

P379 MEETING 1 SUMMARY

MEETING NAME	P379 Workgroup Meeting
Meeting number	1
Date of meeting	27 February 2019
Venue	By teleconference / webinar
Classification	Public

MEETING SUMMARY

1. Meeting Objectives

1.1 The Chair noted that the purpose of the meeting was to:

- Consider the P379 Terms of Reference
- Discuss the background of the Modification and gather initial Workgroup views
- Discuss use cases

1.2 The Chair also provided an overview of the BSC change process, highlighting Workgroup activities throughout the change cycle.

2. Terms of Reference

2.1 The Workgroup reviewed and agreed the Terms of Reference, which included the group activities and areas to be considered as part of the proposal. The Chair noted that the part of the purpose of the first meeting was to identify any additional areas for consideration.

3. P379 Background

3.1 The proposer's representative provided an overview of P379 outlining the issue raised and the proposed solution.

4. Initial Workgroup Views

4.1 ELEXON put forward the following questions about the proposal and the high-level outcomes from each are captured below:

- Should meter splitting be a feature of the market?
 - It is assumed to be a feature of the market for the purposes of P379
- Can meter splitting work in practice?
 - There are different options and approaches, but in principle it is feasible
- Is meter splitting compatible with current legislation?
 - Not aware of any explicit blockers, but will need to be checked as the P379 solution crystallises
- Is a new settlement Agent (Customer Notification Agent) the correct mechanism to enact meter splitting?
 - This is one viable option and should be considered alongside extending the Data Collector role and potentially the DCC

4.2 Members noted that fundamentally the proposal is about meter splitting. A member suggested that a pre-requisite question to this was *'Should a premises have more than one Supplier and whether this should be done through meter splitting'*. It was suggested that two Suppliers could provide power using two separate

P379 MEETING 1 SUMMARY

meters however, but this would likely be more expensive than meter splitting and may have implications for licence exempt Suppliers, who were within scope of this Modification.

- 4.3 It was noted that 'Supplier' has different meanings and definitions under different Codes and licences. Supplier roles and responsibilities therefore need to be carefully clarified under P379. It is important to understand the impacts to existing arrangements and requirements before Ofgem can make a decision on the proposal.
- 4.4 Ofgem highlighted that they have observed many barriers hence their support for the white paper relating to P379. Ofgem expect a much more diverse market in the future. P379 will allow the group to discuss issues facing the market.
- 4.5 The Chair clarified that the proposal is looking to build on existing arrangements, rather than more sweeping changes that might come from an Ofgem review (which would take longer). It was noted the Proposer was looking to implement something as early as 2020.
- 4.6 The Workgroup discussed whether the Modification had been scoped to allow Trading Parties (as defined under the BSC as a Party that holds an Energy Account) to trade energy for a consumer, or whether it was to allow the supply of electricity from different supply entities for the same consumer and site. It was noted that a Trading Party only solution would be more straightforward. The Proposer confirmed, it can be assumed there will be multiple Suppliers to a premise. ELEXON noted that, at this stage, getting caught up on current definitions of Supplier and Trading Party was less relevant, as they could be changed as part of this Modification if necessary. The focus should be on understanding what P379 is trying to achieve.
- 4.7 A member queried that they cannot see meter-splitting working on the basis of unlicensed Suppliers. There are many obligations on the licenced Supplier. The proposer should clarify what Business Model they are envisaging for the proposal as some business models could come out of this Modification.
- 4.8 The Workgroup considered the obligations on the non-default Supplier noting that there could be customer protection issues. The mechanism has to work irrespective of whether a Supplier is licenced or not. The group will need to work out how obligations will work between Suppliers. The Suppliers and Trading Parties obligations should be clarified. ELEXON took an action to come up with how Class A and Class C Suppliers should be handled under the BSC to deliver the intent of P379. The Modification seeks to allow customers to be supplied by multiple Suppliers through BSC required Settlement Meters at the Boundary Meter Point. The current arrangements prevent multiple Suppliers from competing for behind the meter volumes, which effectively means there is a monopoly of the default Supplier over the consumer's energy volumes.
- 4.9 A member queried how the Supplier liabilities would be divided. Currently this is done based on the demand the Supplier has. Dividing Supplier liabilities when you have more than one Suppliers could be complicated. The group agreed to consider liabilities under levies and Use of System (UoS) charges, such as Distribution Use of Systems (DUoS) charges.
- 4.10 Members queried that meter splitting could make it harder for Supplier forecasting. It could have an impact on Supplier cash flows and result in increased customer bills. It was agreed that the impact on a Suppliers ability to forecast their expected demand would also need to be carefully considered, as this gets used for some levies and UoS charges.
- 4.11 Members highlighted there may be impacts to current legislation as a result of the proposal. The nature of supply needs to be clearly defined. In addition, whether there may be incompatibility with the Electricity Act. Due diligence should be taken to ensure the solution does not break the law. **The Chair advised that anyone aware of something within the proposal that would be contrary to the current legislation is encouraged to raise it with the Workgroup.**

