

P320 'Reporting on Profile Classes 5 – 8 Metering Systems after the implementation of P272'

The implementation of P272 would require Profile Class 5-8 Metering Systems to be Half Hourly settled and would require changes to PARMs and Supplier Charges to report any non-compliance. P320 proposes to remove these required changes to PARMs and Supplier Charges that were introduced by P272, and instead create a Committee report to monitor the implementation of P272.



ELEXON recommends P320 is progressed to the Assessment Procedure for an assessment by a Workgroup

This Modification is expected to impact:

- Suppliers
- ELEXON

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About This Document

This document is an Initial Written Assessment (IWA) for P320, which ELEXON will present to the Panel on 9 April 2015. The Panel will consider the recommendations and agree how to progress P320.

There are two parts to this document:

- This is the main document. It provides details of the Modification Proposal, an assessment of the potential impacts and a recommendation of how the Modification should progress, including the Workgroup's proposed membership and Terms of Reference.
- Attachment A contains the P320 Proposal Form.



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1 Why Change?

Approved Modification [P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'](#) will mandate all Metering Systems in Profile Classes (PCs) 5-8 with Advanced Meters be settled Half Hourly (HH) from 1 April 2016. As part of the solution, changes have been proposed to Performance Assurance Reporting and Monitoring System (PARMS) to monitor P272 implementation as follows:

- creation of a new PARMS Serial to report on the number of PCs 5-8 Metering Systems that do not have an Advanced Meter installed; and
- amendment to the existing PARMS Serial SP04 'Installation of Half Hourly Metering' to include those PCs 5-8 Metering Systems that are not HH settled and its associated Supplier Charge.

To implement the required changes to PARMS, ELEXON and Suppliers would need to carry out system changes accordingly.

What is the issue?

The required changes to PARMS were considered by the [Issue 59 'Consideration of the PARMS and Supplier Charge changes introduced by P272 and P300'](#) Group. The Issue Group unanimously agreed that the purpose of reporting P272 non-compliance would be better achieved by a standalone Committee report rather than PARMS.

If changes to PARMS were made to report P272 non-compliances, this reporting would take place on an enduring basis. The Proposer believes that this is inefficient because the number of PCs 5-8 Metering Systems will rapidly decrease after the implementation of P272, with no new PCs 5-8 Metering Systems being registered after this time. As a result, the new PARMS Serial may quickly become redundant or repetitive, adding little value for the cost that this change to PARMS would incur.

P320 proposes to remove the PARMS reporting element from the approved P272 legal text and recommends that a Committee report should be established to report any P272 non-compliance instead.

Proposed solution

[P320 'Reporting on Profile Classes 5-8 Metering Systems after the implementation of P272'](#) proposes that the PARMS reporting requirements and any associated Supplier Charges introduced by P272 should be removed from the approved legal text. Therefore no change should be made to PARMS as part of the P272 implementation.

A standalone Committee report should be established for the purpose of P272 non-compliance reporting. The details of such report, including the frequency of reporting, should be determined by the Performance Assurance Board (PAB) and any other relevant Panel Committees.

To ensure maximum flexibilities, it is proposed that no requirements relating this report should be placed in the Balancing and Settlement Code (BSC) or Code Subsidiary Documents. The report could then be amended or terminated when the relevant Panel Committees believe the information provided by the report is no longer useful, without need a Modification or Change Proposal.

The Committee report should utilise data from central industry sources such as the Electricity Central Online Enquiry Service (ECOES) or Supplier Meter Registration Systems (SMRS), as determined appropriate by the relevant Panel Committees.

Applicable BSC Objectives

The Proposer believes that P320 would better facilitate:

- **Applicable BSC Objective (c)** by not imposing Supplier Charges to participants who cannot settle PCs 5-8 Metering Systems Half Hourly despite reasonable effort has been taken; and
- **Applicable BSC Objective (d)** by removing unnecessary complexity and costs that may arise from making changes to the existing PARMS for limited benefit.

Implementation approach

As P320 proposes to remove the PARMS reporting requirement from P272, it would be sensible to align the Implementation Date of P320 with P272. Therefore P320, if approved, should be implemented on 1 April 2016.



What are the Applicable BSC Objectives?

(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 administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

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3 Areas to Consider

In this section we highlight 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 of P320. We recommend that the areas below form the basis of a Workgroup's Terms of Reference, supplemented with any further areas specified by the Panel.

Consideration of the Committee report

Development of the Committee report

The Issue 59 Group identified that the new report should utilise data from ECOES or SMRS. Further consideration would be needed to cover the technical design of the report, including:

- how to create the report;
- what data that should be included in the report; and
- the frequency of the report.

Confidentiality of the report

It needs to be clarified who the intended audience of the report is, in addition to Panel Committees. If the report is going to be available in the public domain, consideration should be given to confidentiality of the Committee report and any data that might be commercially sensitive.

Ownership of the report

The intention of P320 is to create a report that monitors the transition of PCs 5-8 Metering Systems from Non Half Hourly (NHH) to HH Settlement, which is owned and reviewed from time to time by the PAB and any other relevant Panel Committees. In avoidance of doubt, the intended ownership (potentially joint ownership) of the report should be clarified.

