

Assessment Procedure Consultation Responses

P432 'Half Hourly Settlement for CT Advanced Metering Systems'

This Assessment Procedure Consultation was issued on 30 March 2022, with responses invited by 22 April 2022.



Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

| Respondent | Role(s) Represented |
|--|---|
| IMServ | Supplier Agent (HHDC) |
| SSE Energy Supply Limited | Supplier |
| TMA Data Management Ltd | Supplier Agent (HHDC, HHDA, NHHDC, NHHDA) |
| Supplier 1 | Supplier, Supplier Agent (MOA) |
| EDF | Supplier |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Supplier, Supplier Agent |
| Business Energy Direct | Consultant |
| Siemens MAS | Supplier Agent (HHDC, NHHDC, SVA MOA) |
| Western Power Distribution | Distributor |

Question 1: Do you agree with the Workgroup’s initial unanimous view that P432 does better facilitate the Applicable BSC Objectives than the current baseline?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 4 | 4 | | |

Responses

| Respondent | Response | Rationale |
|---------------------------|----------|--|
| IMServ | Yes | |
| SSE Energy Supply Limited | No | Benefits quoted in the consultation are the benefits of the MHHS programme, not the benefits of this Modification. This implies the assumption that MHHS cannot go ahead without this Modification, which is not the case. |
| TMA Data Management Ltd | Yes | These sites would be settled more accurately if using the HH data. |
| Supplier 1 | No | Supplier 1 does not agree with the implementation date of October 2023 . This change should be implemented in line with MHHS programme 2024/25, by implementing this change earlier will result in additional costs and already limited resources being taken away from the programme for little or no benefit to the industry. |
| EDF | No | <p>We agree that moving CT metered Customers to Half Hourly Settlement will deliver various benefits, primarily that this will be an enabler to increase flexibility in the UK’s electricity system and support a national transition to Net Zero, an aim that we support with our Company ambition. As such we are largely supportive of this proposal.</p> <p>However, expediting the move to Half Hourly Settlement for CT metered Customers ahead of the main MHHS date is expected to bring a short term challenge for EDF as a Supplier and MEM, as well as bringing forward new costs for some of our Customers who will be impacted by this proposal, at a time when the cost of energy is particularly high.</p> <p>We recognise that there are existing mechanisms to move CT Metered customers to Half Hourly Settlement through the Change of Measurement Class (CoMC) process. However we expect some customers to be disengaged with this process, and</p> |

| Respondent | Response | Rationale |
|--|----------|--|
| | | <p>that we will be unable to fulfil our obligations in their entirety without a fully engaged Customer. We do not expect to transition all CT AMR metered customers to Half Hourly Settlement within the proposed timescales, which negates the intended benefit of this proposal.</p> <p>On balance we believe the risks associated with the transition to the MHHS TOM will not be decreased materially by P432, and the benefits do not outweigh the costs.</p> |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | <p>We believe applicable code objective C is better facilitated because this Modification will promote more accurate and granular settlement data which will enable innovation and competition, Objective D is better facilitated because it will simplify and clarify the BSC arrangements for HH settled CT metering systems and consequently better facilitates efficiency in the implementation and operation of the BSC.</p> |
| Business Energy Direct | No | <p>As energy consultants with decades of experience in the energy market, we have been able to easily identify that the workgroup's view is not correct.</p> <p>Whilst we agree that it meets objective D and promotes efficiency in the implementation and administration of the balancing and settlement arrangements, because more accurate data will be made available in many instances, the objective fails monumentally in respect of objective C (which is the most important objective of the two) - 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.</p> <p>Business Energy Direct have completed a series of cost exercises in relation to existing Half Hourly settled supply accounts and we are happy to share each of the exercises with industry participants and customers.</p> <p>During the course of each exercise, which date back to 2019, we have established that significant financial detriment is being suffered by customers exposed to Half Hourly settled supply accounts, either as a result of industry changes such as P272 or because they have inherited a Half Hourly settled supply as a result of a property acquisition.</p> |

| Respondent | Response | Rationale |
|------------|----------|--|
| | | <p>Should P432 gain approval customers will suffer huge financial detriment, in some instances significant five figure sums of financial detriment, in addition to detriment as a result of a time burden created by the extra effort required to secure supply contracts in the half hourly supply market.</p> <p>Elexon have advised that around 50,000 CT metered supplies will be exposed to changes should P432 be approved. Business Energy Direct predict financial detriment of between £150m - £250m, based on current prices that typical SME half hourly customers are exposed to.</p> <p>This will be caused because of a very evident lack of competition in the Half Hourly supply market, not just presently because of the energy crisis, the lack of competition pre dates the implementation of P272 in 2017, with suppliers 'cherry picking' larger consuming customers, leaving relatively low half hourly settled supply customers (typically less than 250,000 KWh per annum).</p> <p>The most recent exercise conducted by Business Energy Direct was carried out in February 22, during which issued a request for 10 half hourly quotes to 10 different suppliers, allowing all suppliers at least 8 days to respond to the request. These requests were submitted as 'the customer' with all of the required information provided, to ensure that a supplier didn't have a reason not to issue an offer. Of the 10 different limited companies used in the exercise, each had a credit score of at least 93/100 and customers from perceived high risk sectors such as hospitality were not included in the exercise.</p> <p>The process we followed:</p> <p>We created 10 email addresses, using numerous domains and email formats. Terminology used in the body of the email was neutral and worded as a typical customer email is. The suppliers didn't have any way to identify that the emails were being sent by a party working in the industry. Each email was unique and a standard format was not used.</p> <p>Acting just as a customer approaching a supplier will and does, we emailed the first, most suitable email address we found on each supplier's websites. We did not engage with any of our supplier channel contacts, with no other parties being aware of this exercise being conducted.</p> |

| Respondent | Response | Rationale |
|------------|----------|--|
| | | <p>Emails were sent at random times over a three day period (7th, 8th, 9th February), to prevent any suspicion from the suppliers.</p> <p>Maximising the opportunity:</p> <p>We used 10 different limited companies and 10 MPANs from different REC areas. Each email contained the name of the limited company and the company number (the latter is often not provided by customers, however suppliers request it for quoting usually).</p> <p>All 10 companies had Experian credit scores of 92 and above (out of 100) and they were selected from low risk sectors of industry (none from hospitality or leisure) because the suppliers would see these as 'good' customers.</p> <p>Each quote request was sent with actual Half Hourly data (customers don't typically provide this, as consultants we have to obtain it for them). The lowest number of data days in any of the files was 300.</p> <p>Consumption ranged from 28,735 – 81,157 KWh year, with ASCs of 15 – 45 KVa. Of the suppliers that are prepared to offer supply contract</p> <p>Suppliers:</p> <p>Of the most well-known and largest commercial energy suppliers, only one wasn't included in the exercise. The current supplier to each of the MPANs used in the exercise.</p> <p>All suppliers were asked to send a quote on 17th February 2022 (with a 4:30pm deadline), with the start date of a new 12 month fixed price contract to commence from 1st April 2022 and the quote was to include their own MOP/DC/DA charges.</p> <p>With every piece of information a supplier requires to generate a quote having been provided, we had ensured that there would be no reason for a supplier failing to send a quote. The suppliers had a minimum of 8 days to input the information so that the quotes could be generated on the 17th February 2022</p> <p>Summary 1:</p> |

