

Minutes

Supplier Volume Allocation Group

Meeting number **SVG238**

Venue **Teleconference**

Date of meeting **1 December 2020**

Classification **Public**

Attendees and apologies

Attendees

Oliver Meggitt	OLM	Chairman
Sarah Ross	SAR	Vice Chair
Roan Chavez	ROC	Technical Secretary
Nathan Flood	NAF	Elexon, presenter
Elliot Harper	ELH	Elexon, presenter
Freya Gardner	FRG	Elexon, presenter
John Lucas	JOL	Elexon, presenter
Adam Jessop	ADJ	Elexon, observer
Stephen Newsam	STN	Elexon, observer
Kevin Spencer	KES	Elexon, observer
Paul Hart	PAH	Distribution System Operators Representative
Jonathan Priestley	JOP	Industry Member
Ian Hall	IAH	Industry Member
Phil Russell	PHR	Industry Member
Derek Weaving	DEW	Industry Member
James Evans	JAE	Industry Member
Vijay Chikoti	VIC	Industry Member
Gareth Evans	GAE	Industry Member
Terry Carr	TEC	Industry Member
Jono Liddell	JOL	Industry Member
Tom Chevalier	TOC	UMSUG Member
Melanie Ellis	MEE	Limejump

Apologies

Simon Yeo	SIY	Distribution System Operators Representative (alternate)
Tom Edwards	TOE	Panel Sponsor

1. CP1539 ‘Inclusion of LCCC as an Affected party in Metering Dispensation applications’ – (SVG238/02)

- 1.1 Elexon provided information on the new Change Proposal (CP) CP1539 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.
- 1.2 An SVG Member queried the actions that LCCC could take if they were not in favour of a Metering Dispensation application. Elexon responded that the intention of the CP was for LCCC to have a view of the application so they can engage with the applicant, it was not intended for LCCC to approve applications. The SVG Member asked why it was therefore necessary for the application form to include, where applicable, confirmation that the applicant has engaged with the LCCC. Within Section V of the Balancing and Settlement Code (BSC), Part 5 already required Elexon to inform LCCC of Metering Dispensations. Elexon responded this was the solution built with the Metering Team.
- 1.3 The SVG Member added they understood there was no formal overlap between the BSC and Electricity Market Reform (EMR). Elexon responded that during discussions with LCCC, they did not intend to be involved in the application process. Instead, LCCC intended to be made aware of applications so that they can simply engage with the applicants.
- 1.4 The SVG Member understood LCCC’s intentions but believed that the issue should be addressed under EMR arrangements, rather than BSC arrangements. Elexon added that LCCC needed to be aware of applications because if LCCC provided an incorrect location of the dispensation to the EMR, the applicant could be charged twice. The SVG Member understood that this issue should be addressed by EMR governance as it was not a BSC issue.
- 1.5 An SVG Member queried whether it would be easier for Elexon to direct Contracts for Difference (CFD) dispensation applicants to LCCC and EMR, rather than formalising the process. Another SVG Member agreed. Elexon responded that LCCC believed some new sites for next year will require Metering Dispensation. Elexon will seek their Legal Team’s advice to determine the information that could be provided to LCCC under the provisions of Section V. Elexon highlighted that if an applicant asked for the application to be treated as confidential, Elexon would not publish the application on the website and would need to determine what information, if any, could be shared with LCCC.
- 1.6 Elexon noted that the separation between Elexon’s roles as BSCCo and EMR was already considered when developing the solution. Elexon added that the CP was relatively straightforward and that there was no way of removing it once it had been formally raised. However, Elexon were willing to do further work for the Consultation scheduled on week commencing 7 December 2020. Elexon also welcomed any feedback from the SVG as part of the Consultation.
- 1.7 The SVG Chair asked if the SVG were satisfied with the proposed approach. An SVG Member said they that they were, given the amount of time that should be spend on the straightforward CP. Another SVG Member also confirmed they were satisfied with the approach. They added that they believed there was a draft process for reviewing CPs before they were raised formally, and that the separation between BSC and EMR should be recognised. Elexon responded this was an EMR issue, however EMR did not have access to Metering Dispensation applications.
- 1.8 An SVG Member highlighted that CPs should be presented to the SVG before they are formally raised. An SVG Member agreed.
- 1.9 The SVG:
- a) **NOTED** that CP1539 has been raised;
 - b) **NOTED** the proposed progression timetable for CP1539; and
 - c) **PROVIDED** any comments or additional questions for inclusion in the CP Consultation

2. CP1530 ‘Introduction of a formalised process for the validation of measurement transformer ratios by Elexon’ Assessment Report – (SVG238/05)

- 2.1 Elexon presented the second Change Proposal (CP) Assessment Report for CP1530. The SVG considered the proposed solution and the responses received to the CP Consultation before making a decision on whether to approve CP1530.

