



September 2002

**ASSESSMENT REPORT**  
**MODIFICATION PROPOSAL P88 – Introduction of obligations in relation to SVA Metering, Meter Operator Agents and Equipment Owners**

Prepared by the VAMG on behalf of the Balancing and Settlement Code Panel

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### b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	energywatch
Core Industry Document Owners	Various

### c Related Documents

Reference	Document
Reference 1	P88 Modification Proposal 'Introduction of obligations in relation to SVA Metering, Meter Operator Agents and Equipment Owners'
Reference 2	P088IB10 Initial Written Assessment of P88
Reference 3	P088AS10 Requirements Specification to Support Modification Proposal P88
Reference 4	P88 Consultation Document
Reference 5	Modification Circular MC00003 – Detailed Level Impact Assessment of P88

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## 1 SUMMARY AND RECOMMENDATIONS

### 1.1 Recommendations

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal P88 during the Assessment Procedure, the Volume Allocation Modification Group (VAMG) unanimously recommends that the BSC Panel:

- **NOTE the contents of the P88 Assessment Report and the recommendations of the VAMG;**
- **ENDORSE the recommendation of the VAMG and proceed to the Report Phase in accordance with Section F2.7 of the Code;**
- **AGREE that a draft Modification Report be issued for consultation and submitted to the Panel meeting on 17 October 2002;**
- **AGREE that the draft Modification Report contain a provisional recommendation that the Proposed Modification P88 should be made with an Implementation Date of 29 May 2003;**
- **NOTE that a significant number of issues relating to REMA require resolution outside the BSC prior to 29 May 2003.**

### 1.2 Background

One of the Authority's metering strategies for the coming year is the Review of Electricity Metering Arrangements (REMA), which will establish a split between the services of Meter Asset Provision (MAP) and Meter Asset Maintenance (MAM) for Non Half Hourly Metering. A MAP service will involve the provision of a meter fit for purpose to an accredited agent for installation; the Meter Asset Provider itself will be the Equipment Owner. A MAM service will comprise all fieldwork undertaken on Metering Equipment, and would be performed by Meter Operator Agents (MOAs).

At present MAP and MAM are only provided as a single 'meter operation' service by Non-Half Hourly Meter Operator Agents. Under the present arrangements, where a Supplier needs a meter to be installed it makes a request to a MOA who in turn acquires a meter from an undefined source (i.e. a MAP) and passes on any costs to the Supplier as part of its general MOA charges. As a result, Suppliers have no direct input into the acquisition of meters by MOAs and organisations wishing to provide MAM services become obliged to take on unwanted MAP responsibilities (or vice versa). The intention of REMA is that creating a split between MAP and MAM would produce greater transparency in metering costs, allow more choice to Suppliers and metering organisations, and generate increased competition and therefore reduced prices across the electricity supply industry.

In order to achieve the aims of REMA, the Authority has established a REMA Expert Group to devise the technical solution by which the MAP/MAM split can be operated by the industry. The Expert Group is responsible for raising the necessary changes to MRASCo products such as the Master Registration Agreement (MRA) and the MRA Data Transfer Catalogue (MRA DTC). P88 (Reference 1) seeks to introduce high-level BSC requirements to support the changes made to the MRASCo products in order to ensure that consistency

is maintained between the BSC and the MRA, and that existing Settlement procedures are not compromised.

The Initial Written Assessment for P88, P088IB10 (Reference 2) was submitted to the Panel meeting on 13 June 2002 and recommended that:

- P88 be submitted to a two-month Assessment Procedure conducted by the Volume Allocation Modification Group; and
- the Assessment Report for P88 be submitted to the Panel meeting of 15 August 2002.

The Panel endorsed these recommendations, suggested revisions to the VAMG Terms of Reference and progressed P88 into the Assessment Procedure.

The VAMG first met to discuss the issues and requirements for the P88 solution on 20 June 2002. During this meeting, the VAMG reviewed a draft Requirements Specification and Consultation Document to establish the details of the proposed solution for P88 and the questions that should be put to participants for consultation. Following this meeting, the Requirements Specification for P88 (Reference 3) and Consultation Document (Reference 4) were drafted and approved by the VAMG and issued to BSC Parties, Party Agents and non-BSC parties on 9 July 2002. In parallel, Modification Circular MC00003 was issued to Parties, Party Agents and the SVA Agent (the SVAA) requesting a Detailed Level Impact Assessment (DLIA) of P88, based upon the solution described in the Requirements Specification.

