Stage 03: Assessment Consultation

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

Please note this consultation closes on the 2 March 2012

P280: Introduction of New Measurement Classes

P280 seeks to introduce new Measurement Classes for Half Hourly-settled customers in the Domestic, SME and I&C markets, and a requirement for the Supplier Volume Allocation Agent to provide Distributors with aggregated Half Hourly consumption data for Metering Systems registered to these new Measurement Classes.

P280 would enable Distributors to charge Suppliers on an aggregated basis rather than site-specific basis only.

High Impact:
Supplier Volume Allocation Agent (SVAA)

Medium Impact:
Suppliers, Distribution Network Operator (DNOs)

Low Impact:
ELEXON

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About this document:

The purpose of this P280 Assessment Consultation is to invite BSC Parties' and other interested parties' views on the impacts and merits of P280. The P280 Workgroup will then discuss the consultation responses, before making a recommendation to the Panel in April 2012 on whether to approve P280.

Note that this consultation is effectively a combined impact assessment (to identify the impact on participants of implementing the solution if P280 is approved) and an opportunity for parties to give their views on whether P280 should be approved.

There are two parts to this document:

- This is the main consultation document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach. It also summarises the Modification Workgroup's key views on the areas set by the Panel in its Terms of Reference.
- Attachment A contains more information on the Workgroup's analysis and assessment. It also contains details of the Modification Workgroup's membership and full Terms of Reference.

1 Summary

Why Change?

The electricity market in the UK is settled either Half-Hourly (HH) or Non Half Hourly (NHH). DUoS billing in respect of HH Settled sites is currently conducted on a site specific basis. This has never been a problem due to the relatively small size of the existing HH market.

However, with the Secretary of State's mandate that Profile Classes 5-8 must have an 'Advanced' (HH capable) meter by 2014, alongside the government led initiative that Profile Classes 1-4 have 'Smart' meters by 2019, the industry has been examining the possibilities of a significant expansion in the number of HH Settled sites.

Industry led work includes the Profiling Settlement Review Group (PSRG), DCUSA Change Proposal DCP 103, BSC Modification P272, 'Mandatory Half Hourly Settlement for Profile Classes 5-8', and the Distribution Charging Methodologies Forum (DCMF) Methodologies Issue Group 22 (MIG 22) which is a sub-group that has been formed by the Distribution Network Operators (DNOs) and Suppliers to address the anomalies between the two different cost allocation mechanisms for HH and NHH tariffs in the Common Distribution Charging Methodology (CDCM).

Without changing the current industry processes the HH data for individual sites will be sent to the DNOs and Suppliers resulting in site specific DUoS bills for all sites post the roll out of 'Advanced' and Smart metering. There is general consensus which stems from the PSRG work and the assessment of P272 that industry participants, both Suppliers and DNOs would prefer to have DUoS invoices based on aggregated HH data for HH settled sites below the current threshold for HH metering (100kW).

Additionally, the consultation responses that were returned to the DCP 103 group highlighted that to invoice sub 100kW HH sites for DUoS would be disproportionately expensive due to the need to increase capacity in DNOs billing systems.

Solution

The P280 Proposed Solution is to introduce new Measurement Classes and associated Consumption Component Classes so that sub 100kW HH Settled customers can be invoiced for DUoS on an aggregated basis.

As a result of the new Measurement Classes P280 will also introduce system and process changes for HHDCs, HHDAs and Suppliers. This is due to the new MDD data items and validation requirements, the degree of impact will depend upon the responses we receive and the final design solution. The impact will vary between each DNO. The P280 solution is effectively a facilitation Modification. Suppliers are able to utilise the new Measurement Classes as and when the Suppliers choose, however the SVAA and the DNOs would need to be able to cater for such use from the implementation date.

Impacts & Costs

The Proposed Modification, would impact Supplier Volume Allocation Agent (SVAA), Suppliers, DNOs, and HH Agents.

Implementation

The proposed P280 Implementation Date is **31 March 2013**.

