

Modification Proposal – BSCP40/03	MP No: P322 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by originator):</i>	
Revised Implementation Arrangements for Mandatory Half Hourly Settlement for Profile Classes 5-8	
Submission Date <i>(mandatory by originator):</i>	
28 April 2015	
Description of Proposed Modification <i>(mandatory by originator)</i>	
<p>We propose new arrangements to migrate sites classed as Profile Class (PC) 5-8 with Advanced Meters installed under the mandate to Half Hourly (HH) Settlement.</p> <p>These new arrangements will allow Suppliers sufficient time for an orderly but timely transition to HH Settlement. The arrangements should give Ofgem, ELEXON, Customers and Industry confidence that Suppliers will complete the transition in time so will require reporting and remedial actions in the event that Suppliers do not meet the plan.</p> <p>Features:</p> <ul style="list-style-type: none"> • Required Start date • Required End date • Performance Monitoring, most likely through the existing Performance Assurance Framework (PAF), such as the Error and Failure Resolution (EFR) process overseen by the Performance Assurance Board (PAB), with enhanced reporting as is being considered under P320 • An implementation approach, which supersedes the existing P272 implementation approach and subject to the Authority amending the P272 Implementation Date to align with the required end date 	

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<p>Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by originator)</i></p> <p>Analyses on P272 carried out by Ofgem, ELEXON and Industry Parties show that the present implementation arrangements create problems that will compromise plans for migration to HH Settlement by 1 April 2016. Timing of the implementation of the facilitating industry changes (DCP170 and P300) will require Suppliers to migrate affected sites in a short period of time. To minimise disruption to customers, Suppliers would prefer to carry out the migration at contract renewal time. Indications are that many Suppliers may not be able to meet the approved Implementation Date of 1 April 2016.</p> <p>The defect with the BSC is the implementation approach of BSC Modification P272 (which will require suppliers to have migrated all affected sites to HH Settlement by 1 April 2016). This would lead to the problems identified by parties, including impacts on customers. A Modification to the BSC to change the migration arrangements will remove this defect and provide a more efficient and orderly transition whilst maintaining momentum for Industry Parties.</p>	
<p>Impact on Code <i>(optional by originator)</i></p> <p>Section L ‘Metering’ Section S ‘Supplier Volume Allocation’ Section X Annex X-1 ‘Glossary’ Section Z ‘Performance Assurance’</p>	
<p>Impact on Core Industry Documents or System Operator-Transmission Owner Code <i>(optional by originator)</i></p> <p>None that are known.</p>	
<p>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by originator)</i></p> <p>None that are known.</p>	
<p>Impact on other Configurable Items <i>(optional by originator)</i></p> <p>None that are known.</p>	

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<p>Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by originator)</i></p> <p>We believe the following objectives are better achieved by implementation of this proposal:</p> <p>1 - Objective (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.</p> <p>Justification, it is the view of many industry parties and the Authority itself, that present implementation timescales for P272 have the potential to disrupt customers unnecessarily. With the option of the additional time that this modification is proposing, suppliers could choose an implementation path that would reduce this impact. As a result, customers are more likely to positively engage with suppliers in the future, particularly when considering new types of products. Effective competition is unlikely to happen in a market with a 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. 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.</p> <p>2 - Objective (d), Promoting efficiency in the implementation of the balancing and settlement arrangements.</p> <p>Justification, extending the P272 implementation time will reduce 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</p>	
<p>Is there a likely material environmental impact? <i>(optional by originator)</i></p> <p>No.</p>	
<p>Urgency Recommended: <u>Yes</u> <i>(delete as appropriate) (optional by originator)</i></p>	

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<p>Justification for Urgency Recommendation <i>(mandatory by originator if recommending progression as an Urgent Modification Proposal)</i></p> <p>In our view, this modification should be progressed with an urgent status. At this late stage, suppliers are most likely either progressing with implementation of P272 or finalising roll out plans. If this modification is not implemented urgently, suppliers are likely to progress with existing plans with a view to achieving compliance, which will materially impacting the following criteria:</p> <p>1 – Impact on Customers. It is the view of many industry parties and the Authority itself, that present implementation timescales for P272 has the potential to disrupt customers unnecessarily. With the option of additional time that this modification is proposing, suppliers could choose an implementation path that would reduce this impact.</p> <p>2 - Competition in supply. Effective competition is unlikely to happen in a market with a 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> <p>3 - Governance of the BSC. 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. Implementing such requirements is not effective governance.</p> <p>The proposed additional time for effective rollout of P272 is optional and is therefore unlikely to discriminate against any class of BSC Party.</p>	
<p>Self-Governance Recommended: No <i>(delete as appropriate) (optional by originator)</i></p>	
<p>Justification for Self-Governance Recommendation <i>(mandatory by originator if recommending progression as Self-Governance Modification Proposal)</i></p> <p>N/A</p>	
<p>Fast Track Self-Governance Recommended: Yes / No <i>(delete as appropriate) (optional by originator)</i></p> <p>N/A</p>	
<p>Justification for Fast Track Self-Governance Recommendation <i>(mandatory by originator if recommending progression as Fast Track Self-Governance Modification Proposal)</i></p> <p>N/A</p>	

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<p>Should this Modification Proposal be considered exempt from any ongoing Significant Code Reviews? <i>(optional by originator in order to assist the Panel decide whether a Modification Proposal should undergo a SCR Suitability Assessment)</i></p> <p>No SCRs identified</p>	
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<p>Details of Representative's Alternate:</p> <p><i>Name:</i> David Smith</p> <p><i>Organisation:</i> RWE npower</p> <p><i>Telephone Number:</i> 07788 309166</p> <p><i>Email Address:</i> david.smith3@npower.com</p>	
<p>Attachments: Yes <i>(delete as appropriate) (mandatory by originator)</i></p> <p>Title: Attachment A - P322 Detailed Proposals.docx</p> <p>No. of Pages: 2</p>	