An Assessment Report was prepared and presented to the Panel as required on 15 August 2002, with the recommendation that P88 should not be made due to outstanding concerns among the industry regarding the lack of an adequate contractual framework in which to effectively operate the MAP/MAM split. The Panel noted the recommendation of the VAMG, but was concerned that rejecting P88 would create an inconsistency with the MRA, given that the MRA Development Board has approved the REMA Expert Group's solution for implementation (although this decision is under appeal). As the Modification Process cannot be placed on hold pending discussion of the contractual issues, the Panel agreed instead to return P88 to the Assessment Procedure and ask the VAMG to reflect on the need to ensure consistency between the BSC and MRA and to determine whether progression of P88 would better facilitate Applicable BSC Objective (d) in promoting efficiency in the trading arrangements. The Assessment Procedure was extended by one month, with a revised Assessment Report due to be presented to the Panel at its meeting on 12 September 2002.

### **1.3 Rationale for Recommendations**

The VAMG assessed P88 against the Applicable BSC Objectives and the responses from the consultation and industry impact assessment.

The consultation responses showed that a slight majority of respondents (58%) believed that P88 would better facilitate Applicable BSC Objective (c) in 'promoting 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', provided that satisfactory contractual arrangements are put in place.

At its meeting on 25 July 2002 the VAMG agreed that in principle, P88 (as part of the REMA changes) could better facilitate Applicable BSC Objective (c) by:

- allowing metering organisations to offer separate MAP or MAM services (as the case may be) and thus promoting new entry into this area of the market; and
- enabling Suppliers and Distributors to specify the MAP from which meters are acquired by MAMs, giving both greater choice and the opportunity to search for the best deals available in the market.

However, the VAMG agreed with the view raised by the consultation that the ability of P88 to achieve these is dependent on the establishment of robust contractual arrangements; a condition also raised by the Proposer in P88.

The concern is that where a new Supplier takes over a Metering System, at the time of gaining the contract, the Supplier would have no knowledge of the associated MAP charges. As MAPs would not be regarded as Supplier Agents they would be under no obligation to publish their standard MAP charges, and in theory a MAP could establish a whole range of different charges depending on parameters such as the meter type, meter location, or even the contracting Supplier. For a New Supplier, this may mean that, in the face of prohibitive MAP charges, it has to incur costs in removing the meter and replacing it with a similar meter from a more accommodating MAP. Clearly, the presence of this risk would discourage changes of Supplier and therefore impede competition in electricity supply.

The VAMG noted that such contractual considerations lie outside the scope of both the MRA and the BSC.

At its meeting on 30 August 2002, the VAMG noted that the Authority stated that a guidance note (based on the Electricity Supply Licence) would be issued to Suppliers in October 2002 and would seek to address the concerns regarding contractual arrangements. The VAMG felt it would be helpful to provide similar guidance to Distributors as they would also be impacted by P88.

At the same meeting the VAMG also assessed P88 against Applicable BSC Objective (d) (see section 5.1). The VAMG unanimously agreed that P88 would better facilitate this objective, by bringing the BSC and Code Subsidiary Documents into line with the MRA and MRA DTC. On this basis, the VAMG agreed to recommend to the Panel that P88 should be approved with an Implementation Date of 29 May 2003.

## **2 INTRODUCTION**

This Report has been prepared by ELEXON Ltd., on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

An electronic copy of this document can be found on the BSC Website at [www.elexon.co.uk](http://www.elexon.co.uk)

### 3 MODIFICATION GROUP DETAILS

This Assessment Report has been prepared by the Volume Allocation Modification Group (VAMG). The membership of the VAMG for P88 is as follows:

Member	Organisation	Role
Justin Andrews	ELEXON	Chairman
Stephen Francis	ELEXON	Lead Analyst
Katherine Bergin	Scottish & Southern Energy	Proposer
Sam Cannons	Scottish & Southern Energy	Member
Richard Harrison	Npower	Member
Phil Russell	TXU Europe	Member
Walter Hood	SP Power Systems	Member
John Lees	Npower	Member
Rob Cullender	British Gas	Member
Alec Thompson	London Electricity	Member
Afroze Miah	Powergen	Member

In addition the following attendees have attended one or more meetings during the Assessment Procedure:

Member	Organisation	Role
Claire Edmunds	Ofgem	Attendee
Terry Marquand	TXU Europe	Attendee
Bob Jeynes	Powergen	Attendee

The first meeting of the VAMG for P88 was held on 20 June 2002 and the second was held on 25 July 2002. Following the Panel meeting of 15 August 2002, a third meeting of the VAMG was held on 30 August 2002.

