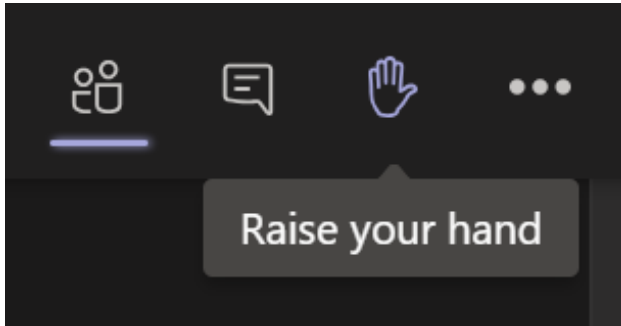


P434 Digital Meeting Etiquette

- Welcome to the P434 Workgroup meeting 5 – 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 5

9 September 2022

Meeting Agenda

Objectives for this meeting:

- Consider the responses received from the MHHS Programme
- Finalise the 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. Summary of Workgroup 4 and Actions | Aylin Ocak (Lead Analyst) |
| 3. MHHS Programme responses | Kevin Spencer (MHHS Programme rep) |
| 4. Alternative solution | Mark DeSouzaWilson (Design Authority) |
| 5. Terms of Reference | Workgroup |
| 6. Final Recommendations | Workgroup |
| 7. Next steps | Aylin Ocak |
| 8. Meeting close | Lawrence Jones |

Workgroup 4 Summary and Actions

Customer bills

- The Workgroup discussed that Customers can choose to contract directly with the Meter Administrator (MA) and can be provided with their consumption data independently of their Supplier, this way Customers can verify their bills. Under the current proposal, the MA would be contracted with the Supplier directly and hence would be unable to send data to the Customer. A Workgroup Member was of the view that there needs to be a method by which Customers can verify the values they are being charged independently of the data from the Supplier.

Consultation Responses

- The Workgroup observed that the trend in the P434 consultation responses were that majority of the Suppliers didn't P434 should be implemented and the changes proposed should be part of the MHHS Programme instead. The Supplier Agents (Data collectors, Data Aggregators and Meter Operator Agents), MAs and Distributors that responded agreed with the proposed changes and agreed that P434 better facilitates Applicable BSC Objectives C and D.
- One respondent stated that they would need to obtain a GDPR view on whether the data in the data cleanse template can be shared. The Workgroup agreed that if the data belongs to a Domestic UMS Customer then it may fall within GDPR

MHHS Programme

- The Proposer explained that it needs to be demonstrated clearly what the benefits of P434 are for the Programme and what difficulties the MHHS Programme will face if P434 is not implemented. There will be costs for migrating NHH UMS and it's not clear whether most optimal route is to do this early under P434 or under the MHHS Programme.

Actions

- To discuss with the MHHS Programme how to solve the issue of Customer's verifying their bills
- To ask the MHHS Programme to provide answers on what the challenges of transitioning straight into the MHHS TOM are
- To get Legal view on whether the data in the data cleanse template can be shared under GDPR

MHHS Programme Response (1 of 2)

1. What are the impacts and challenges of transitioning straight into the TOM for NHH UMS in the absence of P434?

The CCDG recommended this Modification to de-risk the UMS transition under MHHS. The early implementation was to allow time for a data cleanse and to give time for Suppliers to contact their customers to make the aware of the changes that will arise once they move to HH Settlement. The responses to the Assessment Consultation (attached) indicate that the 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.

- **What issues could arise?**

In the absence of P434 the data cleanse and Supplier/ customer interaction would not be obligated. This could have a knock on impact to the migration timescale and the overall MHHS Programme timelines.

- **How will P434 help mitigate those issues?**

P434 will enable the obligation for Suppliers and LDSOs to interact in the data cleanse activity which could start immediately after implementation. Having the UMS customers already set up as HH customers with the MA/ UMSDS having already validated the D0388 UMS Inventory and producing HH Consumption eases the transition. This is because the Supplier will only need to update the Registration data for the UMS MPAN and the UMSDS then only has to publish the HH Consumption data to Elexon Central Systems, rather than to the Half-Hourly Data Collector (HHDC).

