

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

P322 'Revised Implementation Arrangements for Mandatory Half Hourly Settlement for Profile Classes 5-8'

Urgent Modification P322 proposes new arrangements to manage the migration of sites classed as Profile Class (PC) 5-8 with Advanced Meters to Half Hourly (HH) Settlement, as required by approved Modification P272.

The majority of the Workgroup believes that the P272 Implementation Date should be extended from April 2016 to April 2017. A minority favours extension to November 2017.

The Proposed Modification includes an end date of November 2017 by which migration must be complete (i.e. with P272 implementation extended to this date).

The Workgroup's Alternative specifies that the migration end date is the P272 Implementation Date, enabling the Authority to be flexible in considering P272 implementation extension, though the Workgroup recommends extension to April 2017.



The P322 Workgroup recommends approval of the P322 Alternative Modification and rejection of the P322 Proposed Modification

This Modification is expected to impact:

- Suppliers
- Distribution Systems Operators (DSOs)
- Half Hourly Supplier Agents
- Non Half Hourly Supplier Agents

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About This Document

This is the P322 Draft Modification Report, which ELEXON will present to the Panel at its meeting on 11 June 2015. It includes the responses received to the Assessment Procedure Consultation on the Workgroup's initial recommendations. The Panel will consider all responses, and will agree a final recommendation to the Authority on whether the change should be made.

There are four parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach. It also summarises the Workgroup's key views on the areas set by the Panel in its Terms of Reference, and contains details of the Workgroup's membership and full Terms of Reference.
- Attachment A contains the draft redlined changes to the BSC for P322 Proposed Modification and P322 Alternative Modification.
- Attachment B contains the full responses received to the Workgroup's Assessment Procedure Consultation.
- Attachment C contains the collated figures from the P322 request for information (RFI).

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Why Change?

The implementation approach for Approved Modification [P272 'Mandatory Half Hourly Settlement for Profile Classes 5-8'](#) and the P272 Implementation Date create risks to industry participants and consumers as a result of Meter migration.

Solutions

Both proposed and alternative solutions propose new arrangements to migrate sites, classed as Profile Class (PC) 5-8 with Advanced Meters installed, to Half Hourly (HH) Settlement under the P272 obligations.

Proposed Modification

The requirements for the proposed solution are:

1. Suppliers to submit migration plans by **31 August 2015** to confirm the date by which any given relevant Metering System (MS) will be migrated to HH Settlement;
2. That these plans must be agreed and monitored by the Performance Assurance Board (PAB), and Suppliers will provide regular updates on migration progress;
3. Suppliers to settle HH those sites with Advanced Meters on PCs 5-8 on a change of Supply (CoS) or Renewal of Contract from **5 November 2015** (the start date) to **2 November 2017** (the end date); and
4. Suppliers to settle HH by **1 April 2016** any sites with Advanced Meters on PCs 5-8 where the Renewal of Contract was agreed between 29 October 2014 and the P322 Implementation Date.

Alternative Solution

Under the alternative solution requirements 1 and 2 are identical; requirement 3 is the same except that the end date for migration is identified as the P272 Implementation Date, with a recommendation that this should be 1 April 2017; and requirement 4 is omitted.

Impacts & Costs

P322 will impact the following, which may also need to update their systems to handle increased numbers of HH Metering System IDs (MSIDs):

- **all Suppliers** with Advanced Meters on PC 5-8, who will need to submit migration plans and updates to the PAB, update contracts, appoint HH agents;
- **all Non Half Hourly (NHH) Supplier Agents**, who will need to Qualify (if not already done so) for the relevant MSs; and
- **all HH Supplier Agents and Distribution Systems Operators (DSOs)**, who will need to carry out the relevant change of Measurement Class (CoMC) activities and associated processes.

The estimated central implementation cost will be £18k with a minimum of £6k per month ongoing costs.

Implementation

The Workgroup initially recommends an Implementation Date for P322 of **3 August 2015** as a Standalone Release, if an Authority decision is received on or before 20 July 2015.

Recommendation

The P322 Workgroup by majority believes that **both the P322 Proposed Modification and P322 Alternative Modification would better facilitate Applicable BSC Objective (c) and (d).**

However, the majority of the Workgroup believes that the P322 Proposed Modification, while beneficial, is weaker on both objectives than the Alternative Modification.

The final recommendation of the Workgroup, therefore, is that the Alternative Modification be approved.

P272 Implementation Date

The Workgroup believes that the P272 Implementation Date should be extended, and that P322 facilitates such extension.

The majority of the Workgroup believes that the P272 Implementation Date should be extended from 1 April 2016 to 1 April 2017 (the Alternative is flexible with respect to extension of the P272 Implementation Date, but 1 April 2017 is viewed as the optimal date).

A minority of the Workgroup believes that the P272 Implementation Date should be extended from 1 April 2016 to 2 November 2017 (the Proposed Modification only works with extension to November 2017).

2 Why Change?

Overview of Approved Modification Proposal P272

Since 6 April 2014, all Meters within PCs 5-8 must have an Advanced Meter capable of being read remotely and recording HH consumption. Approved Modification P272 mandates HH Settlement for all MSs within PCs 5-8 from the P272 Implementation Date of 1 April 2016 (where capable metering has been installed).

Key milestones

- Smartest Energy raised P272 on **20 May 2011**.
- At its meeting on **13 December 2012**, the Panel unanimously recommended to the Authority that both the P272 Proposed Modification and the P272 Alternative Modification should be rejected ([Panel 206/05](#)).
- The Authority issued a [Regulatory Impact Assessment for P272](#) on **29 October 2013**. As part of this, the Authority noted a minded-to position to approve the P272 Alternative Modification.
- On **6 February 2014**, the [Authority issued a direction to the Panel](#) to consult on a revised proposed Implementation Date for the P272 Alternative Modification. The Authority:
 - notified the Panel that any revised Implementation Date for P272 should not be prior to 1 April 2016; and
 - recommended that the Panel conducted its consultation once there was clarity on the timetable for the [Distribution Connection and Use of System Agreement \(DCUSA\) Change Proposal \(DCP\) 179 'Amending the CDCM tariff structure'](#).

The Panel accepted this recommendation at its meeting on **13 February 2014** ([Panel 221/04](#)).

- The results of the consultation were presented along with the Draft Modification Report for Approved Modification [P300 'Introduction of new Measurement Classes to support Half Hourly DCUSA Tariff Changes \(DCP179\)'](#). The Panel recommended that the P272 Implementation Date should be 1 April 2016.
- The Authority approved the P272 Alternative Modification on **29 October 2014** for implementation on 1 April 2016.

P272 Implementation approach

Current P272 implementation approach

Under the approved P272 implementation approach, all applicable MSs will need to have migrated and settled HH by 1 April 2016. This would require significant numbers of NHH MSs undergoing the change of Measurement Class process, which due to the large numbers are expected to be done over a period of time rather than at the end of March 2016. It also requires Suppliers to be HH Qualified and appoint HH Qualified agents. To oversee this and manage any potential risk, the PAB have requested migration plans from Suppliers, DSOs and agents; however, these are not mandatory.

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Request to delay P272 Implementation Date

RWE npower and Haven Power wrote to the Panel (30 January and 10 February 2015, respectively) identifying concerns with the implementation of P272 and suggesting the Implementation Date of 1 April 2016 should be delayed ([Panel 234/05](#)). The February Panel meeting, npower presented its concerns regarding the P272 Implementation Date.

Ofgem stood by [its letter to the Panel in 2014](#) on P272 implementation, noting that Ofgem considers that timely implementation of change is needed to enable consumers to realise the benefits of Advanced Meters and therefore a strong case for a delay to the implementation of P272 would need to be demonstrated.

Ofgem advised that for a delay to be considered, it would need to see evidence of the materiality of the issues. This, it made clear, should include the impact on customers as well as industry parties, whether they are resolvable in the existing timeframe, and how widespread such issues are (that is whether they are industry-wide problems or limited to a small number of Parties). As such, the Panel asked ELEXON to seek further information to enable it to consider whether to request that the Authority agree to delay the implementation of P272; and, if so, what revised P272 Implementation Date to request.

ELEXON issued a consultation on 17 February 2015 seeking views whether other participants shared the identified concerns, the materiality of the issues and whether they can be resolved. The consultation closed on 3 March 2015 with 22 responses received.

The Panel considered responses to this consultation at its meeting on 12 March 2015 where it determined to seek a 12 month extension to the P272 Implementation Date ([Panel 235/04](#)). On 20 March 2015, the Panel wrote to the Authority to request that the Authority grant a 12 month extension to the Implementation Date for P272 from 1 April 2016 to 1 April 2017.

Authority decision not to delay P272 implementation

On 20 April 2015, the Authority wrote a [letter to the Panel in response to the request](#). While it shared some of the concerns raised by the Panel, regarding the risks to consumers associated with the P272 implementation approach, it decided not to approve the extension request. The Authority did not believe that an extension on its own would address the risks identified. Furthermore, it believed that such a delay could also reduce the incentives on Suppliers to start migration.