| Respondent | Response | Rationale |
|------------|----------|--|
| | | <p>Requests were submitted for 100 quotes from 10 different suppliers, including all but one of the UK's largest electricity providers.</p> <p>Only two quotes were received before the deadline despite an allowance of 8 days to compile and return.</p> <p>Neither of the two quotes met the criteria of the fixed price contract meaning that not a single valid contract offer has been presented before the deadline.</p> <p>One quote was received shortly after the deadline and another the day after the deadline.</p> <p>One of the quotes would have been considered valid if received before the deadline. The other was invalid as a result of supplier misrepresentation.</p> <p>Suppliers A and E didn't respond to a single email. Only auto-replies were received.</p> <p>Supplier B passed the request to a different member of the team who didn't respond.</p> <p>Supplier C wanted the requests directed to another team, with that team not responding.</p> <p>Supplier F placed unnecessary obstacles in the way, which prevents quotes from being issued, however they did issue one offer, albeit a day late</p> <p>Supplier G refused to provide an email address to request quotes, insisting that a phone number is provided.</p> <p>Supplier H refused to offer a contract to a low consuming (less than 30,000 KWh) customer and failed to quote any others</p> <p>Supplier I refused to offer quotes to HH customers even though we know that they can.</p> <p>Supplier J was the most engaged however they failed to issue quotes to the set criteria and also misrepresented their product offer, something a typical customer wouldn't have identified.</p> <p>Conclusion:</p> <p>The losses that customers will incur if P432 goes ahead are both very distressing and wholly unnecessary. A significant amount of time has been</p> |

| Respondent | Response | Rationale |
|-------------|----------|---|
| | | <p>spent on two pricing exercises to provide evidence and the evidence definitively shows this.</p> <p>What this exercise doesn't show however is the amount of time that a customer needs to spend engaging with suppliers and for the most part, they won't even be issued a quote. The huge loss of time spent chasing suppliers (such an exercise could easily run into a full day or more for a small business) creates a secondary financial burden on the customer, as they are faced with Hobson's Choice. They either choose to focus on their business operation and let a contract lapse / expire or they find it necessary to spend literally hours compiling information and repeatedly chasing the energy suppliers that they despise. 100 quotes requested for the highest quality customers possible and not a solitary offer that could be accepted on the day quotes should have been issued.</p> <p>As consultants, we are very aware that suppliers don't want low consuming Half Hourly contract customers. They are considered a burden because of the amount of time it takes to issue bespoke quotes which even when the market is stable, the customer has a very small window to accept, sometimes it's just minutes.</p> <p>The Half-Hourly market does not work for small business customers, not from a supplier perspective and more importantly, not from a customer one either. It will not work until significant industry reforms take place and changes are imposed on suppliers. Lessons don't appear to have been learned from the failure of P272 and almost five years on, it's evident that not a single supplier is interested in what the supposed tariff innovation opportunities were.</p> <p>The industry cannot be allowed to make the same mistake again as they did with P272, with P432.</p> |
| Siemens MAS | Yes | <p>The greater the granularity of data recorded within the settlement process the greater the ability to use that data and exploit innovation. Innovation within the sector is critical to driving competition so this change will assist that objective.</p> <p>The use of interval data improves settlement accuracy which adds to the overall efficiency of balancing and settlement.</p> |

Question 2: Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P432?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 6 | 2 | | |

Responses

| Respondent | Response | Rationale |
|--|----------|--|
| IMServ | Yes | |
| SSE Energy Supply Limited | No | The advice on actioning a CoMC back to NHH for these types of supply is vague. Following on from Elexon's announcement on 7th June 2021 "Clarification of criteria for Non-Domestic SVA Metering Systems to be allocated to Profile Classes 3 or 4" we are receiving large numbers of requests to change HH metered CT sites back to NHH. If P432 is to be implemented then it should be clear that these CoMCs to NHH should be stopped, and state a date for doing so. |
| TMA Data Management Ltd | Yes | |
| Supplier 1 | No | As above Q1. |
| EDF | Yes | We have not identified any issues with the draft legal text changes to the BSC Sections. |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | |
| Business Energy Direct | Yes | |
| Siemens MAS | Yes | |

Question 3: Do you agree with the Workgroup that the amendments to the Code Subsidiary Documents in Attachment A delivers the intention of P432?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 4 | 4 | | |

Responses

| Respondent | Response | Rationale |
|---------------------------|----------|---|
| IMServ | Yes | |
| SSE Energy Supply Limited | No | Please see our response to Question 2 above. |
| TMA Data Management Ltd | Yes | |
| Supplier 1 | No | As above Q1. |
| EDF | No | <p>The red lining of Section L clearly defines the scope of meters at the two deadlines of Oct 22 and Oct 23. Specifically, the following text makes it clear which meters are scope for the two dates:</p> <p>2.2.2 Where a Supplier is under an obligation in its Supply Licence to install an Advanced Meter at a premises and/or supply electricity to a premises through an Advanced Meter then:</p> <p>(a) subject to paragraph 2.2.3, where the Advanced Meter uses a current transformer as part of the mechanism for measuring the electric current:</p> <p>(i) in respect of an Advanced Meter at a new Boundary Point, from 1 October 2022 the Advanced Meter shall be Half Hourly Metering Equipment where;</p> <p>(ii) in respect of an Advanced Meter at an existing Boundary Point, from 1 October 2023 the Advanced Meter shall be Half Hourly Metering Equipment;</p> <p>However, in BSCP 516 1.1 and 4.1 different terminology is used.</p> <ul style="list-style-type: none"> • “Where the Advanced Meter has been installed after 1 October 2022” –this is not clear enough that this would only apply to new connections, which is the intent of this legal text – as written this could be seen to apply to any replacement Advanced Meter that is installed after the 1st October 2022, which |

| Respondent | Response | Rationale |
|--|----------|--|
| | | <p>might be replacing a legacy meter, but might also be replacing an existing Advanced Meter. As worded the legal text would require suppliers to make the site is HHly from the point of the meter exchange which is not the stated intent of the Modification. This needs to be clearer that this obligation only applies to new installations and not meter exchanges.</p> <ul style="list-style-type: none"> • The use of the word 'installed' in two different contexts does have the potential to cause confusion. We assume that the first reference 'Metering Systems installed under SLC 12.24' refers to any existing metering systems that have previously been installed before 1 October 2023. However the wording is very similar to 'Where the Advanced Meter has been installed after 1 October 2022' which could lead to some confusion between the two. As the terms 'existing Metering System' and 'new connection' are already used in the BSC we would suggest something like this might be clearer: <p>From 1 October 2023, all MSIDs for existing Metering Systems that have been installed under SLC 12.24 or 12.26, are mandated (except where access to HH data is prohibited under the Electricity Supply Licence) to be settled HH and this BSCP does not apply. Where the Advanced Meter has been installed for a new connection after 1 October 2022, the mandate to be settled HH (except where access to HH data is prohibited under the Electricity Supply Licence) applies from the date of meter installation.</p> <p>Also, our understanding is that the intent of this change is not to impose new obligations to convert legacy meters to Advanced Meters as these obligations are already covered by the supply licence. We interpret that this clause only applies to existing advanced meters, not all meters.</p> |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | |
| Business Energy Direct | No | The amendments to BSCP 516 v11.1 don't explain what the requirements are for CT meters that were installed prior to 2009, those that don't meet the requirements under SLC 12.17. - CT meters installed prior to 6th April 2009 may be advanced meters, however there's no requirement to settle half hourly |

| Respondent | Response | Rationale |
|-------------|----------|--|
| | | <p>within P432. The legal text requires amendment to capture the oversight.</p> <p>In addition consultants often have direct arrangements with meter operators and will manage meter connections projects, thereby completing the 'arrangement' on behalf of a customer, often with little input by a supplier. This brings into doubt some of the wording in SLC 12.23</p> <p>'12.23 This paragraph has effect on and after 6 April 2014 and applies where the licensee installs or arranges for the installation of a Current Transformer Electricity Meter at any Designated Premises.'</p> <p>This change requires reliance upon SLC 12.24, which links directly to 12.23, therefore in the event that it gains approval, clarification and definition will be required to identify how 'the licensee installs or arranges for the installation of a Current Transformer Electricity Meter at any Designated Premises' should be interpreted.</p> <p>It would be more appropriate to change 'installs or arranges' to something relating to the registration or nomination of the relative MPAN.</p> |
| Siemens MAS | Yes | |

