

TRANSITION ROADMAP – UNMETERED SUPPLIES SEGMENT

1. DWG Transition approach considerations for Unmetered segment

Purpose

DWG is considering the transition issues. This document highlights some of the issues for the Unmetered segment.

- 80% of unmetered volume, ~350 MPANs already HH
- Remaining 20% of volume, ~30k MPANs
- NHH profiling requires, on average 2 MPANs per inventory, so total MPANs will halve
- Most existing NHH are small energy volume with some exceptions.

General Considerations

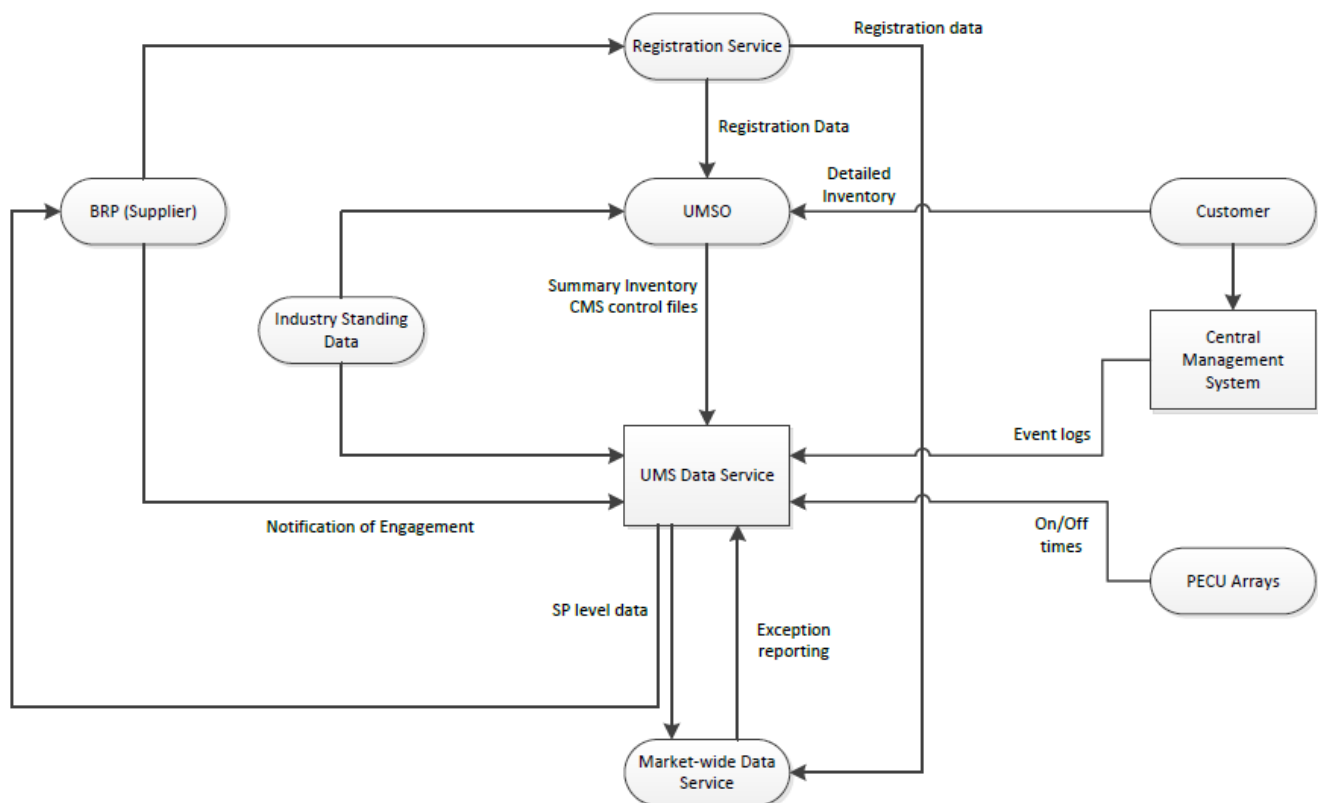
The industry already has a lot going on, and more to do due to this SCR, so phasing the different work streams allows different resource to focus on different aspects.

- Transition can occur progressively
- Transition can occur at different speeds in different market segments or size of customer
- The goal is to move towards market wide HH settlement in a way that minimises cost/disruption but maximises the benefit

The Unmetered segment does involve some IT change to enable the increased data volumes and operational changes driven from governance changes.

