

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

17 December 2020

Meeting Objectives and Agenda

- Consider responses to the Assessment Procedure Consultations;
- Finalise Requirements for the Proposed and Alternative solutions; and
- Provide final views against the BSC Objectives.

Agenda Item	Lead
Welcome and meeting objectives	Claire Kerr (Chair),
Summary of 6th Workgroup Meeting	Ivar Macsween
Consider Responses to the 2 nd Consultation	Ivar Macsween, Workgroup
Consider Responses to the 1 st Consultation	Ivar Macsween, Workgroup
Finalise the Alternative Solution	Nick Rubin, Workgroup
Finalise the Proposed Solution	Nick Rubin, Workgroup
Implementation approach and interim requirements	Nick Rubin, Workgroup
Final views against the BSC Objectives	Workgroup
Next steps	Ivar Macsween
Meeting close	Claire Kerr



SUMMARY OF 6TH WORKGROUP MEETING

P402 6th Workgroup Summary

- National Grid explained the rationale behind its data requirements, in particular why it requires historical “actual” consumption data rather than make use of forecast consumption data that is already published by LDSOs.
- The group were mostly comfortable following the explanation- actual data is available in their systems for them to send.
- Discussion on timing of data provision for Tariff Setting. Annual timetable advised to avoid undue strain on billing systems.
- Default position of an annual report of actual consumption data as lowest risk and highest reward because it:
 - gives National Grid the data that it needs for tariff setting;
 - satisfies a Supplier representative; and
 - annual aspect helps to minimise risks to existing billing processes and systems for LDSOs.
- This was felt to be the lowest risk and highest reward outcome for now, and it was agreed that reporting site counts would be aggregated on a monthly basis and consumption on an annual basis for the P402 Alternative.

P402 6th Workgroup Summary

- The group considered 2 options for the reporting of data:
- Option 1: LDSOs to report by LLFC. Potentially significant amount of extra cost and implementation time that would need to be added to the P402 Alternative solution.
- Option 2: LDSOs use their mapping understanding to report the site counts and consumption by charging band so as to minimise the cost and effort for National Grid and likely end up with a cheaper solution overall.
- There was some debate around this point, and, in the absence of consensus, the group chose Option 2 “reporting by Charging Band” as a position to gather views, costs and benefits against, but acknowledged that this position may change in the future once costs are better understood.
- In order to draw out the costs and make it clear which option is more or less costly, the group agreed to ask a specific consultation question on this point to draw out the costs and implications of each approach.

P402 6th Workgroup Summary

- Challenges on proposed + 2 Day for sending of data to National Grid - turnaround time between receiving the final D0030 flow, committing this data and sending it on could become an undue burden for some market participants
- Benefits associated with newer, more recent data but felt that holding LDNOs to a 2 Day turnaround felt not to be practical or pragmatic
- Consideration of whether to adopt 5 or 10 WD as the default for the Alternative Solution, hearing from different members representing LDSOs, National Grid and Suppliers and noting the challenges each face.
- Specific consultation question suggested.

P402 6th Workgroup Summary

- In consideration of the P402 Alternative, the group considered whether to on rely on DCUSA or CUSC definitions.
- Ultimately felt that it would be better and more logical to refer to DCUSA definitions for the P402 Alternative - the obligations are on LDSOs.
- Question for later: should the Proposed solution also refer to DCUSA definitions?

P402 6th Workgroup Summary

- Potential “middle ground” option for LDSOs to perform the transformation and Elexon perform the aggregation. Elexon agreed to investigate the split within the impact assessment of “How much is aggregation and how much is transformation?”, but wasn’t able to do so in time for the consultation.
- This rough split is below and based on the following assumptions:
 1. the DNOs would provide all of the data needed;
 2. the DNO data is pre-mapped to charging bands;
 3. nothing is needed from SVAA or MDD;
 4. the scope would be to load the DNOs monthly and annual files and add them up without referencing anything;
 5. the reports would still be made available by the Portal
- An extremely rough split felt to be 55% transformation and 45% aggregation, therefore an inferred breakdown of costs for Elexon to perform the aggregation (but not the transformation) could be somewhere in the range of £675,000 - £900,000.
- Disclaimers: not a thorough assessment and indicative only – would need further formal impact assessment to arrive at a more confident number .

P402 6th Workgroup Summary

- The need for consideration of any undue impacts on the systems of smaller IDNOs was emphasised by the Workgroup.
- The need to uncover costs and implications for all affected participants is really important and a central purpose for the second consultation – to give visibility of the solution and to allow IDNOs to judge and report impacts of the P402 Alternative on their systems.
- Question for later: can IDNOs handle both options?

