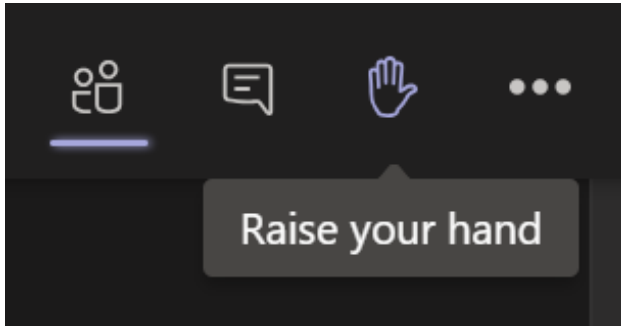


P432 Digital Meeting Etiquette

- Welcome to the P432 Workgroup meeting 1 – we'll start shortly
- No video please to conserve bandwidth
- Please stay on mute unless you need to talk – use the **Raise your hand** feature in the Menu bar in Microsoft Teams if you want to speak



- Talk – pause – talk
- Lots of us are working remotely – be mindful of background noise and connection speeds

ELEXION

**P432 'Half Hourly Settlement for CT
Advanced Metering Systems'**

Workgroup Meeting 1

24 January 2022

Meeting Agenda

Objectives for this meeting:

- Consideration of the background to P432
- Consideration of the P432 Terms of Reference
- Agree the solution to be taken forward for the legal text drafting
- Next steps

Agenda Item	Lead
1. Welcome and meeting objectives	Lawrence Jones (Chair)
2. Issue/Background	Aylin Ocak (Lead Analyst)
3. P432 Proposal	Lee Stone (Proposer)
4.Terms of Reference	Aylin Ocak and Workgroup
5. Legal text	Mark DeSouzaWilson (Design Authority)
6. Next steps	Aylin Ocak
7. Meeting close	Lawrence Jones



BACKGROUND

P432 Issue and Background

Background

- Market-wide Half-Hourly Settlement (MHHS) requires that all Metering System Identifiers (MSIDs) are settled on a Half Hourly (HH) basis.
- The Code Change and Development Group (CCDG) has **recommended** that a number of enabling changes are progressed before the full MHHS Design is baselined in 2022. *P432 is in support of recommendation 3.*
- The CCDG believes that a key enabler of an effective transition for the Advanced segment will be to align the BSC definition of an Advanced Meter with that in the Electricity Supply Licence and to set explicit HH Settlement and remote communications obligations for Current Transformer (CT) Advanced Meters ahead of the migration to MHHS.
- Supporting obligation on Meter Operator Agents (MOAs) to ensure working communications for these metering systems.
 - REC change R0015:
“seeks to introduce an explicit requirement under the REC to require all CT Metering Systems to have remote communications fitted and working by March 2023 and for all Advanced Meters to have them by October 2024”
 - From January 2022, all newly installed Advanced Metering systems (CT and whole current) are required under SLC 12 to have communications fitted.

Issue

- There are inconsistent definitions of Advanced Meter in the BSC versus Standard License Conditions (SLC).
- CCDG has recommended moving all CT Advanced Meters to settle HH by October 2023. If this recommendation is not implemented there is a risk that there will be insufficient time for Customers, Suppliers and their Agents to address issues that may arise during the migration to MHHS.



P432 PROPOSAL

P432 Proposed Solution

Proposed solution

- Align the BSC definition of an Advanced Meter with that in the SLC.
- Obligation on Suppliers to settle CT Advanced Meters Half Hourly by October 2023.
- Mandate that new CT connections beyond October 2022 are settled HH.

Timeline for obligations

Key milestones:

- **October 2022:** New CT connections beyond this date should be HH settled to ensure that subsequent Change of Measurement Class (CoMC) activity is not required;
- **October 2022 to March 2023:** Planning and preparatory activities to be undertaken during this period;
- **April 2023 to October 2023:** CoMC process to begin for CT Advanced Meters settling Non-Half Hourly (NHH); and
- **By October 2023:** All CT Advanced Meters to be Settled HH.

Applicable BSC Objectives

The Applicable BSC Objectives are:

- 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 and administration of the balancing and settlement arrangements

Proposer's View

- c) This Modification will promote effective competition in the generation and supply of electricity because the data will be more accurate and granular which will enable innovation and competition.
- d) This Modification will simplify and clarify the BSC arrangements and consequently better facilitates efficiency in the implementation and operation of the BSC. The Modification will align the definitions between the SLC and the BSC removing the issues of identifying PC 5-8 Metering Systems.



