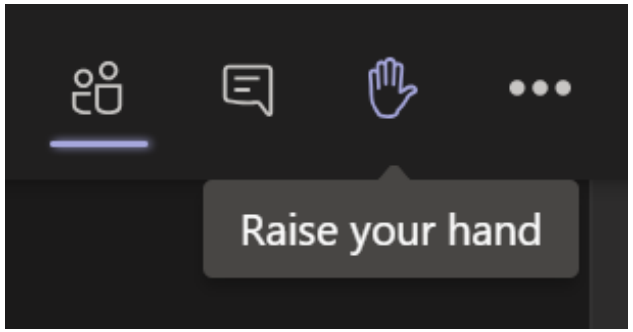
P434 Digital Meeting Etiquette

- Welcome to the P434 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



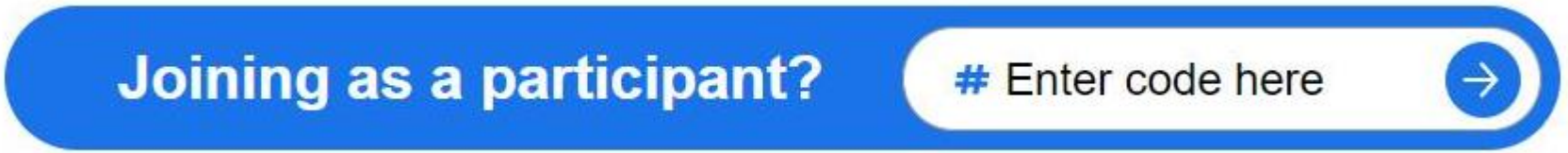
- Talk – pause – talk
- Lots of us are working remotely – be mindful of background noise and connection speeds

Slido Guidance

- In order to make our Workgroups more engaging and to ensure that all participants' voices are heard we've started using the Slido plug-in for MS Power Point.
- Everyone should be able to vote and answer questions live during the presentation using Slido

Requirements:

- Internet access
- Web browser
- Participants can join at slido.com with #**827879**



P434 ‘Mandate to Half Hourly Settle the Non-Half Hourly Unmetered Supplies Metering Systems’

Workgroup Meeting 1

18 March 2022

Meeting Agenda

Objectives for this meeting:

- Consideration of the background to P434
- Consideration of the P434 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. P434 Proposal	Lee Stone (Proposer)
4. Data Flows	Tom Chevalier (Workgroup Member)
5. PECU Arrays	Tom Chevalier
6.Terms of Reference	Workgroup
7. Next steps	Aylin Ocak
8. Meeting close	Lawrence Jones

BACKGROUND

P434 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. *P434 is in support of recommendation 8 (A period of mandatory CoMC activity for all NHH Unmetered MSIDs running from October 2023 to October 2024).*

Issue

- The CCDG has recommended moving NHH UMS MSIDs to settle HH between October 2023 and October 2024, to mitigate the risk of not meeting the Transition Timetable set out by Ofgem in its Full Business Case. Early migration would provide plenty of time for Suppliers and UMSOs to address any customer or contractual relationship issues that may arise.

P434 PROPOSAL

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P434 Proposed Solution

- P434 proposes to mandate the Settlement of NHH UMS MSIDs on a HH basis and to place corresponding obligations on parties to co-operate in the Change of Measurement Class (CoMC) process between October 2023 and October 2024.

- The solution should also set a deadline by which any new UMS MSIDs have to be registered directly into the HH Settlement Process. It is proposed this is from October 2023.

Timeline for obligations

Key dates based on current MHHS timetable:

- **Jun 2022** new Data Transfer Network (DTN) data flows between UMSO & MA for Summary and Control files implemented (CP1546)
- **From Oct 2022 (or earlier) to Oct 2023** – commercial arrangements agreed between Suppliers and organisations acting as Meter Administrators
- **From Oct 2023 (or earlier) to Oct 2024** – complete NHH to HH CoMC for all UMS MSID as mandated by this Modification
- **From Oct 2023** all new UMS connections shall be HH from date of connection as mandated by this Modification

These activities will then be followed by the migration to the TOM Service, the Unmetered Supplies Data Service, from Oct 2024 to Sept 2025 (or earlier).

Should a relative timeline of milestones be used for P434 as opposed to specific dates, in case there are any delays with the MHHS Programme?

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What are the pros and cons of having relative timelines as opposed to specific timelines?

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Should a relative timeline of milestones be used for P434 or specific dates?

