GUIDANCE NOTE – HALF HOURLY (HH) ESTIMATION DURING COVID-19

GUIDANCE EFFECTIVE 21 MARCH 2020-31 DECEMBER 2020

ELEXON has been contacted by a number of electricity Suppliers in the HH market, who have raised concerns about the level of costs that they are seeing through Settlement for sites which have suddenly reduced consumption. This is because it has become harder to obtain Meter Reads where businesses or premises are shut and Metering Systems communications to the HH Data Collector (HHDC) are not working. In such cases, the estimation processes used by HHDCs (in line with BSCP502 – Half Hourly Data Collection for SVA Metering Systems Registered in SMRS) and, in particular, the order in which information provided is used to calculate an appropriate estimate, may not be appropriate in the case of a sudden shut down of premises across the country.

ELEXON convened a group of industry experts, including HH Suppliers and Supplier Agents, who met on 1 April 2020 to discuss this issue and provide guidance to the industry. The group discussed numerous options and concluded that the following approach was the best available to Suppliers wishing to ensure estimation is as accurate as possible. The group met again on 23 April to discuss approaches that could be taken for when businesses re-open and consumption returns to more 'normal' levels. We would encourage Suppliers to take heed of this advice and engage proactively with their Supplier Agents to put the actions suggested in place, as Settlement inaccuracy could result in financial impacts to both Suppliers and, where there are shared billing and Settlement systems, end customers. The Performance Assurance Board (PAB) has discussed and agreed this approach and encourages Suppliers and Supplier Agents to follow the guidance below.

As Government lockdown restrictions are being relaxed the expert group reconvened on 28 July 2020 to agree a proposed timetable for ending the COVID-19 lockdown derogations. The PAB agreed the findings of the expert group and these have been reflected in this guidance.

HH EXPORT

The below guidance only relates to HH Import Metering Systems. For Export Metering Systems, the current estimation rules remain applicable. BSCP502, paragraph 4.2.2a requires that HHDC estimate zeroes ***"until such time that evidence of Export energy transfer is provided"***. In the current circumstances, Suppliers and HHDCs should not take too narrow a view of what sort of evidence is acceptable (for example, the availability of a meter advance), to ensure that generators are not settled on zeroes inappropriately.

HH REACTIVE IMPORT

BSCP502 sections 4.2.1 (g) and (h) require the HHDC to use the Measurement Class specific Default EAC in conjunction with a power factor of 0.9 to calculate any missing Reactive Import values. In the current circumstances, it may be more appropriate for Suppliers to direct HHDCs to use the Supplier EAC (along with a power factor of 0.9) for this calculation instead.

Similarly, BSCP502 section 4.12.1 (e) requires that, for DCC enrolled Metering Systems, the Measurement Class specific Default EAC is used for the estimation of Reactive Energy. Again, it may be more appropriate for Suppliers to direct HHDCs to use the Supplier EAC for this estimation.

© ELEXON 2020

GUIDANCE NOTE – HALF HOURLY (HH) ESTIMATION DURING COVID-19

HH ACTIVE IMPORT

Approach for when sites are shut down or have a reduction in consumption

Sections 4.2 and 4.12 of BSCP502 define the order of precedence for HHDCs to apply different estimation techniques when metered data is unavailable. Some of these – 4.2.1(a) to (e) and 4.12.1(a) to (c) – are for use when some data from the meter is available, and are likely to remain appropriate for sites that have shut down or changed their consumption considerably. But others – 4.2.1(f) and 4.12.1(d) – rely on historical data that may no longer be accurate for such sites.

To address the issues with methods 4.2.1(f) and 4.12.1(d), Suppliers should work with customers to establish if HH sites, for which these types of estimate are being used, have been shut down. For these sites, Suppliers should look at previous consumption data from the customer, or similar types of customers, to determine the likely consumption during this period (for example, if there are any previous examples of the site being shut down, such as perhaps during the Christmas period) and instruct the HHDC to use this consumption data in estimation, which may require the submission of an EAC reflecting such consumption data. The EAC should denote an "effective from date" to reflect the date of the site shut down. For a HH SVA Metering System which is not enrolled in the DCC, the HHDC can apply the Supplier's estimate of consumption using one of the following techniques (noting that some HHDCs may be constrained in what processes they can follow):

- BSCP502, paragraph 4.2.1(f) (v) (if operational or other data can be used); or
- BSCP502, paragraph 4.2.1(g) (if no operational or other data can be used).

For a HH SVA Metering System which is enrolled in the DCC, a Supplier and their Supplier Agents may agree to use the estimation method detailed in:

- BSCP502, paragraph 4.12.1(d) (v) (if operational or other data can be used); or
- BSCP502, paragraph 4.12.1(e) (if no operational or other data can be used).

In a deviation from the usual process, HHDCs may proceed to method 4.2.1(g) and 4.12.1(e) of estimation without attempting the previous methods of 4.2.1(f) and 4.12.1(d), for sites that have been shut down, as these estimation methods are likely to be more representative estimates of the energy consumption.

