagree).
- Comments: argument for this position less clear-cut than for objective (a), could be perceived that funnelling data through the BSC could be seen as an efficiency for NETSO but an inefficiency for the BSC given the impacts on systems and processes. However, Still an overall positive on an argument for (d), believing an overall efficiency to handling this centrally, with the BSC providing an end-to-end process. Majority agreed that making use of central systems is more efficient than each LDSO providing the data to National Grid.
- Contrasting view: P402 not better facilitating any of the objectives in its current form. Better alternative in LDSOs providing information to National Grid for charging purposes still exists. If central systems processed more of the data and provided greater visibility of how MSID and Sites were reported and aggregated, then arguments for efficiency would be justifiable, but that at present, bearing in mind the costs of implementation, P402 a ‘post-box’ for Half Hourly data.
- Access SCR may entirely overwrite the solution in a few years – leading to potentially wasted costs to implement P402.
- Reminder: the group are being asked to consider the Modification against the current baseline of known change and regulatory conditions for realising the TCR, and the

Final Views against Applicable BSC Objectives

- a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence
- b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System
- c) Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity
- d) Promoting efficiency in the implementation of the balancing and settlement arrangements
- e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]
- f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation
- g) Compliance with the Transmission Losses Principle



NEXT STEPS

P402: Next Steps

- Elexon to prepare the Assessment Report for the BSC Panel
- Workgroup to review Assessment Report by midday 5 November (note: likely to be very few differences from Assessment Procedure Consultation)
- Submitted to Panel by end of the week
- Assessment Report presented to BSC Panel on 12 November
- Report Phase Consultation 19 November – 30 November
- Present Draft Modification Report to Panel – 10 December
- Final Modification Report to Ofgem for decision -14 December

P402: Next Steps

Event	Date
Present IWA to Panel	12 March 2020
Workgroup meeting 1	31 March 20
Workgroup meeting 2	8 May 2020
Workgroup meeting 3	5 August 2020
Workgroup meeting 4	28 September 2020
Assessment Procedure Consultation	7 October – 27 October 2020
Workgroup meeting 5	2 November 2020
Present Assessment Report to Panel	12 November 2020
Report Phase Consultation	16 November – 27 November 2020
Present Draft Modification Report to Panel	10 December 2020
Issue Final Modification Report to Authority	14 December 2020