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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) The Modification enables a smooth transition to the MHHS TOM for Unmetered Supplies. The Modification will promote effective competition in the generation and supply of electricity because the data will be more accurate and granular which will enable more accurate purchasing and promote innovation and competition.

d) The HH Settlement of UMS is more accurate, efficient and robust than the NHH processes which currently require Material Error Monitoring processes to be undertaken on a regular basis. This Modification will therefore better facilitate Applicable BSC Objective (d) as it will introduce more efficient and effective processing of UMS data for Settlement.

DATA FLOWS

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Use of Data Flows

Use of D0011, D0148, D0151, D0155, D0261 – appointment flows:

- There is an inconsistency between BSCP520 ‘Unmetered Supplies Registered in SMRS’ & Energy Market Architecture Repository (EMAR) in the use of the D0011, D0148, D0151, D0155, D0261 flows. BSCP520 identifies the use of these flows, but the EMAR does not include the instances for Meter Administrators (MAs).

- Not using these Data Flows has been manageable with the 400+ MSIDs in the current HH market, but it may become an issue with 20,000 new HH UMS MSIDs.

- Alternatively, could use a bi-lateral spreadsheet which identifies the key data on a D0155 & D0148 – Supplier, MSID, Start date, GSP Group, Distributor, Data Collector, contract ref, etc.

Use of D0139 – energisation status:

- The instances between UMSO/Supplier/MA are not in the EMAR. This becomes more of an issue with greater volume of MSIDs.

- There are currently several hundred NHH UMS MSIDs for festive lighting, which are energised in November and de-energised in January each year. This was a necessary consequence of the NHH arrangements.

- Alternatively, the UMSO could send a ‘zero’ inventory to the MA in January and a real one in December, then the MSID can remain energised throughout the year, with the HH data calculated correctly. This approach will make no difference to billing or DUoS and it would reduce the need for change to use the D0139.

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Should the issue with appointment flows be addressed as part of P434?

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Should the issue with D0139 be addressed as part of P434?

ⓘ Start presenting to display the poll results on this slide.

PECU ARRAYS

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Requirement to use PECU Array

- BSCP520 leaves it up to the UMSO to determine if a Photo Electric Control Unit (PECU) Array is required for an MSID or not. This results in different approaches in different areas.

- Should the use of a PECU Arrays for larger loads be mandated?
- The use of a PECU Array could be mandated on some clearer criteria – such as above a certain threshold of PECU controlled equipment.

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Should the use of PECU Arrays be addressed as part of P434?

ⓘ Start presenting to display the poll results on this slide.

TERMS OF REFERENCE

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P434 specific Terms of Reference

ToR	Details
a)	Consideration of the role of Elexon and the PAB in Migration planning and data cleansing.
b)	Should the CoMC process in BSCP520 change?
c)	Do Suppliers need to change their customers' contracts to reflect cost changes?
d)	Consider whether Suppliers should seek commercial arrangements with MAs directly or if customers should have the option to pick their MA.
e)	Assessment of the costs and benefits, where possible and needed.

P434 standard Terms of Reference

ToR	Details
f)	How will P434 impact the BSC Settlement Risks?
g)	What changes are needed to BSC documents, systems and processes to support P434 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?
h)	Are there any Alternative Modifications?
i)	Should P434 be progressed as a Self-Governance Modification?
j)	Does P434 better facilitate the Applicable BSC Objectives than the current baseline?
k)	Does P434 impact the EBGL provisions held within the BSC, and if so, what is the impact on the EBGL Objectives?

Consideration of the role of Elexon and the PAB in Migration planning and data cleansing

- Consideration should be given to monitoring the compliance of Suppliers to settle UMS Metering Systems HH by Elexon or the Performance Assurance Board (PAB).
  - Can use the Supplier Purchase Matrix which will show how many NHH UMS MSIDs still exist
  - Can request reports from the UMSO or the Supplier

- Data cleanse
  - The data cleanse can start at any time now that Ofgem has published the Full Business Case for the MHHS TOM. The UMSO will need to work with the Suppliers to cleanse erroneous MSIDs. The UMSO will need to logically disconnect where UMS no longer physically exist in consultation with the Supplier.

  - How should the data cleanse be coordinated?

Should the CoMC process in BSCP520 change?

Two options to consider for the CoMC approach:

- **Option 1:** the current CoMC process in BSCP520 requires a new HH MSID to be created. The Workgroup should consider whether it is better to follow this existing process which requires a new MSID to be established with HH Measurement Class. To enable the CoMC the new HH MSID is energised and the old NHH MSIDs are de-energised on the day of change, and then subsequently disconnected. Some UMSOs also set the NHH MSIDs to a zero EAC to further assure accurate settlement.
  - During CCDG's consultation Suppliers tended to prefer the existing BSCP520 process as it mitigates the settlement risks of incorrect agent appointments and redundant MSIDs. It is also tried and tested.

