

## Cleansing Negative EACs (CP1401) – Implementation Guide

Change Proposal CP1401 'Replace residual negative EACs for pre-RF Settlement Days without affecting post-RF data' was implemented on 27 February as part of the February 2014 BSC release. This implementation guide is aimed at Suppliers, Non Half Hourly Data Aggregators (NHHDA) and Non Half Hourly Data Collectors (NHHDC). It provides information on the timescales for cleansing negative Estimated Annual Consumption (EAC) values and seeks to answer questions that are likely to arise.

### About CP1401

Negative Annualised Advance (AA) values usually arise from the deemed reading process e.g. use of Gross Volume Correction (GVC), deeming on Change of Supplier or deeming at the Reconciliation Final (RF) Run because a Meter Advance Period is greater than 14 months. Negative AAs, in turn, may result in negative EAC values. Whilst not desirable, negative AAs are an acceptable feature of the Settlement processes, given that they usually compensate for previous AAs which over-accounted for energy. However, negative EACs represent a known Settlement inaccuracy from which some Suppliers are benefitting through Grid Supply Point (GSP) Group Correction at the expense of Suppliers with fewer or lower value negatives.

**CP1311 'Replacing erroneous forward looking EACs'** was implemented in June 2010. This amended the EAC/AA system such that any new negative EACs were replaced by positive Default EACs (a GSP Group Profile Class Default EAC multiplied by an Average Fraction of Yearly Consumption). CP1311 did not affect any negative EACs created before its implementation in June 2010, so the negative EACs that remain are all long-standing.

We carried out some analysis in December 2012 which showed an estimated 39,000 negative EACs remaining in Settlement. These instances account for about 170GWh of energy, equating to £8.3m when multiplied by the current Credit Assessment Price (CAP) of £49/MWh.

**CP1401** introduced a requirement for NHHDAs to identify all residual negative EACs that are still being settled (included in aggregation runs). It also introduced an obligation on NHHDCs to replace these with Default EACs with Effective From Settlement Dates that have not yet been subject to an RF Run, by deeming a read at RF.

NHHDAs have been issued with a PL/SQL script which will identify any negative EAC values which are still being used in Settlement.

## Your Questions Answered

### What are the timescales for cleansing negative EACs?

The implementation timetable for CP1401 is shown below.

WHO	WHEN	WHAT
ELEXON	27 Feb 2014	Make NHHDA scripts available on the ELEXON Portal.
NHHDA	By 1 May 2014	NHHDA can download the scripts from the ELEXON Portal and run their own tests (as required).
ELEXON	1 May 2014	Issue request to NHHDA to run the scripts.
NHHDA	By 16 May 2014	NHHDA will have <b>10 working days</b> to run the scripts and provide the output files to the relevant Suppliers.
SUPPLIER	By 23 May 2014	Suppliers will have <b>five working days</b> from receipt of the files, to distribute them to the relevant NHHDC (so a Supplier will have until 23 May, if files are not received until the NHHDA deadline of 16 May).
NHHDC	By 18 August 2014	NHHDC will have <b>sixty working days</b> to process the negative EACs in their reports. This will involve deeming Meter readings at RF using the negative EAC, calculating a revised negative AA and replacing the forward negative EAC with a Default EAC.
ELEXON	September 2014	Depending on feedback from NHHDCs, ELEXON may ask all (or selected) NHHDA to re-run the script to check that all relevant negative EACs have been cleansed.

### What date should NHHDA use when running the script?

NHHDA should use the date of the latest RF Run on the date the script is run. We will notify NHHDA of these dates when we send out the request to run the script on 1 May.

### Will all negative EACs be reported?

No. The script will only select negative EACs that are expected to be included in aggregation runs. If the NHHDA was de-appointed more than 14 months ago, the EAC will not be reported. Similarly, if the negative EAC has been superseded by an AA or a later positive EAC, the negative EAC will not be reported. The script will take into account negative EACs superseded by AAs or positive EACs from NHHDCs with later appointments within the same Supplier Registration.