However, in its letter, the Authority said that it would be open to consideration of alternative solutions to address the risks to consumers. An example it provided was for a new Modification that introduced a mandatory start date for migration alongside a later Implementation Date for P272. It suggested that any solution could also consider a reporting requirement to monitor migration. It indicated that an extension to the P272 Implementation Date could be part of the measures to mitigate risk.

What is the issue?

At present, the approach to implementing Approved Modification P272 and the P272 Implementation Date create risks to industry participants and consumers as a result of Meter migration. P322 seeks to introduce an alternative implementation approach for P272, including mandatory reporting and facilitating a delay to the implementation of the P272 requirements, to mitigate the identified risks.

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Proposed solution

The proposed solution seeks new arrangements to migrate sites classed as PC 5-8 with Advanced Meters installed under the mandate to settle HH.

Solution requirements

Requirement 1	
<p>The BSC will include a requirement for Suppliers to settle half-hourly MS with Advanced Meters on PCs 5-8 on a CoS or Renewal of Contract from 5 November 2015 to 2 November 2017 (subject to the P272 Implementation Date); and for those with Contract Renewals agreed after 29 October 2014 but before the P322 Implementation Date from 1 April 2016.</p>	
1.1	<p>From 5 November 2015, Suppliers that are Registrants of MS with Advanced Meters on PC 5-8 must, within 45 Business Days of a CoS or Renewal of Contract, conduct a CoMC so that these MS are HH settled, unless 1.2 applies.</p>
1.2	<p>As from 1 April 2016 the Advanced Meter shall be HH Metering Equipment where a Contract Renewal in relation to that Advanced Meter has an effective date on or after 5 November 2015 and has been entered into between 29 October 2014¹ and the Relevant Implementation Date for Modification Proposal P322. For the avoidance of doubt, 45 Business Days does not apply (i.e. 1 April 2016 is the deadline to register and settle these MSs as HH).</p>
1.3	<p>All MS with Advanced Meters on PC 5-8 will be deemed to be HH Metering Equipment, and therefore must be HH settled, by the end date of 2 November 2017.</p>
1.4	<p>The PAB may use any Performance Assurance Techniques (PATs) it deems necessary to ensure compliance with this requirement, which may include escalation to the BSC Panel</p>

Requirement 2	
<p>The BSC will include a requirement for Suppliers to submit migration plans to demonstrate how they will meet requirement 1 and the requirement to move all MS with Advanced Meters on PCs 5-8 to HH Settlement by the date specified in the BSC. The BSC will also require that these plans to be agreed and monitored by the PAB.</p>	
2.1	<p>Suppliers shall submit Supplier Migration Plans (SMPs) using a template provided by ELEXON. The SMP will show the migration of MS with Advanced Meters on PCs 5-8 to HH Settlement from 5 November 2015 and must include:</p> <ul style="list-style-type: none"> • The Supplier IDs which the SMP covers (an SMP may cover multiple IDs). • The number of MS on PCs 5-8 for which the Supplier is the Registrant, broken down by those with Advanced Meters and those without. • The number of MS with Advanced Meters on PCs 5-8 that the Supplier expects to move to HH Settlement prior to 5 November 2015. • The date of contract expiry for each of the Supplier's MS with Advanced Meters that will not be moved to HH Settlement before 5 November

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¹ This is the date of the Authority decision and notice that it approved P272 for implementation on 1 April 2016.

Requirement 2

	<p>2015, broken down by month.</p> <ul style="list-style-type: none"> The date that each of the Supplier's MS on PCs 5-8 with Advanced Meters that were not moved to HH Settlement before 5 November 2015 will be registered as HH. This will be total numbers of MS for any given month. Supporting evidence specified or subsequently requested by the PAA or PAB. This may include a list of MSIDs, with the contract start and end dates, for the Performance Assurance Administrator (PAA) to validate the SMPs. The PAA will not share any supporting information at MSID level with the PAB unless agreed by the Supplier, and such information will be treated in confidence by the PAB. The PAA will provide any other information provided in confidence to the PAB in confidence. Details of contingency plans in place to manage potential acquisition of Customers and installation of Advanced Meters to sites.
2.2	<p>Suppliers shall indicate whether they have agreed their SMPs with the HH Data Aggregator (HHDA), HH Data Collector (HHDC) and HH Meter Operator Agent (HHMOA) that would be responsible for the MS²; and where this has not been possible, provide an explanation.</p> <p>Suppliers shall also confirm that the Supplier's agent is or will be HH Qualified by the time that it will be responsible for the MS.</p>
2.3	<p>SMPs may propose a migration date for a MS with an Advanced Meter on PC 5-8 that exceeds the 45 Business Day CoMC deadline for applicable MS if the volume of MS involved in any one period is not feasible or there are other reasons why it may not be feasible to meet the deadline, subject to the PAB approving such plans.</p>
2.4	<p>For the avoidance of doubt, a proposed migration date for a MS with an Advanced Meter on PC 5-8 in a SMP may not be later than 2 November 2017, even if this means the full 45 Business Days for CoMC is not available.</p>
2.5	<p>The PAB will review and determine whether the plans and any supporting evidence are sufficient to ensure compliance with the P322 and P272 requirements of the BSC and do not pose any unnecessary risk to Settlement.</p> <p>The PAB will reject any SMP which indicates a migration date for a MS on PC 5-8 with an Advanced Meter that falls more than 45 Business Days after a CoS or Renewal of Contract, unless suitable rationale or explanation is included within the SMP.</p> <p>If the SMP is rejected the Supplier must resubmit a revised plan, addressing the deficiencies identified by the PAB, within the timescale specified by the PAB.</p>
2.6	<p>Suppliers that are Registrants of MSs with an Advanced Meter on PC 5-8 before 31 August must submit an initial SMP covering all relevant MSs to the PAB by 31 August 2015 for the PAB to consider at its September 2015 meeting. Suppliers wishing to submit plans sooner may do so; however, the PAB will not give final consideration to these plans until the September 2015 meeting.</p> <p>Suppliers that become Registrants of MSs with an Advanced Meter on PC 5-8 from 31 August 2015, where they had not previously been a Registrant of such</p>

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² The expectation is that the Suppliers will need to agree with their agents the volume of MSs that will be migrated on a daily basis and the start and end date for each phase of the migration. Supplier Agents will need to consider how to manage migrations for multiple Suppliers, particularly at times of expected peaks around contract rounds.

Requirement 2	
	<p>MS, must submit an initial SMP covering all relevant MSs to the PAB within 30 Business Days of the first Registration.</p> <p>Suppliers must submit a revised plan using the provided template as soon as it becomes aware of any circumstance that will prevent material compliance with the plan that is in force for approval.</p>
2.7	<p>From 31 October 2015, Suppliers must provide updates on the progression of SMPs using a template provided by ELEXON, with supporting evidence as requested by the PAB or the PAA. The updates shall be provided monthly, unless the PAB specifies a different frequency to a Supplier (e.g. quarterly). This will be for the second preceding month (e.g. an update for November would be provided in January) and will include details on the variance and reason for variance from the last updated plan. This will include, but is not limited to:</p> <ul style="list-style-type: none"> • How many MS on PC 5-8 with Advanced Meters ('relevant MS') did the SMP say would be migrated during the month? • How many of these MS were migrated during the month? • How many relevant MS had contracts that expired during the month and the variance from the last updated plan? • How many of these MS were moved to HH Settlement and the variance from the last updated plan? • How many relevant MS did the Supplier acquire during the month and the variance from the last updated plan? • How many of these MS were moved to HH Settlement? • How many relevant MS did the Supplier lose during the month? • How many relevant HH MS did the Supplier lose during the month?³
2.8	<p>Suppliers must submit an SMP; submit an update in accordance with the BSC, including Section U.1.2.1, or as requested by the PAB or PAA; and comply with their approved SMP or any updated plan, subject to any explicit provisions in the Code to the contrary.</p>
2.9	<p>The PAB may use any PATs it deems necessary to ensure compliance, which may include escalation to the BSC Panel, if a Supplier fails:</p> <ul style="list-style-type: none"> • to submit an SMP; • to submit an update in accordance with the BSC, including Section U.1.2.1, or as requested by the PAB or PAA; and/or • to comply with their approved SMP or any updated plan.
2.10	<p>The PAB may use any PAT it deems necessary to obtain additional information or data to enable it to agree an SMP or ensure that such plans are on track.</p>

³ A relevant HH site in this context is a MS with an Advanced Meter on PC 5-8 that the Supplier had migrated from NHH to HH as part of the its PAB approved SMP but which it has since lost.

Alternative solution

The alternative solution also seeks new arrangements to migrate sites classed as PC 5-8 with Advanced Meters installed under the mandate to settle HH.

