ELEXON

SUPPLIER CHARGES

Public

Document owner	Document number	Date
Derek Weaving	**V0.1**	**28 April 2023**

Contents

Section A Background

1.1 This document sets out the requirements for Supplier Charges proposal to be effective after the transition to Market-wide Half Hourly as defined within milestone M15. It has been developed within the Performance Assurance Working Group and has been developed to support the necessary changes to the Balancing Settlement Code.

1.2 Calculations to determine the charges are to be developed at a later date, and this is to outline the principles for comment,

1.3 The following processes are covered in the document:

- Applicable Settlement runs
- Accessing the Industry Standing Data
- Definition of Actual for Supplier Charges determination
- Age Scaling Factors
- Charge (£/MWh)
- Settling the Initial Charge
- Charge Cap
- Adjustment to Charges and Charge Caps
- DCC/Material Comms Outages
- Collection of Supplier Charges

Section B General Requirements

High Level Principles

2.1 To apply after M15

2.2 Separate to Performance Standards which will be set as a different Performance Assurance Technique (PAT) at a later date.

2.3 Supplier Charges to be a PAT based on a push to achieve 100% with anyone above the average performance rewarded via redistribution based on market share and performance.

2.4 Charge to be applied per segment (ie Advanced, Smart, Unmetered).

2.5 To set a charge based on MWh of estimation which can be varied by the Performance Assurance Board

2.6 Different estimation types would have a different weighting to be applied to the charge. The better the estimation based on the hierarchy within the appropriate Data Services methods statements baselined by the MHHS Programme the lower the charge.

2.7 The age of estimation will also impact the charge. The older the estimation the higher the charge.

2.8 Redistribution will be a closed loop within each GSP where funds that are collected from Supplier Charges will be then divided equally over the Supplier's accurate volumes (best possible method is applied for each metering system in accordance with BSCP701 and BSCP702) for the same period.

.

.

Section C Supplier Charges Methods

Applicable Settlement runs

3.1 Supplier Charges will only be determined for the SF and RF Settlement Runs.

3.2 SF will be the first run that has a full set of data and therefore can be used an indicative charge and a further charge at RF.

Accessing the Industry Standing Data

3.3 The Supplier Charges service must access the ISD. The MHHS CCC definitions are set up to reflect the estimation categories as referenced in the Advanced, SMART and Unmetered Data Services Method Statements

3.4 CCC IDs allow us to calculate daily Supplier Charges while allowing the Supplier to validate the reporting.

3.5 An outline of the proposed CCC IDs within Appendix 1 for illustrative purposes and have grouped them by type and quality of estimation.

3.6 Consumption to be based in MWh

Definition of Actual

3.7 The term Actual is defined by being a single time period that contains a valid value that has been collected from a Metering System or generated using specific estimation methodologies. These are flagged by the Data Services with A, A1, A2, A3 as per the appropriate MHHS Method Statement.

3.8 For the purposes of Supplier charges, this definition has been expanded to account for the 'best' data that each meter category as to not unduly penalise Suppliers for their Customers' choices for example. We will not refer to this as Actual data but Accurate data to avoid confusion with the true meaning. This means for each category be it Smart, AMR, Traditional (or their Opted out equivalents) or Unmetered Supplies there will be estimation flags that are treated as Accurate data which will allow the accurate comparison of Performance or the use of Supplier Charges within each metering category.

3.9 These additional flags will be 'E1', 'E2', 'E6T'.

3.10 Best flag a Smart meter can have is 'A', an Opted out Smart meter could only reach 'E2' with a traditional meter only able to achieve 'E6T'.

3.11 PAB to have the authority to amend the estimation categories applicable for Supplier charges.

Determination of CCC id Scaling Weights

3.12 In the legacy systems we've used GCF to account for all error and evenly applied this factor to all NHH data. However, not all estimation is equal in its impact on Settlement and in MHHS the quality of data will dictate how much of the gross error it will receive. Supplier charges and Performance Monitoring will continue this methodology and mirror or create its own Scaling Weights to account for the differences between estimation methods and their impact on Settlement. This means that the worst estimation methods such as using Default should have the highest weighting where Estimation based on Actual date from last week should have the lowest weightings. This will focus the Charges towards the MSIDs causing the biggest error within Settlement.

3.13 Any data flagged as Accurate or Actual will not have a Scaling Weight and will be treated as a true value for the purposes of Supplier charges or Performance Monitoring as, regardless of their true accuracy, obtaining them is the objective for these techniques.

3.14 ISD will contain Group Correction Scaling Weights for each CCC and these are to be used for the initial weighting factors.

3.15 Other methodologies to determine the CCC id scaling weights to be determined by PAB

3.16 Noted – MHHS Change required

Age Scaling Factors

3.17 Age Scaling factors will take into account the age of the estimation being provided. This is because some estimation methods are infinite in their use which means that over time the data that they are based on becomes older and older which increase the likelihood that it is no longer relevant to the individual sites actual usage.

3.18 This factor will be applied on top of the Scaling Weights to create a measurable difference between the short use of the estimation methods and their prolonged use which will have an impact on overall settlement quality.