### Will negative EACs be reported for de-energised Metering Systems?

Yes. Negative EACs will be reported for de-energised Metering Systems (whether in the NHHDC view, Supplier Meter Registration Service (SMRS) view or both). Negative EACs will be excluded from aggregation where the SMRS-view is de-energised, so there is no obligation under CP1401 to cleanse these EACs. However, NHHDCs may choose to do so. This will prevent them being re-instated, if the Metering System is re-energised and no reading is processed, and will prevent future validation issues. If an NHHDA believes that some or all negative EACs are not impacting Settlement as a result of the Metering System being de-energised in the SMRS view (which can be confirmed by the 'Aggregation Audit Log' (L0038)), they should notify the relevant Suppliers when sending the files. Suppliers should then notify the NHHDC. In most cases the NHHDC and NHHDA will be the same organisation, so the NHHDC will have access to the (SMRS-view) Energisation Status in NHHDA.

## **Will Suppliers and NHHDCs receive reports if they have no negative EACs?**

Yes. Suppliers and NHHDCs should receive 'null' reports, even if they have no negative EACs. This will act as a completeness check. If no reports are received, this would indicate a communications breakdown and should be reported to the NHHDA or Supplier as appropriate.

## **If there has been a change of NHHDC, which NHHDC will the EAC be reported to?**

Negative EACs will be reported to the latest appointed NHHDC within the Supplier registration.

## **As both an NHHDC and NHHDA, Do we have to send the output files via the Supplier?**

Yes, Suppliers need to have a view of how many negative EACs are still being settled in relation to their Ids so that they can assess the impact of their removal. It would be advisable for NHHDCs to wait to receive files from the Supplier, even if they have generated them in their capacity as NHHDA. However, this could be varied by agreement with the Supplier.

## **As an NHHDC, what do we need to do with the report?**

For each negative EAC reported, you need to deem a reading **in the 'RF Window'** (see below). You should determine the reading using a Deemed Meter Advance for the period between the last valid reading and a date within the 'RF Window'. You should calculate the Deemed Meter Advance using the negative EAC. You should then use the Deemed Meter Advance to calculate an AA and forward EAC. The AA will have the same value as the negative EAC, so will prevent changes to data in the 'Crystallised Period' (i.e. the range of Settlement Dates for which RF Runs have already taken place and for which data cannot be amended unless subject to an upheld Trading Dispute). The EAC/AA system will replace the negative forward EAC with a positive Default EAC. This process is very similar to the GVC process.

## **What process should be followed for de-energised sites?**

The replacement of negative EACs is optional for Metering Systems that are de-energised according to the SMRS view in NHHDA. No energy will have been settled at RF while the Metering System was de-energised. So a zero advance should be submitted for the EAC/AA calculation. Or a Default EAC (with an effective date **in the 'RF Window'**). The latter may be more practical where the Meter has been removed.

## **What is the 'RF window'?**

This is the window of time between five and 20 working days before the RF Run being carried out for a particular Settlement Day. The window allows time for the deemed reading and its associated EAC to be processed by the NHHDC, NHHDA and the Supplier Volume Allocation Agent (SVAA) without changing data for Settlement Dates in the Crystallised Period.

## **Some of the negative EACs have been effective for several years. How do we deal with Meter Advance Periods of longer than two years?**

The NHHDC may need to perform more than one Deemed Meter Advance calculation and more than one EAC/AA calculation per Metering System. Each of these calculations should use the negative EAC to prevent changes to crystallised data. So even though the EAC/AA system will replace a negative EAC by a Default EAC, the Default EAC should be replaced by the original negative EAC. This should be repeated for all interim calculations. For the final calculation, (i.e. where a reading is deemed close to the date of the latest RF run), the positive Default EAC value calculated by the EAC/AA system should be left in place.

## As an NHHDC, what do we need to do send to the NHHDA?

The Default EAC should be sent to the NHHDA. The negative AA(s) created by the process does not need to be sent to the NHHDA, but can be sent if the NHHDC system is designed to always send AA/EAC pairs. If no Dispute Final (DF) Run is carried out, the negative AA will not be used. If a DF Run is carried out, the negative AA should have the same value as the negative EAC it replaced, so there will be no change to data in the Crystallised Period.

NHHDCs should pay particular attention to any Failed Instructions (D0023) generated as a result of **negative EAC cleansing**, as these indicate that the negative EAC hasn't been replaced in the NHHDA database.

