

MINUTES

MEETING NAME Supplier Volume Allocation Group

Meeting number 235

Date of meeting Tuesday 1 September 2020

Venue Teleconference

Classification Public

ATTENDEES AND APOLOGIES

Attendees	Oliver Meggitt	Chairman
	Sarah Ross	Vice Chairman
	Roan Chavez	Technical Secretary
	Freya Gardner	ELEXON, presenter
	Paul Wheeler	ELEXON, presenter
	Andrew Grace	ELEXON, presenter
	Nicholas Brocklesby	ELEXON, presenter
	Faysal Mahad	ELEXON, presenter
	Nicholas Rubin	ELEXON, observer
	Beth Procter	ELEXON, observer
	Damian Clough	ELEXON, observer
	Elliot Harper	ELEXON, observer
	Jon Spence	ELEXON, observer
	Stephen Newsam	ELEXON, observer
	Derek Weaving	Industry Member
	James Evans	Industry Member
	Gareth Evans	Industry Member
	Ian Hall	Industry Member
	Vijay Chikoti	Industry Member
	Simon Yeo	Distribution System Operators Representative (Alternate)
Terry Carr	Industry Member	
Tom Edwards	Panel Sponsor	

Apologies	Paul Hart	Distribution System Operators Representative
	Kevin Woollard	Industry Member
	Jamie Greening	Industry Member
	Peter Stanley	ELEXON, Executive Sponsor
	Phil Russell	Industry Member

CONFIDENTIAL SESSION – DECISION PAPERS

1. LLF Methodology Audit Report – (SVG235/02)

- 1.1 This paper presented the Line Loss Factor (LLF) Methodology Statements submitted by Licensed Distribution System Operators (LDSOs), in accordance with BSCP128.
-

MINUTES

1.2 The SVG:

- a) **APPROVED** the six Host LDSOs' methodologies, noting the changes made to all six from last year;
- b) **NOTED** Embedded LDSOs' intention to Mirror the Host LDSOs' LLFs with the exception of one who will be calculating their own site-specific LLFs; and
- c) **NOTED** that the Host LDSO methodologies will be presented to the ISG at its 1 September 2020 meeting.

OPEN SESSION – DECISION PAPERS

2. MDD Change Requests for Version 302 – (SVG235/01)

- 2.1 This paper invited the Supplier Volume Allocation Group (SVG) to approve 11 General Change Requests, and note eight Fast Track Change Requests, for implementation in Version 302 of Market Domain Data (MDD) with a go-live date of 16 September 2020. The paper also invited the SVG to approve four General Change Requests that have been submitted to support the implementation of [Ofgem's Targeted Charging Review \(TCR\) Significant Code Review \(SCR\)](#), for implementation in Version 303 of MDD with a go-live date of 21 October 2020.
- 2.2 An SVG Member asked why the MP IA refers to TCR while ELEXON's consultation documents refer to DCP326. ELEXON responded that the TCR and DCP326 are distinct changes that both have an impact on MDD. ELEXON added that TCR changes will have more significant impacts on MDD, LLFs and valid combination sets as it will expand the number of LLFCs and valid combination sets, whereas DCP326 may be aiming to simplify processes. The Distribution System Operators (DSO) Representative added that DCP326 is the rationalisation of LLF requirements.
- 2.3 An SVG Member agreed with ELEXON's response. The SVG Member added that the Radio Teleswitch Service (RTS) Change will focus on certain DNOs, whereas the TCR is a significant industry-wide change.
- 2.4 An SVG Member noted that Ofgem's TCR decision document stated that a flat network-based, rather than volume-based, charging cost will be assigned to domestic customers. The SVG Vice Chair responded that this solution to implement the TCR was not ELEXON's preferred option, however, it was chosen due to the time pressure of the implementation date. The DSO Representative added that the TCR is only considering the residual volumes and the charging of domestic customers for these volumes. The SVG Member responded that for the purposes of protecting the integrity of Settlement, the proposed approach is not suitable, even though it meets the required timescales. The SVG Member added that the impact of significant proliferation of LLFCs on Market Participants and MDD updates is unknown. The SVG Vice Chair noted that the RFI responses echo the SVG Member's concerns.
- 2.5 The SVG Member also noted that the RFI only received 19 responses and therefore many Suppliers may be unaware of the approach for the TCR changes. The SVG Chair responded that ELEXON have informed Suppliers via the Operational Support Managers (OSMs) to gather responses from as many Market Participants as possible.
- 2.6 The SVG Member stated they feel that the SVG is in an invidious position, where they can either approve the TCR changes due to pressures from Ofgem and DCUSA or reject the TCR changes as the full impact on Settlement is unknown. Another SVG Member expressed support for these views.
- 2.7 ELEXON responded that during the early stages of TCR, the Energy Networks Association (ENA) held implementation workshops with LDSOs and Suppliers, who were therefore involved in the early stages of designing the solution. In the workshops, ELEXON advocated for solutions other than LLFC creation. However, considering the Faster Switching Programme, LDSOs determined it would be easier to create new LLFCs, rather than new registrations.