Question 4: Do you agree with the Workgroup's recommended Implementation Date?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 4 | 4 | | |

Responses

| Respondent | Response | Rationale |
|---------------------------|----------|---|
| IMServ | Yes | |
| SSE Energy Supply Limited | No | We believe that the changes this modification is aiming to implement should be done as part of the MHHS Programme and should be included in the re-planning exercise that will be carried out later this year by the MHHS Programme. The modification should not be progressed outside of this programme. Also, the modification is looking at settlement changes under the BSC and is not considering other impacts, such as on the DCUSA, as new connection agreements will need to be put in place between DNOs and customers. There are very roughly 50,000 sites that would be impacted by this change and need these new agreements which is not an insignificant number. The potential cross-code and customer impacts of this modification need to be fully understood, as it has much wider impacts than the BSC, before an implementation date can be arrived at. |
| TMA Data Management Ltd | Yes | Yes, although if new meters are required the shortage of meters may mean that the dates can't be met. |
| Supplier 1 | N | Supplier 1 does not agree with the implementation date of October 2023. This change should be implemented in line with MHHS programme 2024/25, by implementing this change earlier will result in additional costs and already limited resources being taken away from the programme for little or no benefit to the industry. |
| EDF | No | Given that CT metered customers constitute a disproportionately large risk as compared to other Customer segments, it is right to look at migrating them to Half Hourly Settlements as early as possible. However, there needs to be sufficient time to deliver system and process changes to support this, as well as give time to explain the rationale |

| Respondent | Response | Rationale |
|--|----------|---|
| | | <p>and benefits to Customers in order for them to understand and engage with this change.</p> <p>Therefore we would recommend to either delay the proposed implementation dates to 2024, or to allow the implementation to proceed on a phased time plan based on the complexity of the meters, billing system changes and telecoms situation.</p> |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | <p>We agree with the proposed implementation date and approach however we are conscious that the MHHS delivery timeline may change when the MHHS programme delivery plan is re-baselined.</p> <p>The proposed implementation date and approach has been recommended on the basis that CT metering systems will need to move HH settlement under the existing CoMC process to allow for time to resolve issues which may arise prior to the MHHS TOM go live and migration, so we feel there it is important that the mandate to move all HH CT metering systems does not drift further away from the opening of the migration window into the TOM because customer impacts of moving to HH settlement prior to MHHS need to be balanced with the issue at hand of de-risking successful delivery of MHHS.</p> |
| Business Energy Direct | No | <p>For the past 12 months there has been a known shortage of semi-conductors, components required when manufacturing electricity meters.</p> <p>Suppliers and meter operators are currently experiencing significant delays when installing these many existing CT meters that aren't considered 'advanced meters' presently, will require changing as part of the P432 process. Imposing this change on suppliers as early as October 22, when the manufacturing delays have created a back log that isn't likely to be cleared for several years, because of shared components, would be inappropriate.</p> |
| Siemens MAS | Yes | <p>The timescales for the movement of CT Advanced Meters between April and October 2023 should provide sufficient time for the migration provided the approach to migration is managed appropriately and in a controlled manner between Suppliers and Agents.</p> |

Question 5: Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P432 which would better facilitate the Applicable BSC Objectives?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 7 | 1 | | |

Responses

| Respondent | Response | Rationale |
|--|----------|---|
| IMServ | Yes | |
| SSE Energy Supply Limited | No | This time could be better used by Suppliers getting Smart / Advanced meters installed in readiness for MHHS. There is still a large risk that MHHS benefits will not be as large as anticipated due to the lower than expected numbers of HH capable meters installed at go live. |
| TMA Data Management Ltd | Yes | |
| Supplier 1 | Yes | Yes, we agree there are no other potential alternatives, as per Q1. |
| EDF | Yes | We have not identified any Alternative Modifications that will better facilitate these objectives. |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | |
| Business Energy Direct | Yes | |
| Siemens | Yes | |

Question 6: Do you agree with the Workgroup's assessment of the impact on the BSC Settlement Risks?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 6 | 2 | | |

Responses

| Respondent | Response | Rationale |
|---------------------------|----------|---|
| IMServ | Yes | |
| SSE Energy Supply Limited | No | We believe there is a risk that suppliers would have to focus so much on P432 that it could impact their own MHHS projects, which is why we believe this change should be part of the overall MHHS Programme and be subject to be included in the upcoming MHHS Programme re-planning exercise. |
| TMA Data Management Ltd | Yes | |
| Supplier 1 | No | We believe there is a significant risk to NHHs 97% performance targets as experienced with P272 and consequently impacting the Supplier charges for the 97% Supplier target. Consequently, due to the volume of MPAN's migrating to HH, we do not see a comparable benefit. |
| EDF | Yes | <p>In addition to the various risks already identified by the Workgroup, we believe there will be an impact to Issue 97 'Meter shortage risk driven by global materials availability and supply chain challenges'. This is highlighted on the basis that a percentage of advanced metering equipment will not successfully be remotely converted to HH and may need to be replaced. In addition to these asset availability constraints, technical field resource constraints could also present a risk to the Oct 2023 deadline.</p> <p>In addition, we are aware that throughout the industry there are known data quality issues that mean identification of CT and whole current meters can be challenging.</p> <p>Lastly, as the CoMC mechanism requires a Supplier to assign new supplementary data to the MPAN, there will be a requirement on DNOs to set up and maintain additional Market Domain Data. We will not be able to facilitate all our obligations without DNO engagement and delivery.</p> |

| Respondent | Response | Rationale |
|--|----------|---|
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | |
| Business Energy Direct | Yes | |
| Siemens MAS | Yes | The key risks mirror those that were experienced with P272. The key will be to ensure the correct and timely transfer of MTDs and these risks have been highlighted in the assessment. The suggested allowance of retrospective CoMCs to mitigate the risk of inaccurate or incomplete transfer of MTDs would be welcome. |

Question 7: Do you agree with the Workgroup’s assessment that P432 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 7 | | 1 | |

Responses

| Respondent | Response | Rationale |
|--|----------|--|
| IMServ | Yes | |
| SSE Energy Supply Limited | Yes | We agree that P432 does not impact the EBGL. |
| TMA Data Management Ltd | Yes | |
| Supplier 1 | N/A | |
| EDF | Yes | We have not identified any impacts. |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | |
| Business Energy Direct | Yes | |
| Siemens MAS | Yes | |

Question 8: Will P432 impact your organisation?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 6 | 1 | | |