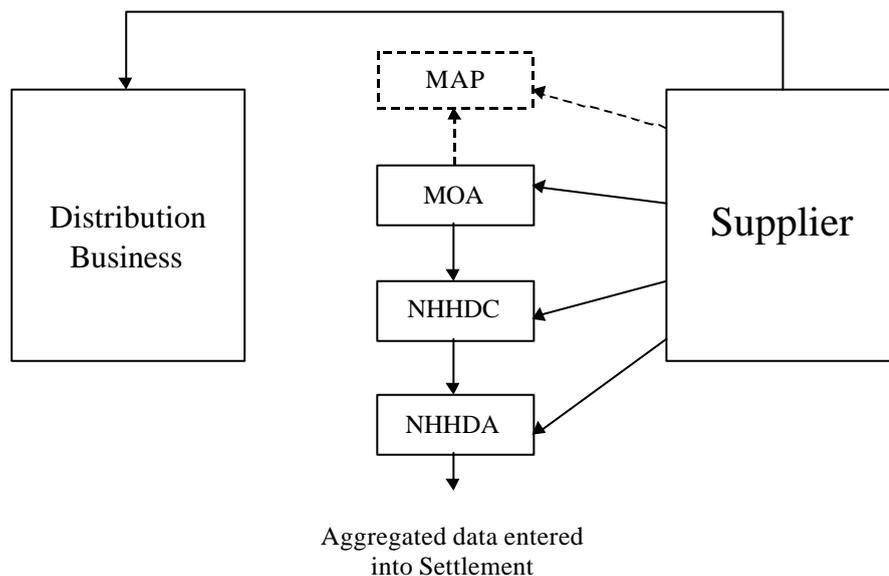
## 4 THE PROPOSED MODIFICATION

P88 was raised by Scottish and Southern Energy plc on 31 May 2002 to support the changes proposed by the REMA Expert Group in introducing a split between MAP and MAM. Its main aims are to ensure that consistency is maintained between the BSC and MRA, that existing Settlement procedures are not compromised, and that the definition of a 'fit for purpose' Non Half Hourly meter is embodied in the BSC via a new, Non Half Hourly Metering Code of Practice. Achieving these aims requires the placing of new obligations on Suppliers and Meter Operator Agents to ensure that MAP-related information is distributed and where relevant entered into the appropriate BSC Systems.

### 4.1 Operation of P88

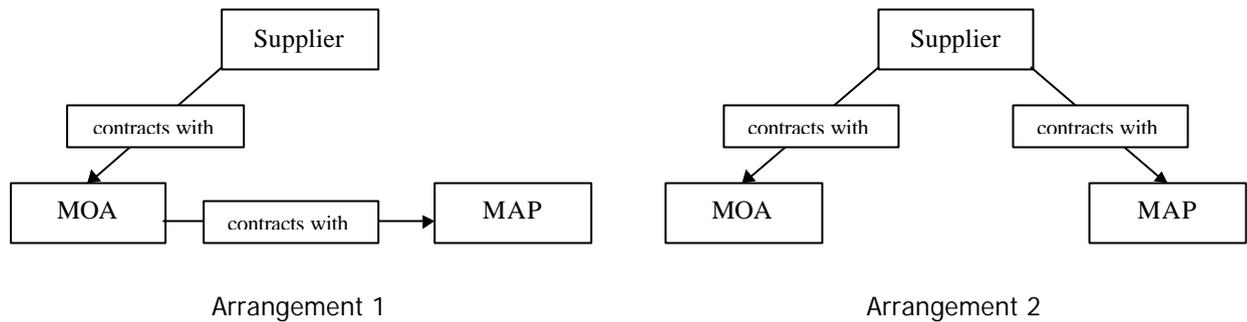
The Requirements Specification for P88 (Reference 3) explains in full the way in which REMA and P88 would impact the arrangement of the Supplier Hub and the different registration processes that operate within it. This section contains an extract of this information.

