Stage 04: Draft/Final Mod Report

What stage is this document at in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

P292: 'Amending Supplier & Meter Operator Agent responsibilities for smart Meter Technical Details'

This Modification Proposal seeks to enable changes to Supplier and Non-Half Hourly Meter Operator Agent responsibilities for smart Meter Technical Details proposed by the Department of Energy and Climate Change's Smart Metering Implementation Programme

Initially, the Panel recommends Approval of P292 'Amending Supplier & Meter Operator Agent responsibilities for smart Meter Technical Details'

High Impact:
Suppliers
Non-Half Hourly Meter Operator Agents

Medium Impact:
Non-Half Hourly Data Collectors
Licensed Distribution System Operator

Contents

About this document:

This document is a Draft Modification Report, which ELEXON will present to the Panel on 9 May 2013. The Panel will consider the recommendations, and agree a final view on whether or not this change should be made.

Any questions?

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1 Summary

Why Change?

The Department of Energy and Climate Change's (DECC) Smart Metering Implementation Programme (SMIP) under the Business Process design Group (BPDG) has proposed an operating model for smart Meter Technical Details (MTDs). This introduces a new principle whereby Suppliers will have direct responsibility for how smart Meters operate and will take responsibility for sending the MTD flows to all industry users in place of their appointed Meter Operator Agent (MOA). The MOA, however, will remain responsible for providing physical device details to the Supplier.

In order to implement this new principle, the BSC needs to be amended to reflect the new obligations on MOAs and Suppliers. Without these changes the principles developed by SMIP cannot be implemented and would be at odds with Suppliers' and Non-Half Hourly (NHH) MOAs' future responsibilities as being defined under DECC's SMIP operating model.

Furthermore the BSC amendments are a necessary precursor to the implementation of detailed solution requirements within the BSC. Without the relevant obligations on Suppliers and MOAs in the Code, the necessary changes cannot occur in the Code Subsidiary Documents (CSDs).

Solution

P292 proposes to amend:

- Section S to reflect that Suppliers are responsible for establishing and maintaining MTDs for smart NHH Metering Systems rather than MOAs; and
- Section X to include a definition of the Smart Metering Equipment Technical Specification (SMETS).

The draft legal text is contained in Attachment A.

Impacts & Costs

This Modification would impact Suppliers and NHHMOAs, whose responsibilities will change with respect to providing MTDs for smart Meters; and NHH Data Collectors (NHHDC) and Licensed Distribution System Operators (LDSO) as recipients of these MTDs. The estimated BSC Agent and ELEXON implementation cost is approximately £240 for managing the implementation project and make the changes to the BSC.

Implementation

The Panel's initial unanimous view is that P292 should be approved and implemented as part of the June 2014 BSC Systems Release.

The Case for Change

The Panel believes that this Modification would better facilitate Applicable BSC Objective (d).

Recommendations

The Panel's unanimous recommendation is that P292 should be approved.

What's the Issue?

The government's Smart Metering Implementation Programme's proposed operating model for smart MTDs amends the responsibilities of Suppliers and NHHMOA for smart Meters. Suppliers will have direct responsibility for how smart Meters operate and for sending the smart MTDs to industry users.

2 Why Change?

Background

The BDPG under DECC's SMIP has defined requirements in relation to smart metering[1] arrangements, which impact existing electricity and gas codes.

The SMIP has proposed an operating model for smart MTDs. MTDs are sets of data relating to the Metering Equipment installed at each customer premises. These data sets are currently maintained by an MOA and are distributed to the relevant Supplier, DC and LDSO for each Metering System to which the MOA is appointed. They are needed to allow recipient systems to accurately interpret and process Meter readings and so, in the case of the DC, impact the accuracy of Settlement.

Under the proposed SMIP operating model, Suppliers will have direct responsibility for how smart Meters operate and will take responsibility for sending the MTD flows to all industry users in place of their appointed MOA. The MOA, however, will remain responsible for providing physical device details to the Supplier.

