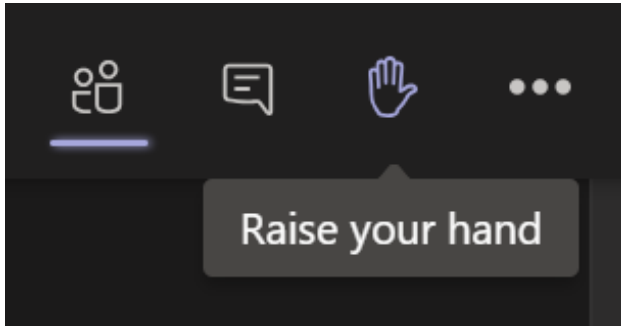


P434 Digital Meeting Etiquette

- Welcome to the P434 Workgroup meeting 4 – we'll start shortly
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk – use the **Raise your hand** feature in the Menu bar in Microsoft Teams if you want to speak



- Talk – pause – talk
- Lots of us are working remotely – be mindful of background noise and connection speeds

ELEXION

**P434 'Mandate to Half Hourly Settle the
Non-Half Hourly Unmetered Supplies
Metering Systems'**

Workgroup Meeting 4

21 July 2022

Meeting Agenda

Objectives for this meeting:

- Consider the responses received to the Assessment Procedure Consultation
- Agree on the final solution
- Workgroup to provide its final views against the Applicable BSC Objectives and recommendations to the BSC Panel

Agenda Item	Lead
1. Welcome and meeting objectives	Lawrence Jones (Chair)
2. Consider responses to the Assessment Consultation	Aylin Ocak (Lead Analyst)
3. Terms of Reference	Workgroup
4. Final Recommendations	Workgroup
5. Customer Bills	Tym Huckin (Workgroup Participant)
6. Next steps	Aylin Ocak
7. Meeting close	Lawrence Jones



ASSESSMENT PROCEDURE CONSULTATION RESPONSES

Assessment Procedure Consultation Responses

Questions	Yes	No	Neutral/No Comment	Other
Do you agree with the Workgroup’s initial view that P434 does better facilitate the Applicable BSC Objectives than the current baseline?	9	4	2	0
Do you agree with the Workgroup that the draft legal text in Attachment A delivers the intention of P434?	11	1	3	0
Do you agree with the Workgroup that the amendments to the Code Subsidiary Documents in Attachment A delivers the intention of P434?	9	3	3	0

Applicable BSC Objectives:

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

- the data will be more accurate and granular, especially using three decimal places, which will enable more accurate purchasing and promote innovation and competition
- One respondent didn’t agree with objective C as they believe most UMS sites offer limited or no opportunity to alter consumption in a significant way.

D) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements

- P434 will introduce more efficient and effective processing of UMS data for Settlement.

Legal text:

- Majority agreed with the legal text, one disagreed as they did not agree with the implementation date of October 2023.

CSDs:

- Majority agreed with the CSDs, one disagreed as they did not agree with the implementation date of October 2023, two gave further suggestions for amendments.

BSCP Suggestions (1 of 2)

OID	Suggestion	Elexon comment
Section 1.4	This section explains the difference between HH and NHH trading, and will require an update.	Section 1.4 has been amended.
Section 1.4.2	This section details that in order to trade HH a MA must be appointed, by the Supplier and contracted by the Customer. This last part (MA contracted by the Customer) will not apply in all scenarios now under this mandate – as the MA just needs to be appointed by the Supplier (who may agree commercial terms direct with the MA).	Section 1.4.2 has been amended.

BSCP502	Suggestion	Elexon comment
Section 3.4.1.2	The use of the D0036 “OR” D0380 – the word OR may need consideration, and the continued permission to use D0036 will need consideration – depending on the decision made on this (based on Question 18 in this Consultation).	Workgroup position was that we leave it optional. Whilst mandating 3dp would benefit settlement accuracy, there are costs associated with the new D flows and participant systems would need to be modified to process the HH UMS data to 3dp.