Solution requirements

Requirement 1	
The BSC will include a requirement for Suppliers to settle half-hourly MS with Advanced Meters on PCs 5-8 on a CoS or Renewal of Contract from 5 November 2015 to the P272 Implementation Date (with a recommendation that this moves to 1 April 2017).	
1.1	From 5 November 2015, Suppliers that are Registrants of MS with Advanced Meters on PC 5-8 must, within 45 Business Days of a CoS or Renewal of Contract, conduct a CoMC so that these MS are HH settled.
1.2	All MS with Advanced Meters on PC 5-8 will be deemed to be HH Metering Equipment, and therefore must be HH settled, by the P272 Implementation Date.
1.3	The PAB may use any PATs it deems necessary to ensure compliance with this requirement, which may include escalation to the BSC Panel

Requirement 2	
The BSC will include a requirement for Suppliers to submit migration plans to demonstrate how they will meet requirement 1 and the requirement to move all MS with Advanced Meters on PCs 5-8 to HH Settlement by the date specified in the BSC. The BSC will also require that these plans to be agreed and monitored by the PAB.	
2.1	<p>Suppliers shall submit SMPs using a template provided by ELEXON. The SMP will show the migration of MS with Advanced Meters on PCs 5-8 to HH Settlement from 5 November 2015 and must include:</p> <ul style="list-style-type: none">• The Supplier IDs which the SMP covers (an SMP may cover multiple IDs).• The number of MS on PCs 5-8 for which the Supplier is the Registrant, broken down by those with Advanced Meters and those without.• The number of MS with Advanced Meters on PCs 5-8 that the Supplier expects to move to HH Settlement prior to 5 November 2015.• The date of contract expiry for each of the Supplier's MS with Advanced Meters that will not be moved to HH Settlement before 5 November 2015, broken down by month.• The date that each of the Supplier's MS on PCs 5-8 with Advanced Meters that were not moved to HH Settlement before 5 November 2015 will be registered as HH. This will be total numbers of MS for any given month.• Supporting evidence specified or subsequently requested by the PAA or PAB. This may include a list of MSIDs, with the contract start and end dates, for the PAA to validate the SMPs. The PAA will not share any supporting information at MSID level with the PAB unless agreed by the Supplier, and such information will be treated in confidence by the PAB. The PAA will provide any other information provided in confidence to the PAB in confidence.

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Requirement 2	
	<ul style="list-style-type: none"> Details of contingency plans in place to manage potential acquisition of Customers and installation of Advanced Meters to sites.
2.2	<p>Suppliers shall indicate whether they have agreed their SMPs with the HHDA, HHDC and HHMOA that would be responsible for the MS⁴; and where this has not been possible, provide an explanation.</p> <p>Suppliers shall also confirm that the Supplier's agent is or will be HH Qualified by the time that it will be responsible for the MS.</p>
2.3	<p>SMPs may propose a migration date for a MS with an Advanced Meter on PC 5-8 that exceeds the 45 Business Day CoMC deadline for applicable MS if the volume of MS involved in any one period is not feasible or there are other reasons why it may not be feasible to meet the deadline, subject to the PAB approving such plans.</p>
2.4	<p>For the avoidance of doubt, a proposed migration date for a MS with an Advanced Meter on PC 5-8 in a SMP may not be later than the P272 Implementation Date, even if this means the full 45 Business Days for CoMC is not available.</p>
2.5	<p>The PAB will review and determine whether the plans and any supporting evidence are sufficient to ensure compliance with the P322 and P272 requirements of the BSC and do not pose any unnecessary risk to Settlement.</p> <p>The PAB will reject any SMP which indicates a migration date for a MS on PC 5-8 with an Advanced Meter that falls more than 45 Business Days after a CoS or Renewal of Contract, unless suitable rationale or explanation is included within the SMP.</p> <p>If the SMP is rejected the Supplier must resubmit a revised plan, addressing the deficiencies identified by the PAB, within the timescale specified by the PAB.</p>
2.6	<p>Suppliers that are Registrants of MSs with an Advanced Meter on PC 5-8 before 31 August must submit an initial SMP covering all relevant MSs to the PAB by 31 August 2015 for the PAB to consider at its September 2015 meeting. Suppliers wishing to submit plans sooner may do so; however, the PAB will not give final consideration to these plans until the September 2015 meeting.</p> <p>Suppliers that become Registrants of MSs with an Advanced Meter on PC 5-8 from 31 August 2015, where they had not previously been a Registrant of such MS, must submit an initial SMP covering all relevant MSs to the PAB within 30 Business Days of the first Registration.</p> <p>Suppliers must submit a revised plan using the provided template as soon as it becomes aware of any circumstance that will prevent material compliance with the plan that is in force for approval.</p>
2.7	<p>From 31 October 2015, Suppliers must provide updates on the progression of SMPs using a template provided by ELEXON, with supporting evidence as requested by the PAB or the PAA. The updates shall be provided monthly, unless the PAB specifies a different frequency to a Supplier (e.g. quarterly). This will be for the second preceding month (e.g. an update for November would be provided in January) and will include details on the variance and reason for variance from the last updated plan. This will include, but is not limited to:</p>

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⁴ The expectation is that the Suppliers will need to agree with their agents the volume of MSs that will be migrated on a daily basis and the start and end date for each phase of the migration. Supplier Agents will need to consider how to manage migrations for multiple Suppliers, particularly at times of expected peaks around contract rounds.

Requirement 2	
	<ul style="list-style-type: none"> • How many MS on PC 5-8 with Advanced Meters ('relevant MS') did the SMP say would be migrated during the month? • How many of these MS were migrated during the month? • How many relevant MS had contracts that expired during the month and the variance from the last updated plan? • How many of these MS were moved to HH Settlement and the variance from the last updated plan? • How many relevant MS did the Supplier acquire during the month and the variance from the last updated plan? • How many of these MS were moved to HH Settlement? • How many relevant MS did the Supplier lose during the month? • How many relevant HH MS did the Supplier lose during the month?⁵
2.8	Suppliers must submit an SMP; submit an update in accordance with the BSC, including Section U.1.2.1, or as requested by the PAB or PAA; and comply with their approved SMP or any updated plan, subject to any explicit provisions in the Code to the contrary.
2.9	<p>The PAB may use any PATs it deems necessary to ensure compliance, which may include escalation to the BSC Panel, if a Supplier fails:</p> <ul style="list-style-type: none"> • to submit an SMP; • to submit an update in accordance with the BSC, including Section U.1.2.1, or as requested by the PAB or PAA; and/or • to comply with their approved SMP or any updated plan.
2.10	The PAB may use any PAT it deems necessary to obtain additional information or data to enable it to agree an SMP or ensure that such plans are on track.

Implementation approach

Both the proposed and alternative solutions provide for a mandatory start date of 5 November 2015, by which all Suppliers must have started migration. This is in line with the Implementation Date for P300 and from when Distribution Use of System (DUoS) charges, which are more reflective, will be available for a class of HH MSs.

Part of each solution is required reporting, which will to require Suppliers to submit migration plans and have these agreed by the PAB. Therefore, the Implementation Date proposed is 3 August 2015 with the plans required to be submitted by 31 August 2015 and then considered by the PAB at its meeting on 24 September 2015.

Legal text

To support the revised implementation approach and additional requirements around Supplier Migration Plans, the following changes are required to both the proposed and alternative solutions.

Amendment to the BSC:

⁵ A relevant HH site in this context is a MS with an Advanced Meter on PC 5-8 that the Supplier had migrated from NHH to HH as part of the its PAB approved SMP but which it has since lost.

- requirements in [Section L 'Metering' and Section S 'Supplier Volume Allocation'](#), similar to the provisions introduced by P272 and which also consider the revised implementation approach.
- requirements in [Section Z 'Performance Assurance'](#) around submission of Supplier Migration Plans and compliance with those plans.
- [Section X Annex X-1 'Glossary'](#) to introduce the definition of 'Advanced Meter', 'Contract Renewal' and 'Supplier Migration Plans'.

Attachment A includes the draft redlined changes to the BSC for the proposed and alternative solutions.

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Estimated central implementation costs of P322

The estimated central implementation cost will be £18k with £6k per month ongoing costs. This is mainly to implement and manage the processes around SMPs for the duration of the period of migration. The implementation costs include the costs of the BSC changes.

Ongoing costs may be higher if there is a need to escalate any Supplier to the PAB and/or the Panel. ELEXON may also incur additional costs if the PAB initiates certain PATs, such as Technical Assurance of Performance Assurance Parties (TAPAP) or extend the scope of the BSC Audit. ELEXON anticipates that there will also be costs to support CMP241.

Ongoing costs will be higher for the Proposed Modification due to the longer migration period and will be approximately £162k compared with £114k for the Alternative Modification.

P322 impacts

The impacts of P322 Proposed Modification and P322 Alternative Modification will be the same, though the Proposed includes a longer migration period.

