ELEXON

Qualification of non-Unmetered Supplies (UMS) capable Suppliers

Performance Assurance Board (PAB)

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Summary **Elexon seeks the PAB's approval for non-UMS Capable Suppliers to be exempt from Qualification for Unmetered Supplies processes.**

1. Background

1.1 In June 2023, the Marketwide Half Hourly Settlement Programme (MHHSP) was concerned that they may not have any Suppliers undertaking System Integration Testing (SIT) to test UMS functionality. Therefore, they raised a risk and discussed this with the Code Bodies to understand the scope of Qualification. The Code Bodies set out that Qualification would include all functionality for all Suppliers; therefore, the risk was closed as SIT will align with Qualification.

1.2 Subsequent to this, Suppliers raised the issue that this would result in unnecessary spend on UMS systems by Suppliers and processes that would be redundant as they would not be serving this customer segment. This issue was raised as blocker in Fast Track Implementation Group (FTIG) and the MHHSP raised it as a risk.

1.3 Elexon discussed this issue with PAB at PAB270 in July 2023 and it was agreed that Elexon would investigate further the options to set the scope of Qualification appropriately, noting that appropriate controls and monitoring would need to be implemented.

1.4 In discussion with FTIG and the Code Bodies, it was agreed that the MHHSP would make an assumption that Suppliers who do not intend to serve UMS do not have to execute SIT tests or Qualification tests for UMS test cases.

1.5 If exemption of Qualification for non-UMS capable Suppliers is not approved, Qualification Testing of UMS for all Suppliers will be required. MHHSP Qualification (either through SIT or Qualification Testing) requires that Suppliers develop systems and processes to support MHHS requirements and generate MHHS flows, therefore all Suppliers would need to develop and test UMS systems regardless of intent to serve UMS customers.

2. Impacts of enforcing all Suppliers to demonstrate UMS capability

Supplier Impact

2.1 Any Suppliers in SIT who do not have UMS functionality will be required to design, build and test UMS capabilities. They would be required to then undertake additional Qualification Testing to demonstrate these capabilities before Qualification could be approved.

2.2 These Suppliers would then be unable to commence migration activities before Qualification was complete.

2.3 All non-SIT Suppliers would also have to ensure that UMS capabilities were in place before beginning Qualification.

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2.4 Elexon and the MHHSP are working to understand the efforts that Suppliers would need to make to meet the UMS obligations. Further updates on this will be provided at the PAB meeting.

2.5 Additionally, those systems and processes would remain redundant and unused, but may require additional efforts and costs for ongoing support and maintenance.

MHHS Programme Impact

2.6 In early January 2024, Elexon's Assurance team discussed the issue with the MHHS Programme as per the PAB's request in December 2023 (PAB275). MHHSP have indicated that if an exemption of Qualification for non-UMS capable Suppliers is not approved, it will have a significant impact on MHHS Programme delivery:

a) Potential delays in Suppliers (SIT and non-SIT) completing Qualification and therefore commencing Migration may have a material impact on the Programme Migration Plan that is not currently accounted for in Migration volumes and thresholds.

b) Non-UMS serving Suppliers may withdraw from SIT.

3. Risks of, and mitigations for, Qualifying non-UMS Suppliers

3.1 Elexon recognises that the approval of the exemption of Qualification for non-UMS capable creates a risk that non-UMS capable Suppliers take on UMS Meters, which they are unable to support or Settle correctly.

3.2 Therefore, additional controls, monitoring and mitigations will be required:

a) A question will be included in the Qualification Assessment Document (QAD) that requests all Suppliers that intend to make use of this exemption to demonstrate the controls they will put in place to mitigate the risk of registering UMS sites.

b) A reporting system to run monthly checks on UMS Meter Supplier registration numbers will be implemented. This will identify the Suppliers' MPID associated with each UMS MSID, which in turn is cross-referenced against a list of Suppliers Qualified to operate UMS.

3.3 If the reporting outlined above identifies a non-UMS Supplier assuming responsibility for a UMS site, Elexon will initiate contact with the Supplier. If the Supplier's response is deemed unsatisfactory, we will request that the Supplier be invited to PAB to provide an explanation. Subsequently, the Supplier may be required to undergo Re-Qualification for the UMS components as an outcome of the PAB discussion.

3.4 Elexon will also regularly engage with Suppliers, reminding them of the opportunity to Re-Qualify as a UMS Supplier if they identify a need to take on UMS customers in the future.

3.5 During the MHHS migration period, Elexon would make the MHHSP aware of which Suppliers are not qualified for UMS customers. The Migration Control Centre would seek to prevent migration of UMS customers to those Suppliers.

4. Conclusion

4.1 Elexon notes the potential risks of this approach, but believes the above outlines some simple but effective mitigating activities, providing a reasonable balance and aligning to a risk-based Performance Assurance Framework.

5. Recommendations

5.1 We invite the PAB to:

a) APPROVE the exemption of Qualification for non-UMS capable Suppliers.

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