P379 MEETING 1 SUMMARY

- 4.12 On the proposal to introduce, a new Customer Notification Agent role (CNA) with meter -splitting arrangements, the group queried whether the role could sit with the Half Hourly Data Collector (HHDC) or the DCC. A member pointed out that the CNA role is being proposed because meter splitting will involve having more than one Supplier within one settlement period for the same Meter. The group sought clarity as to whether a CNA was appointed per meter or per supply entity. ELEXON confirmed the proposal was for each Supplier to appoint its own CNA, who would provide the data to BSC Central Systems to reconcile the volumes against HHDC data for the Meter. ELEXON confirmed that the CNA could be a party to the code. This would provide a more robust compliance and governance framework. Some Workgroup Members believed it would be better to have a single CNA per Meter. It was agreed to explore both options as well as extending the role of the Data Collector and DCC.

5. Use Cases

- 5.1 The Workgroup discussed use case scenarios for split meters. The first use case looked at a supply entity providing energy for an EV, another from a community PV project, and the third as the default main Supplier. It was noted the incumbent Supplier will have liability for all charges. There should be a mechanism to reconcile the different supplier volumes accurately. Currently there is no mechanism for exempt Suppliers. There should be a process to determine how the volume share works between the Suppliers to avoid imbalance. A Member asked whether the volumes in the example were metered volumes. ELEXON confirmed that they are measured volumes, but not necessarily Settlement Meters. P375 'Metering behind the Boundary Point' is looking at using alternatives to Settlement Meters to provide volumes to Settlement. It was agreed that the interactions between P379 and P375 should be considered.
- 5.2 A Member was concerned that the volumes assigned to the customer from the community PV were not be metered. ELEXON confirmed the volumes produced by the PV would be metered at the generation asset, but the volumes apportioned to the customer would be deemed. Further, there were concerns about the impact this could have on the default Supplier's Imbalance position.
- 5.3 A member suggested that special arrangements might be required for exempt Suppliers. Under the proposed, a change will be required to Supplier's billing systems. The default Supplier should be notified of the other Suppliers usage to be able to bill accurately.
- 5.4 The group noted that the customer bill is from metered not settlement data. For the proposal, billing is based on settlement runs, which will delay the customer billing process. ELEXON clarified that volume usage would be communicated by the CNA. The model will create identifiable volume associated with exempt Suppliers. The customer billing process should be transparent to the Supplier and Customer.
- 5.5 A member highlighted that if other Suppliers are unlicensed this could result in parties blaming the other and not taking responsibility. Supplier relationships need to be clarified as part of the solution.

6. Conclusions

- 6.1 There are potential solutions for progressing P379. The group needs clarification on the different areas discussed. It was agreed that the Proposer should clarify what the current proposal is. It is important that the proposal is clear to the group so they can determine how to best progress the change.
- 6.2 The Proposed Modification timetable may need to be revised based on the time it will take to develop the solution. ELEXON agreed to write up how different solutions could be applied to the use cases for Workgroup comment and to share a proposed timeline for this.

7. Other considerations outside of the Terms of Reference

- 7.1 Consider Ofgem's reform of network access and forward looking charges

P379 MEETING 1 SUMMARY

8. Actions following meeting

8.1 ELEXON took the following actions arising from the meeting:

- How should the measured volumes enter Settlement e.g. via HHDC, CNA?
- Document financial liabilities and imbalance risk - Look at how Class A and Class C Suppliers should be handled under the BSC.
- Look at the legal requirements for licenced and unlicensed Suppliers.
- Identify pros and cons of the solution options
- Given that the change relates to P375, '*Metering behind the Boundary Point*' the proposer should be invited to the Workgroup meetings.
- Write up how:
 - P379 can facilitate Supplier's billing arrangements
 - Network charging arrangements could be impacted
 - The proposal will work on Prepayment meters
 - The proposal will be communicated to the public focusing on whether the public will understand the proposal
 - The legal implications of the change – check the legal impact against the Electricity Act. This should be done before developing the solution.

9. Next meeting

9.1 The next P379 Workgroup meeting will be scheduled in the next few weeks.