The Supplier Hub for the non-half hourly market consists of Suppliers, MOAs, Non-Half Hourly Data Collectors (NHHDCs), Non-Half Hourly Data Aggregators (NHHDA) and Distribution Businesses:



Once a Metering System has been registered and the Supplier has appointed its Supplier Agents (MOAs, NHHDCs and NHHDA), metered data can be collected, aggregated and entered into Settlements.

The way in which a MAP would interact with this arrangement depends on the Supplier:



- In Arrangement 1, the Supplier has no specific MAP requirements and so only contracts the services of a MOA. This would be on the basis that, should a new meter be required, the MOA would source a meter from a MAP in addition to carrying out its usual meter maintenance duties. Costs incurred by the MOA in obtaining a meter would be passed on to the Supplier as part of the overall MOA charge.
- In Arrangement 2, the Supplier has decided to directly appoint a MAP and has established a contract. The Supplier would be charged direct for MAP services, and the MOA would be instructed by the Supplier to source meters for a given metering point from the designated MAP.

Whichever arrangement is used, it is vital that Parties (i.e. Suppliers and Distribution Businesses) or Party Agents (i.e. MOAs and NHHDCs) are all made aware of the identity of the different organisations appointed to a Metering System and of any changes made to the appointments. Indeed, Suppliers and Distribution Businesses are required by their respective Licence Conditions (see section 5.1) to know the identity of Equipment Owners (i.e. MAPs) in the case of fault or damage to Metering Equipment for which they are responsible. The present arrangements allow for the distribution of MOA IDs to the relevant participants; the change required in order to support a MAP/MAM split is to allow the MAP ID to be distributed.

P88 would achieve this by adding the MAP ID as an extra data item to the D0150 'Non Half Hourly Meter Technical Details' dataflow. Therefore, although a Supplier may not wish to specify a MAP to its appointed MOA (and therefore make no commercial use of the MAP/MAM split), it will be required to receive the MAP ID so as to meet its Licence Condition.

## 5 ASSESSMENT CRITERIA

In addition to the requirement to assess P88 against the Applicable BSC Objectives, the following specific Terms of Reference were set for the VAMG to consider and include in the Assessment Report as appropriate:

- whether P88 bests reflects the recommendations of the REMA Expert Group in order to support a MAP/MAM split;
- the level of protection of MAMs when taking responsibility of a Metering System (i.e. protection of competition);
- whether the use of dataflows can be streamlined in any way to reduce the impact on participants; and
- the need to ensure that the integrity of data quality between participants is not compromised.

Of these Terms of Reference, the first two items provide the main focus of the discussion contained in this Assessment Report and have a direct bearing on the recommendation of the VAMG to the Panel. The full details of the discussions on these points are contained in the following sections.

In considering the streamlining of dataflows for P88, the VAMG agreed with the view of the REMA Expert Group that the solution described in the P88 Requirements Specification (whereby an existing dataflow is amended) represents the least impact on participants while still ensuring that the process is robust. Alternative suggestions were raised during the consultation and these were considered by the VAMG (see section 5.2).

The VAMG agreed that, aside from other issues, the technical solution proposed for P88 would operate effectively, although it was recognised that P88 would inevitably introduce another level of complexity to some industry processes, Change of Supplier in particular. However the majority view from the Impact Assessment by Parties and Party Agents indicated that the changes to the dataflows are manageable and can be implemented within the required timescales.

### 5.1 Applicable BSC Objectives

The VAMG discussed how P88, in conjunction with the other changes being progressed under REMA, would better facilitate Applicable BSC Objective (c), which focuses on the promotion of effective competition in the generation and supply (and hence sale and purchase) of electricity.

The immediate consequence of a MAP/MAM split would be to increase competition in the field of metering services rather than in generation and supply, and so on this basis alone the REMA proposals would do little to aid the Applicable BSC Objective. However, the VAMG recognised that, on the assumption that competition in any market delivers reduction in prices, P88 would by consequence benefit Suppliers and Distributors. The costs incurred by these Parties in acquiring metering services (and hence meeting their various obligations) would be reduced, allowing Parties to operate more competitively in the electricity supply market.

However, the VAMG agreed that better facilitating BSC Objective (c) would be dependent on ensuring that Suppliers have the confidence to take on the responsibility of Metering Systems without the risk of facing unexpected or prohibitive MAP charges. If such a risk came to be introduced, P88 would discourage Changes of Supplier and therefore competition in electricity supply. Therefore, the ability of P88 to better facilitate Applicable BSC Objective (c) in isolation, without taking into account any arrangements outside the BSC, cannot be guaranteed. This uncertainty was reflected in the consultation responses, where a significant proportion (42%) did not believe that P88 would better facilitate Applicable BSC Objective (c).