The Case for Change

The Workgroup's initial unanimous view is that the principle in P280 of enabling the use of aggregated HH data for DUoS billing for sites below 100kW would better facilitate the Applicable BSC Objectives compared with the existing baseline.

The group also believes that this change will help facilitate existing work being conducted in this area by other industry participants by improving efficiency in costs and processes.

Though the entire group did not support the benefits identified under each Objective, as a whole the Workgroup believe that P280 will:

- Better facilitate Applicable BSC Objective (c) by facilitating more effective management of increased volumes of HH data; and / or
- Better facilitate Applicable BSC Objective (d) by increasing the efficiency of the provisions in the BSC relating to HH data in light of increased volumes of such data.

2 Why Change?

Background

Distribution Changes

Distribution network charges (also known as DUoS charges) are calculated for each HH settled customer by Distributors on a site specific basis.

With the introduction of smart meters into the NHH settled market, more NHH sites will have the ability to be settled on a HH basis. This could significantly increase the amount of sites where Distributors will have to calculate site specific DUoS charges.

A DCUSA Change Proposal (DCP103) was raised in July this year to help facilitate the move from NHH settled market into the HH settled market by attempting to ensure that DUoS charges would remain the same for NHH customers electing to be settled HH under Measurement Class E. In conducting this work the DCUSA consultation concluded that the industry would be better served invoicing for DUoS in respect of sub 100kW sites using aggregated HH data rather than on a site specific basis, but this was deemed outside of the scope of the DCUSA change proposal.

Currently, the only option available to the Distributors is to invoice each and every HH settled customer on a site specific basis. Should this remain the only option available, based on the analysis conducted under DCP103, the Proposer believes that the resulting cost to the Distributors (in the event that Half Hourly settlement is widely adopted for smart metered customers) would be in the tens of millions of pounds. This cost would have to be recovered from Suppliers and ultimately from customers. Furthermore the Proposer suspects that both suppliers and HH agents may also have system capacity and/or business process issues should this be the enduring solution post smart metering roll out.

To avoid this, there needs to be an alternative that enables Distributors to charge Suppliers on an aggregated (rather than site-specific) basis.

Question 1

What would be the impact on your organisation of continuing to settle on a site-specific basis if the number of half-hourly sites below 100kW increases? Respondents should focus on the impacts related to site-specific billing of distribution charging, in line with the purpose of this modification.

Question 2

What costs would your company face if the number of sites settled on a half-hourly basis increase in line with the scenarios below? Respondents should focus on the impacts related to site-specific billing of distribution charging, in line with the purpose of this modification. Please provide a detailed breakdown of costs wherever possible, specifying whether these are one-off or on-going costs. Please also explain the assumptions underlying your costs estimates

- Increase of 30% HH Settled customers below 100KW
- Increase of 50% HH Settled customers below 100KW
- Increase of 75% HH Settled customers below 100KW

DUoS Charges

The DUoS charge covers the cost of receiving electricity from the national transmission system and feeding it directly into homes and businesses through the regional distribution networks. These networks are operated by Distribution Network Operators (DNOs).

Current Process

Currently SVA metering can be either settled Half Hourly (HH) or Non Half Hourly (NHH) depending on the circumstances. If the Metering system is defined as being 100kW or above it must be settled as HH. If it is below 100kW then it is usually settled on a NHH basis, unless the Supplier has chosen to settle it on a HH basis.

Those sites that are Settled HH are billed for DUoS by DNOs on a Site Specific Basis. Currently there is no option available for Distributors to receive Aggregated HH data for sub 100kW sites.

Measurement Classes

The Measurement Class of a Metering System reflects how it is settled i.e. Half Hourly (HH), Non Half Hourly (NHH) or HH elective.

There are currently five Measurement Classes A, B, C, D and E:

- **Measurement Class 'A':**

Is the predetermined Measurement Class for NHH Settled meters. For Measurement Class 'A', Suppliers have set performance levels they must adhere to within the Settlement process. These performance levels are determined by the proportion of consumption through NHH Metering Systems that should be settled on actual Meter Advances (rather than estimates) at each of the Supplier Volume Allocation runs.

