

## 'Half Hourly Settlement and remote communication obligations for CT Advanced Meters'

The Association of Meter Operators (AMO) has requested that it be designated a Third Party Proposer to raise a Modification Proposal. The Modification Proposal seeks to align the Advanced Meter requirement in the BSC with the requirements in the standard conditions of electricity supply licence. This will require Suppliers to settle all Advanced Meters Half Hourly and for Advanced Meters to have remote communications equipment. This will result in approximately 50k CT operated Meters moving to Half Hourly Settlement in advance of the implementation of Ofgem's Settlement Reform Significant Code Review.



ELEXON recommends the AMO is designated a Third Party Proposer



ELEXON recommends the Modification Proposal is submitted to the Assessment Procedure for an assessment by a Workgroup



ELEXON does not consider it likely that this proposal will impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Suppliers
- Meter Operator Agents (MOAs)
- Half Hourly Data Collectors (HHDCs)
- Licenced Distribution System Operators (LDSOs)
- ELEXON



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## About This Document

This document is an assessment of a request by a non-BSC Party to be designated by the BSC Panel to raise a specific Modification Proposal. It is also an Initial Written Assessment (IWA) for that Modification Proposal, which ELEXON will present to the Panel on 9 July 2020. The Panel will consider the recommendations and decide whether to designate the Third Party Applicant and if so, agree how to progress the Modification Proposal.

There are three parts to this document:

- This is the main document. It provides details of the designation request and Modification Proposal, an assessment of the potential impacts and a recommendation on designation and on how the Modification should progress, including the Workgroup's proposed membership and Terms of Reference.
- Attachment A contains the Designation Request Form.
- Attachment B contain the Modification Proposal Form.

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## Why does a non-BSC Party want to raise a BSC Modification?

The Third Party Applicant, although finding support in conversations with BSC Parties, has not been able to find a BSC Party willing to be the Proposer for the Modification Proposal. He argues that the [AMO](#) has a direct interest in assisting the industry stakeholders to meet their licence and BSC obligations. Further, that Meter Operators are keen that modern CT metering equipment is installed and operating safely. Aligning the BSC and licence obligations reduces ambiguity highlighted during provision of remote communications discussion in February 2020 during Modification [P332](#) 'Revisions to the Supplier Hub Principle'. Moreover, it will improve Settlement accuracy and bring forward the Half Hourly Settlement benefits by 2-4 years<sup>1</sup>.

## What is the issue?

As a result of [P272](#), [P300](#) and [P322](#) the BSC introduced the definition of an Advanced Meter and required former Profile Class 5-8 Metering Systems to be settled on a Half Hourly (HH) basis. This BSC definition is currently constrained to only one aspect of the advanced meter definition within the Standard conditions of electricity Supply Licence (SLC). Although the SLC requires Advanced Meters to be fitted to all Current Transformer (CT) operated Meters by the end of 2020, the BSC definition does not require these to be settled on a Half Hourly (HH) basis. Further, the Proposer contends that the current BSC obligations on the provision of remote communications equipment are not clear.

## What is the proposed solution?

This Modification seeks to align the definition of Advanced Meter in the BSC with the SLC and require all Advanced Meters to settle Half Hourly. The Proposer believes aligning the BSC and the Supplier licence will improve Settlement accuracy, reduce ambiguity and aid the transition to Market Wide Half Hourly Settlement (MHHS).

## Impacts

The Modification Proposal will impact Suppliers and their Agents as it will require Advanced Meters installed for CT operated Meters to be settled Half Hourly. We do not anticipate any changes to BSC Systems to implement this change. However, we would provide assurance oversight for the migration of these Meters from NHH to HH.

## Implementation

The Proposer has suggested that the Modification be implemented by October 2021 to allow stakeholders time to migrate the Metering Systems to Half Hourly Settlement. This approach is based on assessing and delivering the Modification to Ofgem for decision this year.

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<sup>1</sup> Based on implementing the Proposed Modification in 2021 and transitioning to Market Wide Half Hourly Settlement between 2023 and 2025.

## Recommendation

Designate the AMO to raise the attached Modification Proposal and progress to the Assessment Procedure for assessment by a Workgroup.

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## 2 Designation Request

### How does the designation process work?

This is the first designation request we have received, following the implementation of [P370](#) 'Allow the Panel to designate non-BSC Parties to raise Modifications' in April 2019. We have therefore included a brief summary of the process.

Non-BSC Parties can ask the Panel to designate them to raise a specific Modification Proposal. Industry are notified of a designation request in advance of the Panel meeting where the Panel will decide whether or not to designate. The request is presented to the Panel, along with the proposed modification.