Following the Panel Meeting of 15 August 2002, the VAMG assessed P88 against Applicable BSC Objective (d) 'Promoting efficiency in the implementation and administration of the balancing and settlement arrangements'. The VAMG agreed that, with the equivalent MRA changes having been approved by MDB, implementation of P88 would provide consistency between the BSC and MRA, and this would promote the efficiency of settlement arrangements and hence better facilitate Applicable BSC Objective (d). The VAMG felt that this advantage of P88 outweighs the concerns over Applicable BSC Objective (c), which involve matters outside the scope of the BSC and so cannot be properly considered in the Assessment Procedure.

In addition to the assessment against the Applicable BSC Objective(s), the VAMG noted that P88 would serve to enable Distributors and Suppliers to meet specific clauses in their respective Electricity Licences.

The first section of Condition 7 in the Electricity Distribution Licence states that:

*'Where a person other than the licensee is the owner of any electrical plant, electric lines or meter the licensee shall, as soon as is reasonably practicable, inform that person of any incident where the licensee has reason to believe:*

- (a) that there has been damage to such electrical plant, electric line or metering equipment; or*
- (b) that there has been interference with the metering equipment to alter its register or prevent it from duly registering the quantity of electricity supplied;*

*provided that the licensee shall not be obliged to inform the owner of any electrical plant, electrical line or meter of any such incident where it has reason to believe that the damage or interference referred to above was caused by such owner.'*

In order to meet this condition, Distributors must be made aware of the identity of all Equipment Owners who have assets lying inside their Distribution Service Area(s).

Similarly, Condition 16 of the Electricity Supply Licence requires the following of Suppliers:

*'The licensee shall (and shall ensure that its agents shall), as soon as is reasonably practicable, inform the relevant distributor and (if different) the owner of any electrical plant, electric lines or meter of any incident where it has reason to believe:*

- (a) there has been damage to such electrical plant, electric line or metering equipment; or*

(b) *there has been interference with the metering equipment to alter its register or prevent it from duly registering the quantity of electricity supplied;*

*provided that the licensee shall not be obliged to inform the owner of any electrical plant, electrical line or meter of any such incident where it has reason to believe that the damage or interference referred to above was caused by such owner.'*

Even where a Supplier has decided not to directly appoint a MAP but to leave such decisions to the discretion of a MAM, the Supplier would nevertheless need to be informed of the MAP's identity in order to fulfil this condition.

## 5.2 Consultation

The VAMG reviewed the responses to the Consultation on P88 and agreed the following determinations. Summaries of the responses received are contained in section 14 of this Assessment Report.

### **Applicable BSC Objectives and contractual issues**

The most frequent comments raised by the consultation were in relation to the Applicable BSC Objectives and the need for the introduction of contractual arrangements between participants in order to achieve the aims of REMA. These comments reflected the concerns of the VAMG in their original assessment of P88 and are discussed above.

### **Scope of P88**

Some consultation responses objected to the removal of areas such as Emergency Services and Stranded Assets from the scope of P88. The VAMG agreed that this approach reflects the terms of reference of the REMA Expert Group as defined by the Authority, but noted the views of respondents that such issues would require resolution before P88 could be accepted. With regard to Emergency Services, the VAMG noted that the Authority has established an Emergency Services Expert Group to discuss the related issues, and in the case of Stranded Assets, the Authority is currently conducting an independent review, with a consultation to industry planned for Autumn 2002. The REMA Expert Group believe that the solution contained in the REMA Expert Group Recommendations presented to and approved by the MRA Development Board (the MDB), and hence the solution detailed in the P88 Requirements Specification, will support any additional procedures introduced in the future. As the consultation showed that a clear majority (83%) of respondents agreed with the scope of P88, the VAMG do not propose to include areas such as Emergency Services and Stranded Assets into this Modification.

### **Equipment Owners' Consent**

The VAMG agreed with a suggestion that notifying Equipment Owners of fieldwork undertaken by MOAs on their meters should not be a requirement of the BSC. If Equipment Owners wish to be informed, they can specify such a requirement in their contract with the associated MOA or Supplier.