The BDPG considered five options when setting out its preferred approach. The SMIP preferred "option 2" which introduced the new principle of Suppliers establishing and sending MTDs. This option also preferred to re-use existing flows, rather than creating new flows, in a bid to minimise change. However, when DECC passed the development of the solution to an industry workgroup they made it clear that they were happy for industry to develop a workable solution as long as it met the overall objectives for the SMIP. This provided the workgroup with more flexibility than other work streams, such as the registration-related work which was more tightly defined due to its direct link with the Data and Communications Company (DCC) procurement activity.

BSC-MRA Working Group

At the behest of DECC, ELEXON and Gemserv set up a joint BSC – Master Registration Agreement (MRA) working group with a remit of developing the operating model in more detail taking a holistic approach across the relevant electricity governance codes, namely the BSC and MRA.

The group approached this by developing the detailed solution before establishing what necessary Code changes were required to reflect the changes in responsibility and that would enable a detailed solution in the CSDs.

This group met seven times between 27 February 2012 and 12 February 2013 and issued a consultation on a high-level solution on 1 October 2012.

The consultation outlined the high level solution and providing a set of optional solution elements. The responses from the industry consultation included those from large, medium and small Suppliers; LDSOs, MOAs and DCs. Twelve out of nineteen respondents supported the overall high level proposal, but there was a diversity of views about some of the features of the solution. The complete set of responses can be found here.

What is the issue?

In order to implement the principles of the group's conclusions, of Suppliers establishing and sending MTDs, the BSC needs to be amended to reflect the new obligations on MOAs

[1] For the purposes of P292, smart Meters will be defined as any Meters that comply with the Smart Metering Equipment Technical Specification (SMETS).

and Suppliers. Without these changes the principles developed by SMIP cannot be implemented.

Detailed Solution within Code Subsidiary Documents

Furthermore, the BSC amendments are a necessary precursor to the implementation of any detailed solution requirements within the BSC. Without the relevant obligations on Suppliers and MOAs in the Code, the necessary changes cannot occur in the CSDs.

Whilst considering the consolation responses and industry opinion, the BSC-MRA Working Group considered a number of different options of how best to implement the necessary changes. Similar to the responses received on the consultation, views in the group were also diverse on how to deliver key features of the solution. It was clear to the group that any solution created would not satisfy all Parties due to the nature of the diverse and opposing views. Therefore, the group agreed a solution which consisted of those features for which there was majority support; acknowledging that whilst not everyone agreed with all aspects of the solution, it was a sensible compromise and a pragmatic thing to do. As such, ELEXON raised CP1388 'Meter Technical Details for Smart Meters'.

Whilst the group only took forward a single detailed solution proposed for inclusion in the CSDs, there are those that would prefer different solutions. At the time of this report, no other CPs have been raised.

This Modification enables any detailed solution, not just CP1388, to be implemented that reflects the change in responsibilities where the Supplier will be responsible for establishing and sending MTDs for smart Meters, providing the 'hook' to the Code to enable a detailed solution to be incorporated into the CSDs.

3 Solution

Proposed Solution

The MOA responsibilities for maintaining and distributing MTDs are set out in BSC Section S2.2 'Meter Operator Agents'. P292 proposes to amend:

- Section S to reflect that Suppliers are responsible for establishing and maintaining MTDs for smart NHH Metering Systems rather than MOAs; and
- Section X to include a definition of the Smart Metering Equipment Technical Specification.

The draft legal text is contained in Attachment A.

Question
Do you agree that the draft legal text, in Attachment A, delivers the intention of P292?

As noted above, the implementation of P292 would not mean that the detailed requirements captured in CP1388 would be approved. It does however mean that CP1388 could be approved, as could any solution that introduces detailed requirements into the CSDs that reflect the key principles being introduced by P292.

4 Impacts & Costs

Impact on BSC Parties and Party Agents
Suppliers – change of responsibilities
Non-Half Hourly Meter Operator Agents – change of responsibilities and managing two parallel processes (smart and legacy NHH)
Non-Half Hourly Data Collectors – change in sender of MTDs will impact on this role as the recipient
Licensed Distribution System Operator – change in sender of MTDs will impact on this role as the recipient

Impact on Transmission Company
None

Impact on ELEXON	
ELEXON effort	ELEXON would manage the implementation project and make the changes to the BSC - 1 man day, equating to approximately £240

Impact on Code	
Code section	Potential impact
Section S	Changes will be required to implement the solution. The proposed changes can be found in Attachment A.
Section S – Annex S-2	Changes will be required to implement the solution. The proposed changes can be found in Attachment A.
Section X – Annex X-1	Changes will be required to implement the solution The proposed changes can be found in Attachment A.