BSCP Suggestions (2 of 2)

BSCP520	Suggestion	Elxon comment
Section 3.2.5	The amendment made to section 3.1.15, adding the words “where appropriate”, also needs to be entered in section 3.2.5. The Inventory being provided to the MA can occur for a new appointment (covered by section 3.1.15), and for normal ongoing updates to an inventory (covered by section 3.2.5).	Section 3.2.5 has been amended.
Section 3.6.2.2	The MA will not have been appointed by the Supplier at this stage – so both the MA requires that appointment notification and to have accepted it, and the Supplier needs to advise the UMSO who the MA is prior to this stage occurring.	Does the Workgroup agree section 3.6.2.2 should be amended?
Section 3.6.2.2	Also around this stage, the new HHDC, who will need to be appointed by the Supplier, will need to receive their appointment on the D0155 from the Supplier too, and a D0148 from the Supplier to advise them who the MA is. The MA will also require the D0155 appointment Flow and D0148 to advise who the HHDC is – or equivalent to these Flows depending on how MA appointments are agreed to be managed.	Does the Workgroup agree section 3.6.2.2 should be amended?
Section 3.1.10	The proposed redline changes in BSCP520 for the CoMC process appears to prescribe the process under Option 1, as step 3.1.10 refers to issuing a D0055 to register as MSID. As the retained MSID will already be registered to a Supplier that would not be a requirement under Option 2.	Step 3.1.10 may still be required under option 2 as D0055 will be sent to update the Measurement Class and appoint the MA.
Section 3.6.2.5	we would recommend that the CoMC process under Option 2 is drafted as a standalone procedure within BSCP520 by removing step 3.6.2.5 and referencing the process steps so that it is clear within the BSCP that option 2 is to be utilised should that be the preferred the solution option to take forward.	Does the Workgroup agree Option 2 should be drafted as a standalone procedure within BSCP520 by removing step 3.6.2.5?

Assessment Procedure Consultation Responses

Questions	Yes	No	Neutral/No Comment	Other
Do you agree with the Workgroup’s recommended Implementation Date?	10	4	1	0
Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P434 which would better facilitate the Applicable BSC Objectives?	13	0	1	1
Do you agree with the Workgroup’s assessment of the impact on the BSC Settlement Risks?	12	1	2	0
Do you agree with the Workgroup’s assessment that P434 does not impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	13	0	2	0

- Majority agreed with the recommended Implementation Date, most respondents that disagreed didn’t agree with implementing P434. One respondent recommended the changes proposed should be optional instead, and if Market Participants are able to transition early then it should be possible but not mandated.
- One respondent stated they believe the impact on BSC Settlement Risks will remain neutral. Whilst some potential causes may increase from this change, others will decrease.

Assessment Procedure Consultation Responses

Questions	High	Medium	Low	None	Other
What would be the total cost to your organisation if CoMC option 1 is used?	3	3	4	3	2
What would be the total cost to your organisation if CoMC option 2 is used?	3	3	5	3	1

CoMC option one:

- Approximate costs – LDSOs: £62K-£120K, Suppliers: £15K-£1M+
- Costs mostly associated with the manual effort required for creating the new MSIDs and cleansing data.
- One Supplier stated it is a much more straightforward option for them.
- Customer impacts could be greater due to the requirement to put in place new contracts associated to the new MSIDs that would be created.

CoMC option two:

- Approximate costs – LDSOs: £11K-£65K, Suppliers: £180K-£1M
- Costs associated with automating the CoMC process for UMS and cleansing data
- It will remove the requirement to update systems with new MSID details and would remove the requirement to involve the customer in amending their records and systems.
- It could reduce the requirement for customer contracts to be cancelled and re-agreed on the basis that an existing UMS MSID would be retained for the transition to HH Settlement itself.

Assessment Procedure Consultation Responses

Questions	Yes	No	Neutral/No Comment	Other
What is the best mechanism for bulk appointments? Would the benefits of using the DTN outweigh the costs?	7	2	6	0
Do you agree Meter Administrators should receive D0139 data flows via the DTN? Would the benefits of this outweigh the costs?	10	1	4	0

Bulk appointments:

- Majority of the respondents stated that using the DTN would be the most appropriate method for bulk appointments, it will reduce manual work.
- Respondents said other alternatives could also be used e.g. email.

D0139 data flows:

- Most respondents supported MAs receiving the D0139 data flows via the DTN.
- One respondent didn't see the need to introduce this as a new process for a temporary period.
- Should DCs/DAs receive the D0139 too?

Questions	High	Medium	Low	None	Other
What impact will sending/receiving the D0379 and D0380 flows be for HHDCs, HHDAs and Suppliers?	0	4	3	1	7

- Development costs to accommodate sending these flows.
- It will ensure that HH data is accurate and the smaller consuming MSIDs don't see HH consumption rounded to zero.
- One Supplier stated they are happy receiving the D0275 to one decimal place and see no value in changing this.

