

HEADLINE REPORT

MEETING NAME	Code Change & Development Group – Market-wide Half Hourly Settlement SCR
Meeting number	04 Part A
Date of meeting	17 March 2020
Purpose of paper	Information
Classification	Public
Synopsis	Summary of Part A of the fourth CCDG meeting and actions arising.

1. Introduction, apologies and meeting objectives

1.1 The Chairman advised that, due to COVID-19 and the temporary closure of ELEXON's office, all CCDG meetings will be held remotely by Skype until further notice. She highlighted that, due to the length of the CCDG04 agenda, this meeting will be held in two parts:

- Part A on 17 March 2020 from 10:00-13:00, to:
 - Discuss ELEXON's initial straw man for the Settlement run-off arrangements and confirm which CCDG members will work with ELEXON to refine this further for CCDG05
 - Discuss the refined straw men for the following areas, which have been updated since CCDG03:
 - Exception reporting
 - GSP Group Correction Factors and Scaling Weights (including Export Settlement) and Consumption Component Classes (CCCs)
- Part B on 3 April 2020 from 09:30-12:30, to complete the remaining agenda items.

1.2 The Chairman advised that CCDG05 is also likely to be split into multiple Skype meetings. Meeting 05 Part A will still go ahead on 21 April 2020 by Skype, with dates TBC for any further parts of that meeting.

1.3 The Chairman welcomed Daniel Davies, who has recently joined the group to replace Aaron Dickinson.

2. Updates from other work streams:

Significant Code Review (SCR)

2.1 Ofgem confirmed that it is still working to publish its draft impact assessment as soon as possible. It advised that it has recently published its first edition of Ofgem's new [Market-wide Half Hourly Settlement newsletter](#), and welcomes any feedback on the newsletter content/format.

Other code bodies

2.2 Ofgem advised that it met with ELEXON and other code bodies on 28 February 2020, to review progress with the draft Code Change Matrices. The Chairman noted that the CCDG is due to review these matrices at CCDG05 and that ELEXON is therefore considering the best way to do this as a remote meeting.

Architecture Working Group (AWG)

2.3 ELEXON confirmed that the AWG is starting to progress its work on interfaces, for which it will need information from the CCDG on the data items passing between the different Target Operating Model (TOM) services (including registration data). Two AWG members (Seth Chapman and Paul Akrill) have volunteered to work offline with a small number of volunteers from the CCDG on capturing interface requirements, initially for the Smart Metering Service.

2.4 ELEXON agreed to email CCDG members setting out what this work involves and inviting volunteers.

3. Discuss initial straw men for detailed design areas

Settlement run-off arrangements

- 3.1 ELEXON [presented](#) three different potential options for the Settlement run-off arrangements. It noted that, because ELEXON provides the centrally-maintained Non Half Hourly (NHH) agent software, it has already discussed these options with the [Software Technical Advisory Group](#) (STAG) at its meeting on 20 February 2020.
- 3.2 ELEXON noted that the STAG's discussions have focused on a combination of technical and business factors. The STAG's view is that, as long as the current NHH software components are covered by extended support until at least 2023/24, ELEXON and industry should plan to avoid another ~5 year upgrade cycle. The STAG's recommendation to the CCDG is to focus on which run-off solution is best from a business perspective and to assume that the current software will remain supported within the TOM transition timescales. ELEXON is continuing to establish the remaining support windows for each software component and will advise the CCDG if this changes the STAG's view.
- 3.3 Some CCDG members expressed a preference for Option 1, which would set a cut-off beyond which no further amendments could be made to NHH Settlement data (except potentially through Extra Settlement Determinations (ESDs)). Members believed that advantages of this approach are that:
- The materiality of any NHH Settlement Errors will become smaller as the transition advances and NHH becomes a smaller proportion of the market
 - Option 1 is the most compatible with a calendar day approach, noting that data collection takes place on a calendar day basis
 - Once a NHH Data Collector (DC) has been de-appointed for a Meter, and therefore stops submitting reads, there is no longer a clear mechanism to identify Settlement Errors in the NHH data for that Meter.
- 3.4 ELEXON noted that there are different ways to achieve Option 1. For example, the reconciliation timetable could be shortened by 'freezing' Supplier Purchase Matrices (SPMs) for pre-Reconciliation Final (RF) runs (with no later data accepted). Alternatively, NHH Data Aggregators (DAs) could submit SPMs early for the RF and Dispute runs. The CCDG agreed with the desirability of minimising the need for a long and/or complicated NHH reconciliation run 'tail'.
- 3.5 However, other CCDG members expressed more caution over Option 1. These members noted the need to consider:
- The data quality requirements that should be involved in setting a 'hard' cut-off date
 - The potential implications for Distributors of using ESDs since, because these are a financial correction rather than actual changes to Settlement data, Distributors are currently unable to make corresponding corrections to Distribution Use of System (DUoS) charges
 - That Suppliers might have to choose between postponing the migration of a Meter to Half Hourly (HH) Settlement (in order to get a closing read) or accept that they would have to settle on an Estimated Annual Consumption (EAC) value that cannot later be changed
 - How to quantify the risk associated with Option 1 (ELEXON suggested producing high, medium and low risk cases).
- 3.6 These members suggested potentially using a combination of Option 1 with Option 2 (a centrally-appointed 'caretaker' NHHDC). ELEXON noted that it was feasible to cut over from Option 2 to Option 1. However, it noted that, once Option 1 had been implemented, there would be no going back to Option 2.