Impact on BSC Parties and Party Agents	
Party/Party Agent	Impact
Suppliers	Suppliers will need to update their customer and agent contracts as part of the transition from NHH to HH Settlement. This may require them to change agents and may require them to update their forecasting, pricing and billing systems
NHH Supplier Agents	Existing NHH-only agents will need to re-qualify for HH should they wish to continue to act as Party Agents for the relevant MSs that fall within PCs 5-8
HH Supplier Agents and DSOs	HH Supplier Agents appointed to the relevant MSs will need to carry out the relevant CoMC activities and associated processes, and may need to update their systems to handle increased numbers of HH MSIDs

Impact on Transmission Company

P322 will impact the Transmission Company (TC) as a result of any extension to the P272 Implementation Date. The impact would be due to introducing uncertainty over whether any consequential changes are required for the TC or for ELEXON in providing Measurement Class E data for reconciliation purposes.

Any TC solution is likely to be sensitive to the number of migrations in 2015/16, but may be mitigated by the provision of aggregate SMPs at Grid Supply Point (GSP) Group level. However, the P322 solution does not provide for this. As such, consequential changes to either the Connection and Use of System Code (CUSC) or BSC Systems may be needed.

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Impact on BSCCo

ELEXON will manage the implementation project, which will also cover P272. It will need to coordinate the activities associated with the SMPs, including presenting these to the PAB, which will include ongoing activities. Any escalation activities and use of PATs, such as TAPAP or extending the scope of the BSC Audit, will be managed by ELEXON.

Impact on BSC Systems and process

None identified

Impact on Code

Code Section	Impact
Section L	Changes will be required to implement the solution. See approved legal text in Attachment A
Section S	
Section X Annex X-1	
Section Z	

Impact on other Configurable Items

Configurable Item	Impact
SMP and SMP Update templates	These will be created as part of the implementation and approved by the PAB

Recommended Implementation Date

The Workgroup recommends an Implementation Date for P322 of 3 August 2015 if the Authority's decision is received on or before 20 July 2015.

The key dates of the P322 implementation approach and solutions associated with this Implementation Date are:

- P322 Implementation Date: 3 August 2015;
- migration plan submission deadline: 31 August 2015;
- The PAB consideration of initial migration plans: 24 September 2015;
- migration mandatory start date: 5 November 2015; and
- migration end date:
 - for the proposed solution: 2 November 2017; or
 - for the alternative solution: the P272 Implementation Date, which the Workgroup recommend should be 1 April 2017.

6 Assessment Procedure Consultation Responses

This section summarises the responses to the Workgroup's Assessment Procedure Consultation on its initial recommendations. You can find the full responses in Attachment B.

Summary of P322 Assessment Procedure Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Workgroup's initial majority view that P322 does better facilitate the Applicable BSC Objectives than the current baseline?	13	3	3	0
Do you agree with the Workgroup that the draft legal text delivers the intent of P322?	13	1	4	1
Do you agree with the Workgroup's recommended Implementation Date?	15	2	1	1
Do you agree with the Workgroup that there are no other potential Alternative Modifications within the scope of P322 which would better facilitate the Applicable BSC Objectives?	13	5	1	0
Do you agree with the Workgroup's recommended implementation approach where Suppliers must submit initial Supplier Migration Plans by 31 August 2015, subject to 3 August 2015 Implementation Date?	18	0	1	0
Do you agree that under P322 Suppliers should be required to migrate any applicable MS to HH Settlement where it gains or where the contract is renewed from 5 November 2015?	14	2	0	3
Do you agree that under P322 Suppliers should be required to complete migration to HH Settlement within 30 Business Days of a change of Supply or Contract Renewal?	12	6	1	0
Do you agree with the Workgroup's recommended implementation approach where Suppliers must have migrated all applicable MSs by 2 November 2017, subject to P272 Implementation Date being amended to align with this date?	11	5	0	3
Do you believe that Suppliers should provide SMP information at a GSP Group level?	13	5	1	1
Do you have any further comments on P322?	10	8	0	0

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Issue being addressed by P322

The Workgroup noted the Proposer's views on the issue, high level solution and justification of P322. A Workgroup member suggested that an argument for delaying implementation of P272 was the IT logjam that they believe will result from the P272 Implementation Date. They believed that a mandatory migration start date would cause the same issue. The Proposer contended that a start date coupled with a migration end date (aligning with a delayed P272 Implementation Date and based on Suppliers' contract end dates) would allow Suppliers to manage IT resource over a longer period. This would allow any necessary system or infrastructure changes to be done in batches, as required, rather than at one time.

The Ofgem representative confirmed that the rationale set out in the Authority letter responding to the BSC Panel's request to delay the P272 Implementation Date means that the Authority is open to consideration of solutions that address the risks to consumers identified by the BSC Panel, which could include a later P272 Implementation Date.

A Workgroup member considered that any arrangements introduced by P322 would need to include clear criteria to ensure that a gaining Supplier understands the requirements when they negotiate a contract with a potential new Customer. Criteria would need to be developed for the PAB, as well as Suppliers, so that they know what SMPs should look like. They believed that the plans should take into account contract renewal and allowance for migration sooner.

Advanced Meter definition

Another Workgroup member noted that the definition of an Advanced Meter is not clear. Specifically, they did not believe it was clear whether the definition includes Meters that do not have working communications or where communication is difficult due to location. As such, the member thought it would be useful to have this definition clarified. The definition in the Supply Licence Condition (SLC) 12.19 states:

"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."

P272 introduces a definition of Advanced Meter in to the BSC and points to this SLC. As this definition will not currently come in to effect until the P272 Implementation Date, a definition will be required in the BSC as part of P322. The definition of Advanced Meter that would be introduced as part of P322 is the same as that which is already due to be introduced under P272.

Phased implementation approach

The Proposer's solution included a mandatory 'start date' from when all Suppliers must have started the migration and an 'end date' by which all applicable MSs must have been

migrated. The Workgroup considered two options for consideration, one based on industry milestones and one on contract end date led milestones.

The Workgroup did not feel that an industry wide mandatory milestone approach was suitable as it did not take in to consideration the contract end dates and therefore could be detrimental to the Customer experience by forcing Suppliers into migrations that do not take into account their contracts.

The Workgroup favoured the Proposer's suggested approach where Suppliers migrate on a CoS or Contract Renewal.

Start Date

Part of the solution for phased migration is a mandatory start date. A Workgroup member asked what 'starting' means. The Workgroup agreed that many Suppliers have already started to migrate sites, but what is meant by a start date under P322 is a date by which all Suppliers must migrate any newly gained sites and any sites that undergo contract renewal.

The Proposer suggested a date of 5 November 2015, which aligns with Approved Modification P300 and the aggregated HH DUoS charges introduced by DCP179. ELEXON had proposed 1 October 2015 for consideration, to align with contract rounds. However, any whole current (WC) MSs before 5 November 2015 would end up on a DuoS charge associated with a site specific current transformer (CT). Therefore, Suppliers are unlikely to move those MSs and any CT MSs on the same contract until 5 November 2015 at the earliest.

The Workgroup considered the responses to the consultation and noted that some Suppliers thought that it would not be possible to migrate from 5 November 2015 due to the availability of the new Measurement Classes being available in Market Domain Data (MDD) until this date and the lead times for registration. It was noted that this is only relevant for WC sites and that the CT sites could be registered from this date. For WC sites, or those with contracts that are for CT and WC MSs, the Workgroup noted that the PAB could take the lead times and availability of MDD in to consideration when approving SMPs.

The Workgroup therefore agreed that the mandated start date should be 5 November 2015.

Issues with pre-agreed contracts

The Proposer advised that npower had considered a scenario where by the Supplier and Customer had agreed a contract renewal before the start date but the contract renewal itself falls after the start date, and that it would intend to honour such contracts. The Workgroup felt that any contracts agreed after the P322 Implementation Date of 3 August 2015 and before the start date would have to be settled HH upon the renewal date. However, it agreed that in any case this should be by the current P272 Implementation Date of 1 April 2016, as Suppliers shouldn't currently be agreeing contracts with Customers that didn't take in to consideration the current P272 implementation approach.

The Workgroup was sympathetic to the scenario where the contracts were agreed before the P322 Implementation Date. However, it felt that these were best dealt with as exceptions by the PAB rather than specifying something under the BSC, especially as there



P300 and DCP179

P300 introduces the new Measurement Classes F and G, which Suppliers will use for aggregated HH DUoS and which supports implemented DCP179. P300 comes into effect on 5 November 2015 (as part of the November 2015 Release). It is from this date that any WC MS that is captured by the P272 requirement can migrate to HH and take advantage of the new aggregated DUoS charges.

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may be other exceptions and that there had not been sufficient time to consider all of these. The Proposer agreed with the point that there might be other exceptions and that this should be limited to pre-P322 contracts, but felt that this needed to be included.