TERMS OF REFERENCE

P432 specific Terms of Reference

ToR	Details
a)	Should the BSC definition of Advanced Meters be extended from SLC 12.18 to other SLCs?
b)	What interactions does the proposal have with existing P272 obligations and CP1549?
c)	Consider removing the ability to CoMC back to NHH?
d)	Consideration of exemptions
e)	Consideration of the role of Elexon and the PAB in monitoring, reporting and managing the migration and new obligations.
f)	Should the references to the P272 implementation date in the BSC be removed, as the implementation date has now passed?
g)	Assessment of the costs and benefits, where possible and needed.

P432 standard Terms of Reference

ToR	Details
h)	How will P432 impact the BSC Settlement Risks?
i)	What changes are needed to BSC documents, systems and processes to support P432 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?
j)	Are there any Alternative Modifications?
k)	Should P432 be progressed as a Self-Governance Modification?
l)	Does P432 better facilitate the Applicable BSC Objectives than the current baseline?
m)	Does P432 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

Should the BSC definition of Advanced Meters be extended from SLC 12.18 to other SLCs?

Suggested legal text – Annex X-1

"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;

Change to

means Metering Equipment which satisfies the definition of 'Advanced Meter' in paragraph 39.23* of standard condition 39 of each Supply Licence;

***SLC Paragraph 12.18** = If paragraph 12.17 applies, the Electricity Meter installed at the relevant premises must be an advanced meter.

- **Paragraph 12.17** = This paragraph has effect on and after 6 April 2009 and applies where the licensee installs or arranges for the installation of an Electricity Meter at Non-Domestic Premises where the metering point falls within profile class 5, 6, 7 or 8 as defined in the Balancing and Settlement Code (for this condition only, "relevant premises").

***SLC Paragraph 39.23: 'Advanced Meter'** = means an Electricity Meter which satisfies the definition of 'advanced meter' in paragraph 12.19 of standard condition 12 (Matters relating to Electricity Meters) but which does not form part of a Smart Metering System.

- **Paragraph 12.19** = For the purposes of this condition, an advanced meter is an Electricity Meter that, either on its own or with an ancillary device, and in compliance with the requirements of any relevant Industry Code:
 - (a) provides measured electricity consumption data for multiple time periods, and is able to provide such data for at least half hourly time periods; and
 - (b) is able to provide the licensee with remote access to such data.

What interactions does the proposal have with existing P272 obligations and CP1549?

- [CP1549](#) 'Amendment of BSCP516 to clarify the criteria for Non-Domestic SVA Metering Systems' will clarify that it is possible to move a Non-Domestic customer with an Advanced Meter (CT or Whole Current) who was migrated from PC 5-8 to HH Settlement (as part of the P272 process) back to NHH Settlement if reclassified as PC 3-4.
- There are MSIDs in NHH PC 5-8 still subject to the P272 obligation that have not been moved to HH. Those that are CTs will be covered by this Modification. However, it should be considered whether the P272 obligations should be kept and enforced for the Whole Current MSIDs in NHH PC 5-8 or allow those to be downgraded to PC 3-4 so that no MSIDs remain in NHH PC 5-8?
- Consider removing the ability to CoMC back to NHH?
 - CCDG recommendation is that after October 2022 any new advance CT will be HH and would not be able to CoMC back to NHH. However, there is the challenge that Domestic Advanced customers may opt out of the obligations.

Consideration of exemptions

- Consideration of CT sites where an Advanced Meter cannot be installed for various reasons.
 - The SLC allows exceptions under condition 12.29* where a Supplier has taken “all reasonable steps”.

***SLC Condition 12.29** = The prohibition imposed by paragraph 12.27 does not apply where the licensee is unable to install or arrange for the installation of an advanced meter at the Designated Premises or the Domestic Premises in question despite taking all reasonable steps to do so.

- **Paragraph 12.27** = After the ARS Specified Date, the licensee must not supply electricity to any Designated Premises or Domestic Premises through a Current Transformer Electricity Meter which is not also an advanced meter.