In considering the application, the Panel may:

- before designating a person as a Third Party Proposer, conduct such consultation with Parties and interested third parties as it considers necessary;
- refuse to accept an application for designation as a Third Party Proposer, in which case we shall provide the Third Party Applicant with the Panel's reasons for such refusal and notify industry of the decision; and
- approve the request, in which case the Third Party Proposer shall be treated as a Proposer under Section F of the BSC, and we shall notify industry of the decision.

BSC Parties and the applicant may appeal the Panel decision to Ofgem.

### Designation Request

The designation request was submitted by the AMO on 22 June 2020 and can be found in Attachment A.

### Rationale for requesting designation as a Third Party Proposer

The Applicant is seeking designation because he has not been able to find a BSC Party willing to raise the Modification Proposal. The draft Modification has been circulated to AMO Members. Although some members are linked to BSC Parties no-one has come forward as a Proposer. The Modification has also been circulated directly to representatives of a number of Suppliers. None of which have offered to become the Proposer.

### Reasons why the Third Party Applicant believes that they have an interest in the Code

The AMO has a direct interest in assisting the industry stakeholders to meet their licence and BSC obligations. Meter Operators are keen that modern CT metering equipment is installed and operating safely. The recent Covid-19 restrictions on site visit data collection for the largest metering systems within the industry has reinforced the need for clear obligations on provision of remote communications equipment. Lack of remote communications equipment has had a clear detriment to accurate settlement. Aligning the BSC and licence obligations reduces ambiguity highlighted during provision of remote communications discussion in February 2020 of Modification P332 'Revisions to the Supplier Hub Principle'.

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The mandating of settlement under P272 led to a peak of addition work for several hundred thousand metering systems with a rump of 13,500 remaining as Profile Class 5-8 (as of latest [Gross Market Share data](#)). This Modification seeks to address a smaller number of Metering Systems (about 50,000) than P272, some of which are probably also part of the rump remaining from P272.

Meter Operators are keen to ensure modern and safe CT metering equipment is installed in a timely manner to meet the existing 'all reasonable steps' licence obligations by the end of 2020. Meter Operators are also keen that the obligations on provision of remote communications are clearly and unambiguously aligned between the licence conditions and the BSC to ensure a consistent application across the industry. Meter Operators benefit from mandating HH Settlement by regular remote data collection identifying metering/communication faults promptly enabling quicker resolution.

The Association of Meter Operators (AMO) is a trade association representing metering companies. The AMO members endorsed the raising of this Modification in Feb 2020.

We also received the required letter agreement, set out in [BSCP40](#).

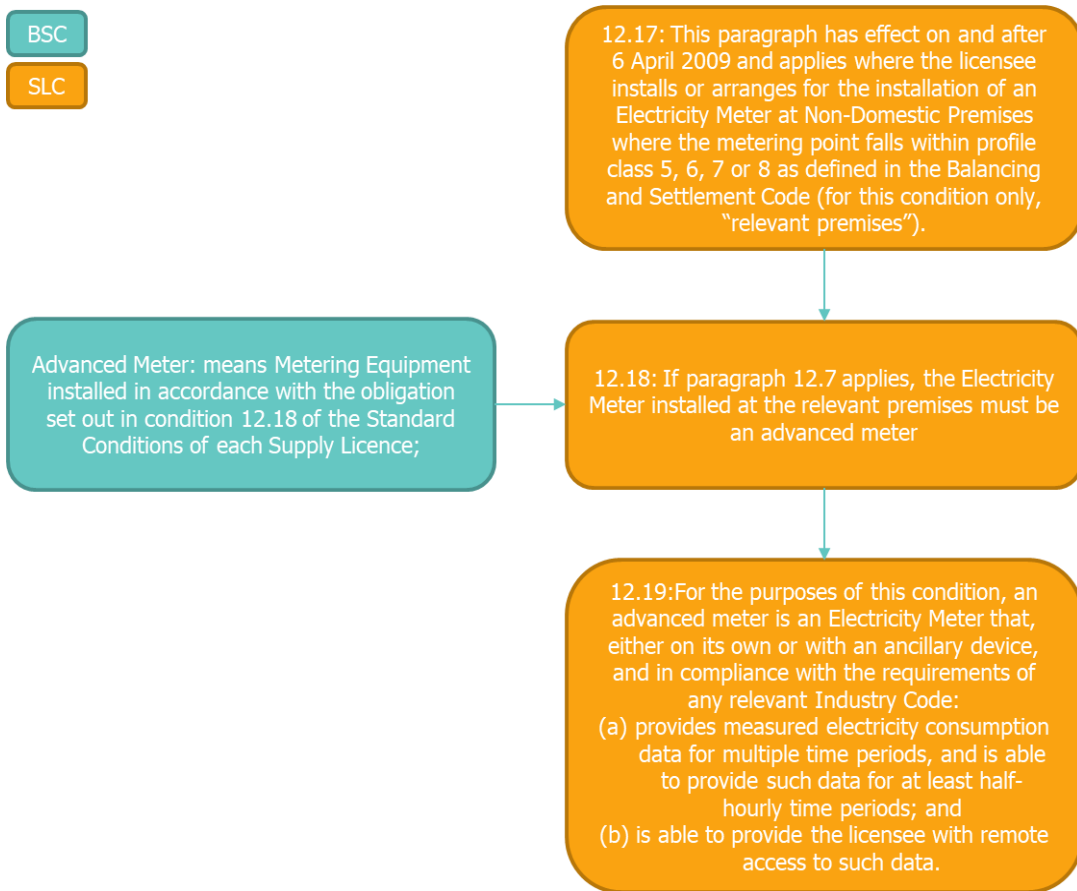
### 3 Why Change?