Reconciliation Run	Performance Level
SF	N/A
R1	30%
R2	60%
R3	80%
RF	97%

- **Measurement Class 'B'**

NHH Unmetered supplies are classified as Measurement class 'B'. These are any electronic equipment that draws a current and is connected to the Distribution Network without a meter recording its energy consumption.

- **Measurement Class 'C':**

100kW or above Metering Systems are classified as Measurement Class 'C' (unless they are "unmetered" in Class D), and below 100kW Metering Systems that have elected for HH settlement can be classified as Measurement Class 'C' or 'E'.

Measurement Class C Metering Systems must submit 99% actual Meter reading data by the initial settlement (and all subsequent Reconciliations). Where actual Meter reading is unavailable, Data Collectors must provide estimated data.

- **Measurement Class 'D':**

Is the HH equivalent of Measurement Class 'B'.

- **Measurement Class 'E':**

Measurement Class 'E' is a Measurement Class for metering systems that would fall under the 100kW limit, and therefore would be settled NHH under Measurement Class A, but their Supplier elects to be settled HH.

The difference in Settlement terms between Measurement Class 'C' and 'E' is that for those metering systems that are HH elective in Measurement Class 'E' the Supplier need only get 99% actual data by RF.

What's the issue?

The BSC and the current defect

The BSC contains a number of provisions for providing Distributors with the metered data they need for charging purposes:

- General provisions in L5.2.4;
- SVAA requirements in S2.7.7; and
- HHDC requirements in Annex S-2, 3.3.2(g).

The defect in these arrangements is that they don't provide any mechanism for distinguishing between HH-settled customers whose network charges should be calculated on a site-specific basis, and those whose network charges should be calculated on an aggregated basis.

Currently, HHDAs for sites in Measurement Classes 'C' and 'E' send the data flow D0040 to the SVAA. The D0040 flow includes Consumption Component Classes (CCC). It is the CCC which details the aggregated data instead of the Site Specific data. However, the DNOs only receive the site specific data via the D0036 and D0275 flows. They receive this information from the HHDC.

As only around 10% of the market is Settled HH the fact that there is no mechanism to aggregate billing has not had much of an impact. However, with the role out of Smart metering, and other industry changes, there is a concern that the percentage of the market Settled HH could increase substantially. Without any mechanism for DNOs to utilise and bill Suppliers using Aggregated HH data it will force DNOs to use site-specific billing for all customers under 100kw where it will be disproportionately expensive.

3 Solution

This section summarises the P280 Proposed Modification, which the Proposer has developed with the Workgroup's assistance. It also captures the detailed requirements of the solution. For further detail on how the Group came to this solution please see Attachment A.

Summary

P280 proposes that as of 31 March 2013 the SVAA system will be required to process the data for the new Consumption Component Classes and include it in the D0030 flow that the Distributors use for aggregated DUoS billing.

There will be no mandate on Suppliers to use the new Measurement Classes. It would be left to individual Suppliers to choose when they wish to use the new Measurement Classes.

Detailed Requirements

Requirement 1 – Introduction of New Measurement Classes

With effect from 31 March 2013, the BSC needs to have introduced three new Measurement Classes for domestic, Small Medium Enterprises (SME) and Industrial and Commercial (I&C) customers to distinguish HH Settled customers whose network charges would be calculated on an aggregated basis.

New Measurement Classes:

- F Half Hourly aggregated metered (**Domestic**)
- G Half Hourly aggregated metered (**Non domestic whole current**)
- H Elective [1]Half Hourly aggregated metered I&C (**Non domestic CT metered**)[2]

This will result in the need for each new Measurement Class and their associated Consumption Component Classes being updated in the Market Domain Data (MDD).

The Supplier Metering Registration Service (SMRS) systems will need to be capable of accepting the new Measurement Classes.

Suppliers will have the option of utilising the new Measurement Classes and Supplier Agents will need to be able to process the new Measurement Classes for those Suppliers who choose to use them.