Responses

| Respondent | Response | Rationale |
|--|----------|--|
| IMServ | Yes | This should result in a modest and probably phased increase in the number of Metering Systems we are appointed to as HHDC. We foresee no issues with this. |
| SSE Energy Supply Limited | Yes | P432 would impact our systems, documents and processes at a time when the resources required to make these changes are likely to be employed on our internal MHHS Project. There will be customer service impacts and increased customer engagement due to the change. |
| TMA Data Management Ltd | No | |
| EDF | Yes | <p>P432 will have a number of impacts on our organisation:</p> <ul style="list-style-type: none"> • Bringing forward the effort required to identify and conduct CoMC activity for eligible sites • Bringing forward the effort required as a MEM to conduct physical asset works in order to ensure remote comms • Likelihood of some additional complaints from Customers due to perceived increased costs at a time when energy costs are high • IT change effort required to ensure all relevant customers are supported in an appropriate internal CRM system |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | <p>We currently supply approximately 7.5K NHH CT meters across our respective supply portfolio's, given the numbers we will seek to develop to automated CoMC process to facilitate movement from NHH-HH.</p> <p>We also expect that we will need to develop customer communications, customer journey and upskilling internal resource on the relevant processes that set out the impacts that customers</p> |

| Respondent | Response | Rationale |
|------------------------|----------|--|
| | | will need to undertake (I.E., connection agreement requirements with DNOs) to mitigate some of the changes to cost items customers are likely to see in bills. |
| Business Energy Direct | Yes | <p>We believe that this question has been directed to the usual industry participants, suppliers, MOPs, DCs etc. however Business Energy Direct can speak on behalf of most energy brokers and consultants, because an increased number of half-hourly settled supplies creates an increased burden on our time and resources.</p> <p>As highlighted in one of the previous questions and the cost review that we carried out, moving the 50,000 supply points to HH settlement will result in and hundreds of thousands of additional hours of work for suppliers, brokers / consultants and their customers, as each attempts to engage in competitive tendering, where it presently doesn't exist.</p> <p>Suppliers won't worry about the extra cost burden upon themselves, they will build that into whatever offer they produce (assuming they choose to participate), Business Energy Direct conducting the pricing exercises to evidence that this already takes place, and we too can advise that as a result of an increase to our cost base, primarily because of significantly additional (wasted) time.</p> <p>The only appropriate action to take in such instances is to either increase our fees, something which would not be welcomed by customers, especially given the instability of the market in recent years, or to do as the suppliers do, and cherry pick only high consuming customers.</p> <p>Should the later apply, then P432 puts a further nail in the coffin for customers with relatively low consuming HH settled supplies, with even less opportunities to secure a suitable contract, in a shrinking uncompetitive market that has seen too many supplier exits in the past 18 months.</p> <p>The impact of P432 will be far reaching and the truth is, the supplier industry is a long way from returning to a time when it becomes competitive and efficient.</p> |
| Siemens MAS | Yes | As an agent covering roles including HHDC, NHHDC and SVA MOA we shall support the migration plans of Suppliers but this will cause additional operational |

| Respondent | Response | Rationale |
|------------|----------|--|
| | | <p>work. We also anticipate an expected increase in data issues over this period as MTDs are exchanged. It is expected that a change will be required to ensure the prevention of CT connected sites being appointed in the NHH domain post-implementation. There is also expected to be a reintroduction of a temporary measure to account for the time of the final NHH reading and the setting of zeros in HH up to that time, where this is known. I recall this was the approach taken for the P272 changes and designed to prevent double counting on the day of change.</p> |

Question 9: How much will it cost your organisation to implement P432?

Summary

| Solution | High | Medium | Low | None | Other |
|----------|------|--------|-----|------|-------|
| Proposed | | 3 | 2 | 1 | |

Responses

| Respondent | Response | Rationale |
|--|----------|--|
| IMServ | Low | |
| SSE Energy Supply Limited | Medium | This will be similar in required resource to the P272 project, whilst there are less sites to change the proposed timescales (6 months) are much shorter. |
| TMA Data Management Ltd | None | |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Medium | Our main project costs for system development and customer journey development as outlined in response to Q8. |
| Business Energy Direct | Medium | Implementation costs would be low, our systems do not require updating to accommodate the change. It's likely that costs will be incurred as a result of extended engagement with suppliers (upon P432 approval) to establish if their acquisition criteria has changed, with staff being briefed and trained accordingly depending on the outcome of supplier feedback. |
| Siemens MAS | Low | Yet to be considered in full. The costs are associated with the prevention of the acceptance of appointments in the NHHDC and NHHMOA services post-October 2022 where a site is CT connected. There will also be one-off operational costs to identify existing sites that meet this criteria but these are expected to be low. The type of release will not impact the costs. |

Question 10: What will the ongoing cost of P432 be to your organisation?

Summary

| Solution | High | Medium | Low | None | Other |
|----------|------|--------|-----|------|-------|
| Proposed | | 1 | 4 | 1 | 1 |

Responses

| Respondent | Response | Rationale |
|--|----------|--|
| IMServ | Low | We would expect costs to be broadly similar to those currently being incurred for our existing portfolio. |
| SSE Energy Supply Limited | Medium | The cost for moving this group of customers ahead of MHHS Migration is all additional for Suppliers. We can see no cost savings from moving CT advanced meters ahead of MHHS migration. |
| TMA Data Management Ltd | None | |
| Supplier 1 | N/A | The ongoing cost to Supplier 1 to implement P432 is currently quite difficult to quantify. A full impact assessment would be required to approximate this figure however due to current volume of Industry Changes being resourced we are not in a position to carry this out during the time period of this consultation. |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Low | We anticipate additional costs will be low, General BAU HH servicing and resolution of any errors found post CoMC – expect cost to be ongoing costs low and absorbed within our BAU costs. |
| Business Energy Direct | Low | We are not able to quantify the cost presently. As stated in previous questions, the additional time burden will depend on how many of our customers are impacted (a very low number presently) and what actions are taken by suppliers following an approval of P432. |
| Siemens MAS | Low | Yet to be considered in full. There are no system costs expected as the migration will follow existing processes for CoMC. We anticipate an ongoing operational cost as a migration of this size is expected to identify latent data issues that may be exposed within HH processing. The costs fall mainly upon the HHDC and SVA MOA roles. These costs are irrespective of the type of BSC System Release. |

Question 11: How long (from the point of approval) would you need to implement P432?

Summary

| 0-6 months | 6-12 months | >12 months | Other |
|------------|-------------|------------|-------|
| 2 | 3 | | 3 |

Responses

| Respondent | Response | Rationale |
|---------------------------|----------|--|
| IMServ | 3 months | <p>We would want to agree migration plans with Suppliers ahead of sites moving from NHH to HH.</p> <p>It is also possible that we might seek to expand our dialling infrastructure, depending on the assets installed at such Metering Systems.</p> |
| SSE Energy Supply Limited | N/A | We have not yet concluded this, but we would need a significant amount of time to complete all activities that P432 would result in, including those mentioned earlier under the DCUSA. |
| TMA Data Management Ltd | None | As HHDC and HHDA agents we don't require any time to implement P432 |
| Supplier 1 | N/A | Supplier 1 does not agree with the implementation date of October 2023. This change should be implemented in line with MHHS programme 2024/25, by implementing this change earlier will result in additional costs and already limited resources being taken away from the programme for little or no benefit to the industry. |
| EDF | 6 months | <p>A minimum of 6 months. CT metered Customers are managed across two separate CRM systems within the EDF IT estate, separated by the metering and Customer types they are designed to support. Some customers within the scope of this change are currently managed in our Domestic customer system which is not designed to support Half Hourly Settlement.</p> <p>As such there will need to be an extensive change required to this system, or to internally migrate those Customers to a separate billing system that can support Half Hourly supplies. Both options will require time, cost, and effort to facilitate and therefore we would require no less than 6 months to coordinate these changes from the point of approval.</p> |

| Respondent | Response | Rationale |
|--|------------|---|
| | | Following that 6 months, the time required to undertake the necessary process for existing advanced meters will depend on the propensity for existing advanced meters to successfully remotely configure. This will depend on the number of MPANs gained that have Advanced Meters that need to be reconfigured, and the quality of the standing data and telecoms of those meters gained. At this stage, we do not know that propensity and as such we can only provide an estimated period of 24 months to fully complete that process. |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | N/A | We believe that timeline proposed offers sufficient time for us to prepare and migrate impacted customers through the CoMC process at the time of writing. |
| Business Energy Direct | 0-6 months | As brokers only a few weeks, the primary action would be to establish what potential supplier changes will be. |
| Siemens MAS | N/A | The period of time provided to migrate metering systems appears to be sufficient to enable dialogue with Suppliers and an understanding of their migration plans. We consider the support of agents in this process as necessary for its success and expect a collaborative approach to ensure this. The implementation options are neutral in this respect. |