#### What is the issue?

The BSC definition of an Advanced Meter is constrained to Meters at non-domestic premises where the Metering Point falls within Profile Class 5-8. Section L2.2.2 of the BSC requires Advanced Meters to be settled Half Hourly. The definition of an advanced meter in the SLC is not constrained to Profile Class 5-8 Meters. The SLC also requires Advanced Meters to be fitted for CT operated Meters by the end of 2020<sup>2</sup>. However, these Advanced Meters will not be required to settle Half Hourly under the BSC (any CT operated Meters in Profile Class 5-8 should already be settled HH). The Proposer believes Advanced Meters, as defined in the SLC, should settle Half Hourly to improve Settlement accuracy and bring forward the established benefits of Half Hourly Settlement.

To understand what is meant by an Advanced Meter in the BSC and an advanced meter in the SLC it is important to take the relevant clauses together, as shown in this diagram.



The Proposer also believes it is ambiguous as to whether remote communications equipment is required to meet the definition of an Advanced Meter under the BSC, as the definition in the BSC refers only to SLC 12.18. ELEXON's view is this is covered however the definition doesn't capture Advanced CT Meters.

The proposer also believes consideration should be given to monitoring compliance of these new obligations through either new tools or repurpose the existing SP04 Supplier charge from 100kW Metering Systems to CT operated Metering Systems not settling Half Hourly.

#### What is a Profile Class?

Broadly speaking it represents the pattern of electricity usage per Half Hour for the average customer, grouped into eight categories or 'profile classes'.

In order to avoid putting Half-Hourly metering into every supply market customer, it was decided that customers below 100 kW Maximum Demand would be settled using load profiles and readings from customers' existing electricity meters.

In 1994 the 'Profiling Taskforce' set about analysing electricity consumption patterns to define the number and type of profiles to be used in Settlement. It was decided that there would be eight basic types of profiles (Profile Classes), which would be manipulated in order to model the plethora of different metering configurations that exist in the electricity supply market

<sup>2</sup> The Proposer believes Suppliers are likely to Covid-19 as an argument for being unable to reach full compliance under the reasonable steps' clause in discussion about compliance with Ofgem.

## Background

### Related Modifications

#### **P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'**

Smartest Energy raised P272 in May 2011. Ofgem approved it in October 2014 and it was implemented on 1 April 2017. P272 made HH Settlement mandatory for all Metering Systems within Profile Class 5-8.

#### **P300 'Introduction of new Measurement Classes to support Half Hourly DCUSA Tariff Changes (DCP179)'**

Electricity North West raised P300 on 5 March 2014. Ofgem approved it in October 2014, for implementation on 5 November 2015. P300 introduced new Measurement Classes for aggregated Half Hourly-settled customers (for current transformer and whole current metered domestic; and whole current non-domestic markets). P300 supported changes to Half Hourly DCUSA tariff changes ([DCP 179](#)).

#### **P322 'Revised Implementation Arrangements for Mandatory Half Hourly Settlement for Profile Classes 5-8'**

RWE npower raised P322 on 28 April 2015 and Ofgem approved it on 24 June 2015 for implementation on 3 August 2015. P322 put in place arrangements to migrate sites, classed as Profile Class (PC) 5-8 with Advanced Meters installed, to Half Hourly (HH) Settlement under the P272 obligations. P322 had the following features:

- Required start and end dates to facilitate a phased approach to implementation;
- Performance Monitoring, most likely through the existing Performance Assurance Framework (PAF); and
- An implementation approach, which considers approved Modification P272 and possible amendment to the P272 Implementation Date by the Authority.