Assessment Procedure Consultation Responses

Questions	High	Medium	Low	None	Other
Will P434 impact your organisation?	3	5	3	1	3
How much will it cost your organisation to implement P434?	3	2	6	1	3
What will the ongoing cost of P434 be to your organisation?	0	0	7	4	4

- Majority stated they will be impacted – P434 will bring forward the effort required to conduct CoMC activity, increased customer engagement, system changes may be required to facilitate the CoMC process or to change the use of HH consumption dataflows to 3 decimal places, contracts will need to be put in place between Suppliers and MAs.
- Besides the costs for the CoMC process, majority of the implementation costs will be for the data cleanse activity, system changes and external engagement.
- Many respondents didn't envisage high ongoing costs – mostly confined to the increased use of DTN and the management of the MA/UMSDS role in the Supplier hub, for MAs there will be more MSIDs to manage.

Questions	0-6 months	6-12 months	> 12 months	Other
How long (from the point of approval) would you need to implement P434?	6	1	0	8

- Many respondents indicated they can implement P434 in 6 months or less or that proposed timelines are sufficient [11 months].
- One distributor stated that option 1 could take them up to 18 months to implement, but option 2 could take them up to 6 months.

Assessment Procedure Consultation Responses

Questions	Yes	No	Neutral/No Comment	Other
Do you agree that P434 will decrease the risks associated with transition to the MHHS TOM and to what extent will it decrease the risks?	8	4	1	2
Will your organisation incur additional costs as a result of P434 that you would not have incurred under MHHS? Alternatively, would there be any cost savings from migrating NHH UMS Metering Systems before the MHHS migration?	5	5	1	4

De-risking:

- Majority agreed P434 reduces the risks associated with the transition to the MHHS TOM, early migration will allow Parties to address any risks or issues that may arise.
- Respondents that disagreed stated that P434 can divert resources required to support the main Programme.

Additional costs:

- One respondent that agreed stated that it could results in higher charges as the potential additional costs of UMSDS could incur earlier than if left to main migration.
- It was pointed out that the system changes required to action CoMCs may only be for up to a year, Suppliers could then be required to carry out further system changes to migrate to MHHS under the TOM
- Respondents that disagreed stated that they do not expect to incur additional costs under P434 that they would not have incurred under the MHHS Programme of work.

Assessment Procedure Consultation Responses

Questions	Yes	No	Neutral/No Comment	Other
Do you agree with the Workgroup’s assessment of the impact on the consumer benefit areas?	10	3	2	0
Do you agree with the data items included in the mandated data cleanse template?	9	2	4	0

Consumer benefit areas:

- Majority agreed with the impacts on the consumer benefit areas stating that P434 will lead to improved consumption reporting and billing accuracy.
- Some respondents disagreed that the impact on bills will be neutral. It was stated that customer bills will actually rise as a result of the changes as HH Agent charges are higher than NHH charges.
- One respondent did not agree P434 can increase quality of service for UMS customers with the potential to develop TOU tariffs because the majority of their UMS sites are festive and street lighting, where they will not benefit from TOU tariffs as the opportunity to change behavior is very limited.
- It was stated that the benefits are realised by MHHS transition to HH, not by carrying out the change a year early by P434.

Data cleanse template:

- Majority agreed with the data items included in the data cleanse template however some respondents asked for further clarification on some of the data items included.

Assessment Procedure Consultation Responses

Questions	Yes	No
Do you have any further comments on P434?	4	11

- A respondent stated there should be a clear obligation on Suppliers to communicate with their customers and advise them what is happening, when the migration will take place for them and what the impact is.
- One respondent had concerns around Customer engagement and getting their agreement to move to MHHS and appoint a Meter Administrator, and they stated there are costs and time/distraction impacts from delivering MHHS, which could be better served by a later delivery.
- One respondent had concerns regarding any proposals that relate to MHHS, but are outside of the MHHS Programme.
- A DC/DA preferred to go for CoMC process option 2 as the transition approach.



TERMS OF REFERENCE

P434 specific Terms of Reference

ToR	Details	Status
a)	Consideration of the role of Elexon and the PAB in Migration planning and data cleansing.	Elexon and PAB had the view that no additional assurance activity is needed to monitor the migrations. The data cleansing will be led by UMSOs with input from Suppliers and customers and coordinated by Elexon.
b)	Should the CoMC process in BSCP520 change?	The Workgroup consensus was that the CoMC process in BSCP520 should change so that one of the existing NHH MSID is changed to HH and the remaining MSIDs are de-energised/disconnected.
c)	Do Suppliers need to change their customers' contracts to reflect cost changes?	The Workgroup consensus was that given we are going with CoMC option 2 a contract change is not perceived but there could be tariff changes to reflect the cost differences of the MA coming in and potentially to capture any TOU benefits. Under option 2 it won't be necessary to break customer contracts as retaining an MSID you already have some form of agreement in place (tariff or agreed contract).
d)	Consider whether Suppliers should seek commercial arrangements with MAs directly or if customers should have the option to pick their MA.	The Workgroup consensus was that customers should keep the ability to pick their MAs.
e)	Assessment of the costs and benefits, where possible and needed.	Costs for industry will be consulted on as part of the Assessment Procedure consultation. CoMC option 2 will be put forward however Workgroup consensus was that we should also ask participants their cost estimates for CoMC option 1.

