



# Determination of CP1388 and CP1395

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**Meeting Name** Panel

**Meeting Date** 10 October 2013

**Purpose of paper** For Decision

**Summary** Changes need to be made to the Code Subsidiary Documents to support the roll-out of smart metering. Two distinct approaches have been suggested: CP1395 'Distribution of Configuration Details for Smart Meters' and CP1388 'Meter Technical Details for Smart Meters'. The SVG was unable to reach a unanimous decision on either Change Proposal, but by majority recommends CP1295. Accordingly the proposals and the supporting information are presented to the Panel for their determination.

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## 1. Background

- 1.1 The role of the Supplier and the Meter Operator Agent (MOA) will change with the roll-out of smart metering. This will impact on how the Supplier provides configurations details (which are part of Metering Technical Details (MTDs)) to the Non Half Hourly Data Collector (NHHDC) and Licensed Distribution Systems Operator (LDSO) to enable the interpretation of the Meter readings.
- 1.2 Two Change Proposals (CPs) have been raised providing mutually exclusive solutions. ELEXON raised CP1388 'Meter Technical Details for Smart Meters' to reflect the discussions the joint Balancing and Settlement Code / Master Registration Agreement working group. British Gas subsequently raised CP1395 'Distribution of Configuration Details for Smart Meters', as a 'minimal' change option.

## 2. Why Panel approval?

- 2.1 The Panel has delegated authority to the SVG to approve CPs impacting the Supply Volume Allocation aspects of the BSC<sup>1</sup>. However, under the SVG's Terms of Reference, where the SVG is unable to make a unanimous decision and the SVG Chairman feels that no decision is possible then the matter is referred to the next Panel meeting for determination.

## 3. SVG recommendation

- 3.1 ELEXON presented CP1388 and CP1395 to the SVG at its meeting on 2 October 2013 ([SVG152/09](#)) and provided details of the background, solution, impacts and industry views for the two changes. You can find the CP report that was presented to the SVG in Attachment A, which also includes the full collated participant responses to the joint CP Impact Assessment to CP1388 and CP1395, and the full set of documentation changes required for each CP.

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<sup>1</sup> Where the total central implementation cost is less than £150,000

- 3.2 The SVG could not make a unanimous decision with respect to CP1388 nor CP1395. However, it:
- a) **RECOMMENDED** by majority that the BSC Panel reject CP1388 and approve CP1395 for implementation on 26 February 2015, as part of the February 2015 BSC Release;
  - b) **AGREED** that the CP1395 proposed amendments to BSCP504, BSCP514 and the SVA Data Catalogue volume 1 (including minor amendments in response to comments from the IA) deliver the aims of CP1395; and
  - c) **AGREED** that the CP1388 proposed amendments to BSCP504, BSCP514, BSCP515, SVA Data Catalogue volume 1 and SVA Data Catalogue volume 2 deliver the aims of CP1388.
- 3.3 You can find the draft minutes from the SVG meeting, which SVG have reviewed and agreed should be shared as part of this paper, in Attachment B. These record the SVG's discussions and summarise the views of those for and against each CP.

#### 4. Applicable BSC Objectives

- 4.1 During the SVG discussions, the Panel Sponsor asked for SVG's views on whether the changes will continue to facilitate achievement of the Applicable BSC Objective(s). To support the Panel's deliberations ELEXON has reviewed the information provided via the SVG and the majority view of SVG, and presents a view on how each CP facilitates the Objectives.

##### BSC Objective (d)

- 4.2 It is ELEXON's and SVG's majority view that both CP1388 and CP1395 better facilitate Applicable BSC Objective (d) 'promoting efficiency in the implementation of the balancing and settlement arrangements' by enabling Suppliers and MOAs to fulfil their future responsibilities.
- 4.3 ELEXON notes that CP1395 allows Suppliers with in-house MOA functions to agree bilateral arrangements, whilst providing an industry 'standard configuration details' flow for those who wish to use it. As such, CP1395 represents a lower cost interim solution pending further smart developments. Therefore, we believe that CP1395 should be implemented as it introduces an industry standard for Suppliers to notify MOAs of smart Meter configuration details. Because of the conflicting views and uncertainty it would not be prudent to implement the more complicated CP1388 solution at this point in time, whatever its merits as a longer term solution.

##### BSC Objective (c)

- 4.4 It is also ELEXON's and the majority view of SVG that due to the costs, both in terms of implementation and longer-term running of two parallel arrangements (legacy and smart), that CP1388 would not better facilitate 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' due to the impact that this would have on smaller Suppliers and their MOAs.

- 4.5 ELEXON and the majority of SVG believe, however, that whilst there may still be issues for smaller participants under CP1395, it would better facilitate competition than the alternative of CP1388 or the 'no change' option.

## 5. Consequential changes

- 5.1 ELEXON has also identified, and the SVG discussed, potential future changes that could further impact how MTDs are exchanged or reduce the need to transfer MTD. As part of its Smarter Markets programme, Ofgem is reviewing potential reform options, which include centralised MTD, removing the transfer of MTD during the change of Supplier process and moving responsibility for validating readings from the NHHDC to the Supplier.
- 5.2 These reform options are under discussion by Ofgem's Change of Supplier Expert Group (CoSEG), which meets for the final time on Wednesday, 9 October before Ofgem consults on the reform options in quarter one 2014. ELEXON believes that any required change to the MTD transfer on change of Supplier arising from an Ofgem decision could be managed as an incremental change to CP1395. However, as implementation of CP1388 necessitates longer lead times such a change is likely be disruptive to its implementation. ELEXON believes a decision on CP1395 and CP1388 should not be deferred pending the conclusion of Ofgem's change of supplier work. ELEXON will keep the SVG and the Panel informed of these developments and will progress any consequential changes that may be required.

## 6. Recommendations

- 6.1 We invite the Panel to:
- a) **AGREE** that CP1388 and CP1395 would better facilitate Applicable BSC Objective (d);
  - b) **AGREE** that CP1388 would not better facilitate Applicable BSC Objective (c), and that CP1395 would better facilitate competition than no change or CP1388;
  - c) **APPROVE** CP1395 for implementation on 26 February 2015, as part of the February 2015 BSC Release;
  - d) **AGREE** with the CP1395 proposed amendments to BSCP504, BSCP514 and the SVA Data Catalogue volume 1; and
  - e) **REJECT** CP1388.

### List of Attachments:

Attachment A – SVG paper SVG152/09

Attachment B – SVG152 views on CP1388 and CP1395



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