Should any site utilising the new Measurement Classes wish to revert to NHH or Site Specific data they will need to revert to one of the pre-existing Measurement Classes.

Question 3
Do you agree with the proposed criteria for separating the new Measurement Classes based on whether the site is Domestic, Non domestic whole current or Non domestic CT metered?

[1] Elective - allows suppliers to choose between two elective Measurement Classes for I&C customers (site specific or aggregated). It allows suppliers the option to go either way or both dependent upon customer wishes until the outcome of MIG22 is known. However, the group acknowledge that eventually this will need to resolved.

[2] The group agreed that one of the key issues for consultation was the criteria for separating Measurement Classes G and H. Please see Attachment A for group discussions on this.

Requirement 2 – Introducing new data flows that replicate the D0040 and D0298 data flows

At present HHDAs send aggregated HH data to SVAA. The level of aggregation is Supplier, GSP Group and CCC. In order to support reporting of aggregated data by SVAA for Measurement Classes 'F' to 'H', this data will also need to be broken down by:

- Distributor Id, in order that SVAA can report the data to the correct Distributor; and
- Line Loss Factor Class Id, in order that SVAA can provide separate values of aggregated consumption for different Line Loss Factor Classes. This will support different tariffs for different voltage levels or Measurement Classes (if required by the relevant Charging Methodology).

To support this requirement, two new data flows will be required (and will be added to the Data Transfer Catalogue through MRA Change processes): an equivalent of the D0040, and an equivalent of the D0298 (but with new flow numbers). Each of the new flows will contain two sections as follows:

- A section with the same structure as the D0040/D0298 (for use with Measurement Classes 'C' and 'E'); and
- A new section in which data is reported separately for each Distributor Id and Line Loss Factor Class Id (for use with Measurement Classes 'F', 'G' and 'H').

In order to avoid unnecessary expense for Suppliers who are not using the new Measurement Classes, it is proposed that the original D0040/D0298 flows will remain available for any Suppliers who choose not to use the new Measurement Classes. An HHDA who is not responsible for any Metering Systems in Measurement Classes 'F' to 'H' therefore has the option of continuing to send D0040 or D0298 data flows to SVAA and Suppliers.

An HHDA who is responsible for one or more Metering Systems in Measurement Classes 'F' to 'H' must send data to SVAA using one of the new data flows. Note that (as currently) the HHDA must send a single file to SVAA per Settlement Run and GSP Group; and therefore it would not be possible to send data to SVAA in a mixture of old and new flow formats. However, HHDAs will be able to send different flows (existing and new flows) to different Suppliers on a case by case basis.

The new files would contain Distributor Id and LLFC Id in addition to the existing data and would enable the SVAA to know which Distributor to report the consumption to, and would then allow the Distributor to know which DUoS tariff to apply.

Although making use of the new data flows optional avoids impacting Suppliers who do not wish to use the new Measurement Classes, it does raise the issue of what happens if such a Supplier inadvertently registers a Metering System in one of the new Measurement Classes (e.g. on Change of Supplier), and their appointed HHDA does not have systems in place to use the new data flows. Clearly the Supplier would need to resolve this issue as quickly as possible, but in the meantime:

- The HHDA would still be required to report consumption to SVAA, and would have no option but to do this using the old D0040/D0298 data flows;
- In order to maintain the accuracy of settlement, SVAA would accept the D0040/D0298 data flows (even though they contained data for Consumption Component Classes associated with the new Measurement Classes);
- SVAA would not be able to report this consumption to the Distributor (and would not even know which Distributor in the GSP Group the data related to). It would

therefore not be possible for the relevant Distributor to invoice Distribution Use of System (DUoS) charges for this Metering System until the Supplier had resolved the issue (by updating the Measurement Class or appointing an HHDA who can use the new data flows).

Question 4

Do you agree that use of the new data flows should be optional for HHDAs, or should it be mandatory (to ensure that Distributors receive data for all Metering Systems)?

Question 5

Do you believe there is an alternative approach to transferring information between participants that the group should consider?

