

Modification Proposal P88 – Introduction of obligations in relation to SVA Metering, Meter Operator Agents and Equipment Owners

Introduction

Modification Proposal P88 (P88) was raised on 31 May 2002 by Scottish and Southern Energy. It seeks to support the work undertaken by the Review of Electricity Metering Arrangements (REMA), a review initiated by the Authority with the aim of enabling a split between the services of Meter Asset Provision (MAP) and Meter Asset Maintenance (MAM) within the non-half hourly market. REMA believe that the MAP/MAM split will promote competition in the provision of metering services and as a result be of benefit to the electricity supply industry.

An Initial Written Assessment (IWA) was produced and presented to the BSC Panel on 13 June 2002. The IWA recommended that P88 be submitted to a two-month Assessment Procedure conducted by the Volume Allocation Modification Group (VAMG). The Panel agreed with this recommendation and therefore the VAMG is now seeking the views of BSC Parties, Party Agents and non-BSC Parties on the issues surrounding P88.

The potential Implementation Date of P88 is May 2003, in order that the Settlement-related changes are introduced in parallel with other changes recommended by REMA. The views of Parties and Party Agents on this date will be sought from the consultation and impact assessment of P88.

Areas to be progressed through the BSC

The suspected impacts of P88 have been considered by the VAMG and are detailed in full within the attached Requirements Specification. The bulk of the changes to industry documents to accommodate a MAP/MAM split fall within the Master Registration Agreement (MRA) and its associated documents – such changes are managed by the MRASCo change control process. P88 introduces a limited set of complimentary requirements to the BSC to ensure that the split between MAP and MAM does not compromise any of the existing Settlement processes.

The proposed revisions to the BSC are:

- changes to metering procedures to ensure Equipment Owners are notified of the identity of MAMs appointed to their Metering Systems;
- a change to require MAMs to keep Equipment Owners informed of any fieldwork carried out on Metering Equipment; and
- changes to the registration procedures so that the Equipment Owner's consent is obtained when registering a new metering point.

The Requirements Specification details the subsequent changes required to the BSC Systems Code Subsidiary Documents and other configurable items, and explains the way in which the MAP/MAM split would impact existing Settlement Processes.

Areas to be addressed outside of the BSC

There are a number of areas relating to the MAP/MAM split that lie outside the scope of the BSC and are therefore not included in the solution described by the Requirements Specification:

a. Protection of Competition/Prices

P88 raised an important issue about the need to introduce satisfactory commercial arrangements in order to protect competition in the retail electricity market and ensure meter pricing is kept reasonable, such as preventing Suppliers from installing anti-competitive Metering Systems. These concerns have since been discussed with the Authority, who have agreed to investigate the Electricity Supply Licence and where appropriate, to make the necessary amendments to ensure that anti-competitive practices in the marketplace are discouraged. Therefore the VAMG does not seek a BSC change to address this issue.

b. Emergency Metering Services

The initial scope of the REMA discussions, as defined by the Authority, excluded the provision of out-of hours emergency metering services and hence they do not form part of the solution for P88. Although a separate review of emergency services is now underway, REMA has analysed the model behind P88 and has concluded that, although the review may introduce additional emergency requirements, they are unlikely to impact the changes detailed in the Requirements Specification. REMA believe that the relationships and information flows introduced by P88 will be able to support any new emergency procedures.

c. Equivalent Half-Hourly Changes

P88 proposed parallel changes to the D0150 'Non-Half Hourly Meter Technical Details' and the D0268 'Half-Hourly Meter Technical Details' dataflow in order to create consistency between the two markets. However, as the D0268 is currently subject to a large number of different Change Proposals, MRASCo has decided to initiate a general industry review of the content and usage of the D0268 dataflow. As a result, the proposed change to the D0268 has been excluded from the scope of P88 and therefore half hourly requirements are not specifically included within the Requirements Specification.

d. Stranded Assets

An asset is regarded as 'stranded' when some or all of the costs incurred by the incumbent are not recoverable. This may be due to a general reduction in the cost of meter provision, or because a metering service provider has been replaced by an alternative metering service before the former has recovered all its costs. By establishing a split between MAP and MAM there is potential for P88 to exacerbate this problem, and where communication between MAP and MAM has broken down this issue would be difficult to resolve. This issue was excluded from the REMA discussions at the direction of the Authority, who are currently undertaking an independent review of the problem. In order to highlight the issues and if possible, to devise appropriate solutions, the Authority plans to publish a consultation document to participants in Autumn 2002.

e. Definition of 'MAP' and 'MAM'

It is not proposed that these terms are explicitly included within the BSC on the basis that the BSC reflects BSC Party/Party Agent obligations and the interfaces between them. The only interface a MAP will have with the BSC is via the MAM, which is equivalent to an MOA. It is the Distribution Licence that outlines the requirement to provide these services and it does not specifically define these terms either.

f. Commercial Relationships

A MAP is not a Supplier Agent, nor is it accredited, therefore the appointment of MAPs is entirely a commercial consideration.

g. Disputed Appointments

Following on from (f) above, as the MAP appointment is a commercial requirement any disputes arising on a MAP appointment or de-appointment will be outside the scope of the BSC.

h. MAPs not Accredited

In accordance with the Authority's requirements, REMA agreed that MAPs would not be accredited and so would not be regarded as Party Agents. The rationale for this decision is that MAPs, via their contracts with an MOA or Supplier, will be required to provide meters that are compliant with the new non-half hourly Code of Practice.

Consultation Questions

Using the information contained in the Requirements Specification and the REMA Expert Group Recommendations, as well as in this Consultation Document, please provide responses to the questions on the attached pro forma in your role as a BSC Party, Party Agent or non-BSC Party.

Please provide responses to modifications@elexon.co.uk by 17:00 on Monday 22 July 2002.