### Electricity Settlement Reform Significant Code Review

Ofgem launched its Electricity Settlement Reform Significant Code Review (SCR), in July 2017. It aims to require Half Hourly Settlement (MHHS) for all Metering Systems that are not already required to settle Half Hourly. It is also therefore, known as Market Wide half Hourly Settlement (MHHS). HHS is expected to:

- promote innovation and competition in the energy market and give consumers the opportunity to make savings on their energy bills, e.g. by paving the way for suppliers to provide and encourage take-up of time of use and other types of smart tariffs;
- help create the right environment for more demand-side response, leading to a more efficient and secure energy system;
- help suppliers forecast demand more accurately, strengthening competition and reducing costs; and

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- make the settlement process faster and more efficient, reducing barriers to entry to the energy market.

Ofgem is reviewing its timelines in response to COVID-19. It had been expected to publish its final decision in autumn 2020.

The ELEXON-led [Design Working Group](#) (DWG) has designed the Target Operating Model (TOM) for Market-wide Half Hourly Settlement (MHHS), as well as the approach for transitioning from the current Settlement arrangements to the TOM. The TOM is a key output of Ofgem's Significant Code Review (SCR) on Electricity Settlement Reform.

On 1 October 2019, Ofgem published its preliminary decision to approve the DWG's preferred TOM and its transition approach. Further TOM development work will be undertaken by two new industry working groups during 2019-2020, both chaired by ELEXON under SCR governance. These are the:

- [Code Change and Development Group](#) - It is developing further the outstanding detailed areas of the DWG's TOM design. It will also identify, and oversee drafting of, the changes needed to Industry Codes and subsidiary documents to enable the TOM.
- [Architecture Working Group](#) - It is developing the solution architecture required to enable the DWG's TOM.

Ofgem has recently (17 June 2020) [published a consultation](#) on issues relating to the introduction of market-wide half-hourly settlement (MHHS) across the electricity retail market. On page 68 is a plan showing MHHS migration starting in 2023 and concluding by 2025.

### Proposed solution

The definition of the Advanced Meter in the BSC differs from that in the SLC. This Modification seeks to align the requirements for CT operate Metering Systems to ensure clarity for all stakeholders and customers and to require the impacted Meters to settle Half Hourly.

The current BSC definition of Advanced Meter in the BSC constrains the definition to only SLC 12.18 as follows:

*"Advanced Meter": means Metering Equipment installed in accordance with the obligation set out in condition 12.18 of the Standard Conditions of each Supply Licence;*

It is proposed to remove this limitation so that the BSC definition includes Advanced Meters installed as a result of any of the SLC references to Advanced Meters, notably 12.17 to 12.29, and condition 39.5 to 39.22. In practice extending the definition will include within scope an estimated additional 50,000 CT operated Metering Systems.

The exact wording is subject to legal advice and the views of the Workgroup.

### Desired outcomes

The Proposer desires three main outcomes:

- settle all CT operated Metering Systems on a HH basis by a date beyond the end of 2020 to allow migration, such as October 2021;
- introduce an explicit BSC requirement to require all CT operated Metering Systems to have remote Communications; and
- monitoring of compliance through a mechanism, such as a repurposed SP04.

### Benefits

P272 identified the benefits of mandating Profile Class 5-8 Metering Systems to be settled Half Hourly. Further, Ofgem, in its Outline Business Case, said the expected benefits of MHHS considerably exceeded the expected costs, therefore it anticipated that its decision would be how and when, not whether, to introduce MHHS. This has been further supported by its recent impact assessment.

Ofgem is currently consulting on the results of the impact assessment and its MHHS plans more generally. Ofgem believes that in conjunction with other policy changes, MHHS will enable system wide benefits by minimising the need for investment in generation and network capacity and making it easier to incorporate intermittent renewable generation into the network, reducing costs and enabling a lower-carbon system.

The Proposer believes his proposal will enable a smoother transition to MHHS, whilst bringing forward the benefits (and costs) for the CT operated Meters. The proposal will therefore:

- Improve Settlement accuracy through mandated Half Hourly Settlement for all Advanced Meters;

- Bring forward the wider, non-BSC direct and indirect benefits detailed in Ofgem’s [impact assessment](#); and
- Will provide clarity and alignment between the BSC and the SLC on the provision of remote communications to Advanced Meters.