Consideration of the role of Elexon and the PAB in monitoring, reporting and managing the migration and new obligations

- Consideration should be given to monitoring the compliance of Suppliers with the obligations to settle CT Advanced Meters HH by the Performance Assurance Board (PAB).
- The Workgroup is also invited to consider what reporting may be required to support the assurance of these obligations.
- Consider if Supplier Migrations Plans should be required.
 - P272 required Suppliers to submit Supplier Migration Plans to the PAB to give the PAB assurance that Suppliers have got an adequate project plan in place to meet their obligations.
 - Due to fairly small numbers of metering systems, we don't want to mandate Supplier Migration Plans as part of this Modification.
- Consider impacts on Supplier Charges and Performance Levels.
 - Supplier Charge (SP04) encourages compliance by reporting the number of qualifying NHH metering systems not settled HH. However, SP04 will be turned off if [P429](#) 'Switching off Participant-Reported PARMS Serials' is approved by Ofgem.
 - The suggestion is that we don't touch the regime for Performance Levels and Supplier Charges.
 - Does the Workgroup have any concerns about Supplier Charges?
- Consider if there should be a requirement linked to Change of Supplier (CoS) dates?
 - From October 2022 to October 2023 we're requiring CT Advanced Meters to be settled HH for new connections, should there be a requirement linked to CoS dates?
 - When P272 was implemented, Suppliers were obligated to migrate their Advanced Meters within 45 working days of CoS.

Assessment of the costs and benefits, where possible and needed

Costs

- Costs are expected to be low for all impacted Parties.
 - The processes required for the obligations are already existing processes Suppliers have in place.
 - The SLC already requires the installation and maintenance of an Advanced Meters by the end of 2021, so any additional cost to Suppliers to enable HH Settlement from those Meters is expected to be limited to the cost of carrying out the CoMC process as set out in the BSCPs and complying with HH standards.
 - Suppliers may also need to modify their billing arrangements for CT metered customers currently settled NHH. This in turn may alter the charges that Suppliers seek to recover from customers. However, the proposed implementation date should mitigate the majority of unwanted impacts on network charging.

Benefits

- De-risks the migration to MHHS from October 2024 onwards.
- the use of HH data results in more accurate Settlement than the NHH profiling arrangements.
- Distribution Use of System (DUoS) charges already differ between whole current and CT Metering Systems so ensuring that all CT Meters are settled on an HH basis will allow more accurate DUoS charging.
- Transmission Use of System charges will no longer be derived from NHH or HH settlement methods by April 2023 (subject to Ofgem approving CMP343).

How will P432 impact the BSC Settlement Risks?

- **List of SVA risks:**
 - [001 SVA Risk: Metering Point Registered Incorrectly](#)
 - [002 SVA Risk: Metering System Attributes are incorrect](#)
 - [003 SVA Risk: Metering Equipment Installations are incorrect](#)
 - [004 SVA Risk: Metering Equipment changes are not notified](#)
 - [005 SVA Risk: Metering Equipment Faults are not resolved](#)
 - [006 SVA Risk: Incorrect Meter detail transfer on change of agent](#)
 - [007 SVA Risk: Metered Data is not retrieved](#)
 - [008 SVA Risk: Metered Data is not processed or transferred](#)
 - [009 SVA Risk: Data Aggregator Processing incorrect](#)
 - [010 SVA Risk: Transfer of Meter Read History incorrect](#)
 - [011 SVA Risk: Unmetered Supplies volumes calculated incorrectly](#)
 - [012 SVA Risk: Meter System Technical Details inaccurate](#)
 - [013 SVA Risk: Manual Adjustments to Metered Data incorrect](#)
 - [014 SVA Risk: Agent not appointed correctly](#)
 - [015 SVA Risk: Reference Data incorrect](#)
 - [016 SVA Risk: Energisation Status incorrect](#)
 - [017 SVA Risk: exception reports not managed correctly](#)
 - [018 SVA Risk: Revenue Protection volumes are not settled](#)

**What changes are needed to BSC documents, systems and processes to support P432 and what are the related costs and lead times?
When will any required changes to subsidiary documents be developed and consulted on?**

Proposer view:

- Code and Subsidiary Documents
 - BSC Section X 'Annex X-1 'General Glossary'
 - BSCP516 'Allocation of Profile Classes and SSC's for Non Half Hourly SVA Metering Systems Registered in SMRS'
- Document only change
- Further document changes subject to Workgroup's views.

Are there any Alternative Modifications?

- The Workgroup is invited to consider any Alternative Modifications.