Requirement 3 – Processing the new D0040/ D0298 data into the existing D0030 and D0314 data flows

In order to allow SVAA to report HH data in the existing D0030 format, Distributors will need to inform the SVAA what Standard Settlement Configuration (SSC) to report so that the correct data can be associated with each Line Loss Factor Configuration (LLFC). It will be mandatory for DNOs to provide this information, as the SSC,TPR and PC are mandatory items in the D0030 data flow. However, Distributors who aren't interested in mapping consumption to Time Pattern Regimes (e.g. because their billing systems do not use the VMR group) can just provide simple default data (e.g. map all LLFCs to the unrestricted SSC 0393).

The SVAA will need to aggregate the data accordingly when they produce the report. Each DNO should provide the SSC and Profile Class to be used for reporting each relevant LLFC. They should also provide a default SSC and Profile Class for reporting of any consumption that comes in on other (unexpected) LLFCs. We propose that the table should therefore look like the one below. The row with no LLFC specified is the default:

Input LLFC		Effective Date	Output SSC/PC	
Distributor	LLFC		SSC	PC
XXXX	200	31-03-2013	0393	1
XXXX	201	31-03-2013	0151	1
XXXX	400	31-03-2013	0393	4
XXXX	401	31-03-2013	0151	4
XXXX		31-03-2013	0151	1

The Distributors would have the option to specify a unique SSC Id to the LLFC Id associated with each of the new Measurement Classes. This would facilitate the SVAA system aggregating the daily HH data into the number of time-periods defined by the SSC.

In order to avoid anomalies in the D0030 reports, Distributors should confine their choice of SSC to ones whose switching times are on half hour boundaries, and defined in clock time rather than GMT:

- Where an SSC has switching times that are not on half hour boundaries, it is theoretically possible for the Daily Profile Production run to treat two Time Pattern Regimes as ON in the same Settlement Period. This does not lead to double counting of energy in the NHH market, but could do so for Measurement Classes 'F' to 'H' (if SVAA reported the same consumption against both TPRs). To avoid this, Distributors should not use SSCs with switching times not on the hour or half hour (e.g. certain E7 regimes with switching times on the quarter hour, or dynamic regimes used to support load shifting).

- Where an SSC has switching times defined in GMT (i.e. GMT Indicator = 'Y' in Market Domain Data), a known anomaly in profiling causes all Time Pattern Regimes for that SSC to be treated as OFF for one hour on the long day (i.e. the Autumn clock change day). In the NHH market this just moves the consumption data to other Settlement Periods, but for Measurement Classes 'F' to 'H' the consumption would not be reported at all. To avoid this, Distributors should use SSCs with the GMT Indicator set to 'N'.

The SVAA system will be amended to include a new database table that holds the mapping from LLFC to SSC and PC. During the impact assessment we will discuss with SVAA the most appropriate mechanism for Distributors to provide this data to SVAA. Options include:

- Manual data entry. BSCP508 would be amended to include a paper form, which Distributors would fax or email to SVAA. SVAA would then type the data into a new data entry screen. While this type of solution is potentially error prone, it may be appropriate provided that the number of LLFCs used for the new Measurement Classes is low, and the data changes infrequently;
- An alternative (and more automated) option would be to use the ELEXON Portal i.e. Distributors upload a file in an agreed format (e.g. Comma Separated Values) to the portal, and it is then loaded automatically by the SVAA system.

Question 6
Do you agree with the Group's proposal that aggregated consumption data for the new Measurement Classes should be reported in the existing NHH D0030 and D0314 formats (with Half Hourly data allocated to the Time Pattern Regimes of an appropriate SSC for reporting purposes)?

Question 7
Does the proposed restriction to local time SSCs with switching times on half hour boundaries cause you any issues?

Requirement 4 – Changes to the SVAA system

Changes will be required to the SVAA system on how they produce their reports. They will need to be capable of receiving the lookup table from Requirements 2 & 3.

