Request for information

Purpose of this request

The Workgroup for BSC Standing Issue 43[1] seeks information from Suppliers and Distributors to help it establish the materiality of the scenario described in this document.

This document contains two sets of specific questions – one for Suppliers and one for Distributors. The scenario it describes may also be of interest to Data Collectors and Meter Operators, who are therefore welcome to respond.

The Issue 43 scenario

During a recent planned four-week Distribution outage, a large customer (a nursing home) paid for an on-site generator (and associated fuel) for the duration of the outage, in order to maintain its supply.

If the generator had been connected to the customer's own network on the customer side of the Settlement Meter, the Settlement Meter would have recorded zero consumption from the site.

However, in this case, the customer and Distributor agreed to connect the generator on the Distributor side of the Settlement Meter. The customer's on-site generation therefore flowed through the Settlement Meter, and was recorded as consumption in Settlement in the same way as if it was energy provided by its Supplier.[2] The metered consumption volume was allocated to the Supplier's BM Unit, thereby contributing to both the Supplier's BSC Trading Charges and GSP Group Correction Factor for a four-week period. The Distributor also levied Distribution Use of System (DUoS) charges on the Supplier for these four weeks, which included all Triad periods.

The Supplier was unaware of the outage and therefore billed the customer for the consumption recorded by the Settlement Meter. The situation was only highlighted when the customer contacted the Supplier to dispute its bill, arguing that it should not be charged for energy for which it had already paid. By this time, the Settlement Meter had advanced.

[1] 'On-site Generation during Planned Outages'. You can find a copy of the Issue as submitted by the Proposer here.

[2] It is not known whether the generator was actually connected to the Distribution System, or to the customer's own network on the Distributor side of the Meter. However, the effect on Settlement volumes would be the same.

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Workgroup's view

The Workgroup believes that the Issue 43 scenario is extremely unusual.

The Group believes that on-site generation during planned Distribution outages is normally provided, connected and paid for by the Distributor (effectively the Distributor would be paying to replace the energy that the Supplier would normally provide).

If the Distributor pays for the generation and connects it to the customer's network on the customer side of the Settlement Meter, the Group believes there is no 'double-billing' issue for the customer as the Meter will record zero consumption and the Supplier will not bill the customer for any energy.

If the Distributor pays for the generator and connects it on the Distributor side of the Settlement Meter (to either the Distribution System or to the customer's own network on the Distributor side), the Group believes there is no 'double-billing' issue as the Meter will record the on-site generation as the customer's consumption volume and the Supplier will bill the customer for this energy.

The Group believes that most situations in which the customer provides/pays for its own generation during a Distribution outage involve automatic back-up (standby) generators which are already on site. It believes that, in these situations, there is also no 'double-billing' issue as long as the standby generator is connected to the customer's network on the customer side of the Settlement Meter.

The Group considers that the Issue 43 scenario will therefore only arise if:

- The customer is paying for on-site generation during a planned Distribution outage; and
- The Distributor connects the generator to the Distributor side of the Settlement Meter (to either the Distribution System or the customer's own network on the Distributor side). This may or may not be with the customer's agreement/knowledge of the specific point of connection.[3]

The Group considers that the Issue 43 scenario is so rare that it would be disproportionate to put rules in place to cover it. However, it is issuing this request for information from Suppliers and Distributors to help it confirm the frequency/materiality of these kind of situations. The Group would therefore be grateful if you could respond to the questions at the back of this document.

[3] The Group agrees that there could not be a scenario where the customer itself connects the generator on the Distributor side of the Settlement Meter without the Distributor's agreement. This is because all assets on the Distributor side will have access restrictions (such as seals) to prevent energy theft.

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Some members of the Group believe that it may be appropriate to introduce a requirement for Distributors to inform the relevant Supplier in advance of any planned Distribution outage which is longer than a certain period of time (e.g. longer than 48 hours). This could help the Supplier resolve any purchase/sales imbalance, and could be progressed under the Distribution Connection and Use of System Code (DCUSA). The Group notes that there are existing data flows which look as if they could be used for this purpose,[4] but believes that in practice these flows are not used.

The Group is still considering whether it is appropriate/possible to 'correct' the Settlement volume which resulted from this scenario using existing BSC processes (e.g. by raising a Trading Dispute, applying Gross Volume Correction (GVC) or undertaking a "dummy meter exchange"[5]).

Next steps

Please respond to the questions at the back of this document by 5pm on Friday 9 December 2011, using the attached Word document response form.

The Workgroup will use your response to help it establish the frequency/ materiality of the Issue 43 scenario, and what (if any) solution it believes should be progressed under the BSC or other industry code(s).

The Group will report back to the BSC Panel in early 2012.

For more information, please contact:

Kathryn Coffin

Change Analyst

kathryn.coffin@elexon.co.uk
020 7380 4030

[4] The D0164 'Notification of New or Changed Interruption of Supply' (from a Distributor to a Supplier/Half Hourly Data Collector), D0166 'Distribution System Enquiry' (from a Supplier to a Distributor) and D0167 'Response to Distribution System Enquiry' (from a Distributor to a Supplier).

[5] The rules governing the rectification of Settlement errors through Trading Disputes are contained in BSC Section W, while those for GVC, Dummy Meter Exchanges and Meter faults are in Section 14 of BSC Procedure 504.

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Questions for Suppliers

1. How many times (if any) during the last 2 years have you encountered the scenario described in this document?

2. What was:
   a. The duration of the planned outage(s) concerned?
   b. The volume of energy involved? (please specify whether the site was Half Hourly or Non-Half Hourly)

3. What brought the situation(s) to your attention? (e.g. customer disputing a bill, notification by the Distributor)

4. If notified by the Distributor, was this:
   a. Through a specific data flow (if yes, please state which); or
   b. By another means (please state which – e.g. phone, email).

5. What action (if any) did you take to address:
   a. The 'double-billing' issue for the customer?
   b. The resulting Settlement volume?

6. Do you ever receive the D0164 flow from a Distributor? If yes, in what situations?

7. Do you ever send the D0166 flow / receive the D0167 flow? If yes, in what situations?

8. Do you have an internal policy to cover the Supplier and/or customer impact of a planned Distribution outage? If yes, what is this?

9. Do you have any other comments which you would like the Issue 43 Group to consider?

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Questions for Distributors

1. How many times (if any) during the last 2 years have you encountered the scenario described in this document?

2. What was:
   a. The duration of the planned outage(s) concerned?
   b. The volume of energy involved? (please specify whether the site was Half Hourly or Non-Half Hourly)

3. In what circumstances (and why) would you install on-site generation on the Distributor side of the Settlement Meter and charge the customer for this generation?

4. Do you currently notify the relevant Supplier(s) of a planned Distribution outage? If yes, do you do this for all planned outages or only some? (if only some, please state which and explain why)

5. If you currently notify the relevant Supplier(s), is this:
   a. Through a specific data flow (if yes, please state which); or
   b. By another means (please state which – e.g. phone, email).

6. Do you ever send the D0164 flow to a Supplier? If yes, in what situations?

7. Do you ever receive the D0166 / send the D0167? If yes, in what situations?

8. Do you have an internal policy to cover the Supplier and/or customer impact of a planned Distribution outage? If yes, what is this?

9. Do you have any other comments which you would like the Issue 43 Group to consider?

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