## Applicable BSC Objectives

The Proposer believes the proposal will better facilitate the achievement of Applicable BSC Objectives (c) and (d):

### Applicable BSC Objective (c)

By increasing the amount of energy which is settled Half Hourly, the proposal will enable Suppliers to offer customers greater flexibility to load shift (enabling Suppliers to offer more innovative tariffs to customers based on time or use). This will result in lower costs, and reduce barriers to entry, therefore increasing competition.

### Applicable BSC Objective (d)

HH Settlement is more efficient than NHH Settlement, due to more accurate data. Further, BSC assurance costs should reduce over time, as HH Settlement allows of earlier identification and rectification of issues by Suppliers.

## Implementation approach

The Proposer has indicated that, subject to the Modification being considered by industry during 2020, the obligations should be included by Oct 2021 to allow stakeholders time to migrate the Metering Systems to Half Hourly Settlement.

We believe this is achievable if a cost-benefit analysis is not required and subject to industry impact assessment.

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### What are the Applicable BSC Objectives?

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(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(c) Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

(f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

(g) Compliance with the Transmission Losses Principle

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## 5 Areas to Consider

Subject to the Panel designating the AMO to raise the Modification Proposal, we highlight, in this section, areas which we believe the Panel should consider when making its decision on how to progress this Modification Proposal, and which a Workgroup should consider as part of its assessment.

We recommend, in addition to the [standard Workgroup Terms of Reference](#), that the areas below form the basis of a Workgroup's Terms of Reference, supplemented with any further areas specified by the Panel.

### Interaction with P272

The Modification Proposal has many similarities to P272, including the issue, solution and costs and benefits. The Workgroup should determine the extent of these similarities and how much of this proposal can be based on the P272 (and relates Modifications) solution.

It should be confirmed whether the solution targets domestic and non-domestic or only non-domestic, as was the case for P272. The SLC requires all CT Meters to also be an advanced meter by the end of 2020, regardless of whether the supply is for domestic, non-domestic or whether it is a designated premises.

### Supplier impacts/benefits

The P272 costs benefit analysis (CBA) identified potential median net benefits of £25m (see [P272 Final Modification Report](#) for details). Ofgem also conducted its own [impact assessment and consultation on P272](#) to inform its [P272 decision](#), as part of its wider statutory duties. This assessment also supported the case for mandating Half Hourly Settlement for Profile Class 5-8 Meters. Ofgem is [currently consulting](#) on the impacts of moving to MHHS, with responses due by 14 September 2020.

The Workgroup will need to consider whether a CBA will be needed for this Modification, and if so, what approach to adopt.

### Migration and assurance

The Workgroup should consider how long Suppliers should have to migrate the impacted Meters to Half Hourly Settlement. The Proposer has suggested a one year period, which is in line with the latest [Ofgem Settlement Reform Programme Plan](#). This should include consideration of whether migration plans will be required and if so, whether they should be overseen and managed by the Performance Assurance Board (PAB) and ELEXON, as was the case for the P272 migration.

More generally the Workgroup should consider what reporting and monitoring will be required and the impact on the Settlement Risks from implementing and not implementing the proposal. For example, Performance Assurance Reporting and Monitoring System ([PARMS](#)) [Serial SP04](#) 'Installation of Half Hourly (HH) Metering' may need to change. SP04 charges Suppliers for any failure to install a Half Hourly Metering System where an existing Non Half Hourly Metering System meets a given threshold, known as 100kW maximum demand. The Proposer has suggested therefore that SP04 Supplier charge could be repurposed from 100kW Metering Systems to CT operated Metering Systems not settling Half Hourly and in doing so amend the 100kW definition.

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## Interactions with the Settlement Reform SCR

This Modification impacts Ofgem's Settlement Reform SCR and its impact assessment that is currently open because the Meters that this Proposal seeks to migrate to Half Hourly Settlement is within scope of the SCR. The Workgroup should provide its views on this interaction and articulate the advantages and disadvantages of mandating the settling of the impacted Meters in advance of the SCR.

More generally the Workgroup should confirm that the Modification does not impact any other significant programmes of work or other codes.

## Measurement Classes and Network Charging

P272 required changes to the Distribution Use of System (DUoS) charges and new Measurement Classes to facilitate accurate DUoS billing. Our initial assessment is that no new or amended Measurement Classes will be required or changes to DUoS. The Half Hourly settled volumes from the migrated Meters should flow through the existing processes and data flows. This should be confirmed as part of the Assessment Procedure.