MINUTES

- 2.8 The SVG Vice Chair asked if the SVG's preference is for ELEXON to demonstrate that a significant majority of Market Participants have performed testing, if the concern is around the wider market being able to load the files. An SVG Member agreed with this.
- 2.9 An SVG Member stated they do not believe that the SVG, but the Panel, should have the authority to make a determination on the implementation of TCR changes. The SVG Member added that the SVG previously agreed that LLFCs should not be used as a billing solution and that loading MDD updates is a manual process. The Panel Sponsor responded that the SVG has been provided with all the necessary information to make a determination. The SVG Chair added that, ultimately, the Panel delegated authority to the SVG for making SVA-related decisions. The SVG Member responded that the Distributors and Ofgem are unaware of the unquantified risk both to Settlement and non-Settlement processes.
- 2.10 ELEXON noted that they have considered the impact on Settlement but have not properly understood the scale of the potential impact until recently until submissions have been made. They are working to understand the impacts on both Settlement and non-Settlement processes. ELEXON reiterated that the early TCR discussions also advocated for new registrations, rather than LLFC creation.
- 2.11 An SVG Member raised concerns around the impact on Settlement. The SVG Member added that they believed the SVG's role was to ensure that Settlement was robust and accurate, rather than to take views on Settlement and policies which are undertaken and delivered by Parties outside the BSC. The SVG Chair acknowledged that part of this is policy decision-making which is indeed outside of the SVG's role. An SVG Member agreed with the SVG Member's view.
- 2.12 The Panel Sponsor noted that the TCR changes are not a BSC Modification, nor does it fall under the Panel's objectives on competition, market access, etc. Therefore TCR changes are a matter for Settlement, rather than policy. They therefore encouraged the SVG to reach a decision rather than to defer the decision to the Panel. An SVG Member responded that TCR changes need to be delivered in order to enable policy.
- 2.13 An SVG Member queried whether there is any risk to Settlement if there are mitigating actions. ELEXON responded that the issue is that the size and probability of the risk is not fully understood. The SVG Chair noted that while billing is a risk, it is not part of the Settlement process. The SVG Vice Chair added that as a result of the TCR changes, the risk to settlement will increase at the end of the plan due to the file size being accumulative.
- 2.14 The SVG Chair asked whether there is further information from Parties, Ofgem or other industry bodies that would enable the SVG to make a decision to approve or reject. The SVG Vice Chair added that it is very unlikely that all industry testing will have taken place by the SVG meeting in October 2020. ELEXON added that Ofgem have been aware of the challenges and are analysing the schedule for the changes. An SVG Member stated it is the Panel who should make a decision as this decision would be against the SVG's Terms of Reference which are provided by the Panel. Another SVG Member agreed with this SVG Member's view.
- 2.15 The Panel Sponsor stated that the Panel would advise that it is a decision for the SVG. However, they can highlight the SVG's concerns and views to the Panel. An SVG Member responded that if the Panel advise it is a decision for the SVG, then they should broaden the scope of the SVG's Terms of Reference. ELEXON added that a deferral or referral to the Panel gives the industry more time to evaluate the impacts.
- 2.16 The SVG Member added that if the Panel amends the terms of reference to allow the SVG to approve the TCR changes, they would be willing to make a decision via ex-Committee. The SVG Chair responded they will also ask the Panel for guidance on Terms of Reference around wider industry impacts and potential changes to the terms of references and the decision for the four General Change requests will be referred to the Panel.
- 2.17 The SVG:
- a) **APPROVED** 11 General Change Requests for implementation in MDD 302 with a go-live date of 16 September 2020;