Impact on Code Subsidiary Documents
None – Will be covered under CP1388 or any alternatives CPs

Impact on Core Industry Documents and other documents
None

5 Implementation

Implementation approach

Implementation of P292 would require only minimal changes to the BSC. However, the detailed amendments to the CSDs may require significant changes and development of participants' systems and processes. The Panel agree with the Proposer and ELEXON's view that P292 should be implemented in parallel alongside any CP that delivers the detailed requirements as part of the June 2014 BSC Systems Release.

Question
Do you agree with the Panel's suggested Implementation Date?

6 The Case for Change

Justification against the Applicable BSC Objectives

The Panel unanimously agreed that P292 would better facilitate the achievement of **Applicable BSC Objective (d)** 'promoting efficiency in the implementation of the balancing and settlement arrangements'.

This is to enable Suppliers and NHHMOAs to fulfil their future responsibilities as is being defined under DECC's SMIP operating model.

Question
Do you agree with the Panel's view that P292 better facilitates the achievement of BSC Objective (d)?

7 Panel Initial Discussions

Direct to Report Phase

The Panel noted that the SMIP considered a number of options, but that the concept of the Supplier establishing and providing MTDs for smart Meters to other parties was the preferred choice. The Panel also noted that the SEC will establish that the Supplier will be responsible for the configuration of smart Meters using a gateway to the Meter through the DCC, and as such the Supplier was best placed for being responsible for the MTDs.

The Panel therefore agreed that introducing the high level key principle of Suppliers responsibility for smart MTDs into the Code would not benefit from a workgroup assessment, and that P292 should proceed directly to the Report Phase as the solution aligns the Code with the changes in responsibility reflected by the SMIP operating plan for smart Meters.

However, the Panel asked that P292 be presented to its May 2013 meeting rather than April. It felt that this would highlight the smart issues being progressed to the industry and provide sufficient time for any Parties to raise an alternative solution to CP1388 (see below) for the Panel to consider.

CP1388

The Panel noted that P292 references CP1388. CP1388 was the BSC-MRA Working Group's preferred solution to introduce the necessary detailed requirements into the CSDs, should

What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(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

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

P292 be approved. ELEXON clarified that approval of P292 does not automatically introduce the CP1388 requirements and merely enables 'a hook' in the Code for any detailed requirements to be introduced through a CP.

The Panel noted that it would be asked to make a decision on CP1388 at a later meeting once a decision on P292 had been determined. It agreed that due to the diverse and opposing views on the detailed solution, and the SVG's recommendation by majority for the Panel to reject CP1388, more time should be allowed for an alternative to CP1388 to be raised.

ELEXON intend to present CP1388 to the June 2013 or July 2013 Panel meeting, depending on the progression of P292.

Self-Governance Criteria

The majority of the Panel believed that although the Code changes were minor, they reflected a change to process and on Party obligations and as such should not be progressed as a self-governance modification.

One Panel member stated that they were unsure of the materiality that such a change would bring and was therefore unsure as to whether or not P292 should be progressed under the self-governance process.

Question
Do you agree with the Panel's view that the Proposed Modification shouldn't be progressed as a self-governance modification?

8 Recommendations

Having considered the P292 IWA, the Panel provisionally recommends:

- That Proposed Modification P292 should be made;
- A Provisional Implementation Date for Proposed Modification P292 of 26 June 2014; and
- The proposed text for modifying the Code.

Question
Do you agree with the Panel's views that the Proposed Modification should be approved?

9 Further Information

More information is available in:

Attachment **A**: Proposed Legal Text

Attachment **B**: Report Phase Consultation Questions

All P292 documentation can be found on the P292 page of the ELEXON website.