## Areas to consider

The table below summarises the areas we believe a Modification Workgroup should consider as part of its assessment:

Areas to Consider
What interactions does the proposal have with the P272, P300 and P322 solutions?
What interactions does the proposal have with the Settlement Reform SCR and other significant programmes of work?
Assessment of the costs and benefits, where possible and needed
Does the modification impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL objectives?
What is the appropriate migration approach?
What changes are needed for monitoring and reporting of the transition of the Metering Systems?
What impact does the proposal have on other codes?
How will the proposal impact the BSC Settlement Risks?
What changes are needed to BSC documents, systems and processes to support the proposal and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?
Are there any Alternative Modifications?
Should the proposal be progressed as a Self-Governance Modification?
Does the proposal better facilitate the Applicable BSC Objectives than the current baseline?

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### Next steps

We recommend this proposal progresses to the Assessment Phase and follow the timetable below.

### Self-Governance

We recommend that this Modification should not be considered suitable for Self-Governance and should be sent to the Authority for approval, as it will likely have a material impact on:

- Existing or future electricity consumers; and
- Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity;

This Modification should not be Urgent or Fast-Track as there are not expected to be any consequences of not implementing in the normal way.

### Workgroup membership

We recommend the Workgroup comprise of participants who have expertise or experience in the following areas:

- Settlement processes;
- Performance Assurance processes;
- Metering processes; and
- Change of Measurement Class activities

In particular, we believe that members of the P272, P300, P320 and P322 Workgroups should be included, as well as PAB and Supplier Volume Allocation Group (SVG) members. The Workgroup should also be open to any other relevant experts and interested parties.

At this stage we do not believe the Modification is likely to impact EBGL terms and conditions contained in the BSC, however if this transpires not to be the case the Workgroup will need to contain expertise in EBGL matters.



#### **What is the Self-Governance Criteria?**

A Modification that, if implemented:

- (a) is unlikely to have a material effect on:
  - (i) existing or future electricity consumers; and
  - (ii) competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity; and
  - (iii) the operation of the national electricity transmission system; and
  - (iv) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
  - (v) the Code's governance procedures or modification procedures; and
- (b) is unlikely to discriminate between different classes of Parties.

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## Timetable

Proposed Progression Timetable	
Event	Date
Present Initial Written Assessment to Panel	7 July 20
Workgroup Meeting 1	W/B 24 August 20
Workgroup Meeting 2	W/B 21 September 20
Assessment Procedure Consultation	28 September 20 – 16 October 20
Workgroup Meeting	W/B 2 November 20
Present Assessment Report to Panel	12 November 20
Report Phase Consultation	16 November 20 – 27 November 20
Present Draft Modification Report to Panel	10 December 20
Issue Final Modification Report to Authority	17 December 20

The timetable has been put together on the basis the Proposer does not believe we need a Cost Benefit Analysis, although acknowledges this will be determined by the Workgroup. ELEXON believe there is a case for a Cost Benefit Analysis and we have proposed the below plan as mitigation if this is required:

Proposed Progression Timetable	
Event	Date
Present Initial Written Assessment to Panel	7 July 20
Workgroup Meeting 1	W/B 17 August 20
Workgroup Meeting 2 (to consider Terms of Reference)	W/B 21 September 20
Costs and Benefits Consultation	5 October 20 – 30 October 20
Workgroup Meeting 3 – Review CBA responses	W/B 9 November 20
Workgroup Meeting 4 – Discuss CBA and WG3 ToR	W/B 7 December 20
Cost Benefit Analysis	4 January 21 – 29 January 21
Workgroup Meeting 5 – Consider CBA responses	W/B 22 February 20
Workgroup Meeting 6 – Review Legal Text	W/B 29 March 20
Assessment Procedure Consultation	26 April 21 – 21 May 21
Workgroup Meeting 7 – Review Responses and Final Views	W/B 31 May 21
Present Assessment Report to Panel	8 July 21
Report Phase Consultation	12 July 21 – 6 August 21
Present Draft Modification Report to Panel	9 September 21
Issue Final Modification Report to Authority	16 September 21

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For both of these plans we are concerned that the same ELEXON resource will be needed to support the Modification as the SCR resulting in resource constraints. We are investigating ways to mitigate this risk.

At this stage we do not believe the modification is likely to impact the EBGL provisions held within the BSC, however if it does the Report Phase Consultation will need to be one month in duration.