The SVAA will need to be able to produce the report in the new format. For each combination of Supplier Id, GSP Group and LLFC that has HH data (in the Consumption Component Classes corresponding to the new Measurement Classes), SVAA will need to perform the following processing when producing the D0030:

- Look up the appropriate SSC and PC from the new database table (provided each Distributor has specified a default there will always be one).
- Identify the Time Pattern Regimes associated with the SSC, and the Period Time Pattern States associated with each TPR on that Settlement Day. (Period Time Pattern States are the flags indicating whether the TPR is treated as ON or OFF in each Settlement Period).
- For each TPR, include a VMR record, an SPX record and a TOT record in the output D0030:
    - The VMR record will identify the Distributor Id and LLFC, plus the PC and SSC from the lookup table, and the TPR. The EAC/AA data and SPM Default EAC MSID Count will be zero. The SPM Total EAC MSID Count and SPM Total AA MSID Count will be populated from the estimated and

actual Data Aggregator HH MSID Counts provided by HHDAs on the new data flows (summing across all HHDAs and all relevant non-losses CCCs).

- The SPX record will report 46/48/50 HH consumption values. For periods where the Time Pattern Regime is ON, this will be the data provided by the HHDAs (summed across all HHDAs and all relevant CCCs). For periods where the Time Pattern Regime is OFF, this will be zero.
- The TOT record will have the totals of the values on the SPX record.

The SVAA system will not 'merge' records for the new Measurement Classes with those for NHH consumption (Measurement Class 'A'). This means that if a Distributor uses the same combination of LLFC, SSC and PC both for NHH customers, and for the new Measurement Classes, the two types of consumption will appear as separate records in the D0030 (rather than being added together).

Question 8

Do you envisage using the same LLFCs for NHH and HH customers? If so, does the proposal to report these as separate records on the D0030 create any issues for you?

Requirement 5 – LDSOs not to issue site-specific invoices for MPANs in the new Measurement Classes

To avoid double charging, there is a need for DNO not to issue site-specific invoices for MPANs in the new Measurement Classes. Therefore each DNO must ensure that receipt of D0036/D0275 data for an MPAN in one of the new Measurement Classes will not trigger an invoice for site-specific HH charges.

Suppliers would presumably wish to validate that they don't receive site-specific invoices for these MPANs, though this is not a mandatory requirement that would be imposed by implementation of P280.

Potential Requirement

The Workgroup highlighted that the above approach is likely to be expensive (because it may necessitate significant change to DNO HH billing systems) and error-prone (because it relies on the DNO billing system having the same view of Measurement Class data as the Supplier, and any difference will lead to disputed invoices).

Therefore the group considered the potential inclusion of a further requirement in the P280 solution with the aim of reducing the possibility of errors arising. The group would like specific input from industry participants on the usefulness and implementation impact of this further requirement, as set out below.

Requirement 6 – Amending the HHDC-LDSO data flow

To avoid double charging the HHDC-LDSO data flow would be amended to indicate whether the data relates to the new Measurement Classes (and is therefore outside the scope of site-specific billing).

The group deliberated a number of potential requirements surrounding this issue which are detailed in Attachment A.

Question 9

Do you believe that LDSOs need to receive data for HH customers under the new Measurement Classes? If yes does there need to be a central method to enable LDSOs to identify aggregated customers to avoid double charging, or do you believe LDSOs would be able to achieve this themselves?

Question 10
If the HHDC does provide data, what format should it be in: D0010, D0036/D0275, D0036/D0275 equivalent with new flow numbers, or D0036/D0275 with Measurement Class added?

Question 11
Are there other options that the group should consider? i.e. do not send a D36 to DNO for MPANs in new MC?

Question 12
What would be the impact on your organisation specific to the implementation of this requirement by 31st March 2013?

4 Impacts & Costs

Impacts of the Proposed Modification

The Group's initial understanding of the impacts of the proposed Solution is set out below.