PARMS Serial SP04 post P272 implementation

From the Implementation Date of P272, PCs 5-8 Metering Systems would have to be HH settled, meaning they must have HH Meters installed. If the majority, if not all, of the Metering Systems that would meet the 100kW requirements are already being HH settled due to P272, then there could be an argument that the reporting under PARMS Serial SP04 of Metering Systems that meet the 100kW requirement is superfluous.

Metering Systems meeting the 100kW requirements need to be registered to Measurement Class C, which has more stringent performance requirements than those registered on Measurement Classes E, F or G, and would need to be at least compliant against Code of Practice 5. These are the benefits in still reporting through PARMS Serial SP04. But it could be argued that if these Metering Systems are being HH settled, the materiality of impact to Settlement captured by PARMS Serial SP04 would be minimal.

The PAB suggested that ELEXON include in the Workgroup's terms of reference that PARMs Serial SP04 reporting and its associated Supplier Charges are considered by the Workgroup. It agreed that changes to these was outside the scope of P320, but that it would allow the Workgroup to make any recommendations on whether a future Modification should be raised. This would also allow the Workgroup to consider whether any clarification was needed which could be introduced in to the BSC and Code Subsidiary Documents if there was any ambiguity.

Areas to consider

The table below summarises the areas we believe a Modification Workgroup should consider as part of its assessment of P320:

Areas to Consider
How should the Committee report be created and what data should be included?
With what frequency should the report be provided?
What concerns may there be over data confidentiality and how can these be mitigated?
Who owns the report and therefore will be responsible to review the report from time to time?
Will there be a need to change PARMs Serial SP04 post P272 implementation?
What changes are needed to BSC documents, systems and processes to support P320 and what are the related costs and lead times?
Are there any Alternative Modifications?
Does P320 better facilitate the Applicable BSC Objectives than the current baseline?

4 Proposed Progression

Next steps

We recommend that P320 is progressed to an Assessment Procedure for consideration by a Workgroup.

Workgroup membership

We recommend that the P320 Workgroup should comprise of Issue 59 Group members, experts on the Supplier Volume Allocation (SVA) arrangements, Suppliers, any other relevant experts and interested parties.

Timetable

We recommend that P320 undergoes a three month Assessment Procedure, meaning the Workgroup will submit the Assessment Report to the Panel at its meeting on 9 July 2015.

We believe that the Workgroup will need to undertake the activities shown in the table below, which includes a 15 Working Day industry Assessment Procedure Consultation. We anticipate no impact for BSC Parties to implement P320 as it seeks to remove reporting requirements from the BSC to improve efficiency. Therefore there will be no Impact Assessment Consultation, but instead we would seek participants' views on impacts and costs as additional questions in the Assessment Procedure Consultation.

Proposed Progression Timetable for P320	
Event	Date
Present Initial Written Assessment to Panel	09 Apr 15
Workgroup Meeting	21 Apr 15
Assessment Procedure Consultation	14 May 15 – 04 Jun 15
Workgroup Meeting	W/B 08 Jun 15
Present Assessment Report to Panel	09 Jul 15
Report Phase Consultation	13 Jul 15 – 31 Jul 15
Present Draft Modification Report to Panel	13 Aug 15
Issue Final Modification Report to Authority	14 Aug 15

5 Likely Impacts

Impact on BSC Parties and Party Agents

Party/Party Agent	Potential Impact
Suppliers	<p>There would be no direct impact on Suppliers to implement P320.</p> <p>By removing PARMS reporting requirement, Suppliers will not be exposed to Supplier Charges as a result of P272 non-compliance. However any non-compliance would be monitored by the relevant Panel Committees, such as the PAB.</p>

Impact on Transmission Company

None identified

Impact on BSCCo

Area of ELEXON	Potential Impact
BSC Operations	<p>ELEXON would not be required to make system changes to PARMS under P272.</p> <p>ELEXON would be responsible for the creation and production of the Committee report and would be required to assist the relevant Panel Committees in reviewing the report from time to time.</p>

Impact on Code

Code Section	Potential Impact
Annex S	The relevant paragraphs and contents introduced by P272 will be removed.

Other Impacts

Item impacted	Potential Impact
PARMS	PARMS changes introduced by P272 would no longer be required.

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6 Recommendations

We invite the Panel to:

- **AGREE** that P320 progresses to the Assessment Procedure;
- **AGREE** the proposed Assessment Procedure timetable;
- **AGREE** the proposed membership for the P320 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
BSC	Balancing and Settlement Code
ECOES	Electricity Central Online Enquiry Service
HH	Half Hourly
IWA	Initial Written Assessment
NHH	Non Half Hourly
PAB	Performance Assurance Board
PARMS	Performance Assurance Reporting and Monitoring System
PC	Profile Class
SMRS	Supplier Meter Registration Systems

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
3	P272 page of the BSC Website	https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/
3	Issue 59 page of the BSC Website	https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/
4	P320 page of the BSC Website	https://www.elexon.co.uk/mod-proposal/p320/

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