

Stage 01: Initial Written Assessment

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

P245: Changes to Long Term Vacant Site Timescales

To declare a site as Long Term Vacant, a Supplier must receive at least two data flows from their Non Half Hourly Data Collector “not less than three months and not more than seven months apart”. This shows that they have tried, and failed, to obtain a Meter reading.

P245 proposes to change this requirement to “not less than 75 calendar days and not more than 215 calendar days apart”.



ELEXON recommends
A 2 month Assessment Procedure



Medium Impact:
Suppliers and Non Half Hourly Data Collectors

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About this document:

This document is an Initial Written Assessment (IWA), which ELEXON will present to the Panel on 12 November 2009. The Panel will consider the recommendations and agree how to progress P245.

Further information is available in the P245 Modification Proposal which is Attachment A to this document.



Any questions?

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1 Why Change?

Modification P196

We implemented Modification P196 'Treatment of Long Term Vacant Sites in Settlement' in February 2007. Before P196, many Non Half Hourly (NHH) Long Term Vacant sites were being settled on non-zero Estimated Annual Consumptions (EACs). This did not reflect the true consumption of those vacant sites, which was zero.

Following P196, the Settlement rules for NHH Long Term Vacant sites were changed so that a zero EAC would be applied. This meant that the amount of energy settled would reflect the expected consumption of the site.

The P196 requirement for two site visits 3 to 7 months apart

In order for a site to be considered Long Term Vacant (LTV), the Supplier must receive at least two D0004 'Notification of Failure to Obtain a Reading' flows from their NHH Data Collector (DC) "not less than three months and not more than seven months apart". In each case the J0024 'Site Visit Check Code' data item in the D0004 must be populated with a 02 code – Site not Occupied.

The timescales for this requirement were chosen by the P196 Modification Group to take into account the fact that different Suppliers have different Meter read cycles. The aim was that this would enable Suppliers using a 3 monthly or 6 monthly read cycle to use the LTV process without changing their read cycle.

The greatest period allowed between reads was 7 months, as opposed to 6 months. This was to cater for walk orders (the window during which a Meter reading is taken – for example, two weeks either side of the Meter reading date) on a 6 month read cycle where readings were actually taken slightly more than 6 months apart.

Issues with the requirement

The P245 Proposer has identified two issues:

1. Some Suppliers are sending D0004 flows outside the 3 to 7 month period due to their Meter reading cycles falling outside these timescales. This was identified by a Performance Assurance Board (PAB) Technical Assurance (TA) check. The full non-confidential report, including other P196 related issues, can be found in paper [PAB84/09](#).
2. The BSC Auditor identified that some Suppliers were unsure of how the calendar month timescale should be applied ([BSC Auditor's Issue Document for the Supplier Market as at 31 March 2009](#)) Did 3 months mean 90 calendar days, or was it dependent on the number of calendar days in each month?

BSCP40 issue 4 and the P196 review Group

We raised BSCP40 issue 4 'Improvements and Clarifications to the LTV Site process' to investigate the issues highlighted by the TA check and the BSC Auditor. We recommended that the Supplier Volume Allocation Group (SVG) should convene the P196 Review Group to discuss the issues and identify potential solutions. The Group met once and presented its report to the SVG on 2 June 2009 (see paper [SVG100/05](#)).

For the two site visit timescale issues, the P196 Review Group proposed:



What is a Long Term Vacant Site?

A Long Term Vacant (LTV) Site is one that is Non Half Hourly, registered as energised and settled with an Estimated Annual Consumption of zero.



How does a Supplier register a Long Term Vacant site?

To register a site as LTV a Supplier must:

1. Receive at least two D0004 flows from their NHHDC which state the site is not occupied, and which are sent not less than three months and not more than seven months apart.
2. Make proactive attempts to obtain a Meter reading.
3. Ensure the site is energised according to the Supplier Meter Registration Service (SMRS).

These requirements are set out in Section S2.8 of the BSC and in Appendix 4.15 of BSCP504.

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The time period within which the two D0004 flows must be received should be changed from at least 3 calendar months apart and not more than 7 calendar months apart to at least 75 calendar days apart and not more than 215 calendar days apart.