- 2.2 Elexon thanked the SVG Members and market participants that have engaged in the progression of CP1530, highlighting that their perspectives have helped deliver a more robust solution that will improve on the current baseline.
- 2.3 An SVG Member queried the consequences for Meter Operator Agents (MOAs) who enter the transformer ratios as 'unknown' rather than entering valid ratios. Elexon responded that its initial focus for auditing purposes will be the flows being sent across the Data Transfer Network (DTN), however that does not prevent future audits on the data contained within market participants' systems. Elexon highlighted that it should be in all market participants' interest to ensure the correct ratios are held and sent across the DTN. An SVG Member was unsure whether there is a strong motivation for MOAs to provide valid ratios. Elexon noted that it is trying to add this into the audit scope so that if a MOA was found to have a high level of unknown ratios, Elexon could raise this observation with the Market Participant.
- 2.4 An SVG Member observed that the issue around motivations was the reason why the SVG had struggled with this CP, despite its potential benefits and its being an improvement from the current baseline. The SVG Member added that, ensuring the correct ratio from the valid set is chosen could not be monitored or ensured through CP1530, but by monitoring through committees such as the PAB. The SVG Chair responded the CP would provide the opportunity to discuss and monitor the issue, and would also create an improved baseline from which further market change could be made in the future.
- 2.5 The SVG:
- a) **AGREED** the amendments to the proposed redlining for BSCP514 and BSCP515 for CP1530 made following the second CP Consultation;
 - b) **APPROVED** the proposed changes to BSCP514 and BSCP515 for CP1530; and
 - c) **APPROVED** CP1530 for implementation on 24 June 2021 as part of the June 2021 BSC Release.

3. **MDD Change Requests for Version 305 – (SVG238/01)**

- 3.1 This paper invited the SVG to approve three General Change Requests, and note 12 Fast Track Change Requests, for implementation in Version 305 of Market Domain Data (MDD) with a go-live date of 16 December 2020. This paper also invited the SVG to approve 16 General Change Requests to support Ofgem's Targeted Charging Review (TCR), for implementation in Version 306 of MDD with a go-live date of 20 January 2021.
- 3.2 An SVG Member stated it was encouraging to hear the feedback from market participants and that no issues were found during the MDD Version 304 publish.
- 3.3 An SVG Member noted they were willing to approve the recommendations. However, they queried how the Elexon's testing of the Central Systems and general approach was progressing. The Vice Chair responded that the Central Systems testing would cover the loading of immediate outputs on MDD and LLFC files, and that the test with Elexon's service provider was scheduled to take place between December 2020 and March 2021. Elexon intends to provide the SVG with an update on the testing progress in January 2021. The Vice Chair added that as for the TCR, the number of DNO Change Requests were similar to that in November 2020. As such, the inclusion of these Change Requests in January 2021 were perceived as low risk. Once the testing is completed in March, Elexon will then present the larger number of IDNO Change Requests that had been presented to the SVG from April 2020. Elexon's intention is to recommend the implementation of IDNO Change Requests once testing is complete.
- 3.4 The SVG:
- a) **APPROVED** three General Change Requests for implementation in MDD 305 with a go-live date of 16 December 2020;
 - b) **NOTED** 12 Fast Track Change Requests for implementation in MDD 305 with a go-live date of 16 December 2020; and
 - c) **APPROVED** 16 General Change Requests to support the TCR, for implementation in MDD 306 with a go-live date of 20 January 2021.

4. **Updated process for agreeing whether SVA Metering Systems should be treated as recording volumes of exempt supply – (SVG238/04)**

- 4.1 This paper provided an update on decisions taken by the BSC Panel, following the referral to it in August 2020 of an application for an SVA Metering System to be treated as exempt supply.
- 4.2 An SVG Member thanked the Panel and Elexon for amending the process to address concerns raised by the SVG. The SVG Member added the process was now more workable. An SVG Member agreed. The SVG Chair thanked the SVG Members.
- 4.3 The SVG:
- a) **NOTED** that on 12 November 2020, the BSC Panel agreed that the SVG should:
- i. continue to operate a process for identifying Metering Systems that record exempt supply;
 - ii. require a declaration from a director of the exempt supplier, identifying the class or individual exemption that applies, and confirming that its conditions are (or will be) met; and
 - iii. only treat a Metering System as exempt if the circumstances under which it may record licensed supply are genuinely unusual, i.e. not circumstances that would be expected to arise in the normal operation of business.

CLOSED SESSION – TABLED ITEMS

5. Application for SVA Metering Systems to be treated as exempt supply – Ylem Energy Limited – (SVG238/06)

- 5.1 The SVG was invited to approve an application for one Import SVA Metering System to be treated as exempt supply for purposes of Electricity Market Reform (EMR) charging.
- 5.2 The SVG:
- a) **AGREED** that the volumes of Import recorded by the SVA Metering System should be treated as exempt supply; and
- b) **AGREED** that this should come into effect from the later of:
- the date on which the exempt supply agreement comes into effect; and
 - 10 Working Days following the notification of that date to Elexon

OPEN SESSION – TABLED ITEMS

6. BSC Operations Headline Report

- 6.1 The SVG:
- a) **NOTED** the report.

7. Change Report

- 7.1 An SVG Member noted that the process for discussing draft CPs prior to their being formally raised seemed to have been omitted in general. The SVG Member asked for the reason behind this and whether it could be re-introduced.

Action SVG238/01: SVG Chair to liaise with the Change Team regarding presenting draft CPs to committees, and to discuss whether it could be re-introduced.

- 7.2 The SVG:
- a) **NOTED** the report.

OPEN SESSION – OTHER BUSINESS

8. Actions

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

9. Panel Update

9.1 An SVG Member noted that Party Default notification emails state that the Defaulting Party are not able to make contract notifications. Previously however, the notifications stated that the Defaulting Party was not allowed to make contract notifications that would worsen their indebtedness.

10. Minutes from Previous Meeting

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

11. Any Other Business

11.1 The SVG Chairman noted the other business raised in this meeting.

12. Next Meeting

12.1 The next SVG meeting will be held on 5 January 2021.