Question 12: Do you agree that P432 will decrease the risks associated with transition to the MHHS TOM and to what extent will it decrease the risks?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 4 | 4 | | |

Responses

| Respondent | Response | Rationale |
|---------------------------|----------|--|
| IMServ | Yes | Given that most of these sites are at the upper end in terms of NHH kWh consumed each year, transitioning them across to HH Settlement should have a significant positive impact on risk. This also removes risk should there be issues as other sites move to MHHS, should MHHS be delayed or should there be issues in the MHHS arrangements. |
| SSE Energy Supply Limited | No | <p>We have yet to see the effort required moving from HH Settled into "Advanced" segment of MHHS, as such it is difficult to assess the effectiveness of moving any market sectors to HH prior to MHHS migration.</p> <p>There is no detailed explanation as to why CT supplies with advanced meters present more complexities to migrate than other types of supplies. Throughout the consultation reference is made to the lack of detrimental impact of moving CT sites to HH, as Suppliers will only be changing those that are successfully dialling, which would suggest these are sites with no complexity in migration. We believe CT supplies with non-advanced meters are a bigger risk and Suppliers could be spending this time and resource attempting to get advanced meters installed at these sites.</p> |
| TMA Data Management Ltd | Yes | These sites would complicate the smart data service if left as is and probably continue to settle using register readings. By moving them to HH now they will settle on HH retrieved data now and from the advanced data service. |
| Supplier 1 | No | As previous responses. |
| EDF | No | We agree that moving CT metered Customers to Half Hourly Settlement will deliver various benefits, primarily that this will be an enabler to increase flexibility in the UK's electricity system and support a national transition to Net Zero, an aim that we |

| Respondent | Response | Rationale |
|--|----------|---|
| | | <p>support with our Company ambition. As such we are largely supportive of this proposal.</p> <p>However, expediting the move to Half Hourly Settlement for CT metered Customers ahead of the main MHHS date is expected to bring a short term challenge for EDF as a Supplier and MEM, as well as bringing forward new costs for some of our Customers who will be impacted by this proposal, at a time when the cost of energy is particularly high.</p> <p>We recognise that there are existing mechanisms to move CT Metered customers to Half Hourly Settlement through the Change of Measurement Class (CoMC) process. However we expect some customers to be disengaged with this process, and that we will be unable to fulfil our obligations in their entirety without a fully engaged Customer. We do not expect to transition all CT AMR metered customers to Half Hourly Settlement within the proposed timescales, which negates the intended benefit of this proposal.</p> <p>On balance we believe the risks associated with the transition to the MHHS TOM will not be decreased materially by P432, and the benefits do not outweigh the costs.</p> |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | <p>We believe that the NHH CT meters to be the more complicated pot of customers that will need to go through CoMC process in readiness for MHHS migration to the TOM, as the impacts of moving NHH CT customers to HH settlement are greater than other consumer groups as outlined in the modification proposal form.</p> <p>Learnings from P272 have demonstrated that the margin of error is likely to be greater comparatively to process for WC metered due to the changes in the cost stack for each MSID along with the fact that we are more likely to un-earth existing meter config issues whilst moving to HH settlement, as such we support and agree that P432 de-risks the associated transition to MHHS.</p> |
| Business Energy Direct | No | <p>Due to the lack of accurate data, Elexon nor members of the workgroup have been able to validate the stated figure of 50,000 NHH CT metered supplies, it remains an estimation. The figure is not reflective of our own portfolio of which we are mostly aware of the meter types. Our own estimation is hugely different and much lower,</p> |

| Respondent | Response | Rationale |
|-------------|----------|---|
| | | <p>There are however around 2.4 million commercial supply points that will eventually require migration to HH settlement as a result of MHHS, and even in the event that the figure of 50,000 is correct, it only represents 2% of the total number of supply points that will require a migration.</p> <p>With the number potentially being much smaller than stated 50,000 meters, the question needs to be asked as to why P432 has been put forward for consultation, when it doesn't represent a large enough percentage of meters, to legitimately decrease the associated risks.</p> |
| Siemens MAS | Yes | The Advanced segment will be the most stable of the changes associated with MHHS and loading up the HH side in readiness for transition can only reduce the risks of this major industry change. |

Question 13: Will your organisation incur additional costs as a result of P432 that you would not have incurred under MHHS? Alternatively, would there be any cost savings from moving CT Advanced Meters before MHHS migration?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 3 | 4 | 1 | |

Responses

| Respondent | Response | Rationale |
|--|----------|--|
| IMServ | No | Should sites transition early and to an agreed plan with Suppliers, then there should be fewer issues. Therefore, if less things go wrong, there will be less cost to fix. |
| SSE Energy Supply Limited | Yes | The cost for moving this group of customers ahead of MHHS Migration is all additional for Suppliers. We can see no cost savings from moving CT advanced meters ahead of MHHS migration. |
| TMA Data Management Ltd | No | |
| Supplier 1 | Yes | Yes. |
| EDF | N/A | |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | No | <p>We do not believe that P432 would incur additional costs over and above those we anticipated for the migration to MHHS, as we have always believed that we would be required to put CT and WC customers through a CoMC process.</p> <p>If approved, P432 clarifies that we would use the existing CoMC process for which we will need to develop process automation capabilities to achieve as we have since moved away from our legacy systems and in turn, the automated CoMC process that was utilised under P272.</p> <p>However we are somewhat concerned regarding FTE resourcing when considering the wider requirement to move metering system into the MHHS TOM, as P432 on a standalone basis will require increased FTE to facilitate across our supplier and supplier agent functions to facilitate the CoMC process so we would to ramp up FTE but as it currently stands it appears that resource would</p> |

| Respondent | Response | Rationale |
|------------------------|----------|--|
| | | <p>likely be ramped down again for a period of time until the eventual movement to the MHHS TOM.</p> <p>We believe that it is important for P432 is considered within the MHHS programme development timelines to better enable industry parties to plan its resource effectively given it acts as an important enabler to move into the MHHS systems currently viewing developed.</p> |
| Business Energy Direct | Yes | As stated in a previous answer, we only envisage low cost, however such cost wouldn't be incurred if the migration of CT meters was carried out as part of the wider MHHS migration. Significant changes to supplier processes should be implemented prior to MHHS coming into effect and any additional system changes, staff training or customer education pieces, would need to take place at that point regardless. |
| Siemens MAS | No | The costs are expected to come out as neutral whether undertaken pre- or post-MHHS but spread over a longer time period. |

Question 14: Do you agree with the Workgroup's assessment of the impact on the consumer benefit areas?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 4 | 3 | 1 | |