The rationale for changing the timescales from 3 months to 75 calendar days (2 ½ months) is to account for read windows for sites on a 3 monthly read cycle which are actually read at 2 ½ months. This is in line with the original rationale for making the upper limit 7 months to account for read windows for sites on a 6 monthly read cycle.

The rationale behind changing the requirement to calendar days is to remove the ambiguity which Suppliers reported to the BSC Auditor.

Note that, while it is not the Proposer's intention to change the upper end of the timescales, 215 calendar days will not always be exactly 7 months because the number of actual calendar days in a month will vary.

Related changes

In addition to P245, and on behalf of the P196 Review Group, we raised 5 Change Proposals (CPs) to address the P196 Review Group's other recommendations.

Change Proposals raised following P196 Review Group		
CP number	CP title	Status
CP1304	Exclusion of certain Site Visit Check Codes (SVCC) within the Long Term Vacant (LTV) site process	CP1304 ensures that LTV sites are not automatically removed from the LTV process as a result of receiving certain SVCCs. It was approved by the SVG on 29 September 2009 for inclusion in the February 2010 Release.
CP1305	Use of Site Visit Check Code (SVCC) 20 with additional information in the Long Term Vacant (LTV) process	CP1305 proposed that where a SVCC of 20 is received with 'site not occupied'/'long term vacant' or equivalent written in the additional information field it should be treated as a SVCC 02 'Site not occupied'. It was rejected by the SVG on 29 September 2009 as the change would introduce a manual process which would create ambiguity within the industry and reduce the importance of the SVCC 02 code in the D0004 flow.
CP1306	Removal of second criterion for identifying a site as a Long Term Vacant (LTV)	CP1306 removes the second criterion in BSCP504 for classifying a site as LTV: 'The NHHDC is unable to gain access to read the Meter'. It was approved by the SVG on 29 September 2009 for inclusion in the February 2010 Release.
CP1307	Minor Changes to the Long Term Vacant Site Process	CP1307 introduces clarifications to improve the LTV process. It was approved by the SVG on 3 November 2009 for inclusion in the February 2010 Release.
CP1308	Changes to Long Term Vacant Site process where a reading is obtained via a warrant	CP1308 allows a warrant read to be replicated at the start of the next LTV period, where the warrant read has caused the site to fall out of the LTV process. It was approved by the SVG on 29 September 2009 for inclusion in the February 2010 Release.

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2 Solution

Solution

P245 proposes to change the LTV site timescale requirement for the Supplier to receive at least two D0004 flows from their NHHDC.

The current requirement in Section S2.8.3(a) and in BSCP504 Appendix 4.15.1 states:

“not less than **three months** and not more than **seven months** apart”

P245 would change the requirement to state:

“not less than **75 calendar days** and not more than **215 calendar days** apart”

Applicable Objectives

The Proposer believes that P245 will better facilitate the achievement of Applicable BSC Objective (c).

The Proposer believes P245 would:

- allow more LTV sites to be treated as such in Settlements. This would improve the accuracy of consumption data in Settlement, and therefore improve the accuracy of Settlement;
- result in a more equitable treatment of Suppliers. Currently those Suppliers who have LTV sites but cannot enter them into the process due to anomalies in the criteria over-pay for these sites in Settlement. This benefits those Suppliers with few or no LTV sites due to the inequitable allocation of energy between them and associated costs; and
- stop Suppliers from incurring further costs on unnecessary extra site visits by allowing earlier site visit readings to enter the LTV process the first time around.



What is Applicable BSC Objective (c)?

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

3 Proposed Progression

Modification Group membership

We recommend forming the P245 Modification Group from members of the Settlement Standing Modification Group (SSMG), assisted by members of the P196 Review Group.