Target End state

The market model for the target end state is summarised in the following diagram:



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2. Which existing market roles will be affected by the transition to MHHS?

- Unmetered Supplies Operator (UMSO)
- Supplier Meter Registration Service (SMRS)
- Meter Administrator (MA)
- Supplier
- Half Hourly Data Collector (HHDC)
- Half Hourly Data Aggregator (HHDA)
- Non-Half Hourly Data Collector (NHHDC)

3. Which new market services will be affected by the transition to MHHS?

- Unmetered Supplies Operator (UMSO)
- Registration Service (RS)
- Unmetered Supplies Data Service (UMSDS)
- Half Hourly Data Collector (HHDC) – interim
- Half Hourly Data Aggregator (HHDA) - interim
- Balancing Responsible Party (BRP)

4. Phased transitional approach for NHH UMS MPANs

Phase one – Governance, system and process changes

- i) Ofgem will direct/ make changes to governance and code documentation using their powers under the Smart Meters Act.
- ii) The UMSO and BRP will review and cleanse their data to remove erroneous NHH unmetered customers and/or encourage inclusion with existing HH inventories
- iii) The UMSO & MA will adapt their systems to provide Summary Inventories and Control files in common defined formats.
- iv) The UMSO & BRP will contact customers to notify of changes and timings.
- v) MAs will adapt their Equivalent Meters (EM) to output HH data for customers to the required granularity. Their systems may also need to be scaled to deal with an additional volume of data.
- vi) The MA will undertake qualification as an UMSDS.
- vii) HHDCs and HHDAAs may need to adapt their systems to process HH data at Watt-hour granularity.
- viii) BRP will need to review their contractual arrangements with customers and may need to adapt their systems to bill these customers using HH data provided by the UMSDS.

Phase two – Adoption of HH MPANs and migration of NHH MPANs

- i) The BRP will need to agree contractual arrangements with UMSDS for MPANs to be migrated.

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- ii) UMSO, SMRS & BRP will need to change registration of NHH UMS customers to HH Measurement Classes and will need to rationalise of MPANs where a customer has more the one under the existing NHH Arrangements.
- iii) The existing contracts for HH MPANs will be adopted by the UMSDS from the MA.
- iv) The HH data for 'migrated' customers shall be notified to BRP via HHDC/HHDA systems
- v) A schedule of transition activity will need to be agreed between BRP, UMSO and UMSDS and monitored by ELEXON.

Phase three – Interfacing with revised registration system

- i) SMRS will need to interface with the new UMSDS to provide appointment information.
- ii) The UMSDS will need to process and as appropriate respond to appointment information.

Phase four – Transfer of data into to BSC Central System

- i) Once interface with BSC Central system is available to the UMSDS, the data shall be redirected directly from the UMSDS to BSC Central systems.
- ii) Changes will be required by the UMSDS to support the new architecture and to add appropriate identifiers to the HH output data made available to the BSC Central Systems).
- iii) The HH data for 'migrated' customers shall be notified to BRP directly by the UMSDS.

Phase five – Removal of HH Agent and NHH data and processes

- i) End dating of LLFC ids relating to DUoS tariffs in MDD.
- ii) End dating of Measurement Class B (NHH Unmetered Supplies) in MDD.
- iii) Removal of NHH UMS DUOS Tariffs.
- iv) Removal of interaction HHDC/DA role from UMS segment.

5. Summary of what has to change for these roles to operate in the target end state

i. Governance and processes

- BSC includes qualification and assurance
- [National Terms of Connection](#) (NTC) to amend and rationalise the terminology
- DCUSA changes to amend and rationalise the charging terminology
- Master Registration Agreement (MRA) to amend and rationalise the terminology

ii. Systems, technology & communications

- Changes to support Registration System
- Central BSC system changes to make data available

iii. Commercial (what has to change with the Supplier-Customer relationship, contracts, terminology)

- Market Domain Data changes to end-date LLFC ids relating to DUoS tariffs
- End dating of Measurement Class B (NHH Unmetered Supplies) and associated DUoS Tariffs.
- Removal of interaction HHDC/DA role from UMS segment.

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6. Dependencies to consider during transition

Within segment dependencies:

Given the close relationships that already exist between UMSO, MAs, HHDC and HHDA the transition should allow these service providers to coordinate and manage their transition to the TOM. Note the quick win of passing data through existing arrangements to HHDA via HHDC initially before BSC systems can take meter level data.