The Workgroup considered that for clarity a date from when these contracts were agreed should be included (i.e. so the provision does not extend inappropriately far into the past). The Workgroup believed that this date should be the 29 October 2014, which was the date that the Authority decided and communicated its decision on P272; the Proposer agreed with this rationale and the inclusion of this date.

Issues with concurrent CoS and CoMC

The Workgroup noted that there are existing issues with the CoMC process, which is made more difficult with a concurrent CoS event. This includes issues around the gaining Supplier not knowing which Measurement Class a site is registered to. A Workgroup member advised that Suppliers would have the opportunity to obtain information from the Customer during contract discussions. However, the Workgroup recognised that leeway is needed with the CoMC process, even with changes to improve the process introduced by [CP1409 'Change of Measurement Class process for advanced Meters'](#). The Workgroup therefore agreed to consult on the basis that 30 Business Days would be allowed to complete the CoMC following a CoS or Contract Renewal event.

An attendee from a Supplier Agent asked whether the various BSCP timescales should be extended for Supplier Agents to complete the CoMC and associated activities. Making such changes under P322, which would be time bound, would be problematic. However, with the 30 Business Day leeway coupled with a requirement for Suppliers to consult with Supplier Agents to produce their migration plans', which must be ultimately agreed by the PAB, then the risk should be low and manageable under the PAF.

The Workgroup considered the responses to the consultation, noting suggested alternative timescales of 40, 45 and 60 Business Days spread across five respondents (while noting that one respondent had, in disagreeing with the 30 Business Day timescale, suggested that a shorter period would be appropriate).

A Workgroup member, who was also from the company that had suggested 60 Business Days, agreed with arguments for a shorter increase to the period.

The Workgroup therefore concluded that 45 Business Days would be suitable, noting that the 30 Business Days was a strawman for consultation and 45 Business Days would give nine weeks to carry out the CoMC activities.

Issue with knowing the type of Metering Equipment installed

A Workgroup member noted that there are issues for Suppliers around knowing whether a given MS is CT or WC metered, which would mean that it couldn't easily agree contracts with Customers as it would not necessarily know the Maximum Import Capacity (MIC) and which DUoS charge would be applied. It was noted that this has been discussed at the Distribution Charging Methodologies Forum (DCMF) Methodologies Issue Group (MIG), which agreed that DSOs should write in May 2015 to the Registrant Suppliers for each relevant MS to advise whether the site is CT or WC metered. It was noted that the issue has been raised again at the May meeting with DSOs agreeing to complete the initial assessment of MIC values by end of June. However, as DSOs need to agree the values

with customers, the Workgroup is concerned that the values won't be provided to Suppliers in sufficient time and that this will impact on the migration to HH.

The Workgroup noted that populating Electricity Central Online Enquiry Service (ECOES) was considered by the Master Registration Agreement (MRA) Development Board (MDB), but was not taken forward at this time. However, it was noted that a Supplier intends to raise the issue again at the Issue Resolution Expert Group (IREG) on 10 June. This is an issue with prospective Suppliers being unable to provide quotes to new customers, which the ECOES solution proposes to address by making the type of Metering Equipment on site available. The Working Group believed this had been rejected on the grounds of costs. However, one member of the Workgroup confirmed that this had been progressed due to issues under the DCUSA, which considered the MIC to be a customer owned data item. Therefore, this was subject to Data Protection issues. However, the Workgroup hoped that P322 raises the profile of the issue.

The Workgroup suggested that ELEXON could receive CT/WC information from DSOs and publish or distribute it to the relevant Suppliers. ELEXON advised that this is outside the scope of the BSC and it would be reluctant to do this if DSOs had already noted the confidentiality of the information, especially when it couldn't confirm the accuracy of the data or have appropriate controls as to who receives this if it is for a gaining Supplier's use.

The Workgroup noted the issues were outside the scope of the Modification and the BSC's remit but that the BSC Panel and Ofgem are aware of the issues. The Workgroup concluded that this issue would remain irrespective of whether P322 is approved and should therefore be reiterated to Ofgem.

End Date

The solution also includes an extension to the date when all applicable MS must be HH settled. The Workgroup for its consultation determined that this should be 2 November 2017, subject to the P272 Implementation Date being aligned with this date. However, there were arguments expressed in favour of earlier and later dates (detailed below) and the Workgroup invited industry views on its provisionally agreed date.

Interactions with P272

CUSC Modification Proposal (CMP) 241 legal text references P272, then if P322 were to replace P272 then it would cause issues for CMP241. As such, P322 could not realistically replace P272.

Additionally, as P272 is approved with an Implementation Date of 1 April 2016, then any recommendation in P322 on an end date when applicable MSs must all be HH settled that is later than the P272 Implementation Date would have no practical effect. However, the Workgroup can recommend to the Panel that it ask the Authority to extend the P272 Implementation Date to align with the P322 end date.

ELEXON advised that any change to the P272 Implementation Date would also inform the Implementation Date for [P320 'Reporting on Profile Classes 5 – 8 Metering Systems after the implementation of P272'](#), which seeks to back out the Performance Assurance Reporting and Monitoring System (PARMS) and Supplier Charge elements from the P272 solution.

Interactions with other industry changes

The Workgroup noted the response to the consultation from the TC that any extension to P272 Implementation Date would impact on the CMP241 solution. ELEXON advised that CMP241 has already been implemented and that the legal text allows for an extension to the P272 Implementation Date.

With the current P272 Implementation Date, ELEXON would provide as a one-off data to allow the TC to reconcile Transmission Network Use of System (TNUoS), which it would do by obtaining data from the Supplier Volume Allocation Agent (SVAA) and processing it using a simple application that would have to be developed. By extending the implementation period, there is a risk that:

- the original proposed workaround will no longer be feasible;
- the increase in data required and processing required, takes it out of the 'workaround' category and may require a CP.

ELEXON also noted that the TC is seeking visibility of aggregate Supplier plans to allow it to forecast, preferably at GSP Group level. ELEXON will liaise with the TC to understand further its requirements and identify next steps.

Request For Information

The Ofgem representative suggested that a request for information (RFI) should be issued to understand when contracts are expected to finish and therefore to inform the Workgroup in determining the P322 'end date'.

The Workgroup issued an RFI and considered the results in determining its views for this consultation. It also allowed for any Suppliers that wished to respond to the RFI, for the Workgroup to consider their responses when it considered the industry consultation. .

An attendee from a Supplier Agent noted that many Customers would have contracts in place with Customers for Advanced Meters, which may expire before the Supplier-Customer contract does. As such, they noted that agents might be discussing with Customers the need to migrate to HH before the Supplier has had a chance to communicate with the Customer. The Workgroup noted this but agreed not to seek information from Supplier Agents on agent contract end dates because ultimately any arrangements for managing migration would be driven by, and would be the responsibility of, Suppliers. The Workgroup noted the responses to the consultation on this area.

A Workgroup member felt that RFI should take into consideration sites that will have Advanced Meters installed in PC 5-8 in future, as these will then be captured by the P272-P322 requirements. Another Workgroup member agreed. They pointed out that some Suppliers may not be able, or would be reluctant, to provide this breakdown in the timescales available for the RFI, and as such the RFI should seek the total number of PC 5-8 sites; and an estimate of when the Supplier would expect the vast majority of these sites to have an Advanced Meter installed and be settled HH.

The Workgroup agreed this and issued an RFI to establish:

- The number of PC 5-8 MSs with Advanced Meters that have fixed-term contracts that will expire between July 2015 and March 2020, broken down by month.

- The number of these MSs with no working Advanced Meter installed that have fixed-term contracts that will expire between July 2015 and March 2020, broken down by month.

A Workgroup member suggested that the RFI should define what is meant by an Advanced Meter. Another Workgroup member suggested that the respondents should exclude disconnected and de-energised metering points and “evergreen” arrangements. For clarity, ELEXON noted that this should exclude Unmetered Supply (UMS) and Export MSs, which are registered to PC8.

A Workgroup member asked that the RFI should establish the number of these MSs from each category that do not have fixed-term contracts. Another suggested that the RFI should identify the number of PC5-8 MSs Suppliers intend to sign as NHH contracts before November 2015 and the breakdown by CT/WC.

The Workgroup agreed that ELEXON should issue an RFI to establish the above information. It agreed that it would use this information to inform a decision on an end date.

A Workgroup member asked whether the Workgroup would be making a recommendation based on the last contract date or when ‘most’ of the industry could be considered to have achieved migration. A Workgroup member suggested that it would be reasonable for the Workgroup to recommend a date based on when 95% of contracts were due to expire, noting that Suppliers could maintain existing NHH contract terms and conditions so long as the relevant sites were still HH settled.