An audit trail for this action must be maintained by the Supplier, including information about the site, communication between the Supplier and Supplier Agents, and the operational or historical data, if used, such a snap shots of past consumption during previous closures at various time of the day.

This guidance is effective from the date of publication. Actions may be taken to 'back date' estimations to 21 March 2020 (or 24 March 2020, depending on the nature of the customer's business), in line with the government initial directive to close certain businesses. The PAB issued a three month notice period to end the derogations allowed within this guidance on 1 October 2020 and the derogations will end on 31 December 2020. The PAB will confirm any further shut down dates following any further restrictions put in place by the Governments of Great Britain.

Approach for when sites re-open or consumption increases or returns to 'pre-shut down' levels

At the conclusion of the shutdown for a site, Suppliers should get a download of the metered data as quickly as possible. For those sites for which the Supplier has applied the above process, they ~~must~~ should instruct the HHDC

 © ELEXON 2020

that shut down period at each site has ended and send a revised EAC to the HHDC with an "effective from date" to reflect the date of resumption of normal activities unless there is auditable evidence that the EAC in place is still appropriate.

An auditable trail for this action must be maintained by the Supplier, including information about the site and communication between the Supplier and Supplier Agents

For sites which resume operations and for which actual readings are still not available actual data collected prior to the shutdown of the site may be helpful to use for the estimation process. Therefore, in a derogation to the normal process, actual data from the period prior to the shutdown of a site may be used in preference to data collected during the period of shutdown for that site, if required for estimation. Suppliers should provide clear communication to their HHDCs in addition to any data flows, so that all parties are clear on the position and actions to be taken.

In summary:

- If an HHDC is required to estimate the data for a HH SVA Metering System which is **not** enrolled in the DCC, it should not necessarily follow the estimation precedence steps detailed in BSCP 502 4.2.1 (e) and (f). Steps (i) to (iii) may require the use of data from the shutdown period; this data should not be used and HHDCs can proceed to step (iv) and use data from a period prior to the shutdown.
- Similarly, if a HHDC is directed to estimate the data for a HH SVA Metering System which is enrolled in the DCC, it should not necessarily follow the estimation precedence steps detailed in BSCP 502 4.12.1 (c) and (d). Steps (i) to (iii) may require the use of data from the shutdown period; this data should not be used and HHDCs can proceed to step (iv) and use data from a period prior to the shutdown.

Requirements during the three month notice period prior to the derogations ending and upon derogations ending

EACs and any remaining estimated volumes during the lockdown period agreed for the derogation are permitted to stay in place if no site specific information has become available with which to replace or improve such estimations However, the ability to change the order of precedence in the BSCP will need to cease when the derogation is stopped.

Suppliers should review all EACs within the three month window or before (and as good practice thereafter) to ensure they are reflective of the current level of operations at the site.

DCs should continue to use the COVID-19 EAC and follow the derogated estimation process, in the absence of any actual data or register reads, through to the end December unless instructed otherwise by the Suppliers. However, Supplier Agents should provide any site level information to the Supplier which would help the Supplier to update the EAC, for example where access to a site is refused by customer for hand-held read however site is open.

At its meeting on 28 July 2020, the expert group agreed that updated EACs should be sent from Suppliers to DCs before the end of the derogation but noted there may be instances where this is not possible or yet appropriate. Therefore, the guidance was updated to reflect this.

Prioritisation for obtaining Actual Meter Readings

When it is possible to perform site visits for sites which are subject to estimation, it is important that Suppliers, Data Collectors and Meter Operators plan an approach for prioritising the work, including both data collection and meter fault investigation/resolution. This approach should consider the following factors: volume of estimated energy; Measurement Class; Export or Import; Meter memory/storage capability and sites utilising a revised EAC. This list is not exhaustive nor in a defined order of prioritisation; parties should work together to determine how sites visits are

 © ELEXON 2020

approached. When attempting to get data it is important that Suppliers and Supplier Agents are mindful of all Parties across the industry, regardless of their size or portfolio.

Use of data from shut down period(s) for future reference data

Any instances of reduced or revised consumption, resulting from the actions detailed above, must not be used for future Data Estimation procedures (unless there are further shutdowns of sites). In line with the obligations of BSCP502 paragraph 4.2, which states: "[…] HHDCs should take particular care when carrying out data estimation using, or during, public holiday periods, e.g. Christmas and New Year, where abnormal consumption patterns may be experienced. Profiles from similar periods in previous years may be used where applicable and available", HHDCs should assume the period of shut down to also be abnormal consumption patterns, and thus treat this data accordingly.

As the above approaches are deviations from the standard processes, but ones required to improve the accuracy of Settlement, ELEXON, the PAB and the BSC Auditor will not raise BSC Audit Issues against Parties who have followed the above derogations to the normal processes. The PAB expects Parties to provide the evidence for the above actions to ELEXON or the BSC Auditor upon request at any time. As a minimum, this should include:

- For Suppliers: MSID, HHDC MPID, previous EAC, new EAC, rationale or methodology of calculation of new EAC, effective from date of new EAC.
- For HHDCs: MSID, Supplier MPID, previous EAC, new EAC, effective from date of new EAC.

 © ELEXON 2020