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- 3.7 A CCDG member commented that the presentation slides cover two different scenarios which they believed should not be conflated:
- A question about the decreasing commercial viability of the NHHDC role during transition (and therefore possible commercial decisions to consolidate NHHDCs)
 - A question about how long to keep the NHH Settlement arrangements running once all Meters have been migrated to the HH TOM.
- 3.8 There were questions over the feasibility and complexity of Option 3 (loading a portion of NHH Settlement data into a dedicated area of the Market Wide Data Service (MDS)), since this could require converting Annualised Advances (AAs) to HH data. ELEXON noted the need to consider this option further.
- 3.9 ELEXON commented that the run-off of the existing HH Settlement arrangements should be simpler as HH Meters are read sooner. It noted that HHDCs have other requirements beyond core Settlement, and that these will be provided by the MDS under the TOM.
- 3.10 ELEXON agreed to work with the following CCDG members offline, to draw out the pros and cons of the three run-off options (including quantifying any associated risks), before bringing the outputs to CCDG05:
- Derek Weaving
 - Paul Saker
 - Seth Chapman
 - Terry Carr.
- 3.11 ELEXON agreed to circulate the relevant STAG paperwork to the above volunteer members.

Action 04/02

4. Register Read Meters with switched load

- 4.1 ELEXON noted the discussion at [CCDG03](#) about the potential tariff implications of using average domestic load shapes for Economy 7 (E7) customers.
- 4.2 In light of current remote-working arrangements, ELEXON offered to follow this up with Dom Bradbury and Paul Saker outside the meeting in the first instance – to see if any consensus can be reached. The CCDG agreed with this approach.

Action 04/03

5. Discuss refined straw men for detailed design areas

Exception reporting

- 5.1 ELEXON [presented](#) an updated straw man which reflects the discussions held with volunteer CCDG members since CCDG03. ELEXON noted that it is only prescribing exception reporting from the MDS to other TOM services.
- 5.2 The CCDG noted the use of the term 'data flow' in the slides and asked if this pre-supposes a particular technology solution. A CCDG and AWG member confirmed that the AWG is using this term in its architectural sense – meaning any movement of data from one service/role to another. ELEXON confirmed that it should be interpreted in this way rather than as a reference to any existing data flow mechanisms.
- 5.3 A CCDG member reiterated their view that the service which is generating the data should be responsible for its accuracy and should already be performing validation. They therefore queried if further checks are needed downstream or should be 'designed out', believing that in this way checks could be uncoupled from their existing dependency on the Settlement timetable. ELEXON and some other CCDG members considered that

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last-resort checks are still necessary by the MDS to protect Settlement. ELEXON noted that, for example, the MDS would only know what data is missing at the Settlement Run.

- 5.4 CCDG members and ELEXON also provided the following other specific comments on the straw man:
- Registration standing data should be assumed to be correct (single source of truth)
 - Registration standing data should already be validated against Industry Standing Data (ISD) before it's sent (there were differing views from CCDG members on whether further downstream checks of this are therefore necessary, or if these still add value if registration data and ISD could become out of sync)
 - Does data from the Data Service just need the Metering System ID, as other IDs will be checked against the registration data earlier on? (CCDG members had different views on this and whether other IDs, e.g. Supplier ID, are needed for validation)
 - Non-zero data for a de-energised Metering System ID should be accepted (as currently) rather than rejected, as the most likely scenario is that the Meter has been energised without this being recorded
 - Exceptions generated at the Interim Information (II) Run would most likely be corrected at the First Reconciliation (R1) Run rather than the Initial Settlement (SF) Run, due to the short turnaround between II and SF (the focus would be on missing but expected data)
- 5.5 A CCDG member suggested establishing a list of checks that need to be undertaken before agreeing who is responsible for performing them.
- 5.6 ELEXON agreed to work with the following CCDG members offline, to reconsider the straw man in light of the above discussions, before bringing the outputs to CCDG05:
- James Murphy
 - Paul Saker
 - Steven Bradford
 - Terry Carr.
- 5.7 ELEXON agreed to focus on what last-resort protections are needed for Settlement. It also agreed to consider if/how the AWG's work can help remove the need for downstream validation checks.