- **What are the costs and impacts associated with transitioning directly to the TOM?**

We believe the cost are sunk for both Suppliers and LDSO and the absence of P434 would only delay the realisation of these costs. These need to be offset against the MHHS Programme risk realised which could cause a costly delay in the migration process to HH Settlement under the TOM and delay any potential benefits to the UMS Customer.

2. Should there be a mechanism in place for end Customers to check their bills?

The MHHS programme has identified the need for an Annual Consumption value to be provided and there is now an Annual Consumption Method Statement. The Annual Consumption value will be calculated based on the data submitted by the Data Service on a Monthly basis, together with, a data quality flag. This would allow customers to check their Supplier bills if a mechanism to provide such data to the customer can be identified. It is currently intended that this data will be made visible on a new real-time enquiry service (Similar to ECOES).

MHHS Programme Response (2 of 2)

Further questions:

3. Although the majority of the respondents have agreed P434 reduces the risk associated with the transition to the TOM, those with the biggest impacts did not (all Suppliers except the Proposer). Is there anything more the Programme can say regarding the risk to Suppliers with / without P434?
4. The Programme has stated the absence of P434 could have a knock on impact to the migration timescale and the overall MHHS Programme timelines. Is the Programme able to give any sense of magnitude of this risk and how they will manage it if P434 is rejected?
5. The Programme's response indicates that the key issue/risk to the transition is around the data cleanse & customer engagement aspects, in that case could the obligation around the CoMC activities be taken out from this Modification so that the only obligation is around the data cleansing?
6. P434 CoMC increases the cost to serve – as HHDC would be appointed; Suppliers have also advised that system changes would be required to use the D0379/D0380 data flows (3 decimal places). Can we justify customers incurring these extra costs by mandating CoMC one year prior to the TOM migration?

Alternative solution?

Current solution

The movement of NHH MSIDs to HH should be completed by the UMS Mandate Go-Live Date (currently October 2024) and any new UMS MSIDs have to be registered directly into the HH Settlement process 12 months prior to the UMS Mandate Go-Live Date (currently from October 2023). The coordinated data cleanse activity window will commence no later than 18 months prior to the UMS Mandate Go-Live Date (currently from April 2023).

Alternative solution

To mandate the coordinated data cleanse activity which will commence no later than 18 months prior to the UMS Mandate Go-Live Date, however no mandate to be put in place for the CoMC activity?

What are the Workgroup's views on raising this alternative solution?



BSC PROCEDURE DOCUMENTS



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. |



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.

Initial Views

| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|-------------------------|-----|-----|-----|-----|-----|-----|-----|
| Lee Stone (Proposer) | N | N | + | + | N | N | N |
| Annika Moody | N | N | + | + | N | N | N |
| Ryan Parker | N | N | + | + | N | N | N |
| Nik Wills | N | N | N | + | N | N | N |
| Richard French | N | N | N | + | N | N | N |
| Phil Russell | N | N | + | + | N | N | N |

+
-
N

Better facilitates Objective
Detrimental against Objective
Neutral against Objective



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 |
| Workgroup meeting 5 | 9 September 2022 |
| Present Assessment Report to Panel | 13 October 2022 |
| Report Phase Consultation (10WDs) | 14 October – 28 October 2022 |
| Present Draft Modification Report to Panel | 10 November 2022 |
| Issue Final Modification Report to Authority | 16 November 2022 |

Next Steps (if alternative solution is raised)

| 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 |
| Workgroup meeting 5 | 9 September 2022 |
| Second Assessment Procedure Consultation (10WDs) | 3 October 2022 – 17 October 2022 |
| Present Assessment Report to Panel | 10 November 2022 |
| Report Phase Consultation (10WDs) | 14 November – 28 November 2022 |
| Present Draft Modification Report to Panel | 8 December 2022 |
| Issue Final Modification Report to Authority | 14 December 2022 |

MEETING CLOSE

ELEXON

THANK YOU

Aylin Ocak

Aylin.ocak@elexon.co.uk

bsc.change@elexon.co.uk

9 September 2022