

# Issue 43: On-site Generation during Planned Outages

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<b>Meeting Name</b>	BSC Panel
<b>Meeting Date</b>	13 October 2011
<b>Purpose of paper</b>	For information
<b>Summary</b>	During a planned distribution outage a Distributor and customer can agree the provision of on-site generation. E.ON UK has raised Standing Issue 43 to discuss the possible implications for Settlement accuracy as well as for Suppliers.

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## 1. Background

- 1.1 During a planned distribution outage a Distributor and customer can agree the provision of on-site generation to ensure that the customer does not lose supply. Typically these outages are short, but they can last for extended periods. Either the Distributor or the customer can provide the generation.
- 1.2 E.ON UK highlights a recent case in which a customer provided on-site generation without the Supplier being aware. Because this generation was connected on the Distributor side of the Meter and was not visible to Settlement, the customer's supply Meter recorded the customer's consumption as normal. This consumption was therefore allocated to the relevant Supplier's BM Unit in Settlement (and contributed to GSP Group Correction Factor) for a four-week period. As a result, the Distributor levied Distribution Use of System (DUoS) charges on the Supplier for these four weeks, which included all Triad periods.
- 1.3 This could be considered an inaccuracy in Settlement because:
- Settlement wrongly attributed the customer's generation as being energy provided by the Supplier;
  - In fact, the customer's metered consumption should have been less than expected, leaving the Supplier 'longer' than expected.

## 2. Standing Issue 43

- 2.1 E.ON UK has raised [Standing Issue 43](#) so that a Workgroup can consider this issue further.
- 2.2 In particular, E.ON UK asks the Workgroup to consider the following:
- The implications for Settlement accuracy, since the electricity being entered in Settlement is not from a registered metered export site or provided by a contracted generating party and contributes to the GSP Group Metered Volume;

- The recovery of costs not incurred by Distributors, e.g. recovery of any DUoS charges paid by Suppliers for the period during which there was on-site generation;
- The implications for Suppliers, e.g. any purchase versus sales imbalance if the Supplier bills the customer for the metered consumption but the customer refuses to pay;
- The treatment of the export/spill onto the Distribution System;
- Any safety implications, e.g. what rules permit, govern or control such connections?
- The role/responsibility of the Distributor in permitting supply to a site which is effectively off-supply;
- The communication between the impacted parties; and
- The extent to which these scenarios occur.

2.3 An Issue Workgroup's purpose is to help the Proposer define their concern and/or develop a solution so they can (if they wish) raise a Modification Proposal. It is a forum for free-flowing discussion, an opportunity to give input into a solution, and an environment for potential innovation.

2.4 We suggest that the Issue 43 Group will need to undertake the following activities:

- Establish the different possible scenarios in which on-site generation can be provided during a Distribution outage (e.g. depending on whether the Distributor or customer provides the generation, and on the exact location of the generation connection);<sup>1</sup>
- Confirm what the existing BSC rules mean for each of these scenarios;
- Establish any materiality of each scenario for Settlement accuracy, plus any other implications for BSC Parties;
- Consider the appropriate BSC solution to the identified issues; and
- Identify any possible impacts of this BSC solution on other codes such as the Distribution Connection and Use of System Code (DCUSA) and Master Registration Agreement (MRA).

2.5 We anticipate that this will require 1-3 group meetings. The number of meetings and the overall length of the progression timetable will depend on:

- The level of group discussion; and
- Whether the group wishes to issue an information request to Distributors and Suppliers to help it establish the frequency/materiality of each scenario.

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<sup>1</sup> For example, three possible scenarios are: (1) Distributor provides on-site generation connected to the Distribution System; (2) Customer provides on-site generation connected to the Distribution System (the scenario highlighted by the Proposer); and (3) Customer provides on-site generation connected to the customer's own network.

### 3. Timetable

- 3.1 We have already issued an invitation for interested BSC participants to join the Issue 43 Group, and ElectraLink has also publicised this invitation on our behalf through its DCUSA contact lists. In addition to the Proposer, we currently have members drawn from Distributors, the Association of Meter Operators and Gemserv. We currently have only one member with Supplier experience, and are seeking further members with expertise in relevant Supplier issues (we have highlighted this through the Supplier Volume Allocation Group and will also publicise the group further through ELEXON's Newscast).
- 3.2 Given the number of Modification Proposals which are currently in progress, we will need to schedule Issue 43 meetings in a way that keeps the industry's workload manageable. We have arranged to hold the first meeting on 18 October 2011, before the Workgroups for the five new Modification Proposals (P274-P278) commence. If further meetings are needed, we will schedule these around the Modification Workgroups and will take advantage of any opportunities to follow other existing meetings (such as the SVG) if this is more convenient for members.
- 3.3 We will report back to you by the January 2012 Panel meeting, and earlier if possible.

### 4. Recommendations

- 4.1 We invite you to:
- a) NOTE that E.ON UK has raised Standing Issue 43;
  - b) NOTE that we already have members with Distributor, Meter Operator and MRA experience, and are seeking further members with expertise in relevant Supplier issues; and
  - c) NOTE that we will report back to you by the January 2012 Panel meeting.



For more information, please contact:

**Kathryn Coffin**

**Change Analyst**

[kathryn.coffin@elexon.co.uk](mailto:kathryn.coffin@elexon.co.uk)

020 7380 4030