Action 04/04

GSP Group Correction Factors and Scaling Weights (incl. Export Settlement) / CCCs

- 5.8 ELEXON [presented](#) its proposed Scaling Weights for the ~80 new TOM CCCs. ELEXON reiterated the difficulties at this stage in calculating the potential error associated with any of the new CCCs, and that its proposed Scaling Weights can be reviewed and changed in the future (e.g. at the end of the transition to the TOM) once data becomes available for analysis.
- 5.9 The CCDG discussed the proposed values, noting the spreadsheet and the extract from it included on [Slide 31](#). It agreed that all losses are by definition inaccurate since they are estimates. It agreed that all losses should have the Scaling Weights associated with them at a relatively higher level, regardless of whether the consumption data is based on actuals or estimates. ELEXON agreed to update the Scaling Weights spreadsheet and recirculate to the CCDG, so that all losses calculated against actuals incur an additional 0.4 (i.e. have a value of 1.4 rather than 0 as originally proposed).
- Action 04/05**
- 5.10 A CCDG member advised that they will check and confirm whether the proposed Scaling Weights follow the hierarchies of estimation established previously by the Design Working Group (DWG).

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- 5.11 ELEXON noted that it will need to revisit the Scaling Weight values for existing CCCs at CCDG05. This is because Settlement will need to run both old and new Scaling Weights / CCCs during transition to the TOM.
- 5.12 ELEXON also [presented](#) an update on Action 03/02. It set out the potential pros and cons of flagging each Settlement Period as either Actual (A) or a specific type of estimate (as defined in the TOM Requirements) when allocating data to CCCs, so that different Scaling Weights could be applied to CCCs at a Settlement Period level. ELEXON noted that the only unintended consequence appeared to be that it could result in different counts of MSIDs at a Settlement Day level compared with a Settlement Period level.
- 5.13 The CCDG agreed that setting the Actual/Estimate flag at a Settlement Period level was preferable as it would more accurately apply the Scaling Weights to estimated quantities. ELEXON agreed to consider further any issues associated with the proposed approach.

Action 04/06

- 5.14 A CCDG member noted that the D0379 data flow records Supplier and agent appointments in clock time, while all TOM services will operate in Coordinated Universal Time (UTC). Where there is a change of Supplier and/or agent, based on calendar days, during British Summer Time (BST) there are therefore technically two Suppliers and/or two agents responsible for the one 'UTC day'. The CCDG member noted the need to be clear about who is responsible for ensuring all 48 time periods in a UTC (or clock day) are provided. ELEXON agreed to consider this further with the following CCDG members offline and bring the outputs to CCDG05:

- Dom Bradbury
- Seth Chapman
- Terry Carr
- Tom Chevalier.

Action 04/07

6. Summary and next steps

- 6.1 The CCDG agreed to carry over all remaining agenda items to CCDG04 Part B, to be held by Skype on 3 April 2020 from 09:30-12:30.
- 6.2 The Chairman confirmed that Part A of CCDG05 will go ahead as planned on 21 April 2020 but will now be by Skype. ELEXON will confirm dates for any further part(s) to that meeting in due course.
- 6.3 ELEXON noted that it had not received any comments on the CCDG03 Headline Report, which it has now [published](#).

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ACTIONS

Actions on ELEXON:

02/01 – ELEXON to bring a list of BSC drafting questions to a future CCDG for discussion (e.g. Metering System definitions, SSTPGPL) – Closed – Questions circulated as part of CCDG04 papers. Agenda item at CCDG04 Part B.

02/05 – ELEXON to clarify what data item outputs the AWG needs from the CCDG and when – Open – See update under item 2 above.