- **Option 2:** change the CoMC process so that one of the existing NHH MSID is changed to HH and the remaining MSIDs are de-energised/disconnected.
  - DNOs prefer using the existing NHH MSIDs as there is significant work required for the creation of new MSIDs.

Supplier contracts

- Do Suppliers need to change their customers' contracts to reflect cost changes?
  - Customer contracts may need changing to reflect cost changes in the HH market e.g. Meter Administrator costs and the Time of Use (TOU) charges are better reflected in HH.

- Consider whether Suppliers should seek commercial arrangements with MAs directly or if customers should have the option to pick their MA.
  - **From Oct 2022 (or earlier) to Oct 2023** – commercial arrangements will be agreed between Suppliers and organisations acting as Meter Administrators.
  - If a Supplier picks a Meter Administrator but a customer wants another Meter Administrator how do we get around that? Should customers have the option to choose their MAs going forward?

Assessment of the costs and benefits, where possible and needed

Costs

- Costs on impacted Parties will be identified during the Assessment Procedure Consultation.
- Costs will depend on which CoMC option is used.
  - Option 1 – more resource intensive for UMSOs
  - Option 2 – will require process and system changes

Benefits

- P434 will de-risk the transition to MHHS by bringing forward the HH Settlement requirements for UMS MSIDs, early migration will allow time for Customers, Suppliers and UMSOs to address any issues that may arise.

- HH Settlement calculation for UMS is more accurate as the calculations better reflect the energy consumed within a Settlement period, compared to NHH Settlement.

- Consumer benefit areas:

Impact of the Modification on consumer benefit areas:	
Consumer benefit area	Identified impact
1) Improved safety and reliability	Neutral
2) Lower bills than would otherwise be the case	Neutral
3) Reduced environmental damage HH Settlement of UMS allows new technologies such as central management systems to be used to reduce lighting load which will help the move to net zero and de-carbonisation.	**Positive**
4) Improved quality of service The additional interaction with the Meter Administrator role is likely to improve the quality of service and benefits end consumers.	**Positive**
5) Benefits for society as a whole	Neutral

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How will P434 impact the BSC Settlement Risks?

- 011 SVA Risk: Unmetered Supplies volumes calculated incorrectly
  - Risk 11 captures all risks that may exist in UMS sites.

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What changes are needed to BSC documents, systems and processes to support P434 and what are the related costs and lead times? When will any required changes to subsidiary documents be developed and consulted on?

Proposer's view:

- Code and Subsidiary Documents
  - BSC Section S 'Supplier Volume Allocation'
  - [BSC Section X, Annex X-1 'General Glossary']
  - BSCP520 'Unmetered Supplies Registered in SMRS'
  - BSCP516 'Allocation of Profile Classes and SSC's for Non Half Hourly SVA Metering Systems Registered in SMRS'

- Document only change – Document changes to be drafted as part of the Assessment phase
- Further document changes subject to Workgroup's views
- Cost estimate to implement document changes = <£1k

Are there any Alternative Modifications?

- The Workgroup is invited to consider any Alternative Modifications.

Should P434 be progressed as a Self-Governance Modification?

- **Proposer view:**
  - P434 should **not** be treated as a Self-Governance Modification as it will likely have a material impact on:
  - The Settlement of Unmetered Supplies, consequently impacting consumers and competition (Self Governance criteria (b)(i) and (b)(ii)

Does P434 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 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 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 administrating 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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Does P434 impact the EBGL provisions held within the BSC?

- This Modification is not expected to impact the EBGL Article 18 terms and conditions held within the BSC.

NEXT STEPS

Progression plan

- Summary of Workgroup meeting decisions and actions by 25 March 2022.

Event	Date
Present IWA to Panel	10 February 2022
Workgroup meeting 1	**18 March 2022**
Workgroup meeting 2	W/C 25 April
Assessment Procedure Consultation (15WDs)	19 May 2022 – 10 June 2022
Workgroup meeting 3	W/C 20 June 2022
Present Assessment Report to Panel	14 July 2022
Report Phase Consultation (10WDs)	18 July 2022 – 29 July 2022
Present Draft Modification Report to Panel	11 August 2022
Issue Final Modification Report to Authority	17 August 2022

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

MEETING CLOSE

ELEXON

THANK YOU

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18 March 2022