### **Use of Dataflows**

A suggestion that the MAP ID should be transmitted to the relevant participants on a new dataflow rather than on the D0150 was noted by the VAMG. The REMA Expert Group

discussed this matter at length when devising the technical solution to the MAP/MAM split, and as the use of the D0150 has been approved by MDB the VAMG do not propose to revisit this issue. However, the option remains for a Party to raise change proposals to the DTC and the BSC SVA Data Catalogue in order to effect this change in the future.

### **Alternative Modification Suggestions**

Two suggestions for Alternative Modifications were considered. The VAMG agreed that the proposal to introduce a 'warranty period' for meters between MOAs and Equipment Owners was valid, but that it should be a contractual matter for the participants involved rather than a requirement of the BSC. The alternative suggested that Equipment Owners' consent for meter installation should not be required as it may prove a barrier to competition. The VAMG took an action to clarify the exact wording of this area of P88 so that the requirement would only apply for the meter installation at a new connection. This approach ensures that competition is not impeded unnecessarily.

### **Other Issues**

The VAMG confirmed that the P88 solution would not preclude participation by New Licenced Distribution System Operators, and that matters such as meter re-certification would continue to be the responsibility of MOAs.

## **6 IMPACT ON BSC AND BSCCO DOCUMENTATION**

### **6.1 BSC**

This section describes the changes required to the BSC in order to effectuate P88 and takes into account the consultation responses considered by the VAMG and the legal advice provided to ELEXON.

#### **Section K 'Classification and Registration of Metering Systems and BM Units'**

This Section would be altered to reference the Equipment Owner's role in the initial installation of an SVA Metering System.

In the specific case of a new connection, where a Distribution Business registers a new metering point in a Supplier Meter Registration Service (SMRS), the Registrant (i.e. the Supplier) of the first Metering System to be installed at that metering point must obtain the Equipment Owner's consent to the registration of the Metering System. This would ensure that the Equipment Owner is fully aware of the location of its asset. Once this meter has been registered and the metering point formally recorded in SMRS, there will be no requirement under the BSC to obtain the consent of Equipment Owners for any subsequent work on the meter.

#### **Section S 'Supplier Volume Allocation'**

A new clause would be required stating that for each SVA Metering System for which it is responsible, the Supplier must give details of the Equipment Owner (i.e. the MAP ID) to the SVAA in accordance with BSCP509 (Changes to Market Domain Data) for inclusion in Market Domain Data.

### **6.2 Code Subsidiary Documents**

#### **Party Service Line PSL110 (SVA Meter Operation)**

PSL110 would elaborate on the high-level MOA obligations introduced in the BSC. In a change from the approach detailed in the P88 Requirements Specification (Reference 3), having considered the consultation responses, the VAMG believe only the following alterations are required:

Section 1.2 (Market Domain Data Obligations) would be altered to require that MOAs provide the identity of Equipment Owners to Suppliers, allowing data to be entered into Market Domain Data (MDD) on their behalf;

Section 1.1.3 (Accuracy of Non Half Hourly Meters) would be altered to state that the accuracy of each NHH SVA Meter should be compliant with the relevant Code of Practice (refer to section 5.2.3 for details of the CoP).

### **BSC SVA Data Catalogue**

The D0150 'Non Half Hourly Meter Technical Details' dataflow would be altered to include the identifier for the MAP (the MAP ID) among its data items, thereby requiring a change to the BSC SVA Data Catalogue. The use of MAP rather than Equipment Owner in this case is preferred so as to avoid unnecessary inconsistency between the BSC SVA Data and the MRA DTC.

There will be no impact on any BSC Procedures (BSCPs) or Party Service Lines as a result of this dataflow change.

### **Codes of Practice (CoPs)**

A new Code of Practice (CoP8), covering the standards required of Non-Half Hourly Metering, will be introduced alongside the existing CoPs. A draft version of the CoP is being developed, outlining the criteria against which the standard of Non-Half Hourly Metering Equipment and associated facilities will be measured.

## **7 IMPACT ON BSC SYSTEMS**

The P88 Requirements Specification (Reference 3) explained that the only NETA Central Service Agent affected by P88 is the SVAA in its role as the Market Domain Data Manager (MDDM). In order to allow MAP ID to be used within the BSC SVA Data Catalogue, it has to be recorded in MDD. This will be achieved by using a combination of Role Codes and Market Participant IDs. In the case of Customer-owned meters, a generic Market Participant ID of 'CUST' will be used to denote that a Customer is performing the MAP role. For other organisations, their own unique identifier will be recorded as the MAP ID.