02/07 – ELEXON to check with St Clements whether any of the following data items are already held in SMRS: GSP Group, AI/AE indicator and domestic/non-domestic indicator – Open – Update provided at CCDG03. GSP Group is already held in SMRS. The Switching Programme will introduce Domestic Premises Indicator, Metered Indicator and Energy Flow. ELEXON to clarify these data items' on-going SMRS governance with St Clements and give an update at CCDG04 Part B.

03/01 – ELEXON to update the CCCs table with the changes agreed at CCDG03, circulate to the relevant CCDG members for further discussion and bring the outputs to CCDG04 – Closed – Output circulated with CCDG04 papers. See item 5 above.

03/02 – ELEXON to consider whether the CCC Actual/Estimate IDs should be at daily granularity (as currently implied in the TOM requirements) or Settlement Period level, and bring thoughts on the pros and cons of each approach to CCDG04 – Closed – Output circulated with CCDG04 papers. See item 5 above.

03/03 – ELEXON to update the Industry Standing Data straw man with the discussions and decisions at CCDG03, circulate to the relevant CCDG members for further discussion and bring the outputs to CCDG04 – Closed – Output circulated with CCDG04 papers. Agenda item at CCDG04 Part B.

03/04 – ELEXON to update the Registration straw man based on the discussions at CCDG03, circulate to the relevant CCDG members for further discussion and bring the outputs to CCDG04 – Open – Update circulated with CCDG04 papers. Agenda item at CCDG04 Part B.

03/05 – ELEXON to work with the relevant CCDG members to flesh out the data items for the three categories of exception reporting discussed at CCDG03, and bring the outputs to CCDG04 – Closed – Output circulated with CCDG04 papers. See item 5 above.

03/06 – ELEXON to work up some suggested error ratings against each CCC that could subsequently be turned into initial GSP Group Correction Factor Scaling Weight values, circulate these to the relevant CCDG members for further discussion and bring the outputs to CCDG04 – Closed – Output circulated with CCDG04 papers. See item 5 above.

03/07 – ELEXON and CCDG members to consider other potential ways of addressing the E7 tariff concern (e.g. by extending the Settlement run-off arrangements or other means) and revisit this at CCDG04 – Closed – Further comments/suggestions received from a CCDG member and circulated with CCDG04 papers. See item 4 above.

04/01 – ELEXON to email CCDG members seeking volunteers to work with a subset of AWG members on interface requirements and setting out what this work involves – Closed – Email sent on 19 March 2020. Three CCDG members have volunteered (Daniel Davies, Paul Saker and Tom Chevalier). First subgroup meeting held on 1 April 2020. ELEXON will give an update at CCDG05.

04/02 – ELEXON to work with the relevant CCDG members to draw out the pros and cons of the three options for Settlement run-off (including quantifying any associated risks), before bringing the outputs to CCDG05. ELEXON to send the relevant STAG paperwork to the volunteer CCDG members – Open – ELEXON sent the STAG paperwork to relevant members on 26 March 2020. ELEXON to arrange further discussion.

04/03 – ELEXON to hold further offline discussion with Dom Bradbury and Paul Saker about the potential tariff implications of using average domestic load shapes for Economy 7 (E7) customers, to see if any consensus can be reached – Open – Discussion held on 31 March 2020. ELEXON will give an update at CCDG04 Part B.

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04/04 – ELEXON to work with the relevant CCDG members to reconsider the exception reporting straw man in light of discussions at CCDG04 Part A, before bringing the outputs to CCDG05. ELEXON to focus on what last-resort protections are needed for Settlement and consider if/how the AWG’s work can help remove the need for downstream validation checks – Open – Discussion held on 31 March 2020. ELEXON will bring the outputs to CCDG05.

04/05 – ELEXON to update the Scaling Weights spreadsheet and recirculate to the CCDG, so that all losses calculated against actuals incur an additional 0.4 (i.e. have a value of 1.4 rather than 0 as originally proposed) – Closed – Circulated by email on 18 March 2020.

04/06 – ELEXON to consider further any issues associated with processing partial data if Actual/Estimate IDs are allocated to CCCs at a Settlement Period level – Open – ELEXON will give an update at CCDG04 Part B.

04/07 – ELEXON to work with the relevant CCDG members to consider further how ‘clock time’ Supplier/agent appointments will work under a UTC-based TOM – Open – ELEXON will give an update at CCDG04 Part B.

Actions on other members:

01/02 – Ofgem to clarify whether the legal text for MHHS should be drafted against the current Industry Codes baseline or new consolidated REC baseline – Open – Update provided at CCDG02. Ofgem is still considering this, and a representative from Ofgem’s REC team will be attending future Code bodies meetings.