

P379 MEETING 10 SUMMARY

MEETING NAME	P379 Workgroup Meeting
Meeting number	10
Date of meeting	3 December 2019
Venue	ELEXON Ltd, 4th Floor, 350 Euston Road, London, NW1 3AW
Classification	Public

MEETING SUMMARY

1. Meeting Objectives

- 1.1 The purpose of the meeting was to:
- Review the detailed Business Requirements
 - Agree Impact Assessment questions and next steps
 - Approve updated P379 Progression plan

2. Calculation Principles and Clarifications

- 2.1 During a review of the Business Requirements (BRs) ELEXON identified alternative mechanisms for conflict resolution and realised a need to expand the calculation methodology. The Workgroup (WG) noted the following points on the calculation methodology:
- Under the proposed solution conflict resolution can be performed by the CNA if used between multiple Suppliers.
 - There will be one Customer Notification Agent (CNA) per customer site but multiple Secondary Suppliers could be using that CNA.
 - The CNA is incentivised to manage erroneous data before sending to the calculation entity
 - Behind the meter assets are independent of the conflict resolution process as the calculation entity is responsible for splitting the volumes.
 - Multiple Suppliers can use the CNA for fixed percentages but not asset metering
- 2.2 A WG member raised that the conflict resolution process could work for small domestic businesses but not for the domestic customer. A domestic customer might not want to be involved the arrangements if they have to appoint the CNA. It was noted that the customer does not appoint the agent but the agent may hold the customer proposition.
- 2.3 ELEXON explained that each Supplier would have a commercial arrangement in place with the CNA they are interested in working with. The proposed solution offers more options than the existing BSC arrangements.
- 2.4 The Primary Supplier and CNA relationship would be through the calculation entity who could be the Primary Supplier HHDC or SVAA. The Calculation Entity would facilitate the data flows necessary to keep the Primary Supplier informed of Secondary Supplier activity.
- 2.5 **Role of the CNA** – The WG noted the following on the role of the CNA:
- The CNA appointment process will be built into the current registration process.

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- While the proposed solution provides more choice for customers, it's important to consider customer protection. The solution should be tested against the P379 use cases.
- The solution does not stop the Primary Supplier from also being the Secondary Supplier at the same site.
- Who will be responsible for having the CNA in place? Could it be central or does this stifle innovation or could it be barrier to competition. The Business Requirements should clarify how dynamic the CNA role is.
- Does there need to be a rule that means that a CNA has to provide equivalent terms to all Suppliers? This could prevent a single preferential Supplier/CNA relationship being dominant.

ACTION

- 2.6 **Calculation principles** - The WG discussed whether behind the meter assets will incur DUoS charges. Supplier liability is at the Boundary. Imbalance at the boundary has no effect with what's being metered. Behind the meter volumes are treated differently from volumes that end up on the system.
- 2.7 Asset meters and boundary imbalance volumes differ in the presented methodology - this may be an issue for settlement as volumes do not end up on the system but instead Primary Suppliers get the share of volumes that end up on the system.
- 2.8 The settlement assumption must be that each meter volume refers to flat generation and consumption volume across the half hour.
- 2.9 The Proposer noted that P379 is about providing choice behind the meter not pushing settlement to other meters. Volumes need to be settled accurately, Supplier obligations stop at the Boundary Meter. According to the current baseline the Primary Supplier picks up the network charges. The solution should be consistent with the baseline.
- 2.10 **Network charging** – The WG questioned whether network charges will be split between the Secondary and Primary Supplier and if so would code changes be required to the Network Charging Methodology. ELEXON explained that there should be no change to network charging because billing is based on the settlement report. It was highlighted that volume allocation should result in the Secondary Supplier getting billed for DUoS on any volumes they supply. Currently, any charges based on MPAN count would remain with the Primary Supplier (no double counting).
- 2.11 The Proposer noted that there would have to be an appropriate allocation of policy and network charges. Network companies could calculate and apportion those costs. Data could be made available to entities that calculate the charges. The bulk of network charges are fixed therefore levied on Primary Suppliers. ELEXON took an action to look into the below on network charging:
- Investigate what data is used by Licensed Distribution System Operators (LDSOs) for network charging
 - Can Secondary Supplier volumes be provided to the LDSOs?
 - How does the DCUSA¹ allocate costs through the meter
 - How LDSOs charge Suppliers
 - How do AMSIDS² feature in the DCUSA and CUSC³?