P402 6th Workgroup Summary

- The raising of the P402 Alternative at a late stage has put considerable pressure and a large potential knock on effect on the ability to comfortably deliver the P402 Proposed, should it be approved, under previously indicated timescales of February 2022.
- In the case that the Proposed Solution is unable to be implemented in February 2022 - initial view was that, if the Proposed is approved, best approach would be for National Grid and the LDSOs to share data as is practicable to allow National Grid to start Billing from April 2022 in line with the TCR Direction.
- Additional problem with both the Proposed and Alternative - LDSOs will not have a full 12 months of gross imports by LLFC (therefore by charging bands) for the first year of Tariff Setting, and would therefore need to give Grid best estimates.
- A bilateral approach between LDSOs and National Grid was felt to be the only way to address this.
- Question for later: best way to handle Implementation approach and interim requirements



P402 SECOND ASSESSMENT CONSULTATION RESPONSES

P402: Assessment Consultation responses

Question	Yes	No	Neutral	Other
1: Do you agree with the Workgroup's initial majority view that the P402 Proposed solution does better facilitate the Applicable BSC Objectives compared with the current baseline?	7	2	0	0
2: Do you agree with the Workgroup's initial majority view that the P402 Alternative solution does better facilitate the Applicable BSC Objectives compared with the current baseline?	9	0	0	0
3: Do you agree with the Workgroup's initial majority view that the P402 Alternative solution does better facilitate the Applicable BSC Objectives compared with the P402 Proposed solution and so should be approved?	8	1	0	0
4: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P402 Proposed solution?	7	1	1	0

P402: Assessment Consultation responses

Question	Yes	No	Neutral	Other
5: Are you satisfied that you understand the obligations and interfaces for the P402 Alternative Solution via its Business Requirements in Attachment C, without the addition of formal Alternative Legal Text at this stage?	9	0	0	0
6: 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?	9	0	0	0
7: 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?	9	0	0	0
8: Do you agree with the Workgroup that data should be aggregated and reported by Charging Band? What are the costs and implications of reporting by Charging Band for your organisation?	5	3	1	0

P402: Assessment Consultation responses

Question	Yes	No	Neutral	Other
9: What would be the costs and implications of aggregating and reporting data by Line Loss Factor Class for your organisation?	5	0	4	0
10: For the P402 Alternative, do you agree with the Workgroup that each LDSO should provide data within 10 Working Days of receipt of the D0030?	8	1	0	0
11: Will the P402 Proposed Solution impact your organisation?	8	1	0	0
12: Will the P402 Alternative Solution impact your organisation?	8	1	0	0
13: Will your organisation incur any costs in implementing the P402 Proposed Solution? If so, what do you estimate these to be?	8	1	0	0

P402: Assessment Consultation responses

Question	Yes	No	Neutral	Other
14: Will your organisation incur any costs in implementing the P402 Alternative Solution? If so, what do you estimate these to be?	8	1	0	0
15: How long (from the point of Ofgem approval) would you need to implement the P402 Proposed Solution?	1 – 9 months			
16: How long (from the point of Ofgem approval) would you need to implement the P402 Alternative Solution?	1 – 8 months			

P402: APC2 Further comments

- “These requirements are to assist NGESO in delivering their Licence obligations and they should bear the cost”
- “Costs for DNOs are likely to be small. This may not be the case for IDNOs who have no mechanism for cost recovery and the costs may be higher as they may not be using the same system as other DNOs. In theory this could materially impact a number of IDNOs.”
- “Implementing P402 in April 2022 overlaps with a number of other significant industry changes e.g. Faster Switching and MHHS.”
- National Grid:
 - “strongly of the preference to receive data as soon as possible”
 - “The P402 Original solution provides longer-term benefits to industry compared to the Alternative solution... Under the Alternative solution, this interface is combined and so will need to be fully redone if there are any changes”
 - "The P402 Original solution enables better provision of data in a transparent way than other methods.”



P402 FIRST 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 APC1 Further comments

- “In order to facilitate invoice validation for Suppliers with HH portfolios it would be preferable for the DNOs to include an MPAN Count in this file – i.e MPAN Counts per (HH) LLFC Id per DNO per GSP Group for the day.”
- “The implementation of the TCR is NGESO’s obligation and the focus of these changes has primarily been for the NGESO to avoid the cost of delivering its obligations. It is not clear why this requirement should be implemented through the BSC.”
- “Implementing P402 in April 2022 overlaps with a number of other significant industry changes e.g. Faster Switching and MHHS.”
- National Grid:
 - “right and prudent that this data exchange is documented in a legally binding document to inform and protect all industry participants who will be affected by this modification directly or indirectly via residual charges. This is particularly significant, given the value of money dependant on this data flow and to protect all parties.”
 - “The P402 solution provides longer-term benefits to industry compared to other options”
 - “Elexon is the recognised industry expert when it comes to managing and processing industry data and so it seems appropriate that the transformation of the P402 data should be in their remit – especially as this data will affect a large number of industry participants..”