BSC Parties / Party Agents	
Type of Party / Party Agent	Potential impact
Supplier Volume Allocation Agent (SVAA)	Will need to introduce system changes to aggregate data
Suppliers	Will now have the option of receiving billing based upon aggregated and site specific data
DNOs	Will need to change the way they operate and will likely need new billing systems
HH Data Aggregators & HH Data Collectors	Will need to change the way they generate aggregated data for submission to the SVAA and what HHDCs send to DNOs

Impact on ELEXON
Raise MDD Change Requests to enter the new Measurement Classes into MDD
Implement BSC changes as set out in the attached legal text and develop and implement any associated impacts on Code Subsidiary Documents
Manage implementation of P280 system changes

Question 13
Would Proposed Modification P280 impact your organisation (including potential requirement 6) If so, Please provide a detailed breakdown of costs wherever possible, specifying whether these are one-off or on-going costs. Please also explain the assumptions underlying your costs estimates.

5 Implementation

Proposed Modification

The Modification Workgroup's recommended Implementation Date for the Proposed Modification is 31 March 2013. This date coincides with the proposed implementation for MIG 22.

The reasoning for this is because if MIG22 necessitates certain tariffs, be they aggregated or otherwise, P280 needs to be in place to accommodate them. The Proposer and Workgroup acknowledge that there is a concern with respect to whether industry participants can be ready by this date, but the group believes that it is better to press ahead with potentially challenging implementation timescales and review and amend if necessary, rather than build a precautionary delay into the timescales from the outset.

Based upon the proposed implementation date we would look to implement the changes in the February Release with the change actually going live on 31 March. This would give the industry an expectation of when changes would occur.

Question 14
Do you agree with the Workgroup's proposed implementation approach and the Implementation Date of 31 March 2013?

Possible alternative approach

The group has not developed a P280 Alternative, but did consider a potential alternative approach. A Workgroup member suggested an alternative approach with aggregation carried out by Supplier Agents instead of performed centrally, as they felt that this might be lower impact overall. However, the majority of the Group concluded that the solution developed by the Proposer and Workgroup was the most efficient, effective and clear approach, and therefore agreed not to further develop the potential alternative.

Some group members did not agree with the majority view, as they felt it was debatable whether the proposed solution (i.e. central aggregation) is the most efficient or appropriate approach, but did acknowledge that the proposed approach requires central system changes rather than numerous impacts on the systems of a number of individual participants.

Question 15
Do you have any views regarding the alternative approached discussed by the Group?

Question 16
Are there alternative solutions that the Modification Group has not identified, that they should consider?

Initial views against the Applicable BSC Objectives

The Proposer believes that P280 would better facilitate Applicable BSC Objective (c) (the promotion of 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).

The Proposer believes P280 allows a more cost effective solution for handling smart metering HH data, whilst ensuring that those ready to move into this market have the necessary systems and processes in place. Moreover, Suppliers would be able to move into this market without constraint or time delays.

The group's initial view is unanimous support for the principle of the Proposed Modification. All group members identified benefits against either Objective (c) or Objective (d) (the promotion of efficiency in the implementation and administration of the balancing and settlement arrangements), though not all of the group supported the benefits identified under each Objective.

The majority of the Workgroup believe that P280 will better facilitate Objective (c) by facilitating more effective management of increased volumes of HH data, ensuring systems and processes are in place to enable Suppliers to move into the new HH market when they wish to do so. Some group members also noted that the P280 solution utilises existing processes which minimises impacts and costs.

The majority of the Workgroup believe that P280 will better facilitate Objective (d) by increasing the efficiency of the provisions in the BSC relating to HH data in light of increased volumes of such data. Effectively this would result from the avoidance of the flood of Site Specific data that will result from the expansion of the HH market without the introduction of P280. Some group members also argued that the P280 solution would increase accuracy in the arrangements (in the context of an expanded HH market), and increased accuracy would promote efficiency in the arrangements.

The group unanimously agreed that P280 has no impact on Objectives (a), (b) and (e).

Question 17
Do you believe that P280 better facilitates the Applicable BSC Objectives compared with the current Code provisions?

7 Further Information

More information is available in

Attachment **A**: Detailed Assessment

This information includes:

- Terms of reference
- Modification Workgroup's discussions on requirements
- Timetable and responsibility

Attachment **B**: Consultation Questions

Attachment **C**: Draft Legal Text