MINUTES

- b) **NOTED** eight Fast Track Change Requests for implementation in MDD 302 with a go-live date of 16 September 2020; and
- c) **REJECTED**, by majority of five out of six, four General Change Requests for implementation in MDD 303 with a go-live date of 21 October 2020. The matter will be referred to the BSC Panel at their meeting on 10 September 2020.

3. CP1531 'Additionally provide the TUoS Report to National Grid ESO at the II Settlement Run' Assessment Report – (SVG235/03)

- 3.1 ELEXON presented the CP Assessment Report for CP1531. The SVG considered the proposed solution and the responses received to the CP Consultation.
- 3.2 An SVG Member stated that during the July SVG meeting (SVG233/04), the SVG previously challenged the implementation cost of £53,000. An SVG Member added that the cost would fall on Suppliers who would receive little or no benefit. ELEXON responded that the indirect benefit to Suppliers is that National Grid ESO (NGESO) would be able to provide the II Settlement Run data at an earlier stage, thereby providing Suppliers with an indicative view of costs. ELEXON added that this is the most viable way to make the data available at an earlier stage.
- 3.3 An SVG Member queried why the implementation cost was £53,000. ELEXON responded they have consulted with their service providers and that there are interdependencies with other Changes and system. This approach ensures that the CP can be delivered on the implementation date of 1 April 2021. ELEXON added that NGESO could send the data via D0081 files but more changes would be needed to enable Suppliers to receive the file. ELEXON added that the Panel are keen to have cost projections that are truly reflective.
- 3.4 An SVG Member asked whether there would be any repercussions or additional costs if ELEXON does not deliver the CP by the deadline. ELEXON responded that whilst the cost may be viewed as a stand-alone change, it also feeds in to costs of other Changes, e.g. P383 'Enhanced reporting of demand data to the NETSO to facilitate CUSC Modifications CMP280 and CMP281'. ELEXON stated they are confident that the change can be delivered by the deadline for the proposed implementation cost.
- 3.5 The SVG:
 - a) **APPROVED** the proposed changes to BSCP508 for CP1531; and
 - b) **APPROVED** CP1531 for implementation on 1 April 2021 as part of an ad-hoc April 2021 BSC Release.

4. CP1534 'Introduce Change of Supplier (CoS) - No Meter Process' Assessment Report – (SVG235/04)

- 4.1 ELEXON presented the CP Assessment Report for CP1534. The SVG considered the proposed solution and the responses received to the CP Consultation.
- 4.2 An SVG Member asked for clarification on the issue that CP1534 is trying to solve. The SVG Member added that formalising the process could create more issues. ELEXON responded that most Market Participants have a process for performing a CoS for a site without a Meter. The Issue Group recognised that some Agents do not act in accordance with the Meter Technical Details (MTDs) received and that this issue needed to be addressed. For instance, Agents would request the meter reading history for a site with no meter. The CP is such that it would not cause issues for Market Participants with an existing process but would introduce a process for those without one.
- 4.3 An SVG Member stated they attended the Issue Group and would be supportive of the CP. The SVG Member added there seemed to be a requirement for the process for a mixture of Party Agents and Suppliers. Another SVG Member supported this view.
- 4.4 The SVG:

MINUTES

- a) **APPROVED** the amendments to the proposed redlining for BSCP502, BSCP504 and BSCP514 for CP1534 made following the CP Consultation;
- b) **APPROVED** the proposed changes to BSCP502, BSCP504 and BSCP514 for CP1534; and
- c) **APPROVED** CP1534 for implementation on 25 February 2021 as part of the February 2021 Release.