P434 standard Terms of Reference

ToR	Details	Status
f)	How will P434 impact the BSC Settlement Risks?	Workgroup agreed with the identified BSC Settlement Risks.
g)	What changes are needed to BSC documents, systems and processes to support P434 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?	Workgroup agreed P434 is a document only change, costing Elexon <£1K to implement the change.
h)	Are there any Alternative Modifications?	None raised.
i)	Should P434 be progressed as a Self-Governance Modification?	Workgroup consensus was that it should not be progressed as a Self-Governance Modification.
j)	Does P434 better facilitate the Applicable BSC Objectives than the current baseline?	Workgroup's initial views by majority was P434 better facilitates Applicable BSC Objectives C and D. Two members agreed with D but were neutral on C.
k)	Does P434 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?	No impact.

Impacts of P434 on consumer benefit areas

Consumer benefit area	Identified impact
1) Improved safety and reliability The Workgroup did not identify any impacts on this consumer benefit.	Neutral
2) Lower bills than would otherwise be the case Bills will be more accurate, but it is offset by the MA and HHDC costs, so the impact is neutral.	Neutral
3) Reduced environmental damage HH Settlement of UMS allows new technologies such as central management systems to be used to introduce flexibility to do things like reduce lighting load, which will help the move to net zero and de-carbonisation.	Positive
4) Improved quality of service The additional data the MA role facilitates is likely to improve the quality of service as it has the potential to develop TOU tariffs	Positive
5) Benefits for society as a whole There is a benefit from the cleansing activities and getting more accurate inventories e.g. Customers that had updated to LED lighting but didn't update inventories were paying for their old lighting.	Positive



FINAL RECOMMENDATIONS

Applicable BSC Objectives

The Applicable BSC Objectives are:

- 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 and administration 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

Applicable BSC Objectives

The Applicable BSC Objectives are:

- 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 and administration of the balancing and settlement arrangements

Proposer's View:

- c) The Modification enables a smooth transition to the MHHS TOM for Unmetered Supplies. The Modification will promote effective competition in the generation and supply of electricity because the data will be more accurate and granular which will enable more accurate purchasing and promote innovation and competition.
- d) The HH Settlement of UMS is more accurate, efficient and robust than the NHH processes which currently require Material Error Monitoring processes to be undertaken on a regular basis. This Modification will therefore better facilitate Applicable BSC Objective (d) as it will introduce more efficient and effective processing of UMS data for Settlement.

Customer Bills

- Currently there is an issue of HH UMS customers not being able to independently access consumption values in order to verify their bills.
- MAs are receiving queries from HH customers regarding their bills being different to the values MAs have calculated and reported to them directly. Previously the Workgroup discussed that Suppliers could make this data available to the customers via a portal, but this still involves the Supplier informing the customer of the same data which they have included on the bill, which may or may not be correct.
- There needs to be a method by which the end users can verify the values they are being charged independently of the data from the Supplier. How this is achieved would be for discussion between the UMSDS/MA and the Supplier, but there needs to be a way that the recipient of the bill can check against their “pseudo-meter” so they know their bill is accurate. If this is not done, inaccurate bill can continue to be produced with no method to check/correct these.



NEXT STEPS

Next Steps

Event	Date
Present IWA to Panel	10 February 2022
Workgroup meeting 1	18 March 2022
Workgroup meeting 2	20 May 2022
Workgroup meeting 3	8 June 2022
Assessment Procedure Consultation (15WDs)	21 June 2022 – 12 July 2022
Workgroup meeting 4	21 July 2022
Present Assessment Report to Panel	11 August 2022
Report Phase Consultation (10WDs)	15 August – 30 August 2022
Present Draft Modification Report to Panel	8 September 2022
Issue Final Modification Report to Authority	14 September 2022

Workgroup Members to review Assessment Report between 27 July – 29 July.

MEETING CLOSE

ELEXON

THANK YOU

Aylin Ocak

Aylin.ocak@elexon.co.uk

bsc.change@elexon.co.uk

21 July 2022