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## 7 Likely Impacts

Impact on BSC Parties and Party Agents	
Party/Party Agent	Potential Impact
Suppliers	<p>In line with P272, Suppliers will need to update their customer and Agent contracts as part of the transition from NHH to HH Settlement. This may require them to change Agents and may require them to update their forecasting, pricing and billing systems.</p> <p>Suppliers will need to engage in Change of Measurement Class activities.</p> <p>This proposal could require Suppliers to submit migration plans to the PAB for approval and provide monthly updates on the progression. Any diversion from approved plans may result in escalation and application of Performance Assurance Techniques.</p>
LDSOs	<p>LDSO's will need to calculate site specific Distribution use of System (DUOS) for any new non-domestic HH CT Meters. NHH is currently not site specific. This will increase the volume in work the LDSO needs to do and they may need to implement new or different processes to calculate site DUOS for the former PC 1-4 market which has a different demand to (the former) 5-8 market but will be in the same Measurement Class at HH.</p>
HHDCs	<p>The increase in the number of HH Metering Systems will likely have an impact on HHDCs, who may need to support the migration plans of Suppliers.</p> <p>HHDCs will need to engage in Change of Measurement Class activities.</p>
NHHDCs	<p>In line with P272, existing NHH-only Agents will need to requalify for HH should they wish to continue to act as an Agent.</p> <p>Agents for sites with CT metering equipment installed.</p> <p>NHHDCs will need to engage in Change of Measurement Class activities.</p>

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### Impact on BSC Parties and Party Agents

Party/Party Agent	Potential Impact
MOAs	<p>In line with P272, existing NHH-only Agents will need to requalify for HH should they wish to continue to act as an Agent for sites with CT metering equipment installed.</p> <p>The increase in the number of HH Metering Systems will likely have an impact on MOAs, who may need to support the migration plans of Suppliers.</p> <p>MOAs will need to engage in Change of Measurement Class activities.</p> <p>Any meters identified to have no available remote communications will need to be fixed or enabled.</p> <p>There will also be the reprogramming of some Meters that don't currently have HH AI channels in them and probably the removal of Time of Use NHH channels to ensure enough space in the Meter.</p>

### Impact on Transmission Company

None anticipated at this stage.

### Impact on BSCCo

Area of ELEXON	Potential Impact
BSC Change	Implement the modification
Performance Monitoring and Compliance functions	It is expected that ELEXON will need to provide monitoring and reporting of participant plans and support the PAB in its decisions.

### Impact on BSC Settlement Risks

This proposal may impact BSC Settlement Risks and this will be assessed as part of the development of the solution.

### Impact on BSC Systems and processes

BSC System/Process	Potential Impact
None anticipated at this stage.	

### Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	Potential Impact
None anticipated at this stage.	

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Impact on Code	
Code Section	Potential Impact
Section L	To include obligations for provision of Communications Equipment for CT operated Metering Equipment.
Section S	The opportunity could be used to remove the now unnecessary text in 2.6.1A & 2.6.1B with associated references to P272 Implementation Date, which has now passed. Or the workgroup may consider repurposing the approach used by P272 to implement this change.
Section S – Annex S-1	Could be modified to repurpose the Supplier Charge SP04 to encourage compliance with the revised CT operated Metering Systems requirements.
Section X - Annex X-1	Align definition of Advanced meter with SLC

Impact on EBGL Article 18 terms and conditions and objectives
None anticipated at this stage

Impact on Code Subsidiary Documents	
CSD	Potential Impact
TBC	To be identified during solution development.

Impact on other Configurable Items	
Configurable Item	Potential Impact
TBC	To be identified during solution development.

Impact on Core Industry Documents and other documents	
Document	Potential Impact
Ancillary Services Agreements	None anticipated at this stage
Connection and Use of System Code	
Data Transfer Services Agreement	
Distribution Code	
Distribution Connection and Use of System Agreement	
Grid Code	
Master Registration Agreement	

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### Impact on Core Industry Documents and other documents

Document	Potential Impact
Supplemental Agreements	
System Operator-Transmission Owner Code	
Transmission Licence	
Use of Interconnector Agreement	

### Impact on a Significant Code Review (SCR) or other significant industry change projects

This Modification impacts Ofgem's Settlement Reform SCR and its impact assessment that is currently open because the Meters that this Proposal seeks to migrate to Half Hourly Settlement is within scope of the SCR.

### Impact on Consumers

Consumers with CT metering may be exposed to different charging methodologies dependent upon their agreement with Suppliers as HH charges and contracts can be different to NHH.

### Impact on the Environment

None anticipated at this stage

## 8 Recommendations

We invite the Panel to:

- **DESIGNATE** the AMO to raise the attached Modification Proposal;
- **AGREE** that the proposal progresses to the Assessment Procedure;
- **AGREE** the proposed Assessment Procedure timetable;
- **AGREE** the proposed membership for the Workgroup; and
- **AGREE** the Workgroup's Terms of Reference.