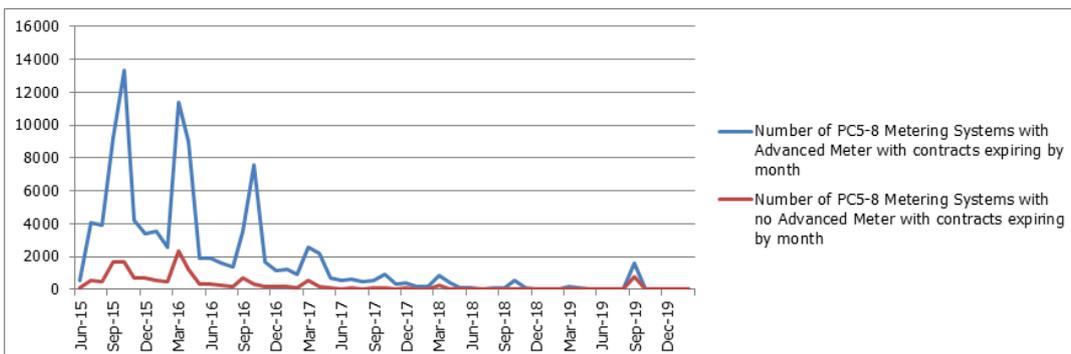
RFI responses and analysis

ELEXON received 19 responses from Suppliers, including all of the ‘big six’, accounting for approximately two-thirds of all expected PC 5-8 sites. ELEXON and the Workgroup believed that this was sufficient for the Workgroup to determine an ‘end date’ for use in the consultation.

The collated data (Attachment C) shows the total numbers broken down by month with three thresholds to indicate when 85%, 90% and 95% of contracts would have expired.

The data provided included the total number of sites without Advanced Meters (15,846) that have fixed contract end dates and those without a fixed end date (3,227). The total number of sites indicated to have no fixed term contracts amounts to 10,161 MSs, 6,934 of which have Advanced Meters installed.

The graph below shows the number of PC5-8 sites (broken down by those with an Advanced Meter and those without) with contracts expiring by month.



Workgroup initial recommendation on the P272 Implementation Date

The Workgroup agreed to consult on an end date of 2 November 2017 (as part of the November 2017 Release). It noted that this:

- aligns with the BSC Release;
- considers that 93% of contracts are expected to have completed by August 2017 and which allows for leeway for resolving CoMC issues;
- nearly 95% of contracts would have ended by the end of November 2017; and
- would provide two years from the 'start date' for all applicable sites to be migrated, which is greater than the 13½ months industry had previously indicated under P272.

The Proposer was comfortable with this date for consultation. They did however advise that they would be open to considering an alternative end date of 22 February 2018 (as part of the February 2018 Release). They noted that some contracts might end at the end of October 2017, so the November end date (falling almost right at the start of contracts to replace those expiring in October) could be challenging, whereas the February date is at the end of the month. They also noted that the February date would ensure that over 95% of Customers were not adversely impacted.

Conversely, another Workgroup member suggested that 1 April 2017 would still account for 90% of contracts and favoured this earlier date, as the shorter timescales would keep more pressure on Suppliers to migrate. Another Workgroup member agreed, but both supported the November 2017 date for consultation.

A Workgroup member questioned whether the incompleteness of the data, provided the Workgroup with sufficient information. The Workgroup was comfortable that the information received was sufficient to enable it to assess P322, but agreed that Suppliers that had not submitted RFI responses should have an opportunity to do so during the consultation period.

A Workgroup member noted that P322 would not prevent Suppliers migrating all relevant sites earlier than the end date.

Another Workgroup member noted that there was a vertical rise in contract ends at the start with approximately 30k MSs before the start date of 5 November 2015. They noted that these could theoretically be renewed on a NHH basis before the start date, which could result in these sites being migrated towards the end date (i.e. and this would not show up in the RFI analysis).

The Ofgem representative agreed with the consultation approach to invite views from the industry.

Workgroup final recommendation on P272 Implementation Date

ELEXON received one additional response during the consultation period. However, this was only for 20 MSs and therefore did not impact on the RFI conclusions.

The Ofgem representative, noting that the BSC Panel had originally requested a delay of one year to the current P272 Implementation Date of 1 April 2016, said that the industry would need to present a strong case for a delay beyond 1 April 2017

The Workgroup considered the responses to the consultation, including the potential impact on the CMP241 solution, and Ofgem's view. It considered that a 1 April 2017 Implementation Date for P272 would be more likely to be acceptable to the Authority than a later date.

The Workgroup also noted that the analysis showed that an additional 5% of customers could potentially have contracts disrupted under a 1 April 2017 Implementation Date compared to a 2 November 2017 date, and considered that this did not appear to be a sufficiently compelling reason to recommend a date later than 1 April 2017. It also considered that 1 April 2017 would have a lesser impact on the TC than extending to a later date as this would only cover two TNUoS charging periods.

Noting that the Authority can choose any date, irrespective of what it or the Panel recommend, it felt that it was pragmatic to only refer to the P272 Implementation Date in the legal text.

The Proposer, however, felt that the 2 November 2017 was better and that a solution could be found to address TCs concerns. In addition, he wanted to be specific in the legal text as to the end date.

Supplier Migration Plans

A Workgroup member believed that Suppliers should submit credible plans that take into consideration gains as well as its existing portfolio.

A Workgroup member noted that the CoMC would not require a physical change of Meter and would only be a logical change.

The Ofgem representative believed that the implementation approach with a start and end date and with SMPs shouldn't prevent customers choosing to be HH settled earlier. It advised that the solution should help avoid any occurrence of contract end fees. This however is outside the scope of P322 and the BSC.

The Ofgem representative noted risks to Settlement around contract round peaks. It was suggested that 10,000 per month across the industry is manageable. However, in an individual month there could be a higher burden on some Suppliers and Supplier Agents. This can be mitigated by the 45WD allowed to complete the migration, and agreement of plans between both parties.

The Workgroup agreed that it should be mandatory for Suppliers to submit plans. It did not believe that plans were necessary from Supplier Agents or DSOs. However, it believed that Suppliers should declare that their plans have been agreed with the applicable HH agents.

The Workgroup did not see any benefit in requiring the DSOs to agree plans, though it recognised that DSOs and the TC would benefit from knowing the numbers of MSs migrating for forecasting purposes. The Workgroup did not wish to include a requirement under P322 for SMPs or the total numbers of sites to be provided to DSOs or the TC because it did not believe it was part of the primary objectives of the Modification. It did however agree that ELEXON should explore whether the total numbers could be shared and to ask in the consultation whether the data should be provided at GSP Group level to the TC or to DSOs.

The Workgroup considered the consultation responses and concluded that this did not need to be specified. It noted that the legal text is silent on this, so the PAB may choose to request this at a GSP Group level at its discretion.

ELEXON advised that this information would be provided in confidence and therefore could not be shared with DSOs. However, there may be provisions under the BSC whereby it could be shared with the TC, but this would need to be investigated further. Nonetheless, the information that the TC would like to see can be requested by the TC from Suppliers as part of the CMP241 solution, though doing this centrally might be more efficient.

Monthly updates

The Workgroup also believed Suppliers should provide monthly updates, likely through the OSM, on the progression against the plans and that Suppliers should inform the PAB of any circumstances that would prevent material compliance and seek approval of revised plans. However, the Workgroup considered the consultation response that this may be too onerous. It concluded that the updates should be provided monthly, unless the PAB specifies a different frequency to a Supplier (e.g. quarterly).

Any failure to submit plans or updates, or to adhere to plans, could result in escalation to the PAB and/or the Panel, which may ultimately result in Section H Default and removal of a Supplier's licence. The Workgroup didn't want to use the Error and Failure Resolution (EFR) Processes as this would just be initiated with a request for a plan. However, it recognised that the escalation route under EFR would in effect be mirrored.

The Workgroup agreed that the updates should be reported by the 15th day of the month following the relevant month (i.e. the month being reported upon in the update). ELEXON would present these updates to the PAB in the month following receipt. The Workgroup recognised that this in effect would mean that the PAB would be monitoring two months previous.

ELEXON suggested that the deadline date for updates could be the end of the month after the reporting period, since the updates will not be presented until the second month after the relevant month. The legal text provides for the PAB discretion on when this is provided, so it will be for the PAB to determine.

Templates and guidance

The Workgroup requested that ELEXON draft templates for SMP and updates, along with guidance on how to complete these, to be agreed by the PAB as part of implementation of P322.

Monitoring

ELEXON suggested that monitoring is required to establish whether Suppliers are on track with their SMPs. It advised that PARMS changes that would currently be developed under P272 (subject to Modification P320) wouldn't come into effect until the P272 Implementation Date and therefore the 'end date' for P322. Bringing this forward in time to monitor migration from the 'start date' would not be feasible and would be unlikely to be supported by participants. ELEXON advised that it is exploring an option of using ECOES report in place of PARMS for P320, which it could potentially bring in earlier. At the time of the first Workgroup meeting, ELEXON did not have the details as to whether the

data could be used. It has since been established that a licence could be granted on an annual basis if supported by two Suppliers and one DSO and then ultimately approved by the MRA Executive Committee (MEC).