Outside segment dependencies:

Registration and Central Systems interactions. Removal of HHDA role requires the validation checks and application of losses to be transferred to Central Systems and Registrations.

OTHER CONSIDERATIONS

How do MPANs currently in the NHH market migrate into the new unmetered segment? What has to happen and by when?

The UMSDS should follow the approach of adopting the existing HH customers from the MA Role (noting existing contractual arrangements) with minimal disruption. This should ideally mean that existing HH customers will not need to carry out migrations to new UMSDS. The NHH MPANs will need to be rationalised as up to 4 MPANs are currently required in NHH for each inventory. The BRP will need to be involved and possible changes to billing arrangements if billing on EAC.

How are MPANs for migrated customers prevented from moving back to NHH?

If the SCR is approved then Ofgem will use the Smart Meters Act powers to implement change to BSC, National Terms of Connection, DCUSA (and any others) to ensure NHH UMS arrangements must no longer be used. The changes will need to determine relevant dates for:

- direct the migration of existing NHH UMS customers to HH arrangements
- prevent reversion of HH to NHH; and
- require all new connections to be traded as HH UMS.

LLFC ids relating to UMS categories A to D to be end dated to prevent use of tariffs within the Distribution Charging Mechanism. NHH DUoS tariffs will be phased out once migration is complete.

How will the migration of MPANs for NHH customers be implemented?

The DUoS arrangements currently prevent UMS doing a change of Measurement Class other than on 1st April. This was introduced to prevent gaming to avoid the seasonal charges included in the UMS arrangements. To facilitate migration this may have to change. With the approval of DCP0268 for 2021 it has mitigated the issue

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slightly. There is a similar anomaly with triad charges being different NHH & HH. Proposed approach options include:

- Require all “large” to migrate on a 1st April (say 2021)

	MPAN count	Estimated EAC	Proportion of MPANs	Proportion of EAC	Average EAC/MPAN
Top Band (1,000,000 to 2,300,000kWh)	31	46,250,000	0.1%	16%	1,491,935
Middle Band (100,000 to 1,000,000kWh)	433	121,850,000	1.3%	42%	281,409
Lower Band (up to 100,000kWh)	32,110	120,243,500	98.6%	42%	3,745

- Then the multiple small ones (with minimal financial impact) can migrate throughout the year.

The migration of the smaller ones could be based upon:

- Size – largest band first, then another band or all the remainder
- GSP Group – so everyone in a GSP Group moves on a date, puts onus on UMSO
- Supplier led – each supplier sets out their own timetable in conjunction with UMSO & UMSDS

Customer Impacts

Existing HH UMS customers should see no impact from the industry changes.

Existing NHH UMS customers will see the up to four existing MPANs consolidated into a single MPAN. Customers will no longer receive an EAC Certificate and will be billed using HH data derived from their inventory. Currently most Suppliers invoice customers using a relevant proportion of the EAC, going forward the consumption each month will vary based on energy consumption during the relevant period.

UMS RAID

Risks

- The risk that transition timescales for other market segments will impact the migration of customers to the UMSDS.

Assumptions

- At a defined point in time all new connections will have be traded as HH UMS;
- At a defined point in time existing NHH connections will have be traded as HH UMS;
- That the NHH MPANs will be rationalised by Suppliers as up to 4 MPANS are currently required in NHH for each inventory;
- That each Supplier/ BRP will set out their own timetable in conjunction with UMSO & UMSDS;
- That existing HH UMS customers should see no impact from the industry changes; and
- That existing NHH customers will no longer receive an EAC Certificate and will be billed using HH data derived from their inventory.

Issues

- How are MPANs for migrated customers prevented from moving back to NHH?
- How are large UMS customers defined to allow for phased transition?

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- Changes to DUoS CoMC arrangements currently only occur on 1 April.

Dependencies

- BSC, NTC, DCUSA, MRA and any other changes are directed by Ofgem;
- UMSDS will need to develop contractual relationships with Suppliers for services to customers currently in the NHH market;
- Registration Systems will need to interface with UMSDS;
- Changes to DUoS CoMC arrangements can only occur on 1 April;
- BSC Central System will need to interface with UMSDS; and
- HHDC/DA who wish to provide UMS services during the transition will need to be able to process data to the nearest Wh.