5. CP1532 'Reduce Half Hourly Change of Supplier timelines to meet the Initial Settlement Run' Assessment Report – (SVG235/05)

5.1 ELEXON presented the CP Assessment Report for CP1532. The SVG considered the proposed solution and the responses received to the CP Consultation.

5.2 The SVG:

- a) **AGREED** the amendments to the proposed redlining for BSCP502, BSCP504 and BSCP514 for CP1532 made following the CP Consultation;
- b) **APPROVED** the proposed changes to BSCP502, BSCP504 and BSCP514 for CP1532;
- c) **APPROVED** CP1532 for implementation on 24 February 2022 as part of the February 2022 BSC Release; and
- d) **NOTED** that:
 - o The Implementation Date has been extended from 25 February 2021 in response to consultation responses.

6. CP1533 'Mandatory Sending of D0052 for DCC serviced SVA NHH Metering Systems' Assessment Report – (SVG235/06)

6.1 ELEXON presented the CP Assessment Report for CP1533. The SVG considered the proposed solution and the responses received to the CP Consultation.

6.2 An SVG Member noted that since the beginning of COVID-19 developments, CP Consultations have not received many responses. ELEXON responded that they have created a Change prioritisation approach which will continue until October 2020. ELEXON has been limiting the BSC Changes, particularly ones which would have large impacts on Market Participants. However, ELEXON believes a good level of response is still being received. The SVG Member added that it would be useful for ELEXON to reach out to Market Participants to ask about the limitations on providing responses.

6.3 The SVG:

- a) **APPROVED** the proposed changes to BSCP504 for CP1533; and
- b) **APPROVED** CP1533 for implementation on 25 February as part of the scheduled February 2021 Release.

7. CP1537 'Extending the timescales for agreeing Technical Assurance of Performance Assurance Parties (TAPAP) Findings Reports' Progression Paper – (SVG235/07)

7.1 ELEXON presented the new Change Proposal (CP) CP1537 and outlined the proposed progression timetable for this change, including when it will be issued for CP Consultation in the next suitable Change Proposal Circular (CPC) batch.

7.2 ELEXON stated that the CP Consultation will be issued on 7 September 2020 with a deadline of 2 October 2020 for responses.

7.3 The SVG:

- a) **NOTED** that CP1537 has been raised;

MINUTES

- b) **NOTED** the proposed progression timetable for CP1537;
- c) **PROVIDED** any comments or additional questions for inclusion in the CP Consultation; and
- d) **NOTED** that CP1537 was presented to the PAB on the 27 August 2020 and the recommendations were approved.