3.19 These factors will only exist for estimation methods that are unlimited in span such as E7, E8, E9, EA5, EA6, EA10, EA11, EA12 and EA13.

3.20 PAB to have flexibility to review and amend the estimation methods liable for an Age Scaling Factor.

Charge (£/MWh)

3.21 Charge to be £/MWh

3.22 Charge to be a bounded variable with the Balancing Settlement code.

3.23 The value applied per year to be within an allowable range set by PAB.

Setting Initial Charge

3.24 Elexon to instigate a data modelling exercise and consultant with industry parties to determine the initial charges to be levied.

3.25 Charges to be approved by PAB

Charge Cap

3.26 No Suppler Cap on the charges to be levied

3.27 PAB to have the authority to set a cap on the total collected, across all Suppliers.

3.28 Should the overall CAP be exceeded, flexibility to factor charges per Supplier to be at the overall cap as per PABs authority.

Adjustment to Charges and Charge Caps

3.29 Adjustments to charges and Charge Caps to reviewed annually and approved by PAB.

DCC/ Material Comms outages

3.30 Where there is a formal notification of a material outage to the DCC or to any nationwide communications network used by SVA MOAs, PAB to have flexibility to suspend charges for the period of the outage.

Appendix 1:

The Consumption Component Classes (CCCs) are set out in the published source of the Industry Standing Data (ISD) in the ISD Table :MHHS Consumption Component Classes. An illustration of the data in this ISD table is shown in Appendix 1.

CCC ID	Market Segment Indicator	Measurement Quantity	Consumption Component Indicator	Connection Type Indicator	Settlement Period Quality Indicator
100	U	AI	C	W	A
101	U	AI	L	W	A
102	U	AE	C	W	A
103	U	AE	L	W	A
104	U	AI	C	W	E, ZE
105	U	AI	L	W	E, ZE
106	U	AE	C	W	E, ZE
107	U	AE	L	W	E, ZE
108	S	AI	C	W	A
109	S	AI	L	W	A
110	S	AE	C	W	A
111	S	AE	L	W	A
112	S	AI	C	W	E0, E1, E2, E3 and E6
113	S	AI	C	W	E4, E5 and E7
114	S	AI	C	W	E8, E9, ZE2, ZE3
115	S	AI	L	W	E0, E1, E2, E3 and E6
116	S	AI	L	W	E4, E5 and E7
117	S	AI	L	W	E8, E9, ZE2, ZE3
118	S	AE	C	W	E0,E1, E2, E3, E6 and ZE1, ZE2, ZE3
119	S	AE	L	W	E0, E1, E2, E3, E6 and ZE1, ZE2, ZE3
120	A	AI	C	W	A, A1, A2, A3
121	A	AI	L	W	A, A1, A2, A3
122	A	AE	C	W	A, A1, A2, A3
123	A	AE	L	W	A, A1, A2, A3
124	A	AI	C	L	A, A1, A2, A3
125	A	AI	L	L	A, A1, A2, A3
126	A	AE	C	L	A, A1, A2, A3
127	A	AE	L	L	A, A1, A2, A3
128	A	AI	C	H	A, A1, A2, A3
129	A	AI	L	H	A, A1, A2, A3
130	A	AE	C	H	A, A1, A2, A3
131	A	AE	L	H	A, A1, A2, A3
132	A	AI	C	E	A, A1, A2, A3
133	A	AI	L	E	A, A1, A2, A3
134	A	AE	C	E	A, A1, A2, A3
135	A	AE	L	E	A, A1, A2, A3

Supplier Charges Report

CCC ID	Market Segment Indicator	Measurement Quantity	Consumption Component Indicator	Connection Type Indicator	Settlement Period Quality Indicator
136	A	AI	C	W	EA1, EA2, EA3, EA4 ,EA5, E2 and E3
137	A	AI	C	W	EA7, EA8 , EA9, E4,E6 and E6
138	A	AI	C	W	EA6, EA10, EA11 , EA12,EA13, E7, E8, E9, E10
139	A	AI	L	W	EA1, EA2, EA3, EA4, EA5, E2 and E3
140	A	AI	L	W	EA7, EA8,EA9, E4, E5 and E6
141	A	AI	L	W	EA6, EA10, EA11 ,EA12, EA13, E7,E8,E9 and E10
142	A	AE	C	W	AAE1, AAE2
143	A	AE	C	W	AAE3
144	A	AE	C	W	EAE1, EAE2 and EAE3
145	A	AE	L	W	AAE1, AAE2
146	A	AE	L	W	AAE3
147	A	AE	L	W	EAE1, EAE2 and EAE3
148	A	AI	C	L	EA1, EA2, EA3, EA4 and EA5
149	A	AI	C	L	EA7, EA8 and EA9
150	A	AI	C	L	EA6, EA10, EA11, EA12 and EA13
151	A	AI	L	L	EA1, EA2, EA3, EA4 and EA5
152	A	AI	L	L	EA7, EA8 and EA9
153	A	AI	L	L	EA6, EA10, EA11 ,EA12 and EA13
154	A	AE	C	L	AAE1, AAE2
155	A	AE	C	L	AAE3
156	A	AE	C	L	EAE1, EAE2 and EAE3
157	A	AE	L	L	AAE1, AAE2
158	A	AE	L	L	AAE3
159	A	AE	L	L	EAE1, EAE2 and EAE3
160	A	AI	C	H	EA1, EA2, EA3, EA4 and EA5
161	A	AI	C	H	EA7, EA8 and EA9
162	A	AI	C	H	EA6, EA10, EA11 , EA12 and EA13
163	A	AI	L	H	EA1, EA2, EA3, EA4 and EA5
164	A	AI	L	H	EA7, EA8 and EA9