Terms of Reference

We believe that the Group will need to consider the following areas:

P245 Terms of Reference	
Ref	Area
1	Determine whether the proposed timescale changes are appropriate.
2	Assess whether using calendar days (rather than, Working Days, for example) is the best way of the stating the timescale requirement.
3	Consider whether other related LTV site timescales which are currently expressed in months should also be expressed in calendar days (the Modification Proposal is silent on this). For example, Section S2.8.5 and BSCP504 sections 3.3.13 and 4.15 require that (once a site has been determined as LTV) the NHHDC must continue to visit the site and send a D004, and the Supplier must attempt to identify the owner, "at least once every seven months" to check that the site is still unoccupied. Similarly, Annex S-2 4.3.20 and BSCP504 4.15 refer to timescales of "seven months" in some of the rules for determining when the LTV period (and the resulting zero EAC) becomes effective.
4	Consider the effect of P245 on Applicable BSC Objective (c) and any other relevant BSC Objective(s).
5	Consider whether an Alternative Modification is required.
6	Identify the most effective implementation approach for P245. Including whether the necessary BSCP changes are drafted in the Assessment Procedure or during implementation.

Timetable and costs

ELEXON recommends that P245 undergoes a 2-month Assessment Procedure.

The following page shows the full recommended timetable, which includes:

- A 2 week joint industry consultation/impact assessment;
- A Transmission Company impact assessment (in parallel with the consultation/impact assessment); and
- 2 Modification Group meetings.

Estimated progression costs based on proposed timetable	
Meeting costs (including Modification Group member expenses)	£1000
Non-ELEXON legal and expert costs	£0
Service Provider impact assessment costs	£0
ELEXON resource	62.5 man days, equating to £15,000

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4 Likely Impacts

Impact on BSC Systems and process

BSC System/Process	Potential impact
BSC Systems	None

Impact on BSC Agent/service provider contractual arrangements

BSC Agent/service provider contract	Potential impact
BSC Agent/service providers	None

Impact on BSC Parties and Party Agents

Suppliers and NHHDCs would need to comply with the amended timescale requirements for determining a LTV site. However, the impact should be minor as P245 is seeking to amend the requirements to add clarity and to fit better with Supplier's Meter reading schedules.

Impact on Transmission Company

We do not anticipate any impact on the Transmission Company, as it is not involved in the LTV process.

Impact on ELEXON

Area of ELEXON's business	Potential impact
Change Delivery	Implement the necessary changes to the BSC and BSCP504.

Impact on Code

Code section	Potential impact
Section S 'Supplier Volume Allocation' (and potentially Annex S-2 if the Group wishes to change other related LTV timescales from months to calendar days)	The relevant LTV site timescale requirements would need to be amended to reflect the altered requirements.

Impact on Code Subsidiary Documents

CSD	Potential impact
BSCP504 'NHH Data Collection for SVA Metering Systems Registered in SMRS' Appendix 4.15 (and potentially section 3.3.13 if the Group wishes to change other related LTV timescales to calendar days)	BSCP504 would need to be updated to reflect the amended timescale requirements

Impact on Core Industry Documents and other documents

Document	Potential impact
Ancillary Services Agreements	None
Connection and Use of System Code	None

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Impact on Core Industry Documents and other documents	
Data Transfer Services Agreement	None
Distribution Code	None
Distribution Connection and Use of System Agreement	None
Grid Code	None
Master Registration Agreement	None. There is no impact on the MRA Data Transfer Catalogue or Data Transfer Network as the actual D0004 flow would remain unchanged
Supplemental Agreements	None
System Operator-Transmission Owner Code	None
Transmission Licence	None
Use of Interconnector Agreement	None

Impact on other Configurable Items	
Configurable Item	Potential impact
None	None

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5 Recommendations



On the basis of the initial written assessment, we invite the Panel to:

- DETERMINE that Modification Proposal P245 progresses to the Assessment Procedure;
- AGREE the Assessment Procedure timetable such that an Assessment Report shall be completed and submitted to the Panel at its meeting on 14 January 2010;
- DETERMINE that the P245 Modification Group should be formed from members of the Settlement Standing Modification Group, assisted by members of the P196 Review Group; and
- AGREE the Modification Group's Terms of Reference.

Recommendation

We recommend a 2 month Assessment Procedure.

6 Further Information

Attachment A: P245 Modification Proposal form

Further information is included in the P245 Modification Proposal form, Attachment A.