FINALISING THE ALTERNATIVE SOLUTION

P402 Finalising the Alternative Requirements

- Current position of an annual report of actual consumption data, because it gives National Grid the data that it says it needs for tariff setting and satisfies a Supplier representative. Additionally, the annual aspect helps to minimise risks to existing billing processes and systems for LDSOs.
- This was felt to be the lowest risk and highest reward outcome, and it was agreed that reporting site counts would be aggregated on a monthly basis and consumption on an annual basis for the P402 Alternative.
- Has anything from the consultation responses made the case for a different approach?

P402 Finalising the Alternative Requirements

- For the P402 Alternative should LDSO should provide data within 10 Working Days of receipt of the D0030?

P402 Finalising the Alternative Requirements

- Should data be aggregated and reported by Charging Band or Line Loss Factor Class for the P402 Alternative Solution?
- Are there any other areas that need to be finalised in relation to the Alternative Solution?



FINALISING THE PROPOSED SOLUTION

P402 Finalising the Proposed Requirements

- Has any information from the 1st Assessment Procedure Consultation suggested a different approach to the P402 Proposed Solution requirements?
- Should the Proposed Solution reference DCUSA definitions, instead of CUSC? (Note: currently drafted with CUSC definitions)
- LDSOs provide data within 2 Working Days of receipt of the D0030 under the current Proposed Solution. Should a different timescale be reflected in the Proposed solution, as well as the Alternative?

P402 Finalising the Proposed Requirements

- Should the Billing Report and the Tariff Setting Report be made available to ‘Any Party’ (on request)?
- Should input Billing and Tariff Setting Data sent to SVAA by LDSOs 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.
 - Service provider 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 IMPLEMENTATION APPROACH AND INTERIM REQUIREMENTS

P402 Implementation Approach

- We are not going to have an Ofgem decision for the time our Service Provider needs to start work to deliver P402 in February 2022.
- P402 may not be implemented until April, May or June 2022 under best case scenario.
- The Workgroup should consider an alternative Implementation Date based on Ofgem likely decision date.

P402 Interim Requirements

- At the last Workgroup, the group began to discuss the need for interim requirements in the case that P402 is not implemented by April 2022.
- Data for initial tariff setting (both solutions) and for initial billing (Proposed only) will be provided bilaterally.
- Alternative solution: will have a requirement on LDSOs to provide an annual report containing consumption data to enable tariff setting, that will only take effect from October '23. Before then, LDSOs will need to engage bilaterally with Grid on how to provide tariff setting data.
- Proposed solution: if P402 implemented in April or May 22, National Grid will have been expecting to get data for months where the solution won't have been implemented. They would need to agree with LDSOs how to get some of that billing data.



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	✓ - An Alternative solution has been identified, developed and assessed
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?	✓ - We understand that they can

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?

An aerial photograph of a rural landscape. In the center, a white wind turbine stands in a green field. To the bottom left, a small farm with a grey roof and a wooden fence is visible, surrounded by a herd of black and white cows. The landscape is divided into green fields by brown hedgerows. The right side of the image is overlaid with a solid teal color.

FINAL VIEWS AGAINST THE BSC OBJECTIVES

Proposed Solution: Previous views on Applicable BSC Objectives

BSC Objective	Proposer's Views	Other Workgroup Members' Views
(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence	Positive	Positive (unanimous)
(b)	Neutral (-)	-
(c)	-	-
(d) Promoting efficiency in the implementation of the balancing and settlement arrangements	Positive	Positive (Minority) Neutral (Majority)
(e)	-	-
(f)	-	-
(g)	-	-

Alternative Solution: Previous views on Applicable BSC Objectives

Objective	Proposer's Views	Other Workgroup Members' Views
(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence	Positive	Positive (Unanimous)
(b)	-	-
(c)	-	-
(d) Promoting efficiency in the implementation of the balancing and settlement arrangements	Positive	Positive (Unanimous)
(e)	-	-
(f)	-	-
(g)	-	-

Applicable BSC Objectives

- Members to provide final views on P402, including whether the Alternative P402 Solution better fits the 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

- Assuming no major amendments, Elexon to prepare the Assessment Report for the February 2021 BSC Panel
- Workgroup to review P402 Assessment Report, BRs and Legal Text Monday 18 January – Monday 25 January 2021.
- Assessment Report presented to BSC Panel on 11 February
- Report Phase Consultation 15 February – 26 February
- Present Draft Modification Report to Panel – 11 March
- Final Modification Report to Ofgem for decision -15 March

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