Responses

| Respondent | Response | Rationale |
|--|----------|---|
| IMServ | Yes | |
| SSE Energy Supply Limited | No | We do not agree that overall P432 will bring in any customer benefits. If customers believed that it would be beneficial for them to be on HH settlement rather than NHH settlement they would already be settled HH. We fail to see how taking a product choice away from customers and mandating a product they haven't chosen that is already available to them can make them better off. |
| TMA Data Management Ltd | Yes | |
| Supplier 1 | N/A | |
| EDF | No | We believe that many of the benefits of P432 are neutral from a Customer perspective. We expect there to be a positive impact in terms of better reflection of costs for Half Hourly supplies than Non-Half Hourly. However, some Customers will be negatively impacted from a cost perspective due to higher cost to serve Half Hourly supplies. As a consequence, this could lead to disengagement or even resistance from Customers. |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | As proposer we have explicitly shared our views as part of this consultation that informed the workgroups consumer benefit assessment and therefore agree with the assessment made. |
| Business Energy Direct | No | Accurate billing to affected customers is the only possible benefit. However, given that in order to be in scope, customer metering needs to meet the definition of 'advanced meter', customer accounts that are going to be impacted by P432, should already be receiving accurate invoices and settlement performance for this class of customer should already be in line with HH settlement performance. |

| Respondent | Response | Rationale |
|------------|----------|--|
| | | <p>Taking that into consideration, then there's no identifiable benefit to the customers, none at all, it is exclusively detriment, mostly financial.</p> <p>Page 22 details a series of considered consumer impacts and the whilst the workgroup have received detailed evidence of financial impact from Business Energy Direct, however, as a result of the proposers view, which appears to be based on supposition and not facts, Elexon have stated that the Identified Impact is Neutral. This is a shortsighted view and the Elexon workgroup must seek out further tangible evidence that identifies that implementation of P432 will not be financially detrimental to the potential 50,000 customers that will be impacted.</p> <p>Business Energy Direct's evidence shows significant financial detriment and we expect that other consultants/ brokers will support our view, because they too are able to advise on the contract cost to existing, lower consuming end users presently settled half hourly. Costs that include supplier imposed meter operator charges that can be as high as £800 per year for example.</p> <p>Bypassing P432 post implementation</p> <p>Increased supplier charges aside, Business Energy Direct have already engaged with a number of DNOs regarding the change to installed equipment at site and can confirm that for a one-off charge of around £1000, the DNO would remove the CT chamber and downgrade fuses to allow for Whole Current metering to be installed.</p> <p>Given that in just one exercise we identified that a customer using just short of 70,000 kWh per year, could be burdened with additional charges of £6425 over a 12 month contract, with the average being almost £2600, then paying to have the chamber removed, to avoid what would be compulsory HH settlement, is a no brainer for commercial customers and Business Energy Direct would commence with a campaign to ensure that this course of action is actively promoted and carried out successfully.</p> <p>Such a campaign would certainly result in environmental impact, with DNOs being tasked with sending staff to site to remove chambers and given that teleporting isn't yet a thing, they will of course require a polluting vehicle to do so.</p> |

| Respondent | Response | Rationale |
|-------------|----------|---|
| | | <p>As stated to the workgroup previously, all of these NHH settled CT meters don't require the larger capacity connections in place, that would result in compulsory HH settlement under the current rules, because Capacity Agreements with the customers would already been in place and migration would have been automatic had they breached the average 100KW threshold three months out of any given 12 month period.</p> <p>Whilst P432 is mostly a paperwork exercise, it isn't a significant change, it would have a significant impact to a potential 50,000 customers, whilst being a burden on the DNOs as they are faced with the challenge of customer attempts to bypass what is being imposed on them. Without question it would be wholly unacceptable to impose significant extra cost on end users, with absolutely no justification whatsoever.</p> |
| Siemens MAS | Yes | <p>There are advantages (overall) to consumers through half hourly settlement as demonstrated in OFGEM's MHHS Full Business Case. By migrating these customers earlier advantages of MHHS could be exploited sooner similar to those that are possible through the elective half-hourly route. Bespoke contracts with Suppliers may also have an impact though it is recognised that with the increase in agent fees this may be neutralised.</p> |

Question 15: Do you envisage P432 requiring Meters to be exchanged? If so please provide rationale, noting the SLC requirements and provide an indication of the number of likely meter exchanges required.

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 3 | 3 | 1 | |

Responses

| Respondent | Response | Rationale |
|--|----------|--|
| IMServ | No | In most instances, changing a meter would not result in facilitating working communication to be able to be fitted; there is no direct correlation in most cases. |
| SSE Energy Supply Limited | Yes | Interoperability issues mean that a certain amount of meter exchanges will be inevitable. We have identified about 10% as needing a meter exchange. (This could be reduced by proper management before submitting a site to CoMC). |
| TMA Data Management Ltd | N/A | Not something we have visibility of. |
| EDF | Yes | As a MEM we recognise that not all metering systems currently record consumption remotely as intended, so the CoMC process cannot be the only mechanism to deliver Half Hourly Settlement to all eligible meters. Therefore, we anticipate having to conduct physical meter exchanges or local reprogramming / telecoms repair to a significant number of supplies, where we are able to engage with that customer to complete the necessary work. |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Yes | <p>We believe there will be a small number of meters that will require meter exchanges which will mainly be limited to the following situations:</p> <ol style="list-style-type: none"> 1. where we have a metering system meeting the advanced licensed definition but do not have the appropriate password levels needed to re-scheme the metering system, which is a consequence of NHH AMR legacy issues that have existed in market relating the accuracy and transfer of the D0313 dataflow. 2. where our metering service providers hold the correct information to re-scheme the metering systems but do not work with a specific metering |

| Respondent | Response | Rationale |
|------------------------|----------|--|
| | | type, e.g., the MOA does not own and operate the specific meter manufacturers software to remotely re-scheme relevant metering systems. |
| Business Energy Direct | No | Meters would only need to be changed when they are no longer certified, typically around 15 years post installation. If it becomes necessary to change a meter, then it wouldn't meet the criteria required for P432 (unless it is one outside of certification that has an intact communication link), which is for supplies to have and 'advance meter', with the definition of advanced meter being that the meter actually needs to be recording HH data, not just be capable of doing so. |
| Siemens MAS | No | Given the deadline for the requirement to fit Advanced Meters to CT connections has passed and that any non-communicating CT Advanced Meter site is out of scope of P432, there appears unlikely to be any direct link between the P432 requirements and the need for a Meter exchange. |

Question 16: What is the impact of P432 on the customer's end to end journey?