Annex B of this Assessment Report contains the results of the Detailed Level Impact Assessment undertaken by the SVA Agent, but this section provides a summary:

- The MDD tables would require minor amendment so that the new Role Code for MAP can be assigned to Market Participant IDs. The Role Code to be used will be as agreed between the SVA Agent and BSCCo.
- The use of 'CUST' as MAP ID in order to identify Customer-owned meters would be used for information purposes only and the only dataflow in which such an ID would be used is the D0150 Non Half Hourly Meter Technical Details.
- No application code changes would be necessary to meet the requirement of P88.
- The cost of changes are estimated at £298.00 to update the MDD operational procedures, with a lead time of approximately 30 man days (i.e. prior to the next MDD publication).

## **8 IMPACT ON CORE INDUSTRY DOCUMENTS**

The Master Registration Agreement (MRA) and its subsidiary documents, including the Data Transfer Catalogue (DTC) are impacted by P88 and are being progressed under the MRASCo change control processes. The following CPs reflect the changes proposed by P88:

- DTC CP3139 - Amend dataflow D0150 to provide the identity of the Meter Asset Provider when meters are installed or removed. Add new data item for Meter Asset Provider and corresponding update to Annex A.
- MRA CP108 - Update MOP definition in line with REMA.

The MRA Development Board (MDB) approved these CPs on 27 June 2002, with an agreed Implementation Date of 29 May 2003.

Subsequently, an appeal was raised against the MDB decisions and was heard by the MRA Forum on 6 August 2002; by majority vote the appeal was dismissed.

Following the final meeting of the VAMG on 30 August 2002, a further appeal against the MDB's decision was lodged with the Authority in accordance with Clause 7.26 of the MRA.

## **9 IMPACT ON OTHER CONFIGURABLE ITEMS**

ELEXON confirm that there are no changes required to the Business Process Model.

## **10 IMPACT ON ELEXON**

ELEXON will be required to raise the necessary MDD Change Requests in order to introduce the new Role Code into MDD, however this will be regarded as a standard operational activity. Other than the progression of changes to the BSC and the Code Subsidiary Documents (and the latter's presentation to SVG for approval), it is not believed that there will be any further impact on ELEXON in relation to P88.

## **11 IMPACT ON PARTIES AND PARTY AGENTS**

The impact of P88 on Parties and Party Agents was established based upon responses to the DLIA request issued via MC00003 (Annex C). The majority of responses (70%) supported P88, although most of these raised the same concerns as those discussed in the consultation responses with regard to the issue of contractual arrangements. The views of the VAMG on these matters are detailed in section 5.

The majority supported the proposed Implementation Date of 29 May 2003, although again in some cases this was subject to satisfactory contractual arrangements having been put in place prior to this date.

The remaining impacts stated in the responses were to Party and Party Agent systems (especially those of MOAs), where alterations would be required to accommodate the changes to dataflows.

## **12 IMPACT ON TRANSMISSION COMPANY**

There is no impact on the Transmission Company caused by P88 and therefore no impact assessment has been requested.

## 13 LEGAL TEXT

Legal advice has indicated that, contrary to the proposal in the P88 Requirements Specification, no changes are required to Section L of the BSC in order to give effect to a new Code of Practice.

The proposed Legal Text for P88 is as follows:

### **Section K**

Insert a new paragraph 2.4.6:

"2.4.6 Where a Supplier is to be the first Registrant in SMRS of a Non Half Hourly Metering System at a new Boundary Point, and the Supplier is not the Equipment Owner, the Supplier shall obtain the consent of the Equipment Owner to such registration."

### **Section S**

Insert a new paragraph 2.7.9:

"2.7.9 In relation to each Non Half Hourly Metering System in relation to which it is registered in SMRS, a Supplier shall inform the SVAA in accordance with BSCP 509 of the identity of the Equipment Owner (whether or not the Supplier itself), to enable such data to be included in Market Domain Data."

## 14 SUMMARY OF REPRESENTATIONS

A consultation on P88 was held between 8 July 2002 and 22 July 2002. In total 12 responses were received, representing 51 Parties. The full details of the consultation responses are contained in Annex A of this Assessment Report.