Should P432 be progressed as a Self-Governance Modification?

- **Proposer view:**

- P432 should **not** be treated as a Self-Governance Modification as it will likely have a material impact on:
 - Existing or future electricity consumers because it will require CT Advanced Meters are settled HH earlier than would otherwise be the case, which may result in different Supplier billing and charging arrangements for the end customer.
 - Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution, or supply of electricity because the data will be more accurate and granular which will enable innovation and competition.

Does P432 better facilitate the Applicable BSC Objectives than the current baseline?

The Applicable BSC Objectives are:

- 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 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 and administration 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

Does P432 impact the EBGL provisions held within the BSC?

- To be confirmed once BSC changes are Identified (next section).



LEGAL TEXT

BSC Changes identified

- K1.2.7 – depends on requirement for reactive power data for CT Meters under 100kW.
- L2.2.1 – review 100kW vs WC/CT boundary.
- L2.2.2 – specify October 23 for CT Advanced and remove reference to P272.
- L2.2.3 – do we want to mandate HH settlement on CoS in the period Oct 22-Oct 23?
- S2.6 – simplify regarding the CT vs 100kW boundary. Also remove references to P272.
- We don't want to touch Performance Levels/Supplier Charges in Annex S-1.
- Section Z – Supplier migration plans shouldn't be required however can possibly remove P272 requirements.
- Annex X-1 – definition of Advanced Meter
- BSCP 516 – do not register CT Advanced in PC1-8

Other areas to consider

- Targeting April 2023 for the CoMC to avoid TNUoS charging issues.
- Need to provide kVA capacities for DUoS charging.

Suggested legal text – BSCP516

‘From 1 April 2017 non-domestic customers with an Advanced Meter for Import fitted in accordance with the requirements of Standard Licence Condition (SLC) 12.17-12.22 of the Electricity Supply Licence are mandated to be settled on a Half Hourly basis and should not be registered under Profile Classes 5 to 8 using this BSC Procedure. For the avoidance of doubt once an Advanced Meter has been fitted in accordance with the SLC then that Metering System is mandated to be settled on a Half-Hourly basis from 1 April 2017.’

Change to

‘From 1 October 2023 all customers with an Advanced Meter for Import fitted in accordance with paragraph 12.24* or paragraph 12.26* of standard condition 12 of the Electricity Supply Licence are mandated to be Settled on a Half Hourly basis and should not be registered under Profile Classes 5 to 8. Where the Advanced Meter has been installed after 1 October 2022, the mandate applies from the date of meter installation.’

***SLC Paragraph 12.24** = If paragraph 12.23 applies, the Current Transformer Electricity Meter installed or arranged to be installed at the Designated Premises must be an advanced meter.

- **Paragraph 12.23** = This paragraph has effect on and after 6 April 2014 and applies where the licensee installs or arranges for the installation of a Current Transformer Electricity Meter at any Designated Premises.

***SLC Paragraph 12.26** = If paragraph 12.25 applies, the Current Transformer Electricity Meter installed or arranged to be installed at the Domestic Premises must be an advanced meter.

- **Paragraph 12.25** = This paragraph has effect from the date specified by the Secretary of State in a direction issued to the licensee under this paragraph and applies where the licensee installs or arranges for the installation of a Current Transformer Electricity Meter at any Domestic Premises



NEXT STEPS

Next Steps

- Summary of Workgroup meeting decisions and actions by 26 January 2022.

Event	Date
Present IWA to Panel	9 December 2021
Workgroup meeting 1	24 January 2022
Workgroup meeting 2	W/C 21 February 2022
Assessment Procedure Consultation (15WDs)	14 March 2022 – 1 April 2022
Workgroup meeting 3	W/C 11 April 2022
Present Assessment Report to Panel	12 May 2022
Report Phase Consultation (10WDs)*	16 May 2022 – 27 May 2022
Present Draft Modification Report to Panel	9 June 2022
Issue Final Modification Report to Authority	15 June 2022

Implementation approach:

- The Proposer recommends this Modification is implemented via a special release, five Working Days after Authority approval.

* If changes are made to Section K1.2.7 then the Report Phase Consultation will take place over one calendar month rather than 10 Working Days.

MEETING CLOSE

ELEXON

THANK YOU

Aylin Ocak

Aylin.ocak@elexon.co.uk

bsc.change@elexon.co.uk

24 January 2022