

PUBLIC

P366 'Change to Supplier Charge SP08a calculations to account for small scale non domestic Non Half Hourly hard-to read Meters'

Business Requirements



1 May 2019

Document history

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21/08/2018	0.1	Colin Berry	Chris Wood, Paulina Stelmach	Initial Draft
28/08/2018	0.2	Colin Berry	John Lucas	Peer Review
28/09/2018	0.3	Colin Berry	P366 Work Group	Second draft following peer review – for Workgroup review
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1/2/2019	0.12	Chris Wood	Colin Berry, John Lucas	Updated to include Proposer's HTR Criteria
26/4/2019	1.1	Colin Berry	John Lucas	Updated to reflect Alternate Mod replaced Proposed Mod following final workgroup

Approvals

Date	Version	Name	Role	Status
1/2/2019	1.0	Justin Andrews	ELEXON Head of Design Authority	Finalised document for publication with Assessment Procedure consultation
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1. INTRODUCTION

1.2 Purpose of document

This document contains the Business Requirements (BRs) for Balancing and Settlement Code (BSC) Modification [P366 'Change to Supplier Charge SP08a for hard-to-read sites'](#). It will form the basis on which ELEXON:

- i) procures high-level Impact Assessments, with approximate costs and timescales, from its Service Providers;
- ii) identifies the impact on its processes;
- iii) initiates the industry Consultation;
- iv) captures any changes to the BRs; and
- v) develops more detailed Solution Requirements, which will be used to procure a Detailed Level Impact Assessment from its Service Providers. This will have firm costs and timescales, and will be the basis for the design of the P366 solution.

A Glossary of Terms is included as an Appendix A to this document.

1.3 Background

When P366 was raised, it sought to correct a defect the proposer believes is in the current BSC arrangements:

Supplier Charges for Performance Assurance Reporting and Monitoring Service (PARMS) Serial SP08a¹ are being applied to Suppliers where there is limited practical possibility of obtaining a Meter reading due to reasons beyond the Supplier's control. Due to the nature of the Non Half Hourly (NHH) performance requirements, small Suppliers are most susceptible to Hard to Read (HTR) related SP08a Supplier Charges. They are unfairly disadvantaged and are less able to compete for customers with HTR sites. This is because in contrast to large Suppliers, , who have a large portfolio of customers, small Suppliers are not able to absorb HTR sites into their Settlement performance, and therefore means that they must price the SP08a cost into their Supply contract, which makes their prices less competitive. In short, P366 seeks to remove the SP08a Supplier Charges derived from HTR sites.

P366 seeks to address this defect by removing Supplier Charges for the SP08a PARMS Serial.

1.4 Scope of P366

At the third P366 Workgroup on 22 November 2018, the Proposer decided on the scope of the P366 Proposed solution and the Workgroup identified a P366 Alternative Modification solution. Following the Assessment Procedure Consultation, the Proposer adopted the Alternate solution as their Solution, meaning there become only a single P366 Proposed Solution

1.4.1 P366 Proposed requirements

The P366 Business Requirement is:

- 1) Set the SP08a Supplier Charge to £0.00 for all Suppliers in PARMS.

¹ PARMS Serial SP08a requires that each Supplier settles at least 97% of its NHH energy on Annualised Advances.

2. BUSINESS REQUIREMENTS

The following parties, documentation, processes and systems will be impacted by the P336 proposed solution requirements:

- PARMS

BR1 – The Supplier Charges for SP08a shall be set to £0.00/MWh

The Supplier Charges for serial SP08a shall be set to £0.00/MWh for all Suppliers

- 1.1 Amend BSC Section S, Annex S-1, paragraph 3.2.1 as follows:
- 3.2.1 A Supplier who fails to comply with Serial SP08a shall be liable to the charge set out in the table below against the relevant item in Serial SP08a:
- | Item in Serial SP08a (as referred to in the table in paragraph 2.2.1) | Amount per Chargeable MWh |
|---|---------------------------|
| Initial Volume Allocation Run | No Charge |
| First Reconciliation Volume Allocation Run | No Charge |
| Second Reconciliation Volume Allocation Run | No Charge |
| Third Reconciliation Volume Allocation Run | No Charge |
| Final Reconciliation Volume Allocation Run | No Charge |
- 1.2 Amend PARMS to set the Supplier Charges for SP08a to £0.00/MWh for the Third Reconciliation Volume Allocation Run and the Final Reconciliation Volume Allocation Run.

APPENDIX A – GLOSSARY OF TERMS

Term	Description
Balancing & Settlement Code (BSC)	An industry code that various types of company involved in the generation, distribution or consumption of electricity must be a signatory to and abide as required by their Licence, which specifically concerns the Balancing and Settlement activity in Great Britain.
Customer	A person to whom electrical power is provided, whether or not that person is the provider of that electrical power; and where that electrical power is measured by a Metering System;
EAC	Estimated Annual Consumption (for a Metering System)
PARMS	Performance Assurance Reporting and Monitoring System