Supplier Charges Report

CCC ID	Market Segment Indicator	Measurement Quantity	Consumption Component Indicator	Connection Type Indicator	Settlement Period Quality Indicator
165	A	AI	L	H	EA6, EA10, EA11 , EA12 and EA13
166	A	AE	C	H	AAE1, AAE2
167	A	AE	C	H	AAE3
168	A	AE	C	H	EAE1, EAE2 and EAE3
169	A	AE	L	H	AAE1, AAE2
170	A	AE	L	H	AAE3
171	A	AE	L	H	EAE1, EAE2 and EAE3
172	A	AI	C	E	EA1, EA2, EA3, EA4 and EA5
173	A	AI	C	E	EA7, EA8 and EA9
174	A	AI	C	E	EA6, EA10, EA11 ,EA12 and EA13
175	A	AI	L	E	EA1, EA2, EA3, EA4 and EA5
176	A	AI	L	E	EA7, EA8 and EA9
177	A	AI	L	E	EA6, EA10, EA11 ,EA12 and EA13
178	A	AE	C	E	AAE1, AAE2
179	A	AE	C	E	AAE3
180	A	AE	C	E	EAE1, EAE2 and EAE3
181	A	AE	L	E	AAE1, AAE2
182	A	AE	L	E	AAE3
183	A	AE	L	E	EAE1, EAE2 and EAE3

Example CCC Ids for SDS estimation methods

CCC ID (illustrative)	Segment Indicator	Measurement Quantity	Consumption Component Indicator	Connection Type	Indicator Settlement Period Quality Indicator	Accurate vs Limited	Traditional	Includes Opt-out	Scaling Weight (illustrative)	Age Scaling factor (illustrative)
1001	S	AI	C	W	A	A	N	N	0.0	
1002	S	AI	C	W	E0	Not included	Y,N	Y	0.0	
1003	S	AI	C	W	E1 E2	A	N	Y	0.0	
1004	S	AI	C	W	E2B	L	N	N	0.4	
1005	S	AI	C	W	E3	L	N	Y	0.4	
1006	S	AI	C	W	E4 E5	L	N	Y	0.8	
1007	S	AI	C	W	E7	L	N	Y	1.2	2
1008	S	AI	C	W	E8	L	N	Y	1.4	2
1009	S	AI	C	W	E9	L	N	Y	2.0	10
1010	S	AI	C	W	E6T	A	Y	N/A	0.0	
1011	S	AI	C	W	E7T	L	Y	Y	1.2	2
1012	S	AI	C	W	E8T	L	Y	Y	1.4	2
1013	S	AI	C	W	E9T	L	Y	Y	2.0	10

Example CCC Ids for ADS estimation methods

CCC ID (illustrative)	Segment Indicator	Measurement Quantity	Consumption Component Indicator	Connection Type	Indicator Settlement Period Quality Indicator																			Accurate vs Limited	Opt-out	Scaling Weight (illustrative)	Age Scaling factor (illustrative)
1010	A	AI	C	W	E0																			Not included	Y	0.0	
1011	A	AI	C	W				E2																A	Y	0.0	
1012	A	AI	C	W					E3															L	Y	0.4	
1013	A	AI	C	W						E4	E5													L	Y	0.8	
1014	A	AI	C	W									E7											L	Y	1.2	2
1015	A	AI	C	W										E8										L	Y	1.4	2
1016	A	AI	C	W											E9									L	Y	2.0	10
1017	A	AI	C	W	A	A1	A2	A3																A	N	0.0	
1018	A	AI	C	W					EA1	EA2	EA3	EA4												L	N	0.4	
1019	A	AI	C	W									EA5	EA6										L	N	0.4	2
1020	A	AI	C	W											EA7	EA8	EA9							L	N	0.8	
1021	A	AI	C	W														EA10	EA11					L	N	0.8	2
1022	A	AI	C	W																EA12				L	N	1.6	2
1023	A	AI	C	W																	EA13			L	N	2.0	10
1024	A	AI	C	L,H,E	A	A1	A2	A3																A	N	0.0	
1025	A	AI	C	L,H,E					EA1	EA2	EA3	EA4												L	N	0.4	
1026	A	AI	C	L,H,E									EA5	EA6										L	N	0.4	2
1027	A	AI	C	L,H,E											EA7	EA8	EA9							L	N	0.8	
1028	A	AI	C	L,H,E														EA10	EA11					L	N	0.8	2
1029	A	AI	C	L,H,E																EA12				L	N	1.6	2
1030	A	AI	C	L,H,E																	EA13			L	N	2.0	10