



## CP Report – CP1378 v2.0

**Meeting Name** Supplier Volume Allocation Group

**Meeting Date** 2 July 2013

**Purpose of paper** For Decision

**Summary** This report provides details of the background, solution, impacts and industry views for CP1378 v2.0 'Facilitating appointment of Multiple HHMOAs for Third Party Access on Licence Exempt Distribution Network'. ELEXON invites the SVG to reject CP1378 v2.0 on the basis that the solution now being discussed by the Workgroup has evolved significantly from the original scope of the CP.

### 1. Background

Smartest Energy raised [CP1378 v1.0](#) on 3 August 2012 to allow Third Party Suppliers, whose customers are embedded within a private network, to appoint a Half Hourly (HH) Meter Operator Agent (MOA) of the customer's choice where a Difference Metering arrangement is required. The CP retained the existing requirement for the appointment of a common HH Data Collector (DC). The Proposer believed that a free choice of MOA is important for competitive metering and would not cause any risks to Settlement.

At its meeting on 2 October 2012 ([SVG140/04](#)), some SVG Members were supportive of the principle behind the CP. However, the SVG agreed that, before the CP could be approved, further amendments to the solution were required to address Participant Impact Assessment respondents' concerns about Settlement Risks.

Following the SVG's decision to defer CP1378, and given the number and nature of comments received from respondents, the Proposer developed [CP1378 v2.0](#). The CP underwent a second Participant Impact Assessment via [CPC00721](#) during which respondents again raised a large volume of comments and concerns.

On 5 March 2013 ([SVG145/07](#)), ELEXON provided the SVG with an update on CP1378 v2.0. The SVG noted that CP1378 had been through two solution versions/Impact Assessments and that respondents had raised a large volume of comments and concerns on both occasions. The SVG therefore agreed that the best way forward would be to hold a CP Workgroup meeting with ELEXON, the Proposer, respondents and other interested parties to discuss whether the concerns surrounding the CP could be addressed. The SVG asked the CP Workgroup to consider how the principle of a customer choosing its own HHMOA could be achieved within a private network (where the customer is seeking to have its electricity supplied by a Licenced Supplier of its choice), and to focus on identifying a solution that will support the principle rather than whether participants agree with the principle.



## 2. Workgroup

The CP1378 Workgroup met on 1 May 2013. Its discussion highlighted further weaknesses in the current process, identifying that the difficulties with Third Party Access sites are a lot larger than originally envisaged. It became clear that, before tackling the concerns over competition in metering, the Workgroup firstly needed to address the robustness of the current process.

As such, ELEXON agreed to prepare a 'straw man' to map out the whole current process: to look at how it should work and where problems currently lie and could arise with a potential increase in the volume of sites. Further Workgroup meetings will be held to discuss the robustness of the end-to-end process, the associated risks and the control framework that needs to be established. The next meeting is on 1 August 2013.

ELEXON also identified that competition could be achieved under the current process on a commercial basis without the need for a CP. This is similar to existing processes where an appointed MOA might contract with another MOA, who is local to the customer, to carry out the work on its behalf. Although BSC Procedures (BSCPs) [502 and 514](#) require a single HHMOA to be formally appointed by all Suppliers at a Third Party Access site, the rules do not prevent the customer from choosing its own HHMOA to do the work – as long as the Supplier-appointed HHMOA is able to satisfy itself that the work being undertaken on its behalf by the customer's preferred HHMOA meets the required standards. Members of the CP Workgroup agreed with this principle but acknowledged that arrangements need to be put in place to formalise the process.

## 3. Next steps

As noted in ELEXON's verbal update to the SVG on 4 June 2013, the Proposer agrees with ELEXON's recommendation to reject CP1378 v2.0 as the CP has moved on significantly since it was originally raised. Once the Workgroup has identified a feasible technical solution, the Proposer intends to raise a new CP. In the interim we will raise an Issue to progress the work started by the CP1378 Workgroup.

### Recommendations

ELEXON invites the SVG to:

- a) **REJECT** CP1378 v2.0; and
- b) **NOTE** that ELEXON will raise an Issue to progress the work started by the CP1378 Workgroup.

**For more information, please contact:**

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### Appendices & Attachments

None