The attendee from ElectraLink offered that it has access to the data flows sent over the Data Transfer Network (DTN) so could provide a good view of the CoS-CoMC process. ELEXON noted that only approximately 75% of data flows are sent over the DTN so it would not necessarily give a complete picture.

A Workgroup member noted that the BSC Auditor already checks CoMC. However, another Workgroup member thought that the auditor would not provide its findings in sufficient time for the PAB. In addition, the auditor only samples one percent of the 100kW HH market, which would mean that the scope would have to be extended and would not necessarily give a full picture of migration.

ELEXON advised that it has considered ways of monitoring Suppliers' migration plans without any independent reports. It has some concerns that it could not provide the necessary assurance to the PAB that Suppliers were on track with their plans. The concerns include:

- monitoring at a Supplier level could be unfair if there were individual targets for Suppliers where one Supplier had a target greater than another and could increase timescales;
- monitoring at a MSID level could lengthen the process if it was Supplier provided information (though monitoring using ECOES data, as is being considered by P320 wouldn't be so onerous and would mirror the monitoring of PARMS Serial SP04); and
- Supplier self-declaration could be perceived as not robust and could make it questionable whether ELEXON could provide meaningful support to the PAB.

Instead, ELEXON suggested that monitoring could be performed at an industry level with blanket criteria that would be less ambiguous. However, the Workgroup noted that due to the likely varying contract lengths between different Suppliers, one Supplier could 'fail' against the criteria if the bulk of its contracts expired later than the industry average.

The Workgroup ruled out developing specific methods for monitoring and agreed that this should be left to the PAB and ELEXON to establish, taking into consideration the conclusions of the P320 Workgroup and the P320 Authority decision.

8 Workgroup's Conclusions



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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The majority of the Workgroup agreed that both the P322 Proposed Modification and P322 Alternative Modification would overall better facilitate the Applicable BSC Objectives compared with the existing baseline.

However, the majority of the Workgroup (10) felt that the Alternative Modification was better than the Proposed Modification and should therefore be approved.

A minority of the Workgroup (two, including the Proposer) felt that the Proposed Modification was better.

One Workgroup member didn't think either solution should be approved, but thought the Alternative Modification was better than the Proposed Modification.

The following table contains the Workgroup's final views against each of the Applicable BSC Objectives. These views apply to both the Proposed Modification and the Alternative Modification in comparison to the existing baseline.

Does P322 better facilitate the Applicable BSC Objectives?		
Obj	Proposer's Views (both Proposed and Alternative solutions)	Other Workgroup Members' Views ⁶ (both Proposed and Alternative solutions)
(a)	<ul style="list-style-type: none"> Neutral – No impact 	<ul style="list-style-type: none"> Neutral (unanimous) – as Proposer. The Workgroup noted the TC's view that P322 is slightly detrimental against the TC's obligations to set cost reflective charges, but that on balance the TC considered P322 to be neutral as it felt that others were best placed to assess the benefits of P322 against the impact on TNUoS charges and the costs of any consequential actions.
(b)	<ul style="list-style-type: none"> Neutral – No impact 	<ul style="list-style-type: none"> Neutral (unanimous) – as Proposer
ELE XO N	<ul style="list-style-type: none"> Yes <ul style="list-style-type: none"> Present implementation timescales for P272 have the potential to disrupt customers unnecessarily. Additional time for implementation could allow Suppliers to choose an implementation path that would reduce this impact. This could help Suppliers facilitate positive engagement with customers, particularly when considering new types of products. Effective competition is unlikely to happen in a market with a 	<ul style="list-style-type: none"> Yes (majority) – as Proposer No (minority – one) – doesn't help competition as provides a long period of uncertainty for customers in respect to pricing. The migration period should therefore be as short as possible. However, the Alternative Proposal partly addresses this concern.

⁶ Shows the different views expressed by the other Workgroup members – not all members necessarily agree with all of these views.

Does P322 better facilitate the Applicable BSC Objectives?		
Obj	Proposer's Views (both Proposed and Alternative solutions)	Other Workgroup Members' Views ⁶ (both Proposed and Alternative solutions)
	<p>disengaged customer base, this is particularly pertinent for P272 given that much of the benefits case is built upon customer engagement and participation with new products, which may include Time of Use products (ToU) that can reduce peak load and associated costs.</p> <ul style="list-style-type: none"> In addition, Suppliers who are in a position to meet or exceed the existing Implementation Date may be able to offer HH services to new customers, therefore putting competitive pressure onto other Suppliers to transition quickly. 	
(d)	<ul style="list-style-type: none"> Extending the P272 implementation time will ease capacity system and development costs for industry participants and increase how efficiently developments can be made alongside other industry requirements. Additionally, many Suppliers stated in the recent BSC Panel 'P272 Extension' consultation that they would be unable or at least would struggle to achieve the existing P272 Implementation Date. An extension would lead to a more economic and efficient implementation than the present mandated timescales. 	<ul style="list-style-type: none"> Yes (majority) – as Proposer Neutral (minority – one) – there are pros (as set out by the Proposer and supported by the Workgroup) and cons (the overall delay in the migration of sites) for efficiency, so overall the Modification is neutral in terms of efficiency.
(e)	<ul style="list-style-type: none"> Neutral – No impact 	<ul style="list-style-type: none"> Neutral (unanimous) – as Proposer
(f)	<ul style="list-style-type: none"> Neutral – No impact 	<ul style="list-style-type: none"> Neutral (unanimous) – as Proposer

Proposed solution compared with the Alternative solution

By majority, the Workgroup believes that the Alternative Modification would be better than the Proposed Modification, and should therefore be approved.

The Workgroup's views are summarised in the following table:

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Which is the better solution to P322?

Proposed Solution	Alternative Solution
<p>Minority view (two of 13)</p> <ul style="list-style-type: none"> • Fewer customer contracts disrupted, therefore less disruptive to competition among Suppliers and more beneficial against Objective ELEXON. • Any solution to resolve TNUoS issues will be well practiced, so an additional charging period would have little impact. • Provides mechanism for better managing Customer contracts agreed prior to P322 implementation by April 2016. 	<p>Majority view (11 of 13)</p> <ul style="list-style-type: none"> • More benefit against Objective ELEXON because, while the solution allows the industry as a whole to better manage migration, the earlier end date (recommended to be 1 April 2017, compared with 2 November 2017) still facilitates competition between Suppliers with regard to efficiency of how they migrate sites, the contracts they are able to offer and the quality of customer experience they deliver. • More benefit against Objective (d) because the solution is more efficient as it is simpler and more straightforward to implement, and supports less onerous TNUoS workaround. • Explicitly aligning the P322 end date with the P272 Implementation Date in the legal text, with a recommendation that this should be extended to 1 April 2017, allows more flexibility for the Authority in deciding an extension to the P272 Implementation Date, and recognises that a compelling case for extension beyond April 2017 has not been made.

Views on extension of the P272 Implementation Date

The Workgroup believes that the P272 Implementation Date should be extended, and that the Panel should request an extension from the Authority based on the progression of P322. An extension of the P272 Implementation Date is required for the P322 solutions to work as intended, and P322 is intended to facilitate extension of the P272 Implementation Date by the Authority.

The majority of the Workgroup believes that the P272 Implementation Date should be extended from 1 April 2016 to 1 April 2017.

A minority of the Workgroup believes that the P272 Implementation Date should be extended from 1 April 2016 to 2 November 2017.

9 Recommendations

We invite the Panel to:

- **NOTE** that the Workgroup believes that the P272 Implementation Date should be extended from 1 April 2016 to 1 April 2017;
- **AGREE** that the P322 Proposed Modification:
 - **DOES** better facilitate Applicable BSC Objective ELEXON; and
 - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** that the P322 Alternative Modification:
 - **DOES** better facilitate Applicable BSC Objective ELEXON;
 - **DOES** better facilitate Applicable BSC Objective (d);
- **AGREE** that the P322 Alternative Modification is better than the P322 Proposed Modification;
- **AGREE** a recommendation that the P322 Alternative Modification should be **approved** and that the P322 Proposed Modification should be **rejected**;
- **APPROVE** an Implementation Date for the Proposed Modification of 3 August 2015 if an Authority decision is received on or before 20 July 2015;
- **APPROVE** an Implementation Date for the Alternative Modification of 3 August 2015 if an Authority decision is received on or before 20 July 2015;
- **APPROVE** the draft legal text for the Proposed Modification;
- **APPROVE** the draft legal text for the Alternative Modification; and
- **APPROVE** the P322 Modification Report.

Workgroup's Terms of Reference

Specific areas set by the BSC Panel in the P322 Terms of Reference

To what extent should the solution dictate the PAB's actions; and how much discretion should the PAB have? What powers should the PAB be given and what requirements should be placed on it?

What monitoring requirements should be put in place to support the PAB?