## What happens if there is a change of NHHDA or a reading is processed after the script has been run?

Suppliers have five working days to distribute the NHHDA reports and NHHDCs have 60 working days to replace negative EACs. During this period there may have been a change of circumstances, such as a change of NHHDA or processing of a reading, which means that the negative EAC is no longer impacting Settlement. NHHDCs do not need to use the EAC replacement process, if they can establish with a reasonable degree of certainty that the EAC will no longer impact Settlement. There is, of course, no harm in replacing all negative EACs, whether they are having an impact on Settlement or not, so long as the deeming process is used.

## Will this impact Supplier performance against PARMS Serial SP08a?

Yes it will. PARMS serial SP08a<sup>1</sup> is calculated by dividing a Supplier's AA volumes by the total NHH volumes (i.e. AAs plus EACs). Negative EACs will have the effect of artificially flattering a Supplier's performance against this serial. Removing the negative EACs will mean that future SP08a values will be a truer representation of actual performance. However, Suppliers with large volumes of negative EACs will notice a drop in their SP08a performance. If Suppliers have rectification plans to improve SP08a, we recommend that they revisit these plans in the light of the reports from the NHHDA.

## Is this a 'one-off' exercise?

In all likelihood, yes. If the data cleanse is successful all residual negative EACs impacting Settlement should be replaced. CP1311 prevented new negative EACs being generated by the EAC/AA system (though there is a small possibility that they could be created outside the EAC/AA system or become active again due to an NHHDA re-appointment or the withdrawal of subsequent EAC/AAs). If any evidence arises of negative EACs we may repeat the exercise, but hopefully this will not be needed. BSCP504<sup>2</sup> allows for the possibility of a re-run with reduced timescales of 10 working days for NHHDCs to replace negatives.

## Where are the requirements set out?

You can find the NHHDA and Supplier obligations in BSCP505<sup>3</sup> 1.6.2 and the NHHDC obligations in BSCP504 3.3.11.3, 3.4.2.2 and 4.5.2 r.

---

<sup>1</sup> Serial SP08 is 'Energy and Metering Systems on Annual Advances and Actual Readings at Each Volume Allocation Run'. SP08a applies to NHH Metering Systems.

<sup>2</sup> Non-Half Hourly Data Collection for SVA Metering Systems Registered in SMRS

<sup>3</sup> Non-Half Hourly Data Aggregation for SVA Metering Systems Registered in SMRS

## Contact Details

In order for NHHDA's to send the script output files to the relevant contacts within Supplier organisations, we would like all Suppliers to provide us with the email address that you would like NHHDA's to use. We will collate these addresses and send them in confidence to all NHHDA's.

Similarly, for Suppliers to forward the output files to the relevant contacts within NHHDC organisations, we would like all NHHDC's to provide us with the email address that you would like Suppliers to use. We will collate these addresses and send them in confidence to all Suppliers.

Please can Suppliers and NHHDC's send the email addresses they wish to use for this exercise to [jon.spence@elexon.co.uk](mailto:jon.spence@elexon.co.uk) by no later than **Wednesday 16 April 2014**.

## Need more information?

For more information please contact **Jon Spence** at [jon.spence@elexon.co.uk](mailto:jon.spence@elexon.co.uk) or call **020 7380 4313**.

## Further Information

For any other information please contact the **BSC Service Desk** at [bscservicedesk@cgi.com](mailto:bscservicedesk@cgi.com) or call **0870 010 6950**.

### Intellectual Property Rights, Copyright and Disclaimer

The copyright and other intellectual property rights in this document are vested in ELEXON or appear with the consent of the copyright owner. These materials are made available for you for the purposes of your participation in the electricity industry. If you have an interest in the electricity industry, you may view, download, copy, distribute, modify, transmit, publish, sell or create derivative works (in whatever format) from this document or in other cases use for personal academic or other non-commercial purposes. All copyright and other proprietary notices contained in the document must be retained on any copy you make.

All other rights of the copyright owner not expressly dealt with above are reserved.

No representation, warranty or guarantee is made that the information in this document is accurate or complete. While care is taken in the collection and provision of this information, ELEXON Limited shall not be liable for any errors, omissions, misstatements or mistakes in any information or damages resulting from the use of this information or action taken in reliance on it.