

ELEXON response to the DECC consultation on simplifying the CRC Energy Efficiency Scheme

The consultation required a response to be made into an online questionnaire, with constraints on how the answers could be formatted, so this ELEXON response document does not take the usual form of one of our consultation responses.

The consultation document and online questionnaire can be found on the DECC [website](#).

ELEXON gave responses to questions 1, 5 and 6.

Emma Piercy, 18 June 2012

Question 1: Do you agree with the proposal to restrict qualification to supplies through settled half hourly meters only? If no please explain your reasoning.

ELEXON delivers the centrally-mandated electricity settlement services that are critical to the successful operation of Great Britain's electricity trading arrangements under the Balancing and Settlement Code (BSC). We manage processes and systems from electricity meter to bank, interacting with over 200 companies in the electricity industry.

ELEXON welcomes the additional clarity given by the new definition.

We would also suggest that for absolute clarity, reference is made to settlement 'settled half hourly under the Balancing and Settlement Code (BSC)'.

We would propose that the definition is amended to include words of reference to the BSC, as follows:

Organisations must currently assess their status against two criteria to determine whether they qualify for CRC participation

- i) presence of at least one electricity meter that is settled as half hourly under the Balancing and Settlement Code; and
- ii) a total qualifying electricity supply of at least 6,000MWh in the qualification year. Organisations meeting both criteria are required to participate in the CRC presence of at least one settled half hourly electricity meter.

Another suggestion would be to amend the paragraph 2, Schedule 2, of the CRC Energy Efficiency Scheme Order 2010 to include reference to 'being settled half hourly under the Balancing and Settlement Code'.

Question 5: Do you agree with the proposal, and associated definitions, to expand the scope of unmetered supplies captured by the CRC? If not, please explain your reasoning.

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ELEXON and the Unmetered Supplies User Group (UMSUG) welcome the opportunity to respond to this proposal. We agree with the proposal to include unmetered supplies provided on a passive pseudo half hourly basis or pseudo non half hourly basis within the scope of the CRC. This will add clarity to the CRC qualification and scope. This will also not only remove the disincentive to 'upgrade' unmetered supplies to a 'dynamic basis,' as identified in the proposal; it will also remove the incentive for customers already trading 'dynamically' from reverting to 'passive' operation. Furthermore, it increases the ability of parties to actively reflect efforts in reducing carbon emissions through use of the more sophisticated processes. This is provided through the functionality of dynamic pseudo half hourly (equivalent) meters and through the use of feedback from Central Management Systems (CMS). CMS facilitates the active dimming and control of street lighting and the ability to record the level of dimming and switching. The reduction in the energy consumption recorded will also be useful in any evaluation and reporting of the carbon benefits from such devices. The use and uptake of such systems has been directly dis-incentivised by the current scope of the CRC.

Question 6: Do you agree with the proposal to exclude domestic electricity and gas supplies from the scope of the scheme on the basis of their supplying meters? If not, please explain your reasoning

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ELEXON has considered the use of profile classes to define domestic customers for exclusion from the CRC requirements and we have the following comments for your consideration:

- a) We believe that this approach will be reasonable in defining domestic customers but it should be noted that the profile classes refer to how metering is registered by Suppliers for settlement purposes rather than the meter itself. We have seen issues previously where the CRC refers to meter functionality rather than how the metering systems are used for settlement. For example customers in Profile Classes 5 to 8 are mandated to have an Advanced Meter (a half-hourly 'capable' meter) by 6 April 2014 but are not mandated to settle the data on a half-hourly basis. This gives rise to inconsistencies in the definitions used to define the CRC requirements; and
- b) The allocation of customers to profile classes as defined within the Balancing and Settlement Code uses the definition of a domestic premises as defined in the Supply Licence standard condition 6 (Classification of premises), see below extract. This may be a better definition than using the profile class, as the use of premises can change, but the meter or its functionality may not. Additionally, this could be adjusted to be true for both Gas and Electricity customers.

Condition 6. Classification of premises

Domestic Premises

6.1 Unless the context otherwise requires, a Domestic Premises is a premises at which a supply of electricity is taken wholly or mainly for a domestic purpose except where that premises is a Non-Domestic Premises.

Non-Domestic Premises

6.2 Unless the context otherwise requires, a Non-Domestic Premises is a premises, that is not a Domestic Premises, at which a supply of electricity is taken and includes:

(a) a premises where:

(i) the person who has entered into a Contract with the licensee for the supply of electricity to the premises is a person who has entered or will enter into an agreement with any other person for the provision of a residential or any other accommodation service at the premises; and

(ii) the terms of the agreement referred to in sub-paragraph 6.2(a)(i) are commercial in nature and include a charge for the supply of electricity to the premises (whether such charge is express or implied); and

(b) any other premises that is to be treated as a Non-Domestic Premises under paragraph 6.4 or 6.6.