Responses

| Respondent | Rationale |
|--|--|
| IMServ | The impact in the long term will be positive. Either the journey is inevitable now or because of MHHS, this just reduces the risk. In addition, the benefits of being HH Settled will accrue sooner. |
| SSE Energy Supply Limited | <p>Once customers have changed to HH, they could find it difficult to change Supplier until MHHS has finally completed.</p> <p>Suppliers are unlikely to have new Tariffs (ie ToU) available prior to MHHS migration, forcing these customers to sign up for Tariffs which will not meet their needs.</p> |
| TMA Data Management Ltd | Not something we have a view on. |
| EDF | <p>As part of the transition to Half Hourly Settlement we will fulfil our obligations by taking all reasonable steps to engage with our Customers to facilitate this transition. However, we know from P272 that not all Customers are engaged in these programmes and may not be supportive of the change, this could create some adverse reactions in the form of complaints.</p> <p>Customers may be exposed to additional costs 18 months earlier than they normally would have been through the wider MHHS programme. This could create additional complaints or disengagement, but could also see eligible Customers requesting to 'downgrade' their supplies to Whole Current metering in order to remove them from the requirement to transition CT meters to Half Hourly Settlement.</p> <p>We will however aim to mitigate this wherever possible by clearly explaining the rationale for change and expected impacts to the Customer.</p> |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | We anticipate that changes to the customers supply contracts to reflect the changes in costs associated to moving to HH settlement will be required, however the primary concern and touch point that P432 will impact the customers end to end journey is the requirement to put in place connection agreements with the host LDSO prior to moving to |

| Respondent | Rationale |
|------------------------|--|
| | <p>HH settlement, as this is not required whilst NHH settled under the existing charging arrangement.</p> <p>This is not something that can be facilitated for consumers by suppliers under the existing network connection and charging arrangements, however as mentioned previously if this does not happen and suppliers move customers to HH settlement then each metering system will attract excess capacity charges which is a penal charge comparative to an agreed supply capacity rate.</p> <p>We therefore feel it is important to make efficient use of the planning and preparation period proposed as these capacity levels should be well informed potentially by existing metered data if available and/or making collective arrangements between suppliers and LDSO's to mitigate the possibility that end consumers incur costs that they shouldn't be exposed to.</p> |
| Business Energy Direct | <p>Business Energy Direct have already provided the workgroup with a detailed view of how the customer journey changes.</p> <p>In the event that a customer opts to manage their own contract procurement, they will be forced to spend potentially several days a year, attempting to secure a suitable contract.</p> <p>This is exclusively as a result of supplier processes and their requirements. Customers will have to spend time establishing which suppliers would firstly be prepared to offer a contract based on their consumption volume. If they don't have it at that point, then they will need to obtain their Half-Hourly consumption data, that could take anywhere between a day and several weeks to obtain, depending on who the current supplier is.</p> <p>The customer may receive contract offers, however in the Half-Hourly sector of industry, the contract offers can be voided without notice, because they are (for the most part) issued based on wholesale market prices on the day of quoting. A market that is very volatile during times of stability. Asking for a supply contract to be agreed within minutes, because of market instability, just isn't sufficient time for most small business owners (which will be</p> |

| Respondent | Rationale |
|-------------|---|
| | <p>the ones exposed to P432) therefore they will need to repeat the process, likely multiple times.</p> <p>In the event that the customer is lucky enough to secure a contract, the supplier will still have the opportunity to reject it, should the customer not meet the supplier's credit criteria or should they request a security deposit that the customer either doesn't want to pay or can't afford to.</p> <p>Furthermore, the supplier may accept the customer contract, but when offering it they assumed that the customer had their own direct MOP/DC contract, therefore they haven't included the costs in the quote. Or alternatively the customer forgot that they did have a direct MOP contract, but failed to inform the supplier about it because it doesn't renew at the same point, although the supplier has now also charged them for MOP/DC services within their quote.</p> <p>Consultants and Brokers are faced with these very same issues, on behalf of the customers that they represent and even though the majority will be much better placed to navigate through this sector of the supplier industry, the same principals remain, the customer journey is significantly extended, only now with a likely experienced party to support the customer.</p> <p>Presently the customers settled on a NHH basis aren't exposed to this, and like us, many consultants and brokers will be able to access 30+ contract products in less than a minute, compiling an offer that can be sent to be accepted by the customer in less time than it takes to boil a kettle.</p> |
| Siemens MAS | <p>Each movement to HH settlement should provide an overall benefit to customers through the potential for tailored tariffs and cost reflectivity of actual demand allocation within Settlement. Bespoke tariffs should provide a direct benefit. Accurate allocation of demand should enable better forecasting for Suppliers with an overall energy supply cost reduction ultimately benefiting the consumer.</p> |

Question 17: Will customers (of electricity supply) be exposed to higher charges if P432 is approved?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 5 | | 3 | |

Responses

| Respondent | Response | Rationale |
|--|----------|--|
| IMServ | Yes | There is a higher cost to serve HH Settlement than NHH and we would look to recover these costs from Suppliers in line with our current contracts but this must be weighed against the positive benefits. |
| SSE Energy Supply Limited | Yes | We would expect higher bills than would otherwise be the case. The type of customers affected by P432 will generally be low usage, but with CT meters installed they will attract available capacity charges and increased agency charges once they are trading HH. DNOs will not hold connection agreements for these sites, and neither suppliers nor DNOs will hold maximum demand information, so we have no idea how available capacity levels are to be set for these customers. The majority of these customers are currently on quarterly contracts, and will need to change to monthly HH which will most likely happen mid contract. |
| TMA Data Management Ltd | N/A | Not something we have a view on. |
| Supplier 1 | Yes | There is a risk customer would be exposed to higher charges. There is a concern this would force customers onto a different TCR banding without any changes to their connection / consumption. |
| EDF | Yes | Customers will not be exposed to higher costs for the supply of electricity overall as a result of P432 as we expect Customers costs to increase as part of the MHHS programme anyway, however P432 will bring forward that cost increase by 18 months. |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | Neutral | In some instances, yes, because the costs that change will generally increase the fixed costs due to metering data collection costs and DUoS. However, there is existing DUoS TOU benefits that some consumers may be able to benefit from that could either offset or overall benefit the consumer bill changes. |

| Respondent | Response | Rationale |
|------------------------|----------|---|
| Business Energy Direct | Yes | <p>We have already expanded on this significantly in question 2 of the consultation. We hope that interested industry parties review each of the cost exercises and our 2020 responses to OFGEM which relate to Marketwide Half Hourly Settlement (in which we reviewed the cost detriment to customers impacted by P272 which is directly related to P432), each being contained within P432-Attachments A-B.</p> <p>We would however like to point out that Elexon have made an error on page 31 when compiling the consultation documents, when referring to the quoting exercise that Business Energy Direct conducted.</p> <p>It has been stated by the proposer that the cost exercises were carried out based on the current Network Charging Regime. That is true of the 1st cost exercise conducted based on August 2020 pricing, however not the second one, and evidence shows that following the implementation of the Targeted Charging Review, customers with low demand supplies that will be moved in to LV HH Band 1, will pay significantly greater network charges than those supplies in LV NHH Band 4, in fact as much as £2500 per year more in one region.</p> <p>P272 proved to be a monumental failure and post implementation Elexon commented that</p> <p>‘The project and work was aimed solely at the Industry participants, rather than end customers’</p> <p>‘That more could have been done throughout the planning and implementation stages to engage with end customers’</p> <p>‘The focus throughout the whole project seemed to be on ‘just getting it done’, not on the impacts or real benefits of the migration.</p> <p>We have calculated cost detriment (as a result of supplier cost differences between HH and NHH quotes) to the 200,000 customers which had supplies forced through P272, to be in the region of £4 billion by the end of 2024. A monumental catastrophe for the industry, that has yet to be officially recognised, although Elexon are aware of this.</p> |
| Siemens MAS | N/A | For an agent this is difficult to confirm. Costs associated with CT connections are higher but these costs are not the result of P432. What P432 may |

| Respondent | Response | Rationale |
|------------|----------|--|
| | | bring forward is exposure of sites that are CT connected that may, in turn, identify the need for additional costs to service. |

Question 18: Do you believe that a related change should be raised under the REC to allow retrospective CoMCs?