8. CP1530 'Introduction of a formalised process for the validation of measurement transformer ratios by ELEXON' Update

- 8.1 ELEXON presented an update to Change Proposal (CP) CP1530. ELEXON noted following the presentation of CP1530 Progression Paper at the July SVG meeting, CP1530 was issued for consultation on 14 July 2020, with a response deadline of 10 August 2020. ELEXON added CP1530 consultation responses highlighted some clarifications that would be needed to the CP1530 solution. As a consequence, ELEXON has updated the CP1530 solution. ELEXON noted some aspects of the updates constitute to a material amendment and therefore recommend CP1530 be re-issued for a second industry consultation.
- 8.2 The SVG Chair noted that whilst a full data cleanse by Market Participants would be the ideal approach, the industry is currently unable to support this. This is due to the workload that would be introduced, in addition to that from the REC. For instance, Market Participants would need to visit legacy sites, including those where information has been misplaced, to determine the measurement transformer ratios. ELEXON added, however, that this CP is the first step in determining the number of transformer ratios that need to be created.
- 8.3 ELEXON stated that respondents to the BSC and DCP CPs stated they would face difficulties in implementing the two CPs at the same time, considering the number of industry changes currently being progressed. The respondents suggested implementing the BSC CP in February 2021 and the DTC CP in June 2021.
- 8.4 An SVG Member noted they did not see an overwhelming support from industry for CP1530.
- 8.5 An SVG Member queried whether ELEXON's view has changed on which list they would support. ELEXON responded that following further engagements with LDSOs, they now recommend a national list, rather than a distributor list. The SVG Member queried how customer-owned CT/VT ratios would be included in the national list. ELEXON responded they expect customers to work with LDSOs to update the list. The CP does not include customer-owned CT/VT ratios due to issues with customer-owned equipment in the industry.
- 8.6 ELEXON stated they are working with LDSOs to update the national list. ELEXON added that most Market Participants agreed that a data cleanse is required. However, they are unable to perform it for this specific CP due to other data cleanse exercises.
- 8.7 An SVG Member queried whether LDSOs are expected to work with customers for customer-owned CT/VT. ELEXON confirmed this is the expectation from LDSOs.
- 8.8 An SVG Member stated that the data cleanse should be done before the change, rather than afterwards. The SVG Member queried how a CT/VT ratio would be removed from the national list but not from the site. ELEXON responded that if an LDSO requests the removal of ratios, ELEXON would publish a Circular to provide Market Participants an opportunity to object to it, prior to removal from the list. ELEXON would then liaise with the LDSO if any objections are raised.
- 8.9 An SVG Member asked for clarification as to why a second Consultation is required. ELEXON responded, this was as a consequence, of the updated the CP1530 solution i.e. redlining of an Additional BSCP, which constitute to a material amendment and therefore recommend CP1530 be re-issued for a second industry consultation. The SVG Member added more information is required, including how the list would be maintained and what the cost-benefit analysis shows. An SVG Member agreed with this view and stated that more questions need to be answered before the second Consultation. ELEXON responded they would work with SVG members to ensure all the questions are answered before a second consultation. ELEXON invited

MINUTES

SVG Members to send any further comments or concerns they have following the meeting to ensure they are captured for inclusion in the paper for next month's meeting.

8.10 The SVG:

- a) **DEFERRED** CP1530 to the SVG Meeting on 6 October 2020.

OPEN SESSION: TABLED ITEMS

9. SVG and ISG Meeting Dates 2021

9.1 The SVG agreed the SVG and ISG Meeting Dates.

10. Headlines of BSC Panel Meeting 304

10.1 The SVG:

- a) **NOTED** the headlines from BSC Panel Meeting 304.

11. BSC Operations Headline Report

11.1 An SVG Member queried the impacts of Covid-19 on the GSP Group Correction Factors and asked for information on the continued decline of the Annual Demand Ratio (ADR).

ACTION 233/01: SVG Chair to liaise with the Market Operations team regarding the impacts of Covid-19 on the GSP Group Correction Factors and the continued decline of ADR, and provide an update to the SVG in the October 2020 meeting.

11.2 The SVG:

- a) **NOTED** the report.

12. Change Report

12.1 The SVG:

- a) **NOTED** the report.

OPEN SESSION: OTHER BUSINESS

13. Actions

13.1 The SVG Chairman confirmed the new actions raised in this meeting.

14. Minutes from Previous Meeting

14.1 The SVG agreed the minutes from the previous meeting without comment.

15. Matters Arising

15.1 The SVG Chair announced they have now been appointed as the Head of Assurance within ELEXON. The SVG Chair added that the Chairmen of the SVG, ISG and PAB will now be working in the same team department and that this will hopefully improve the ways in which Committees work together.

16. Next Meeting

16.1 The next SVG meeting will be held on Tuesday 6 October 2020.