The following questions were asked during the consultation:

- Q1 Do you believe that P88 would better facilitate Applicable BSC Objective (c), and if not, do you believe it better facilitates any other Applicable BSC Objective(s) and if so, which one(s)?
- Q2 Do you believe that the Requirements Specification adequately reflects the Settlement-related changes proposed by REMA?
- Q3
- (i) If you are a Supplier, do you plan to contract separately for MAP in addition to MAM?
  - (ii) If you are a Distribution System Operator, do you plan to offer separate MAP and MAM services?
  - (iii) If you are a Meter Operator Agent, do you plan to also operate a MAP service?
  - (iv) If you are an Equipment Owner, would blanket consent on (for example) a GSP Group basis be acceptable for initial Metering System registration?
- Q4 Do you agree with the scope of P88, in particular with regard to the exclusion of the issues described in the Consultation Document?
- Q5 Do you agree that MAPs need not be accredited?
- Q6 Do you believe that there are any alternative solutions that the Modification Group should consider?
- Q7 Does P88 raise any issues that you believe have not been identified so far and that should be progressed as part of this Assessment Procedure?
- Q8 Do you have any further comments on P88 that you wish to make?

**Table 10.1 – P88 Consultation Responses**

Expected Response		Yes	Yes	Yes	Yes	Yes	No	No	No
Party/Party Agent Name	Parties/ Party Agents	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
TXU	21	Yes	Yes	Unlikely	Yes	Yes	No	No	No
Siemens Metering (Nottingham)	1	N/C	N/C	N/C	N/C	N/C	No	No	No
Scottish & Southern	4	No	Yes	Yes*	Yes	Yes	No	No	Yes
IMServ	1	Yes	Yes	Yes	Yes	No	Yes	No	Yes
Aquila	1	No	No	Yes	No	Yes	No	Yes	No
Electricity Direct	1	Yes*	Yes*	Possibly	Yes*	?	No	Yes	Yes
Npower	1	No	No	Yes/No	Yes	Yes	Yes	Yes	Yes
Powergen	4	Yes	N/C	N/C	Yes	Yes	No	No	No
SEEBOARD	1	Yes*	Yes	Yes	Yes	Yes	No	No	Yes
Scottish Power#	5	Yes*	Yes*	N/C	Yes	Yes	No	Yes	Yes
NEDL/YEDL	2	Yes	Yes	Yes	Yes	Yes	No	No	No
LE Group#	9	No	Yes	Yes	Yes	Yes	No	Yes	Yes

Majority Response	Yes	Yes	Yes	Yes	Yes	No	No	No
<b>Respondents</b>	58%	67%	67%	83%	75%	83%	58%	42%
<b>Parties/Party Agents</b>	49%	75%	31%	94%	94%	88%	65%	55%

# denotes a late response

\* denotes acceptance with major caveats

The results of this analysis yielded the following issues:

- The majority of respondents believed that P88 (as part of REMA) could better facilitate Applicable BSC Objective (c), provided that the necessary contractual safeguards are established outside the BSC to protect competition. The same issue formed the rationale for many of the 'no' responses to Question 1, where some respondents were uncomfortable with providing a caveated acceptance of P88.
- Two respondents did not believe that P88 adequately delivers the changes proposed by REMA on the basis that, as explained in the P88 Consultation Document (Reference 4) a number of issues such as Emergency Services and Stranded Assets are still being discussed outside of the REMA Expert Group. As a consequence one of these Parties, in response to Question 5, felt that provision of Emergency Services should be included in the scope of P88.
- Two respondents suggested Alternative Modifications for consideration: one would not require the Equipment Owner's consent to be obtained prior to initial registration of a Metering System, and another would introduce a 'warranty period' where a meter continues to be the responsibility of a MAP pending its transfer to a MOA for installation.
- Five respondents raised other issues or questions for consideration by the VAMG. These relate to meter re-certification, the role of New Licenced Distribution Network Operators (P62), contractual

arrangements and the possibility of using a single new flow to communicate MAP details to relevant participants.

- Finally, many of the respondents were concerned at the large number of outstanding issues relating to matters outside the scope of the BSC (such as those described in the Consultation Document (Reference 4)), that are not accounted for in P88 or the REMA Expert Group Recommendations. Therefore, many felt that progression of P88 at this time would be premature.

## **ANNEX A – P88 CONSULTATION RESPONSES**

Attached as separate document.

## **ANNEX B – P88 BSC AGENT IMPACT ASSESSMENT**

Attached as a separate document.

## **ANNEX C – P88 PARTY AND PARTY AGENT IMPACT ASSESSMENT**

Attached as a separate document.