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## Appendix 1: Glossary & References

### Acronyms

Acronyms used in this document are listed in the table below.

Acronym	
Acronym	Definition
AI	Active Import
AMO	Association of Meter Operators
CBA	Cost Benefit Analysis
CT	Current Transformer
DCUSA	Distribution Connection and Use of System Agreement
DTC	Data Transfer Catalogue
DUOS	Distribution use of System
DWG	Design Working Group
HH	Half Hourly
IWA	Initial Written Assessment
LDSO	Licensed Distribution System Operator
MHHS	Market Wide Half Hourly Settlement
NHH	Non Half Hourly
PAB	Performance Assurance Board
PAF	Performance Assurance Framework
PARMS	Performance Assurance Reporting and Monitoring System
PC	Profile Class
SCR	Significant Code Review
SLC	Supplier Licence Conditions
SVG	Supplier Volume Allocation Group
TOM	Target Operating Model

### External links

A summary of all hyperlinks used in this document are listed in the table below.

All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
4	AMO	<a href="https://meteroperators.org.uk/">https://meteroperators.org.uk/</a>
4	P332	<a href="https://www.elexon.co.uk/mod-proposal/p332/">https://www.elexon.co.uk/mod-proposal/p332/</a>

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External Links		
Page(s)	Description	URL
4	P272	<a href="https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/">https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/</a>
4	P300	<a href="https://www.elexon.co.uk/mod-proposal/p300/">https://www.elexon.co.uk/mod-proposal/p300/</a>
4	P322	<a href="https://www.elexon.co.uk/mod-proposal/p322/">https://www.elexon.co.uk/mod-proposal/p322/</a>
6	P370	<a href="https://www.elexon.co.uk/mod-proposal/p370/">https://www.elexon.co.uk/mod-proposal/p370/</a>
7	Gross Market Share Data	<a href="https://www.elexon.co.uk/data/key-data-reports/gross-supplier-market-share-data-reports/">https://www.elexon.co.uk/data/key-data-reports/gross-supplier-market-share-data-reports/</a>
7	BSCP40	<a href="https://www.elexon.co.uk/csd/bscp40-change-management/">https://www.elexon.co.uk/csd/bscp40-change-management/</a>
9	DCP 179	<a href="https://www.dcusa.co.uk/change/amending-the-cdcm-tariff-structure/">https://www.dcusa.co.uk/change/amending-the-cdcm-tariff-structure/</a>
10	Design Working Group	<a href="https://www.elexon.co.uk/group/design-working-group/">https://www.elexon.co.uk/group/design-working-group/</a>
10	Code Change and Development Group	<a href="https://www.elexon.co.uk/group/code-change-and-development-group-ccdgc/">https://www.elexon.co.uk/group/code-change-and-development-group-ccdgc/</a>
10	Architecture Working Group	<a href="https://www.elexon.co.uk/group/architecture-working-group-awg/">https://www.elexon.co.uk/group/architecture-working-group-awg/</a>
10	MHHS	<a href="https://www.ofgem.gov.uk/system/files/docs/2020/06/mhhs_draft_impact_assessment_consultation_-_final_-_published_17_june_2020.pdf">https://www.ofgem.gov.uk/system/files/docs/2020/06/mhhs_draft_impact_assessment_consultation_-_final_-_published_17_june_2020.pdf</a>
12	Ofgem Impact Assessment	<a href="https://www.ofgem.gov.uk/system/files/docs/2020/06/mhhs_draft_impact_assessment_-_final_-_published_17_june_2020.pdf">https://www.ofgem.gov.uk/system/files/docs/2020/06/mhhs_draft_impact_assessment_-_final_-_published_17_june_2020.pdf</a>
13	Standard Workgroup Terms of Reference	<a href="https://www.elexon.co.uk/wp-content/uploads/2020/01/Standard-Workgroup-Terms-of-Reference.pdf">https://www.elexon.co.uk/wp-content/uploads/2020/01/Standard-Workgroup-Terms-of-Reference.pdf</a>
13	Ofgem Settlement Reform Programme Plan	<a href="https://www.ofgem.gov.uk/system/files/docs/2020/06/mhhs_draft_impact_assessment_consultation_-_final_-_published_17_june_2020.pdf">https://www.ofgem.gov.uk/system/files/docs/2020/06/mhhs_draft_impact_assessment_consultation_-_final_-_published_17_june_2020.pdf</a>
13	PARMS SP04	<a href="https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-techniques/supplier-charges/">https://www.elexon.co.uk/reference/performance-assurance/performance-assurance-techniques/supplier-charges/</a>

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