Summary

| Yes | No | Neutral/No Comment | Other |
|-----|----|--------------------|-------|
| 5 | 1 | 2 | |

Responses

| Respondent | Response | Rationale | | | | | | | | | | | | | | |
|---------------------------|-------------|--|----------|-------|---|--|----|----------------------|--------|-------|-------------|---|----------|-------|---|--|
| IMServ | Yes | <p>In reality, this is already happening.</p> <p>WP 66 already catered for an informal MOP appointment and then after the CoMC, a retrospective D0155.</p> <p>Looks like this made it into the BSCP514:</p> <p>7.1 Change of Measurement Class from NHH to HH for HHDC-serviced Metering System^{32 33}.</p> <p>The Supplier should make all agents aware of the planned Change of Measurement Class (CoMC) in advance of any formal appointment and de-appointment processes. This is to ensure that the appointment and de-appointment dates align with the date of the site visit, where such a visit is required.</p> <table border="1"> <thead> <tr> <th>REF</th> <th>WHEN</th> <th>ACTION</th> <th>FROM</th> <th>TO</th> <th>INFORMATION REQUIRED</th> <th>METHOD</th> </tr> </thead> <tbody> <tr> <td>7.1.1</td> <td>As required</td> <td>Send appointment. The Supplier will appoint the HHMOA with effect from the planned date of the CoMC. The Supplier will use a formal appointment flow (D0155) or notify the HHMOA by other means. The Supplier will send a further appointment flow after the CoMC with the actual appointment date, where different or where a formal D0155 was not previously sent.</td> <td>Supplier</td> <td>HHMOA</td> <td>D0155 Notification of New Meter Operator or Data Collector Appointment and Terms.</td> <td>Electronic or other method, as agreed.</td> </tr> </tbody> </table> <p>Therefore, we would have said retrospective CoMC is already "allowed".</p> <p>Most people install AMR in NHH and then do a remote CoMC to HH - - so retrospective not needed - but where you change the meter and the MC at the same time retrospective is useful as you don't know the date the meter is necessarily going to be changed.</p> <p>If Section 7.1 of BSCP514 didn't make it across to REC Schedule 14 Section 19 as appears to be the case, we would support a CP being raised.</p> | REF | WHEN | ACTION | FROM | TO | INFORMATION REQUIRED | METHOD | 7.1.1 | As required | Send appointment. The Supplier will appoint the HHMOA with effect from the planned date of the CoMC. The Supplier will use a formal appointment flow (D0155) or notify the HHMOA by other means. The Supplier will send a further appointment flow after the CoMC with the actual appointment date, where different or where a formal D0155 was not previously sent. | Supplier | HHMOA | D0155 Notification of New Meter Operator or Data Collector Appointment and Terms. | Electronic or other method, as agreed. |
| REF | WHEN | ACTION | FROM | TO | INFORMATION REQUIRED | METHOD | | | | | | | | | | |
| 7.1.1 | As required | Send appointment. The Supplier will appoint the HHMOA with effect from the planned date of the CoMC. The Supplier will use a formal appointment flow (D0155) or notify the HHMOA by other means. The Supplier will send a further appointment flow after the CoMC with the actual appointment date, where different or where a formal D0155 was not previously sent. | Supplier | HHMOA | D0155 Notification of New Meter Operator or Data Collector Appointment and Terms. | Electronic or other method, as agreed. | | | | | | | | | | |
| SSE Energy Supply Limited | N/A | We will need to look at systems further before we can get an understanding of whether retrospectively actioning CoMCs would be practicable. | | | | | | | | | | | | | | |
| TMA Data Management Ltd | Yes | This seems a sensible change as makes it easier to align any physical change with the CoMC date. | | | | | | | | | | | | | | |
| Supplier 1 | No | | | | | | | | | | | | | | | |
| EDF | N/A | No view. | | | | | | | | | | | | | | |
| E.ON Next Ltd & Npower | Yes | We both believe and support the notion that a REC change should be raised to enable to capability to | | | | | | | | | | | | | | |

| Respondent | Response | Rationale |
|------------------------|----------|--|
| Commercial Gas Ltd. | | <p>conduct CoMC retrospectively along the same lines that was in place via the now defunct MRA working practice 66 process.</p> <p>This is primarily because we believe that CT metering systems will in the main require remote re-schemes to meters to set up the relevant consumption recording channels for both active and re-active power measurements, which is a touchpoint that must happen to achieve the desired outcome of retrieving actual HH data relevant to the charging arrangements that come into effect. As it stands the existing CoMC process would need to be backed out of in the event the re-scheme failed and turn loop around until the meter is successfully re-schemed.</p> <p>The ability to retrospective CoMC mitigates this loop from occurring as it enables the CoMC to be initiated at the point the meter rescheme is successfully completed, therefore it may be perceived as a more effective and efficient process by industry parties who may prefer certainty that the CoMC process will complete successfully on the basis the meter is set up and ready for HH settlement.</p> |
| Business Energy Direct | Yes | As was identified during P272 migrations, detriment is caused to the customer experience and supplier settlement performance as a result of finding it necessary to reverse HH appointments. The same options need to be available to industry parties to facilitate a smooth transition, in the event that P432 gains approval. |
| Siemens MAS | Yes | Although P432 is not expected to be as challenging as P272, the "lessons learned" from that exercise should be implemented where possible. It would be preferable to have a temporary allowance of a retrospective CoMC for the migration rather than the possible re-visiting of the process issues experienced with P272. |

Question 19: Do you have any further comments on P432?

Summary

| Yes | No |
|-----|----|
| 3 | 4 |

Responses

| Respondent | Response |
|--|--|
| IMServ | No |
| SSE Energy Supply Limited | We would like to reiterate the point that the changes proposed under P432 should be implemented as part of the MHHS Programme. Also, any other MHHS changes, such as P434 and CP1558, and any future MHHS changes should all be taken forward by the MHHS Programme where they can be incorporated into the overall programme plan and linked to the appropriate dependencies, milestones, etc. Furthermore, the cross code impacts and costs of P432 need to be fully explored before a decision is made on it. |
| Supplier 1 | Can we please have clarification if there are to be new NHH performance targets as a result of these meters with higher metered volumes moving to HH. Can you please clarify what the derogation process, if we are not in a position to complete this activity as proposed. |
| EDF | No |
| E.ON Next Ltd & Npower Commercial Gas Ltd. | We would like to seek clarity that the recent governance changes that have seen the Meter operator role move from BSC to REC governance does not need any further consideration, it is important to note that when the last migration activity was undertaken under P272 Meter Operators governance was explicitly managed under the BSC and therefore enable Elexon to support suppliers and Meter Operators when issues that could not be resolved bi-laterally occurred (e.g., co-operation between organisations) which also enabled BSCco to consider if PAF techniques should be applied. Noting the importance of the co-operation between supplier and meter operation business will be key to the success of the P432 proposed solution should it be approved, we would feel it's important that the workgroup considers if the governance arrangements in place today offers market participants the right level of assurance and support that was in place under P272. |
| Business Energy Direct | No |
| Siemens MAS | No |

Western Power Distribution Response:

With regards to P432, whilst we support this Modification and understand the link to the MHHS Programme, we are concerned by the challenging timescales. April 2023 prices have already been set and as there would be a completely different tariff structure, implementing this prior to April 2024 would have an impact on income for April 2023. Also from a customer perspective (and possibly Supplier as well) there might be customers on fixed deals that run beyond April 2023 and therefore they could be potentially negatively impacted as a result of this change.

Requiring all new connections for CT Advanced Meters to settle HH from October 2022 is a significant task and an exceptionally challenging timescale, especially as we are due to receive Ofgem's final determination to the Access SCR at the end of this month too.

We are aware of the intent to hardcode October 2023, however we understand that the MHHS Programme is going through a replan that is due to complete later this year and therefore without the revised dates from the replan, there is the potential that the October 2023 could/should be changed to align with new milestones.