Participant migration plans

- When should participants provide these?
- How frequent should these be provided?
- What information should participants provide?
- What criteria should the PAB use to determine the appropriateness of the plans?
- Should there be set standards linked to set dates that Suppliers should meet as part of the migration?
- What steps should be taken if plans are not approved by given dates
- What steps should be taken if participants do not meet approved milestones

What should the implementation approach be in terms of a phased approach with a start and end date? What interactions would this have with P272 Implementation Date and any other related industry changes? What milestones, if any should be in place; and should these have specific performance standards associated with them?

What further assurance is required to address the risks and issues identified in the Authority's decision letter on P272 implementation delay (Attachment B)?

What changes are needed to BSC documents, systems and processes to support P322 and what are the related costs and lead times?

Are there any Alternative Modifications?

Does P322 better facilitate the Applicable BSC Objectives than the current baseline?

Assessment Procedure timetable

P322 Assessment Timetable

Event	Date
Panel submits P322 to Assessment Procedure	29 Apr 15
Workgroup Meeting 1	13 May 15
Workgroup Meeting 2	20 May 15
Workgroup Meeting 3 (via teleconference)	22 May 15
Assessment Procedure Consultation	22 May – 5 Jun 15
Workgroup Meeting 4	8 Jun 15
Panel considers Draft Modification Report	11 Jun 15

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Workgroup membership and attendance

P322 Workgroup Attendance					
Name	Organisation	13 May 15	20 May 15	22 May 15	8 Jun 15
Members					
Dean Riddell	ELEXON (<i>Chair</i>)	✓	✓	✓	✓
Simon Fox-Mella	ELEXON (<i>Lead Analyst</i>)	✓	✓	✓	✓
Richard Vernon	RWE npower (<i>Proposer</i>)	✓	✓	☎	✓
Stacey Buck	Brookfield Utilities UK	✓	☎	✗	☎
Tom Breckwoldt	Gazprom Energy	✓	✓	✗	✓
Mark McGuire	G4S Utility and Outsourcing Services (UK) Limited	✓	✗	✗	✗
David Crossman	Haven Power	✓	✗	☎	✓
Colin Frier	Siemens plc	✓	✓	☎	✓
Clare Hannah	IMServ	✓	✓	☎	✓
Peter Gray	SSE	✓	✓	☎	✓
Colin Prestwich	SmartestEnergy Ltd	✓	☎	☎	✓
Tim Newton	E.ON	✓	✓	✗	✓
Ed Sutton	Stark	✓	✓	☎	✓
Eric Graham	TMA	✓	✓	☎	✓
Chris Carberry	ScottishPower	✓	☎	☎	✗
Gregory Mackenzie	British Gas	✓	✓	☎	☎
Jonny Moore	GDF Suez	✓	✓	✗	✓
Jacqueline Knighton	Opus Energy	✓	✗	✗	✗
Julia Haughey	EDF (<i>Supply</i>)	✓	✓	☎	✓
Vijay Chikoti	Total Gas & Power	✓	✓	✗	✗
Dermot Hearty	Salient Systems Limited	✓	☎	☎	☎
Attendees					
Justina Miltienyte	ELEXON (<i>Technical Expert</i>)	✓	✓	✓	✗
Kathryn Munday	ELEXON (<i>Technical Expert</i>)	✓	✗	✗	✗
Oliver Meggitt	ELEXON (<i>Technical Expert</i>)	✗	✓	✓	✓
Anna Millar	ELEXON (<i>Technical Expert</i>)	✗	✗	✗	✓
Nick Brown	ELEXON (<i>Lead Lawyer</i>)	✓	✓	✗	✗
Johnny Amos	Ofgem	✓	✓	☎	✓
Steve Whitehead	Bglobal	✓	✗	☎	✓
Catherine Halls-Jukes	Siemens plc	✓	✗	✗	✗

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P322 Workgroup Attendance

Name	Organisation	13 May 15	20 May 15	22 May 15	8 Jun 15
Alex Warren	Stark	✓	✗	✗	✗
Rhydian Bevan	EDF (<i>Supply</i>)	✗	✓	☎	✗
Ian Scougal	ElectraLink	☎	✗	✗	✗
Damian Clough	National Grid	☎	☎	☎	✗
Andy Cooper	Statkraft	✗	✓	✗	✗
Seth Chapman	G4S Utility and Outsourcing Services (UK) Limited	✗	☎	✗	✗
Michael Houston	ScottishPower	☎	✗	✗	✗
Harriet Harmon	E.ON	✗	✗	☎	✗
Paul Bedford	Opus Energy	✗	✗	☎	✗
Mandy Dempsey	Total Gas & Power	✗	✗	☎	✗
George Richards	KPMG	✗	✗	✗	☎

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Appendix 2: Estimated Progression Effort

The following tables contain the estimated effort in progressing P322:

Assessment Effort	
Participant	Effort (man days)
ELEXON	28
Workgroup members	76
Total	104

Consultation Response Effort	
Consultation	No. of responses
Assessment Procedure Consultation	19
Total	19

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Acronyms

Acronyms	
Acronym	Definition
BSC	Balancing and Settlement Code (<i>industry Code</i>)
CMP	CUSC Modification Proposal
CoMC	Change of Measurement Class (<i>process</i>)
CoS	Change of Supply (<i>process</i>)
CP	Change Proposal
CT	Current Transformer
CUSC	Connection and Use of System Code
DCMF	Distribution Charging Methodologies Forum (<i>industry forum</i>)
DCP	DCUSA Change Proposal
DCUSA	Distribution Connection and Use of System Agreement (<i>industry Code</i>)
DSO	Distribution Systems Operator (<i>BSC Party</i>)
DTN	Data Transfer Network
DUoS	Distribution Use of System (<i>charge</i>)
ECOES	Electricity Central Online Enquiry Service (<i>system</i>)
EFR	Error and Failure Resolution (<i>a PAT</i>)
GSP	Grid Supply Point
HH	Half Hourly
HHDA	Half Hourly Data Aggregator (<i>Party Agent</i>)
HHDC	Half Hourly Data Collector (<i>Party Agent</i>)
HHMOA	Half Hourly Meter Operator Agent (<i>Party Agent</i>)
IREG	Issue Resolution Expert Group (<i>industry expert group</i>)
MDB	MRA Development Board (<i>industry committee</i>)
MDD	Market Domain Data (<i>system</i>)
MEC	The MRA Executive Committee (<i>industry committee</i>)
MIC	Maximum Import Capacity
MIG	Methodologies Issue Group (<i>industry issues group</i>)
MRA	Master Registration Agreement (<i>industry Code</i>)
MS	Metering System
MSID	Metering System ID
NHH	Non Half Hourly
PAA	Performance Assurance Administrator
PAB	Performance Assurance Board (<i>Panel Committee</i>)

Acronyms	
Acronym	Definition
PARMS	Performance Assurance Reporting and Monitoring System (<i>system</i>)
PAT	Performance Assurance Technique
PC	Profile Class
RFI	Request for information
SLC	Standard Licence Condition
SMP	Supplier Migration Plan
SVAA	Supplier Volume Allocation Agent (<i>BSC Agent</i>)
TAPAP	Technical Assurance of Performance Assurance Parties
TC	Transmission Company (<i>BSC Party</i>)
TNUoS	Transmission Network Use of System (<i>charge</i>)
UMS	Unmetered Supplies
WC	Whole Current

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 on the ELEXON website	http://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/
5	Panel 206 page on the ELEXON website	http://www.elexon.co.uk/meeting/bsc-panel-206/
5	P272 Regulatory Impact Assessment page on the Ofgem website	https://www.ofgem.gov.uk/publications-and-updates/balancing-and-settlement-code-bsc-p272-mandatory-half-hourly-settlement-profile-classes-5-8-%E2%80%93-draft-impact-assessment-consultation
5	Authority direction to the Panel	https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/
5	DCP179 page on the DCUSA website	http://www.dcusa.co.uk/Public/CP.aspx?id=201
5	Panel 221 page on the ELEXON website	http://www.elexon.co.uk/meeting/bsc-panel-221/
5	P300 page on the ELEXON website	http://www.elexon.co.uk/mod-proposal/p300/

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External Links		
Page(s)	Description	URL
6	Panel 234 page on the ELEXON website	http://www.elexon.co.uk/meeting/bsc-panel-234/
6	Panel 235 page on the ELEXON website	http://www.elexon.co.uk/meeting/bsc-panel-235/
6	Authority decision in response to Panel request to delay P272	https://www.elexon.co.uk/mod-proposal/p272-mandatory-half-hourly-settlement-for-profile-classes-5-8/
13	BSC Section page on the ELEXON website	https://www.elexon.co.uk/bsc-related-documents/balancing-settlement-code/bsc-sections/
20	CP1409 page on the ELEXON website	https://www.elexon.co.uk/change-proposal/cp1409/
21	P320 page on the ELEXON website	https://www.elexon.co.uk/mod-proposal/p320/

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