¹ Distribution Connection and Use of System Agreement

² Asset Metering System Identifiers

³ Connection and Use of System Code

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- How is DCUSA network billing done? Is this on MPAN level
- Identify cross code changes required as part of the P379 solution

ACTION

2.12 **Volume Allocation** - On the Absolute and Apportionment calculation methodology WG members requested that ELEXON carry out the following actions:

- Draw out the pros and cons of each approach showing proportionate volumes
- Show how the calculations would work with network charging
- Customer impacts of each approach

ACTION

2.13 The WG noted there is a need to understand what happens with the import and export meter and what's happening at the site as volumes are settled across the site and not the total system.

2.14 **Group Correction Factors** – WG members questioned how GCF allocation is done under the P379 solution. ELEXON explained that GCFs are applied as part of the Settlement run process. The WG requested that ELEXON clarify the settlement process after step 5 of the Settlement diagram.

2.15 A member asked whether in accordance to the generation supply licence a licenced generator can supply to batteries on site. The ELEXON legal counsel agreed to address the legal guidelines around exempt supply ex-committee.

ACTION

2.16 The WG questioned whether ELEXON can handle the volume in the system given the behind the meter assets and battery storage volumes. ELEXON should consider the costs for updating systems. ELEXON will specify all processes as digital.

2.17 **Interaction with P375** – The solution should be clear on the metering requirements. The BSC does not currently have requirements for behind the meter assets. The solution should clarify how behind meter assets will be monitored

ACTION

2.18 Members questioned who would perform the registration process. It was noted that the registration process could be performed by the MRASCo or the BSC central systems. The MRA⁴ representative advised that ECOES the system which supports the electricity customer transfer process will be in lock down from March 2020 for at least a year due to the faster switching changes. The P379 WG should consider this when thinking about the implementation timescales.

2.19 **Registration Agent** - The Impact Assessment process will help determine the potential costs for the registration agent. The WG noted that the following will need to be clarified as part of the industry IA process:

- How transparent will the registration process be
- Whether a third party can have access to the service

ACTION

⁴ Master Registration Agreement Service Company

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2.20 Members considered how the registration system will be audited and if this should be called out in the Business requirements. ELEXON noted that Parties/Agents will be audited in line with the current BSC audit process. The audit process will be added to the Business Requirements.

ACTION

- 2.21 **Optional or mandatory** – The WG asked whether all Primary Suppliers should have elective HHDC settlement solution and if it's a disincentive if the Primary Supplier is not HHDC. The WG has previously discussed whether the P379 multiple Supplier arrangements should be optional or mandatory.
- 2.22 Ofgem's view is key and it's up to Ofgem to mandate the solution. It is not in the vires of the BSC to ask the industry whether the solution should be mandatory or optional. Ofgem noted that this depends on the industry feedback on costs and benefits. Ofgem is keen to understand industry views from the Impact Assessment. This will help understand the benefits of the change and how it ties in with other industry changes. Ofgem expect Suppliers to carryout customer impact analysis as part of the Industry Impact Assessment.
- 2.23 A member noted that the WG needs to be clear on the original solution. P379 seeks to provide choice for all customers therefore it should be mandatory for all Suppliers to participate. The solution could clarify that there is no opt out for Suppliers. It is not up to the BSC to mandate. If not mandated there needs to be a register. Members noted that if not mandated Suppliers will find a way around the arrangements, it will be difficult to apply the solution.

3. Business Requirements Review

3.1 The WG provided the following feedback on the Business Requirements:

Requirements	Feedback
BR4.4	Clarify references to MSIDs
BR5.3	Clarify what validation is required
BR5.6	The term pseudo has different meaning in metering – this should be updated to avoid confusion
BR6.1	Clarify that BM Unit is referring to the Secondary Supplier BM Unit
BR6.3	Clarify the interaction between Virtual Lead Parties and Suppliers at a meter. The consent flag should be used as it is consistent with the P344 solution. Clarify whether if Secondary Supplier's data is assumed consent or investigated further
BR8.5, 9.2	Changing flows will have impacts on all Parties. There is a need to clarify how the one to one relationship will work. The process must be aligned to P344. Also consider the D0379/D0380 ⁵ flows.

4. Next Steps

- 4.1 ELEXON is to update the Business Requirements
- 4.2 Address questions on the following key areas:

⁵ Half Hourly Advances UTC/Half Hourly Advances for Inclusion in Aggregated Supplier Matrix

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- CNA role
- Registration Agent
- P375 Metering requirements
- Network charging
- Calculation methodology and Volume Allocation

4.3 ELEXON is to schedule a meeting to finish reviewing the Business Requirements